Prospectus
Dated: August 17, 2017

QUESS CORP LIMITED

Registered & Corporate Office: 3/3/2, Bellandur Gate, Sarjapur Main Road, Bengaluru 560 103, Karnataka, India
Tel: +91 80 6105 6000; Fax: +91 80 6105 6406
Contact Person: Sudershan Pallap, Company Secretary and Compliance Officer
Email: sudershan.p@quesscorp.com; **Website:** www.quesscorp.com
(Incorporated on September 19, 2007 in the Republic of India with limited liability with Corporate Identity Number (L74140KA2007PLC043909) under the Companies Act, 1956)

Issue of 10,924,029 equity shares# of face value ₹10 each (the "**Equity Shares**") of Quess Corp Limited (the "**Company**") at a price of ₹800 per Equity Share (the "**Issue Price**"), aggregating to ₹8,739.22 million# (the "**Issue**").

THIS ISSUE AND THE DISTRIBUTION OF THIS PROSPECTUS (THE "PROSPECTUS") IS BEING MADE IN RELIANCE ON CHAPTER VIII-A OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED (THE "SEBI REGULATIONS"). THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER OR INVITATION OR SOLICITATION OF AN OFFER TO ANY PERSON OR CLASS OF INVESTORS OTHER THAN QUALIFIED INSTITUTIONAL BUYERS ("QIBS") WITHIN OR OUTSIDE INDIA.

#*Subject to finalization of Basis of Allocation. The exact number of Equity Shares to be issued pursuant to the Issue may be required to be adjusted depending on, inter alia, the actual number of Equity Shares Allotted upon finalization of the Basis of Allocation.*

ISSUE ONLY TO QUALIFIED INSTITUTIONAL BUYERS

The Issue is being made through the Institutional Placement Programme, wherein at least 25% of the aggregate number of Equity Shares to be Allotted in the Issue shall be Allocated and Allotted to Mutual Funds (as defined hereinafter) and Insurance Companies (as defined hereinafter), subject to valid ASBA Applications (as defined hereinafter) being received at or above the Issue Price, provided that if this portion or any part thereof to be Allotted to Mutual Funds and Insurance Companies remains unsubscribed, such minimum portion or part thereof may be Allotted to other QIBs. QIBs may participate in this Issue only through an application supported by blocked amount ("**ASBA**") providing details about the ASBA Account (as defined hereinafter) which will be blocked by the Self Certified Syndicate Bank. For details, see "*Issue Procedure*" on page 213.

This Prospectus has not been reviewed or approved by the Securities and Exchange Board of India (the "**SEBI**"), the Reserve Bank of India ("**RBI**"), The National Stock Exchange of India Limited (the "**NSE**"), the BSE Limited (the "**BSE**", together with the NSE the "**Stock Exchanges**") and is intended only for use by QIBs. A copy of the Red Herring Prospectus has been delivered to the Stock Exchanges and SEBI and registered with the Registrar of Companies, Bangalore (the "**RoC**"). Copies of this Prospectus have been delivered to the RoC for registration and have been filed with the Stock Exchanges and SEBI. This Prospectus will only be circulated or distributed to QIBs, and will not constitute an offer to any other class of investors in India or any other jurisdiction. The Equity Shares offered in the Issue have not been recommended or approved by SEBI, nor does SEBI guarantee the accuracy or adequacy of the Red Herring Prospectus and this Prospectus.

The Equity Shares of the Company are listed and traded on the BSE and the NSE. The Equity Shares offered in the Issue are securities of the Company of the same class and in all respects uniform as the Equity Shares listed and traded on the Stock Exchanges. In-principle approvals under Regulation 28 of the SEBI Listing Regulations for listing of the Equity Shares offered in the Issue have been received from the BSE and NSE on August 7, 2017. Applications will be made to the Stock Exchanges for obtaining listing and trading approvals for the Equity Shares offered through the Red Herring Prospectus and this Prospectus. The Stock Exchanges assume no responsibility for the correctness of any statements made, opinions expressed or reports contained herein. Admission of the Equity Shares offered in the Issue to trading on the Stock Exchanges should not be taken as an indication of the merits of the business of the Company or such Equity Shares.

INVESTMENTS IN EQUITY SHARES INVOLVE A DEGREE OF RISK AND PROSPECTIVE INVESTORS SHOULD NOT INVEST IN THIS ISSUE UNLESS THEY ARE PREPARED TO TAKE THE RISK OF LOSING ALL OR PART OF THEIR INVESTMENT. PROSPECTIVE INVESTORS ARE ADVISED TO CAREFULLY READ "RISK FACTORS" ON PAGE 41 BEFORE MAKING AN INVESTMENT DECISION IN THIS ISSUE. EACH PROSPECTIVE INVESTOR IS ADVISED TO CONSULT ITS OWN ADVISORS ABOUT THE PARTICULAR CONSEQUENCES OF AN INVESTMENT IN THE EQUITY SHARES BEING ISSUED PURSUANT TO THE RED HERRING PROSPECTUS AND THIS PROSPECTUS.

Invitations, offers and issuances of Equity Shares offered in the Issue shall only be made pursuant to the Red Herring Prospectus, this Prospectus together with the ASBA Applications and Confirmation of Allocation Notes. Please see "*Issue Procedure*" on page 213. The distribution of this Prospectus or the disclosure of its contents without the prior consent of the Company to any person, other than QIBs and persons retained by QIBs to advise them with respect to their subscription of the Equity Shares offered in the Issue is unauthorised and prohibited. Each prospective investor, by accepting delivery of this Prospectus, agrees to observe the foregoing restrictions and make no copies of this Prospectus or any documents referred to in this Prospectus.

The information on the website of the Company or any website directly or indirectly linked to the website of the Company, other than the Red Herring Prospectus and this Prospectus does not form part of the Red Herring Prospectus and this Prospectus and prospective investors should not rely on such information contained in, or available through, any such website.

The Equity Shares are being issued under the institutional placement programme and that the offer is being made only to the QIBs.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") or any other applicable state securities laws of the United States and, unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. The Equity Shares are being offered and sold (a) in the United States only to persons who are reasonably believed to be qualified institutional buyers (as defined in Rule 144A under the U.S. Securities Act ("Rule 144A")) ("U.S. QIB") pursuant to Section 4(a)(2) or another available exemption from registration under the U.S. Securities Act; for avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Prospectus as "QIBs" and (b) outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act ("Regulation S") and the applicable laws of the jurisdiction where those offers and sales are made. For further information, see section titled "*Selling Restrictions*" on page 233 and "*Purchaser Representations and Transfer Restrictions*" on page 242.

BOOK RUNNING LEAD MANAGERS			REGISTRAR TO THE ISSUE
Axis Capital Limited 1st Floor, Axis House C-2, Wadia International Centre Pandurang Budhkar Marg, Worli Mumbai 400 025 Tel: +91 22 4325 2183 Fax: +91 22 4325 3000 Email: quess.ipp@axiscap.in Website: www.axiscapital.co.in Contact Person: Lohit Sharma SEBI Registration Number: INM000012029	**ICICI Securities Limited** ICICI Centre H.T. Parekh Marg Churchgate Mumbai 400 020 Maharashtra, India Tel: +91 22 2288 2460 Fax: +91 22 2282 6580 E-mail: quess.ipp2017@icicisecurities.com Website: www.icicisecurities.com Contact Person: Anurag Byas SEBI Registration Number: INM00001179	**IIFL Holdings Limited##** 10th Floor, IIFL Centre Kamala City Senapati Bapat Marg Lower Parel (West) Mumbai 400 013 Maharashtra, India Tel: +91 22 4646 4600 Fax: +91 22 2493 1073 E-mail: quess.ipp@iiflcap.com Website: www.iiflcap.com Contact Person: Sachin Kapoor and Kunur Bavishi SEBI Registration Number: INM000010940	**Link Intime India Private Limited** C-101,1st Floor, 247Park, L.B.S. Marg Vikhroli (West) Mumbai 400 083 Maharashtra, India Tel: +91 22 4918 6200 Fax: +91 22 4918 6195 Email: qc.ipp@linkintime.co.in Website: www.linkintime.co.in Contact Person: Shanti Gopalkrishnan SEBI Registration Number: INR000004058

ISSUE PROGRAMME*	
BID/ISSUE OPENED ON: AUGUST 14 , 2017	**BID/ISSUE CLOSED ON: AUGUST 14, 2017**

* *Details of the Issue programme were disclosed in the Floor Price / Price Band Announcement issued at least one day prior to the Issue Opening Date.*

Chandran Ratnaswami is a director on the board of our Company and IIFL Holdings Limited, Further, Fairfax Financial Holdings Limited indirectly holds equity shares of IIFL Holdings Limited and our Company. Hence, in compliance with the proviso to Regulation 21A(1) of the SEBI Merchant Bankers Regulations, read with the proviso to Regulation 5(3) of the SEBI Regulations, IIFL Holdings Limited will be involved only in marketing of the Issue

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NOTICE TO INVESTORS

The Company has furnished and accepts full responsibility for all of the information contained in this Prospectus and, having made all reasonable enquiries confirms that, this Prospectus contains all information with respect to the Company, the Subsidiaries, the Associates and the Joint Venture and the Equity Shares offered in the Issue that is material in the context of the Issue. The statements contained in this Prospectus relating to the Company and the Equity Shares are, in every material respect, true and accurate and not misleading. The opinions and intentions expressed in this Prospectus with regard to the Company, the Subsidiaries, the Associates and the Joint Venture and the Equity Shares are honestly held, have been reached after considering all relevant circumstances, are based on information presently available to the Company and are based on reasonable assumptions. There are no other facts in relation to the Company and the Equity Shares, the omission of which would, in the context of the Issue, make any statement in this Prospectus misleading in any material respect. Further, all reasonable enquiries have been made by the Company to ascertain such facts and to verify the accuracy of all such information and statements.

No person is authorised to give any information or to make any representation not contained in this Prospectus and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of the Company or Axis Capital Limited, ICICI Securities Limited and IIFL Holdings Limited (the "**Book Running Lead Managers**") or the Syndicate Member. The delivery of this Prospectus at any time does not imply that the information contained in it is correct as of any time subsequent to its date.

The Equity Shares issued pursuant to the Issue have not been approved, disapproved or recommended by any regulatory authority in any jurisdiction, including the U.S. Securities and Exchange Commission, any other federal or state securities authorities in the United States, the securities authorities of any non-U.S. jurisdiction and any other U.S. or non-U.S. regulatory authority. No authority has passed on or endorsed the merits of this Issue or the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offence in the United States and may be a criminal offence in other jurisdictions.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any other applicable state securities laws of the United States and, unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. The Equity Shares are being offered and sold (a) in the United States only to persons who are reasonably believed to be U.S. QIBs pursuant to Section 4(a)(2) or another available exemption from registration under the U.S. Securities Act; for avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Prospectus as "QIBs" and (b) outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act ("**Regulation S**") and the applicable laws of the jurisdiction where those offers and sales are made.

The distribution of this Prospectus and the Issue may be restricted by law in certain countries or jurisdictions. As such, this Prospectus does not constitute, and may not be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised, or to any person to whom it is unlawful to make such offer or solicitation. In particular, no action has been taken by the Company or the Book Running Lead Managers which would permit an offering of the Equity Shares offered in the Issue or distribution of this Prospectus in any country or jurisdiction, other than India, where action for that purpose is required. Accordingly, the Equity Shares to be issued pursuant to the Issue may not be offered or sold, directly or indirectly, and neither this Prospectus nor any Issue materials in connection with the Equity Shares offered in the Issue may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction.

The Red Herring Prospectus has been filed with SEBI and the Stock Exchanges and registered with the RoC. This Prospectus has been filed with SEBI and the Stock Exchanges and delivered to the RoC for registration. The Red Herring Prospectus and this Prospectus has been displayed on the websites of the Stock Exchanges and the Company stating that it is in connection with the Institutional Placement Programme and that the Issue is being made only to QIBs.

In making an investment decision, investors must rely on their own examination of the Company and the terms of the Issue, including the merits and risks involved. Investors should not construe the contents of this Prospectus as legal, tax, accounting or investment advice. Investors should consult their own counsel and advisors as to business, legal, tax, accounting and related matters concerning the Issue. In addition, none of the Company, the Book Running Lead Managers or the Syndicate Member are making any representation to any offeree or subscriber of the Equity Shares offered in the Issue regarding the legality of an investment in such Equity Shares by such subscriber or purchaser under applicable laws or regulations.

Each QIB subscribing to the Equity Shares offered in the Issue is deemed to have acknowledged, represented and agreed that it is eligible to invest in India and in the Company under Indian law, including Chapter VIII-A of the SEBI Regulations, and is not prohibited by SEBI or any other statutory authority from buying, subscribing to, selling or dealing in securities.

The information on the Company's website, except the Red Herring Prospectus and this Prospectus, or the website of the Book Running Lead Managers does not constitute nor form part of the Red Herring Prospectus and this Prospectus. Prospective investors should not rely on the information contained in, or available through such websites, except the Red Herring Prospectus or this Prospectus. This Prospectus contains summaries of terms of certain documents, which are qualified in their entirety by the terms and conditions of such documents.

NOTICE TO INVESTORS IN THE UNITED STATES

The Equity Shares have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Prospectus. Any representation to the contrary is a criminal offence in the United States.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any other applicable state securities laws of the United States and, unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. The Equity Shares are being offered and sold (a) in the United States only to persons who are reasonably believed to be U.S. QIBs pursuant to Section 4(a)(2) or another available exemption from registration under the U.S. Securities Act; for avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Prospectus as "QIBs" and (b) outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act ("Regulation S") and the applicable laws of the jurisdiction where those offers and sales are made. For further information, see section titled "*Selling Restrictions*" on page 233 and "*Purchaser Representations and Transfer Restrictions*" on page 242. Purchasers in the U.S. Issue will be required to make the various representations set forth in the ASBA Application, which are also included in this Prospectus under the heading "*Purchaser Representations and Transfer Restrictions – U.S. Issue Purchaser Representations and Transfer Restrictions*" on page 242 of this Prospectus.

Each purchaser of Equity Shares that is located within the United States will be deemed to have represented and warranted, among other things, that such purchaser (i) is a U.S. QIB; and (ii) will only reoffer, resell, pledge or otherwise transfer the Equity Shares in an "offshore transaction" in accordance with Rule 903 or Rule 904 of Regulation S or in a transaction otherwise exempt from the registration requirements of the U.S. Securities Act. Each other purchaser of Equity Shares will be required to represent and agree, among other things, that such purchaser is acquiring the Equity Shares issued pursuant to the Issue in an "offshore transaction" in accordance with Regulation S.

This Prospectus is being furnished on a confidential basis solely for the purpose of enabling a prospective investor to consider subscribing for the particular securities described herein. The information contained in this Prospectus has been provided by the Company and other sources identified herein.

Distribution of this Prospectus to any person other than the offeree specified by the Book Running Lead Managers or their representatives, and those persons, if any, retained to advise such offeree with respect thereto, is unauthorized, and any disclosure of its contents, without prior written consent of the Company, is prohibited.

Any reproduction or distribution of this Prospectus in the United States, in whole or in part, and any disclosure of its contents to any other person is prohibited.

CERTAIN UNITED STATES MATTERS

THE EQUITY SHARES OFFERED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OR ANY OTHER APPLICABLE STATE SECURITIES LAWS OF THE UNITED STATES AND, UNLESS SO REGISTERED, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. ACCORDINGLY, THE EQUITY SHARES ARE BEING OFFERED AND SOLD (A) IN THE UNITED STATES ONLY TO PERSONS WHO ARE QUALIFIED INSTITUTIONAL BUYERS (AS DEFINED IN RULE 144A UNDER THE U.S. SECURITIES ACT AND REFERRED TO IN THIS PROSPECTUS AS "U.S. QIBs") (FOR THE AVOIDANCE OF DOUBT, THE TERM U.S. QIB DOES NOT REFER TO A CATEGORY OF INSTITUTIONAL INVESTOR DEFINED UNDER APPLICABLE INDIAN REGULATIONS AND REFERRED TO IN THIS PROSPECTUS AS QIBS OR QUALIFIED INSTITUTIONAL BUYERS) PURSUANT TO SECTION 4(a)(2) UNDER THE U.S. SECURITIES ACT, AND (B) OUTSIDE THE UNITED STATES IN OFFSHORE TRANSACTIONS IN RELIANCE ON REGULATION S UNDER THE U.S. SECURITIES ACT AND THE APPLICABLE LAWS OF THE JURISDICTION WHERE THOSE OFFERS AND SALES ARE MADE. FOR A DESCRIPTION OF CERTAIN RESTRICTIONS ON TRANSFER OF THE EQUITY SHARES, SEE "PURCHASER REPRESENTATIONs AND TRANSFER RESTRICTIONS".

THE SECURITIES OFFERED HEREBY HAVE NOT BEEN REGISTERED WITH, OR APPROVED OR DISAPPROVED BY, THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION (THE "SEC") OR ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER UNITED STATES REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT PASSED ON OR ENDORSED THE MERITS OF THE OFFERING OR THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE IN THE UNITED STATES.

NOTICE TO INVESTORS IN CERTAIN OTHER JURISDICTIONS

For information to investors in certain other jurisdictions, see "***Selling Restrictions***" and " ***Purchaser Representations and Transfer Restrictions***".

REPRESENTATIONS BY INVESTORS

By subscribing to any Equity Shares offered in the Issue, you are deemed to have represented, warranted, acknowledged and agreed to the Company, the Book Running Lead Managers and the Syndicate Member, as follows:

- You are a QIB (hereinafter defined), having a valid and existing registration under applicable laws and regulations of India, and undertake to acquire, hold, manage or dispose of any Equity Shares offered in the Issue that are Allotted to you in accordance with Chapter VIII-A of the SEBI Regulations;

- You are eligible to invest in India under applicable law, including the FEMA Regulations, and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by SEBI or any other regulatory authority, from buying, selling or dealing in securities;

- If you are not a resident of India, but are a QIB, you are a FPI, having a valid and existing registration with SEBI under the applicable laws in India and are eligible to invest in India under applicable law, including the FEMA Regulations, and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by SEBI or any other regulatory authority, from buying, selling or dealing in securities;

- You will make all necessary filings with appropriate regulatory authorities, including RBI, as required pursuant to applicable laws;

- If you are Allotted the Equity Shares pursuant to the Issue, you shall not, for a period of one year from the date of Allotment, sell such Equity Shares so acquired except on the Stock Exchanges;

- You are aware that the Red Herring Prospectus and this Prospectus has not been reviewed, verified or affirmed by SEBI, RBI, the Stock Exchanges or any other regulatory or listing authority, and has only been filed with the RoC pursuant to the applicable provisions of the Companies Act, and is intended only for use by QIBs;

- You are entitled to subscribe for the Equity Shares offered in the Issue under the laws of all relevant jurisdictions that apply to you and you have necessary capacity, have obtained all necessary consents, governmental or otherwise, and authorisations and complied with all necessary formalities, to enable you to commit to participation in the Issue and to perform your obligations in relation thereto (including, without limitation, in the case of any person on whose behalf you are acting, all necessary consents and authorisations to agree to the terms set out or referred to in the Red Herring Prospectus and this Prospectus), and will honour such obligations;

- You confirm that, either: (i) you have not participated in or attended any investor meetings or presentations by the Company or its agents (the "**Company Presentations**") with regard to the Company or the Issue; or (ii) if you have participated in or attended any Company Presentations: (a) you understand and acknowledge that the Book Running Lead Managers and the Syndicate Member may not have knowledge of the statements that the Company or its agents may have made at such Company Presentations and are therefore unable to determine whether the information provided to you at such Company Presentations may have included any material misstatements or omissions, and, accordingly you acknowledge that the Book Running Lead Managers have advised you not to rely in any way on any information that was provided to you at any such Company Presentations, and (b) you confirm that, to the best of your knowledge, you have not been provided any material or price sensitive information relating to the Company and the Issue that was not made publicly available by the Company;

- Neither the Company nor the Book Running Lead Managers nor the Syndicate Member nor any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates are making any recommendations to you or advising you regarding the suitability of any transactions it may enter into in connection with the Issue and your participation in the Issue is on the basis that you are not, and will not, up to the Allotment of the Equity Shares offered in the Issue, be a client of the Book Running Lead Managers or the Syndicate Member. Neither the Book Running Lead Managers nor the Syndicate Member nor any of their shareholders, directors, officers, employees, counsel, representatives, agents or affiliates have any duties or responsibilities to you for providing the protection afforded to its or their clients or customers or for providing advice in relation to the Issue and are not in any way acting in any fiduciary capacity;

- All statements other than statements of historical facts included in the Red Herring Prospectus and this Prospectus, including those regarding the Company's financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to the Company's business), are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies and environment in which the Company will operate in the future. You should not place undue reliance on forward-looking statements, which speak only as of the date of this Prospectus;

- You are aware of and understand that the Equity Shares to be issued pursuant to the Issue are being offered only to QIBs and are not being offered to the general public and the Allocation and Allotment shall be in accordance with the Basis of Allocation, Allotment Criteria and the CAN. See "*Issue Procedure*" on page 213;

- You have made, or been deemed to have made, as applicable, the representations and warranties set forth in "*Purchaser Representations and Transfer Restrictions*" and "*Selling Restrictions*" on pages 242 and 233 respectively;

- You have read the Red Herring Prospectus and this Prospectus in its entirety, including in particular, "*Risk Factors*" on page 41;

- In making your investment decision, you have (i) relied on your own examination of the Company and the terms of the Issue, including the merits and risks involved, (ii) made your own assessment of the Company on a consolidated basis, the Equity Shares offered in the Issue and the terms of the Issue based solely on the information contained in the Red Herring Prospectus and this Prospectus and publicly available information about the Company and no other disclosure or representation by us or any other party, (iii) consulted your own independent counsel and advisors or otherwise have satisfied yourself concerning, the effects of local laws, (iv) received all information that you believe is necessary or appropriate in order to make an investment decision in respect of the Company and the Equity Shares offered in the Issue, and (v) relied upon your own investigation and resources in deciding to invest in the Issue;

- Neither the Book Running Lead Managers nor the Syndicate Member nor any of their shareholders, directors, officers, employees, counsel, representatives, agents or affiliates, have provided you with any tax advice or otherwise made any representations regarding the tax consequences of purchase, ownership and disposal of the Equity Shares offered in the Issue (including the Issue and the use of proceeds from such Equity Shares). You will obtain your own independent tax advice and will not rely on the Book Running Lead Managers or any of their shareholders, directors, officers, employees, counsel, representatives, agents or affiliates, when evaluating the tax consequences in relation to the Equity Shares offered in the Issue (including, in relation to the Issue and the use of proceeds from the Equity Shares offered in the Issue). You waive, and agree not to assert any claim against, any of the Company, the Book Running Lead Managers, the Syndicate Member or any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates, with respect to the tax aspects of the Equity Shares offered in the Issue or as a result of any tax audits by tax authorities, wherever situated;

- You are a sophisticated investor who is seeking to subscribe to the Equity Shares offered in the Issue for your own investment and not with intent to distribute such Equity Shares and have such knowledge and experience in financial, business and investments as to be capable of evaluating the merits and risks of the investment in the Equity Shares offered in the Issue. You and any accounts for which you are subscribing to the Equity Shares offered in the Issue; (i) are each able to bear the economic risk of the investment in the Equity Shares to be issued pursuant to the Issue; (ii) are able to sustain a complete loss on the investment in the Equity Shares to be issued pursuant to the Issue; (iii) have no need for liquidity with respect to the investment in the Equity Shares offered in the Issue; (iv) have sufficient knowledge, sophistication and experience in financial and business matters so as to be capable of evaluating the merits and risk of subscribing to the Equity Shares offered in the Issue; and (v) have no reason to anticipate any change in your or their circumstances, financial or otherwise, which may cause or require any sale or distribution by you or them of all or any part of the Equity Shares offered in the Issue. You acknowledge that an investment in the Equity Shares offered in the Issue involves a high degree of risk and that such Equity Shares are, therefore, a speculative investment. You are seeking to subscribe to the Equity Shares offered in this Issue for your own investment and not with a view to resale or distribution;

- If you are acquiring the Equity Shares offered in the Issue, for one or more managed accounts, you represent and warrant that you are authorised in writing, by each such managed account to acquire such Equity Shares for each managed account and make the representations, warranties, acknowledgements and agreements herein for and on behalf of each such account, reading the reference to 'you' to include such accounts;

- You are neither a Promoter nor a person related to the Promoter, either directly or indirectly, and your ASBA Application does not directly or indirectly represent the Promoter or the Promoter Group or persons related to the Promoter. For the purposes of this representation you will be deemed to be related to the Promoter if you have any rights under any shareholders' agreement or voting agreement entered into with the Promoter or persons related to the Promoter, any veto rights or any right to appoint any nominee director on the Board, other than the rights, if any, acquired in the capacity of a lender not holding any Equity Shares;

- You have no right to withdraw your ASBA Application or revise the price per Equity Share or the number of Equity Shares mentioned in your ASBA Application downwards;

- You are eligible to apply for and hold the Equity Shares offered in the Issue, which are Allotted to you together with any Equity Shares held by you prior to the Issue. You confirm that your aggregate holding after the Allotment of the Equity Shares offered in the Issue shall not exceed the level permissible as per any applicable regulations;

- The ASBA Application submitted by you would not result in triggering a tender offer under the Takeover Regulations;

- You, together with other QIBs that belong to the same group as you or are under common control with you, shall not be Allotted Equity Shares in excess of 25% of the offer size in terms of Regulation 91H of the SEBI Regulations. For the purposes of this representation:

  a. The expression 'belong to the same group' shall have the same meaning as 'companies under the same group' as provided in sub-section (11) of Section 372 of the Companies Act, 1956 (hereinafter defined); and

  b. The expression 'control' shall have the same meaning as is assigned to it under Regulation 2(1)(e) of the Takeover Regulations;

  For meaning of the terms 'companies under the same group' under sub-section (11) of Section 372 of the Companies Act and 'control' under Regulation 2(1)(e) of the Takeover Regulations, see "*Issue Procedure*" on page 213.

- You shall not undertake any trade in the Equity Shares issued pursuant to the Issue and credited to your Depository Participant account until such time that the final listing and trading approvals for such Equity Shares are issued by the Stock Exchanges;

- You are aware that (i) applications for in-principle approval, in terms of Regulation 28 of the SEBI Listing Regulations, for listing and admission of the Equity Shares offered in the Issue and for trading on the Stock

Exchanges, were made and approval has been received from each of the Stock Exchanges; and (ii) the application for the final listing and trading approval will be made after Allotment of the Equity Shares in the Issue. There can be no assurance that the final approvals for listing of the Equity Shares issued pursuant to the Issue will be obtained in time, or at all. The Company shall not be responsible for any delay or non-receipt of such final approvals or any loss arising from such delay or non-receipt;

- By participating in the Issue, you confirm that you have neither received nor relied on any other information, representation, warranty or statement made by, or on behalf of, the Book Running Lead Managers, the Syndicate Member or the Company or any of their respective affiliates or any other person acting on their behalf and neither the Book Running Lead Managers, nor the Syndicate Member nor the Company nor any of their respective affiliates or other person acting on their behalf will be liable for your decision to participate in the Issue based on any other information, representation, warranty or statement that you may have obtained or received;

- You confirm that the only information you are entitled to rely on, and on which you have relied in committing yourself to acquire the Equity Shares offered in the Issue is contained in the Red Herring Prospectus and this Prospectus, such information being all that you deem necessary to make an investment decision in respect of the Equity Shares offered in the Issue and neither the Book Running Lead Managers, nor the Syndicate Member nor the Company will be liable for your decision to accept an invitation to participate in the Issue based on any other information, representation, warranty or statement that you may have obtained or received;

- The Book Running Lead Managers or the Syndicate Member do not have any obligation to purchase or acquire all or any part of the Equity Shares subscribed for by you or to support any losses directly or indirectly sustained or incurred by you for any reason whatsoever in connection with the Issue, including non-performance by the Company of any of its obligations or any breach of any representations and warranties by the Company, whether to you or otherwise;

- You understand that the Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and accordingly, may not be offered or sold within the United States, except in reliance on an exemption from the registration requirements of the U.S. Securities Act;

- If within the United States, you are a U.S. QIB who is or are acquiring the Equity Shares for your own account or for the account of an institutional investor who also meets the requirements of a U.S. QIB, for investment purposes only, and not with a view to, or for resale in connection with, the distribution (within the meaning of any United States securities laws) thereof, in whole or in part and are not our affiliate or a person acting on behalf of such an affiliate;

- If you are outside the United States, you are purchasing the Equity Shares offered in the Issue in an offshore transaction in reliance on Regulation S under the U.S. Securities Act, and are not our affiliate or a person acting on behalf of such affiliate;

- You are not acquiring or subscribing for the Equity Shares as a result of any general solicitation or general advertising (as those terms are defined in Regulation D under the U.S. Securities Act) or directed selling efforts (as defined in Regulation S) and you understand and agree that offers and sales are being made in reliance on an exemption to the registration requirements of the U.S. Securities Act provided by Section 4(a)(2) under the U.S. Securities Act or Regulation S or another available exemption from registration under the U.S. Securities Act and the Equity Shares may not be eligible for resale under Rule 144A thereunder. You understand and agree that the Equity Shares are transferable only in accordance with the restrictions described under the sections "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*";

- You agree that any dispute arising in connection with the Issue will be governed by and construed in accordance with the laws of Republic of India, and the courts in Mumbai, India shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Issue, the Red Herring Prospectus and this Prospectus;

- Each of the representations, warranties, acknowledgements and agreements set out above shall continue to be true and accurate at all times up to and including the Allotment, listing and trading of the Equity Shares issued pursuant to the Issue on the Stock Exchanges;

- You agree to indemnify and hold the Company, the Book Running Lead Managers, the Syndicate Member and their respective affiliates harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach or alleged breach of the foregoing representations, warranties, acknowledgements and undertakings made by you in the Red Herring Prospectus and this Prospectus. You agree that the indemnity set forth in this paragraph shall survive the resale of the Equity Shares issued pursuant to the Issue by, or on behalf of, the managed accounts;

- You agree to abide by the Basis of Allocation provided in the Red Herring Prospectus and this Prospectus, and the Allocation done in accordance with the Basis of Allocation as overseen by the Stock Exchanges;

- You agree to provide additional documents as may be required by the Company, the Book Running Lead Managers and the Syndicate Member for finalisation of the Basis of Allocation along with the Stock Exchanges. The Company, the Book Running Lead Managers, the Syndicate Member and their affiliates may rely on the accuracy of such documents provided by you; and

- The Company, the Book Running Lead Managers, the Syndicate Member, their respective affiliates and others will rely on the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings, which are given to the Book Running Lead Managers and the Syndicate Member on their own behalf and on behalf of the Company, and are irrevocable.

OFFSHORE DERIVATIVE INSTRUMENTS

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, a FPI (other than a Category III foreign portfolio investors and unregulated broad based funds which are classified as Category II FPI by virtue of their investment manager being appropriately regulated), including the affiliates of the Book Running Lead Managers or the Syndicate Member, may issue, subscribe or otherwise deal in offshore derivative instruments as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying and all such offshore derivative instruments are referred to herein as "**P-Notes**" for which they may receive compensation from the purchasers of such P-Notes. These P-Notes may be issued only in favour of those entities which are regulated by any appropriate foreign regulatory authorities in the countries of their incorporation or establishment subject to compliance with "know your client" requirements. An FPI must ensure that the P-Notes are issued in compliance with all applicable laws including Regulation 4 and Regulation 22 of the SEBI FPI Regulations and circular no. CIR/IMD/FIIC/20/2014 dated November 24, 2014 issued by SEBI. P-Notes have not been and are not being offered or sold pursuant to the Red Herring Prospectus and this Prospectus. The Red Herring Prospectus and this Prospectus do not contain any information concerning P-Notes, including, without limitation, any information regarding any risk factors relating thereto.

Any P-Notes that may be issued are not securities of our Company and do not constitute any obligations of, claim on, or interests in our Company. Our Company has not participated in any offer of any P-Notes, or in the establishment of the terms of any P-Notes, or in the preparation of any disclosure related to any P-Notes. Any P-Notes that may be offered are issued by, and are solely the obligations of, third parties that are unrelated to our Company. Our Company, the Book Running Lead Managers and the Syndicate Member do not make any recommendation as to any investment in P-Notes and do not accept any responsibility whatsoever in connection with any P-Notes. Any P-Notes that may be issued are not securities of the Book Running Lead Managers or the Syndicate Member and do not constitute any obligations of, or claims on, the Book Running Lead Managers or the Syndicate Member. FPI affiliates (other than Category III FPIs and unregulated broad based funds which are classified as FPI by virtue of their investment manager being appropriately regulated) of the Book Running Lead Managers or the Syndicate Member may purchase, to the extent permissible under law, Equity Shares in the Issue, and may issue P-Notes in respect thereof.

Prospective investors interested in purchasing any P-Notes have the responsibility to obtain adequate disclosure as to the issuer(s) of such P-Notes and the terms and conditions of any such P-Notes from the issuer(s) of such P-Notes. Neither SEBI nor any other regulatory authority has reviewed or approved any P-Notes or any disclosure related thereto. Prospective investors are urged to consult with their own financial, legal, accounting and tax advisors regarding any contemplated investment in P-Notes, including whether P-Notes are issued in compliance with applicable laws and regulations.

DISCLAIMER CLAUSE

As required, a copy of the Red Herring Prospectus and this Prospectus has been delivered to each of the Stock Exchanges and SEBI and for registration to the RoC. The Stock Exchanges, SEBI and the RoC do not in any manner:

(1) warrant, certify or endorse the correctness or completeness of the contents of the Red Herring Prospectus and this Prospectus;
(2) warrant that the Equity Shares issued pursuant to the Issue will be listed or the Equity Shares will continue to be listed on the Stock Exchanges; or
(3) take any responsibility for the financial or other soundness of the Company, its Promoter, its management or any scheme or project of the Company.

It should not for any reason be deemed or construed to mean that the Red Herring Prospectus and this Prospectus has been reviewed or approved by the Stock Exchanges or SEBI. Every person who desires to apply for or otherwise acquire any Equity Shares offered in the Issue may do so pursuant to an independent inquiry, investigation and analysis and shall not have any claim against the Stock Exchanges, SEBI and the RoC whatsoever, by reason of any loss which may be suffered by such person consequent to or in connection with, such subscription/acquisition, whether by reason of anything stated or omitted to be stated herein, or for any other reason whatsoever.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

In this Prospectus, unless the context otherwise indicates or implies, references to 'you', 'your', 'offeree', 'purchaser', 'subscriber', 'recipient', 'investors', 'prospective investors' and 'potential investor' are to the prospective investors in the Issue, references to 'the Company' are to Quess Corp Limited, and references to 'we', 'us', 'our' or 'our Company' are to Quess Corp Limited, its Subsidiaries, Associates and Joint Venture on a consolidated basis unless otherwise specified.

In this Prospectus, all references to "Indian Rupees" "₹" and "Rs." are to Indian Rupees and all references to "U.S. dollars", "USD" and "U.S.$" are to United States dollars. All references herein to the "U.S." or the "United States" are to the United States of America and its territories and possessions and all references to "India" are to the Republic of India and all references herein to 'Government' or GoI or the 'Central Government' or the 'State Government' are to the Government of India, Central or State, as the case maybe.

The financial year of the Company commences on April 1 of each calendar year and ends on March 31 of the succeeding calendar year, so, unless otherwise specified or if the context requires otherwise all references to a particular financial year or fiscal year are to the twelve month period ended on March 31 of that year.

In this Prospectus, certain monetary thresholds disclosed as (₹ in million) have been subjected to rounding adjustments; accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

Transition from Indian GAAP to Ind AS Financial Statements

As a subsidiary of our Corporate Promoter, TCIL (which was required to prepare and present its financial statements in accordance with Ind AS with effect from April 1, 2016), our Company was also required to prepare standalone and consolidated financial statements in accordance with Ind AS for Fiscal 2017 (together with the corresponding standalone and consolidated financial statements under Ind AS for Fiscal 2016). Our historical audited standalone and consolidated financial statements for Fiscal 2015 (15 months) and for Fiscal 2016 were originally prepared in accordance with Indian GAAP.

Ind AS varies in many respects from Indian GAAP, and accordingly our Ind AS financial statements for Fiscal 2016 and Fiscal 2017 are not comparable with our historical Indian GAAP financial statements for Fiscal 2015 (15 months) and Fiscal 2016. See "*Risk Factors – We were required to prepare and present our financial statements under Ind AS with effect from April 1, 2016. In this Prospectus, we have included our Ind AS Audited Financial Statements for Fiscal 2016 and Fiscal 2017 which are not comparable with the historical Indian GAAP Audited Financial Statements for Fiscal 2015 (15 months) and Fiscal 2016 included herein.*" on page 43.

In this Prospectus we have therefore included (i) the audited consolidated and standalone financial statements under Indian GAAP for Fiscal 2015 (15 months) and Fiscal 2016 (the "**Indian GAAP Audited Financial Statements**") and (ii) the audited consolidated and standalone financial statements under Ind AS for Fiscal 2016 and Fiscal 2017 (the "**Ind AS Audited Financial Statements**"). Note 55 to our consolidated Ind AS Audited Financial Statements also includes a reconciliation statement of the Fiscal 2016 consolidated Ind AS Audited Financial Statements with the Fiscal 2016 consolidated Indian GAAP Audited Financial Statements explaining the impact of transition to Ind AS on the preparation and presentation of our financial statements.

We have therefore included below management's discussion and analysis of our financial condition, results of operations and cash flows (i) under Indian GAAP in Fiscal 2016 compared to that in Fiscal 2015 (15 months); and (ii) under Ind AS in Fiscal 2017 compared to that in Fiscal 2016.

We have completed various acquisitions in Fiscal 2015 (15 months), Fiscal 2016 and Fiscal 2017. The results of operations of such acquired entities would be reflected in our consolidated financial statements for the relevant fiscal periods only with effect from the effective date of such respective acquisition, and our consolidated financial statements for Fiscal 2015 (15 months), Fiscal 2016 and Fiscal 2017 are also not comparable on account of such acquisitions.

Proforma Financial Information on Proposed MIS Acquisition

On November 28, 2016, we entered into definitive agreements relating to the demerger of the facility management and catering businesses of Manipal Integrated Services Private Limited ("**MIS**") into our Company through a scheme of arrangement (such proposed acquisition, the "**Proposed MIS Acquisition**"). The completion of the Proposed MIS Acquisition is subject to various conditions, including the approval of the shareholders and creditors, the sanction of the scheme of arrangement by the National Company Law Tribunal as well as other relevant regulatory approvals. Since the Proposed MIS Acquisition has not been completed, the effect of the Proposed MIS Acquisition is not currently reflected in our audited consolidated financial statements for Fiscal 2017. In the event that all applicable regulatory and other approvals are received, the Proposed MIS Acquisition will be deemed to be effective from December 1, 2016 in accordance with the scheme of arrangement filed with respect to the Proposed MIS Acquisition.

The investment for the Proposed MIS Acquisition is material in the context of our financial condition, and we have accordingly included in this Prospectus certain proforma financial information with respect to the Proposed MIS Acquisition (such proforma financial information, the "**MIS Acquisition Proforma Financial Information**"). The MIS Acquisition Proforma Financial Information seeks to present the impact of the Proposed MIS Acquisition on our historical audited consolidated financial statements for Fiscal 2017.

The MIS Acquisition Proforma Financial Information involves various assumptions as stated therein, including (i) assumptions relating to the preparation of historical financial information of the demerged facility management and catering businesses of MIS (not taking into account the hostels business of MIS that is not proposed to be acquired by us), including allocation of revenue, costs, assets and liabilities; and (ii) that the Proposed MIS Acquisition had taken place with effect from April 1, 2016.

The MIS Acquisition Proforma Financial Information has been prepared by the management and reported on by Sriramulu Naidu & Co, Chartered Accountants, who have been engaged by us for such purposes on account of their familiarity with the underlying financial statements of MIS. The MIS Acquisition Proforma Financial Information is based on (i) the financial statements for Fiscal 2017 prepared under Ind AS for the facility management and catering businesses of MIS that have been subjected to a limited review by Sriramulu Naidu & Co, Chartered Accountants; and (ii) our audited consolidated financial statements for Fiscal 2017 under Ind AS.

Although we have included the MIS Acquisition Proforma Financial Information with respect to Fiscal 2017, given that MIS is a private limited company and is not required under applicable laws to prepare quarterly financial statements for the three months ended June 30, 2017, and given that the acquisition is still not completed, we have been unable to include any proforma financial information with respect to the Proposed MIS Acquisition with respect to the quarter ended June 30, 2017.

The MIS Acquisition Proforma Financial Information has been prepared for illustrative purposes only based on various assumptions stated therein, does not purport to predict our future financial condition, results of operations or cash flows in the event of completion of the Proposed MIS Acquisition, and potential investors should not place undue reliance on such information in connection with any investment decision.

Reviewed Financial Results

Pursuant to a meeting of our Board of Directors on July 21, 2017, we have adopted and filed with the Stock Exchanges, the unaudited standalone and consolidated financial results for the quarter ended June 30, 2017 in accordance with the provisions of Regulation 33 of the SEBI Listing Regulations.

Potential investors should carefully take into account the disclosures above and our Indian GAAP Audited Financial Statements and Ind AS Audited Financial Statements included in this Prospectus in evaluating our business and financial performance and in making any investment decision.

INDUSTRY AND MARKET DATA

Unless stated otherwise, industry and market data used in this Prospectus have been obtained or derived from publicly available information as well as industry publications and sources.

Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe that industry and market data used in this Prospectus is reliable, it has not been independently verified by either our Company or the Syndicate or any of their respective affiliates or advisors.

Information has been included in this Prospectus from the publications titled "Assessment of Outsourced Services Market in India, Frost & Sullivan, July, 2017" and "Assessment of IT Staffing Market in Singapore, Frost & Sullivan, July, 2017" prepared by Frost & Sullivan, which report has been commissioned by the Company for the purposes of confirming its understanding of the industry in connection with the Issue and which includes the following disclaimer:

"The market research process for this study has been undertaken through secondary/desktop research as well as primary research, which involves discussing the status of the market with leading participants and experts. The research methodology used is the Export Opinion Methodology. Quantitative market information was sourced from interviews by way of primary research as well as from trusted portals, and therefore, the information is subject to fluctuations due to possible changes in the business and market climate. Frost & Sullivan's estimates and assumptions are based on varying levels of quantitative and qualitative analyses, including industry journals, company reports and information in the public domain.

Forecasts, estimates, predictions and other forward-looking statements contained in this report are inherently uncertain because of changes in factors underlying their assumptions, or events or combinations of events that cannot be reasonably foreseen. Actual results and future events could differ materially from such forecasts, estimates, predictions or such statements.

This study has been prepared for inclusion in the Issue Materials of "Quess Corp Limited" in relation to rights issue and/or public issue.

This report and extracts thereof are for use in the Issue Materials issued by the Company and all presentation materials (including press releases) prepared by or on behalf of the Company (and reviewed by Frost & Sullivan) in relation to the Issue exercise. The Company is permitted to use the same in internal and external communications as needed in the context of the Listing exercise. If required by any regulatory authority in relation to the Listing, the Company is also permitted to make this report open for inspection from the public from the date of registration of the red herring prospectus with the registrar of companies till the closing of the period of subscription in the IPO. However, no part of the report may be distributed for any other commercial gain to parties not connected with the said Listing exercise.

This report has exclusively been prepared for the consumption of Quess Corp Limited, and any unauthorised access to or usage of this material by others is forbidden and illegal.

Frost & Sullivan has prepared this study in an independent and objective manner, and it has taken adequate care to ensure its accuracy and completeness. We believe that this study presents a true and fair view of businesses in which company operates within the limitations of, among others, secondary statistics and primary research, and it does not purport to be exhaustive. Our research has been conducted with an "overall industry" perspective, and it will not necessarily reflect the performance of individual companies in the industry. Frost & Sullivan shall not be liable for any loss suffered because of reliance on the information contained in this study. This study should also not be considered as a recommendation to buy or not to buy the shares of any company or companies as mentioned in it or otherwise."

In addition, information has been included in this Prospectus from the publication titled "SMA Research: 2017 IT Spending and Priorities (Extract) dated 13 July, 2017" prepared by Strategy Meets Action ("**SMA**"), which includes the following disclaimer:

"The material and observations contained in this publication have been developed from sources believed to be reliable. SMA shall have no liability for omissions or errors and no obligation to revise or update any data or conclusions should new information become available or future events occur. The opinions expressed in this report are subject to change without notice."

The extent to which the market and industry data used in this Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources.

Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those disclosed in "*Risk Factors*" on page 41.

FORWARD-LOOKING STATEMENTS

This Prospectus contains certain "forward-looking statements". These forward-looking statements generally can be identified by words or phrases such as "aim", "anticipate", "believe", "contemplate", "expect", "estimate", "intend", "future", "goal", "likely" "objective", "plan", "project", "seek to", "should", "will", "will continue", "will pursue" or other words or phrases of similar import. Similarly, statements that describe our Company's strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties. Important factors that could cause actual results to differ materially from our Company's expectations include, but are not limited to, the following:

- failure to integrate the businesses of our recent acquisitions, including the proposed acquisition of the facility management and catering businesses of MIS, with our existing operations;
- loss of or a significant decrease in revenues from one of more key cleints;
- our inability to manage our rapid growth and business diversification initiatives;
- failure to anticipate employee related costs and regulatory risks and any significant disputes with our employees;
- our inability to obtain future financing on favourable terms to fund expected capital expenditure and working capital requirements;
- our inability to recruit, train and retain qualified and experienced personnel who meet the business requirements of our clients;
- our ability to effectively compete against current and future competitors;
- risks arising from changes in interest rates, currency fluctuations and inflation;
- failure to maintain sufficient insurance coverage to cover all possible economic losses and liabilities; and
- general economic and business conditions in India and other countries.

For further discussion of factors that could cause our actual results to differ from the expectations, see "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 41, 180 and 79 respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated and are not a guarantee of future performance.

Although we believe that the assumptions on which such statements are based are reasonable, we cannot assure investors that the expectations reflected in these forward looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward looking statements and not to regard such statements as a guarantee of future performance.

Forward-looking statements reflect the current views of our Company as of the date of this Prospectus and are not a guarantee of future performance. These statements are based on our management's beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect.

None of the Company, the Book Running Lead Managers or the Syndicate Member, or any of their respective directors, officers, affiliates or associates have any obligation to, and do not intend to, update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. All subsequent forward-looking statements attributable to the Company are expressly qualified in their entirety by reference to these cautionary statements.

ENFORCEMENT OF CIVIL LIABILITIES

Our Company is a company incorporated under the laws of India. The Board of Directors of our Company comprises of eight Directors, most of whom are Indian citizens. Most of our Company's senior management personnel are residents of India and a substantial portion of the assets of our Company and such persons are located in India. As a result, it may not be possible for investors outside India to effect service of process upon our Company or such persons in India, or to enforce against them judgments obtained in courts outside India.

India is not a signatory to any international treaty in relation to the recognition or enforcement of foreign judgments. Recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Code of Civil Procedure, 1908, as amended ("**Civil Code"**).

Section 13 of the Civil Code provides that a foreign judgment shall be conclusive as to any matter thereby directly adjudicated upon between the same parties or parties litigating under the same title except:

(a) where the judgement has not been pronounced by a court of competent jurisdiction;

(b) where the judgement has not been given on the merits of the case;

(c) where it appears on the face of the proceedings to be founded on an incorrect view of international law or a refusal to recognise the law of India in cases where such law is applicable;

(d) where the proceedings in which the judgment was obtained were opposed to natural justice;

(e) where the judgement has been obtained by fraud; or

(f) where the judgement sustains a claim founded on a breach of any law then in force in India.

Section 44A of the Civil Code provides that where a foreign judgment has been rendered by a superior court (within the meaning of that section) in any country or territory outside India which the Government has by notification declared to be a reciprocating territory, it may be enforced in India by proceedings in execution as if the foreign judgment had been rendered by a district court in India. Under Section 14 of the Civil Code, a court in India will, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the foreign judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record but such presumption may be displaced by proving want of jurisdiction. However, Section 44A of the Civil Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalty and is not applicable to arbitration awards.

Each of the United Kingdom, Singapore and Hong Kong, amongst others, has been declared by the Government to be a reciprocating territory for the purposes of Section 44A of the Civil Code but the United States has not been so declared. A foreign judgment of a court in a jurisdiction which is not a reciprocating territory may be enforced only by a new suit based upon the foreign judgment and not by proceedings in execution. Such a suit has to be filed in India within three years from the date of the foreign judgment in the same manner as any other suit filed to enforce a civil liability in India. Accordingly, a judgment of a court in the United States may be enforced only by a fresh suit upon the foreign judgment and not by proceedings in execution.

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce a foreign judgment if it viewed the amount of damages awarded as excessive or inconsistent with public policy, and it is uncertain whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered pursuant to execution, and any such amount may be subject to tax in accordance with applicable laws. Any judgment for payment of amounts denominated in a foreign currency would be converted into Rupees on the date of the judgment or award and not on the date of the payment.

EXCHANGE RATES

Fluctuations in the exchange rate between the Rupee and foreign currencies will affect the foreign currency equivalent of the Rupee price of the Equity Shares on the Stock Exchanges. These fluctuations will also affect the conversion into foreign currencies of any cash dividends paid in Rupees on the Equity Shares.

The following table sets forth information with respect to the exchange rates between the Rupee and the U.S. Dollar (in ₹ per US$), for the periods indicated. The exchange rates are based on the reference rates released by RBI, which are available on the website of RBI. No representation is made that any Rupee amounts could have been, or could be, converted into U.S. dollars at any particular rate, the rates stated below, or at all.

On August 7, 2017, the exchange rate (RBI reference rate) was ₹63.74 to US$ 1. *(Source: www.rbi.org.in)*

(₹ per US$)

	Period end	**Average[(1)]**	**High**	**Low**
Fiscal Year:				
2017	64.84	67.09	68.72	64.84
2016	66.33	65.46	68.78	62.16
2015	62.59	61.15	63.75	58.43
Quarter ended:				
June 30, 2017	64.74	64.46	65.04	64.00
March 31, 2017	64.84	67.01	68.23	64.84
December 31, 2016	67.95	67.46	68.72	66.43
Month ended:				
July 31, 2017	64.08	64.46	64.82	64.08
June 30, 2017	64.74	64.44	64.74	64.26
May 31, 2017	64.55	64.42	64.99	64.02
April 30, 2017	64.22	64.51	65.04	64.00
March 31, 2017	64.84	65.88	66.85	64.84
February 28, 2017	66.74	67.08	67.65	66.72

(1) *Average of the official rate for each working day of the relevant period.*

DEFINITIONS AND ABBREVIATIONS

This Prospectus uses the definitions and abbreviations set forth below which, unless otherwise specified, you should consider when reading the information contained herein. References to any legislation, act, regulation or statutory provision in this Prospectus shall be construed as reference to such term as amended, modified or re-enacted from time to time.

Company Related Terms

Term	Description
the Company or our Company	Quess Corp Limited, a company incorporated under the Companies Act, 1956, and having its Registered & Corporate Office at 3/3/2, Bellandur Gate, Sarjapur Main Road, Bengaluru 560 103, Karnataka, India
AGM	Annual General Meeting
Ajit Isaac	Ajit Abraham Isaac
Associates	The associates of our Company: 1. Heptagon Technologies Private Limited; 2. Simpliance Technologies Private Limited; and 3. Terrier Security Services (India) Private Limited
Aravon	Aravon Services Private Limited
Articles of Association or Articles	The Articles of Association of the Company, as amended from time to time
Statutory Auditor	The statutory auditor of the Company, BSR & Associates LLP, Chartered Accountants
Board or Board of Directors	The board of directors of the Company or a committee thereof
Brainhunter	Brainhunter Systems Ltd.
Coachieve	Coachieve Solutions Private Limited
Comtel	Comtel Solutions Pte. Ltd.
Directors	Directors on the Board, as may be appointed from time to time
EGM	Extra ordinary general meeting
Equity Shares	Equity shares of face value of ₹10 each of the Company
ESOP 2009	Quess Corp Employees' Stock Option Scheme 2009 (Amended)
ESOP 2015	Quess Corp Limited Employee Stock Option Scheme 2015
Financial Statements	The Indian GAAP Audited Financial Statements, the Ind AS Audited Financial Statements and the Reviewed Financial Results
Heptagon Technologies	Heptagon Technologies Private Limited
Hofincons	Hofincons Infotech & Industrial Services Private Limited
Ind AS Audited Financial Statements	The audited consolidated and standalone financial statements under Ind AS for Fiscal 2016 and Fiscal 2017
Indian GAAP Audited Financial Statements	The audited consolidated and standalone financial statements under Indian GAAP for Fiscal 2015 (15 months) and Fiscal 2016
Inticore	Inticore VJP Advance Systems Private Limited
Joint Venture	Himmer Industrial Services (M) Sdn. Bhd.
Memorandum of Association or Memorandum	The Memorandum of Association of the Company, as amended from time to time
MFX	MFXchange Holdings Inc.
MIS	Manipal Integrated Services Private Limited
MIS Acquisition Proforma Financial Information	Certain proforma financial information prepared with respect to the Proposed MIS Acquisition
Net Resources	Net Resources Investments Private Limited
Promoters	Ajit Isaac and TCIL
Promoter Group	The promoter group of the Company as determined in terms of Regulation 2(1)(zb) of the SEBI Regulations
Proposed MIS Acquisition	Proposed acquisition by way of a demerger of the facility management and catering businesses of Manipal Integrated Services Private Limited into our Company through a scheme of arrangement
Registered & Corporate	The registered and corporate office of our Company, located at 3/3/2, Bellandur Gate, Sarjapur

Term	Description
Office	Main Road, Bengaluru 560 103, Karnataka, India
Reviewed Financial Results	Unaudited standalone and consolidated financial results of the Company for the three months ended June 30, 2017
Simpliance	Simpliance Technologies Private Limited
Senior Management Personnel	Senior management personnel of our Company in terms of Regulation 2(1)(s) of the SEBI Regulations and the Companies Act, 2013, as disclosed in "*Board of Directors and Senior Management Personnel*" on page 202
Subsidiaries	The subsidiaries (including step down subsidiaries) of our Company: 1. Aravon Services Private Limited; 2. Brainhunter Companies LLC; 3. Brainhunter Systems Ltd.; 4. Coachieve Solutions Private Limited; 5. CentreQ Business Services Private Limited; 6. Comtel Solutions Pte. Ltd.; 7. Dependo Logistics Solutions Private Limited; 8. Excelus Learning Solutions Private Limited; 9. IKYA Business Services (Private) Limited; 10. Inticore VJP Advance Systems Private Limited; 11. MFXchange Holdings Inc.; 12. MFX Infotech Private Limited; 13. MFXchange US, Inc.; 14. Mindwire Systems Ltd.; 15. Quesscorp Holdings Pte. Ltd.; 16. Quessglobal (Malaysia) Sdn. Bhd.; 17. Quess (Philippines) Corp.; 18. Quess Corp Lanka (Private) Limited; and 19. Quess Corp (USA) Inc.
Target MIS Business	The facility management and catering business proposed to be acquired from MIS
TCIL	Thomas Cook (India) Limited
TCIL SHA	The shareholders agreement dated February 5, 2013 between our Company, TCIL, Ajit Isaac, Net Resources and other shareholders which was terminated pursuant to an amendment and termination agreement dated December 25, 2015
Terrier	Terrier Security Services (India) Private Limited
"we" or "us" or "our"	Quess Corp Limited, the Subsidiaries, the Associates and the Joint Venture

Issue Related Terms

Term	Description
Allocation or Allocated	Allocation of the Equity Shares offered in the Issue following the determination of the Issue Price to Applicants on the basis of the ASBA Applications submitted by them and in accordance with the Allotment Criteria
Allotment or Allotted or Allot	Unless the context otherwise requires, the issue and allotment of the Equity Shares pursuant to the Issue
Allottees	QIBs to whom the Equity Shares are Allotted pursuant to the Issue
Allotment Criteria	The method as finalised by the Company based on which the Equity Shares offered in the Issue will be Allocated and Allotted to successful Applicants, in this case being the proportionate method
Applicant	A QIB that submitted an ASBA Application in accordance with the provisions of the Red Herring Prospectus
Application Amount	The highest value indicated by the Applicant in the ASBA Application to subscribe for the Equity Shares applied for in the ASBA Application
ASBA	Application supported by blocked amount
ASBA Account	An account maintained with the SCSB by the Applicant and specified in the ASBA Application for blocking the Application Amount

Term	Description
ASBA Application	An application by an Applicant, whether physical or electronic, offering to subscribe for the Equity Shares in the Issue at any price at or above the Floor Price or within the Price Band, as the case may be, including any revisions thereof, pursuant to the terms of the Red Herring Prospectus and which shall also be an authorisation to an SCSB to block the Application Amount in the ASBA Account maintained with such SCSB. The ASBA Application will also be considered as the application for Allotment for the purposes of the Red Herring Prospectus and this Prospectus. The price per Equity Share and the number of Equity Shares applied for under an ASBA Application may only be revised upwards and any downward revision in price per Equity Share and/or the number of Equity Shares applied for under an ASBA Application or withdrawal of the ASBA Application is not permitted
Axis	Axis Capital Limited
Basis of Allocation	The basis on which Equity Shares offered in the Issue will be Allocated to successful Applicants in the Issue and the CAN will be dispatched, as described in "*Issue Procedure*" on page 213
Book Running Lead Managers or BRLMs	Axis, I-Sec and IIFL
CAN or Confirmation of Allocation Note	Note, advice or intimation sent to the Applicants who have been Allocated Equity Shares offered in the Issue, confirming the Allocation of Equity Shares to such Applicants after the determination of the Issue Price in terms of the Basis of Allocation approved by the Stock Exchanges, and shall constitute a valid, binding and irrevocable agreement on part of the Applicant to subscribe to the Equity Shares Allocated to such Applicant at the Issue Price
Cap Price	The higher end of the Price Band announced by the Company, above which the Issue Price was not finalised and above which no ASBA Applications have been accepted, i.e., ₹820 per Equity Share.
Designated Branches	All branches designated as "Designated Branches" for ASBA Applications by the SCSBs which shall collect the ASBA Applications
Designated Date	The date on which funds blocked by the SCSB are transferred from the ASBA Accounts of the successful Applicants to the Public Issue Account or unblocked, as the case may be, after this Prospectus is filed with the RoC
Floor Price	The price below which the Issue Price has not been finalised and the Equity Shares offered in the Issue shall not be Allotted. The Floor Price which was decided by the Company in consultation with the Book Running Lead Managers and was announced at least one day prior to the Issue Opening Date, i.e., ₹800 per Equity Share.
Floor Price / Price Band Announcement	The announcement of either the Floor Price or the Price Band, made by the Company at least one day prior to the Issue Opening Date
Institutional Placement Programme or IPP	Institutional placement programme in which offer, allocation and allotment of Equity Shares is made under Chapter VIII-A of the SEBI Regulations
Issue	Issue of 10,924,029 Equity Shares[#] at an Issue Price of ₹800 per Equity Share, aggregating to ₹8,739.22 million[#] [#]*Subject to finalization of Basis of Allocation. The exact number of Equity Shares to be issued pursuant to the Issue may be required to be adjusted depending on, inter alia, the actual number of Equity Shares Allotted upon finalization of the Basis of Allocation.*
Issue and Placement Agreement	The issue and placement agreement dated August 8, 2017 among the Company and the Book Running Lead Managers in relation to the Issue
Issue Closing Date	August 14, 2017
Issue Opening Date	August 14, 2017
Issue Period	The period between the Issue Opening Date and Issue Closing Date, inclusive of both dates during which QIBs submitted their ASBA Applications to the SCSBs and the members of the Syndicate (in the Specified Locations)
Issue Price	₹800 per Equity Share, being the price at which the Equity Shares offered in the Issue will be Allotted to the successful Applicants, and indicated in the CAN. The Issue Price was decided by our Company in consultation with the BRLMs
Issue Size	The aggregate size of the Issue, comprising of 10,924,029 Equity Shares[#] Allotted at the Issue Price, aggregating to ₹8,739.22 million[#] [#]*Subject to finalization of Basis of Allocation. The exact number of Equity Shares to be issued pursuant to the Issue may be required to be adjusted depending on, inter alia, the actual number of Equity Shares Allotted upon finalization of the Basis of Allocation.*

Term	Description
I-Sec	ICICI Securities Limited
IIFL	IIFL Holdings Limited
Price Band	Price band announced by the Company for the Issue, of a minimum price (Floor Price) and a maximum price (Cap Price), decided by the Company in consultation with the Book Running Lead Managers and which was announced one day prior to the Issue Opening Date. The Price Band was a minimum price of ₹800 per Equity Share (Floor Price) and a maximum price of ₹820 per Equity Share (Cap Price)
Pricing Date	The date on which the Company in consultation with the Book Running Lead Managers finalised the Issue Price
Prospectus	This prospectus dated August 17, 2017 filed with the RoC in accordance with the provisions of the Companies Act, containing, among others, the Issue Size, the Issue Price and certain other information
Public Issue Account	The account opened with the Public Issue Account Bank in terms of Section 40(3) of the Companies Act, 2013 to receive monies from the ASBA Accounts on the Designated Date
Public Issue Account Agreement	Public issue account agreement dated August 7, 2017 entered into among the Company, the BRLMs, the Registrar and the Public Issue Account Bank
Public Issue Account Bank	The bank which is clearing member and registered with SEBI as a banker to the issue with whom the Public Issue Account has been opened and in this case being Axis Bank Limited
QIB or Qualified Institutional Buyer	A qualified institutional buyer, as defined under Regulation 2(1)(zd) of the SEBI Regulations
Red Herring Prospectus	The red herring prospectus dated August 8, 2017 and the corrigendum dated August 10, 2017 issued in accordance with the provisions of the Companies Act, which did not have complete particulars of the price at which the Equity Shares are offered in the Issue and the size of the Issue. The Red Herring Prospectus was filed with the RoC at least three days before the Issue Opening Date and has become this Prospectus which is filed with the RoC after the Pricing Date
Registrar to the Issue	Link Intime India Private Limited
Revision Form	The form used by the Applicants, to modify the number of Equity Shares applied for or the price per Equity Share in any of their ASBA Applications or any previous Revision Form(s). Applicants are not allowed to revise the price per Equity Share or the number of Equity Shares applied for downwards
Self Certified Syndicate Bank(s) or SCSB(s)	The banks registered with SEBI, offering services in relation to ASBA, and a list of which is available on the website of the SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and updated from time to time
Specified Locations	Bidding centres where the Syndicate shall accept ASBA Forms from Bidders
Stock Exchanges	The BSE and the NSE
Syndicate Agreement	The agreement dated August 8, 2017 entered into among the members of the Syndicate and the Company in relation to the Issue
Syndicate ASBA Bidding Centres	Centres in the Specified Locations where the Applicants can register their ASBA Applications with a member of the Syndicate
Syndicate Member	India Infoline Limited
Syndicate or members of the Syndicate	The BRLMs and the Syndicate Member
TRS or Transaction Registration Slip	The slip or document issued by a member of the Syndicate or the SCSB (only on demand), as the case may be, to the Applicant as proof of registration of the ASBA Application
Working Day	All days other than second and fourth Saturday of the month, Sunday or a public holiday, on which commercial banks in Mumbai are open for business; provided however, with reference to (a) announcement of Price Band; and (b) Issue Period, “Working Day” shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and (c) with reference to the time period between the Issue Closing Date and the listing of the Equity Shares on the Stock Exchanges, “Working Day” shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, as per the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016
U.S. Issue	The offer and sale of the Equity Shares in the United States to institutions that are “qualified institutional buyers” as defined in Rule 144A under the U.S. Securities Act.

Technical/Industry Related Terms/Abbreviations

Term	Description
Associate Employees	Personnel employed by us for deployment under client contracts
B2C	Business to consumer
BFSI	Banking, financial services and insurance
BPM	Business process management
BPO	Business process outsourcing
BTA	Business transfer agreement
Core Employees	Full time employees employed in our operations and not for deployment under client contracts
CSO	Central statistics office
CXO	Corporate executives
E-commerce	Electronic commerce
EPC	Engineering, procurement, construction
ERP	Enterprise resource planning
FM	Facility management
GTS	Global technology solutions
HR	Human resource
HRIS	Human resource information system
HVAC	Heating, ventilating, and air conditioning
IAM	Industrial asset management
ICDS	Income computation and disclosure standard
IFM	Integrated facilities management
ISO	International organization for standardization
ISSA	ISSA – The Worldwide Cleaning Industry Association
Key Clients	Key clients include clients whose revenue meets one of the following criteria: (i) the client is a top 10 client in terms of revenue in a business segment, or (ii) the client contributes a minimum of 1.5% of the respective business segment revenue
MSG	Management services group
P&C	Property & casualty insurance
P&S	People & services business
RPO	Recruitment process outsourcing
SAAS	Software-as-a-service
SAP	Structural adjustment program
SLA	Service level agreement
SSAE	Statement on Standards for Attestation Engagements
SOC	Service Organization Control

Conventional and General Terms

Term	Description
Alternative Investment Fund/AIF	Alternative Investment Fund as defined in and registered under SEBI AIF Regulations
BSE	BSE Limited
CAGR	Compounded annual growth rate
CDSL	Central Depository Services (India) Limited
Category II Foreign Portfolio Investors	FPIs who are registered as "Category II foreign portfolio investors" under the SEBI FPI Regulations
Category III Foreign Portfolio Investors	FPIs who are registered as "Category III foreign portfolio investors" under the SEBI FPI Regulations
Civil Procedure Code	Code of Civil Procedure, 1908
Client ID	Beneficiary account identity
CLRA	The Contract Labour (Regulation and Abolition) Act, 1970
Companies Act	Companies Act, 1956 and / or the Companies Act, 2013 as applicable
Companies Act, 1956	The Companies Act, 1956, and the rules thereunder (without reference to the provisions thereof that have ceased to have effect upon the notification of the Notified Sections)

Term	Description
Companies Act, 2013	The Companies Act, 2013, to the extent in force pursuant to the notification of the Notified Sections, read with the rules, regulations, clarifications and modifications thereunder
Competition Act	The Competition Act, 2002
Consolidated FDI Policy	Consolidated FDI policy circular of 2016 issued by the DIPP, effective from June 7, 2016
CRR	Cash Reserve Ratio
Depositories	NSDL and CDSL
Depositories Act	Depositories Act, 1996
Depository Participant or DP	A depository participant as defined under the Depositories Act
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India
DP ID	Depository participant identity
EBITDA	Earnings Before Interest Tax Depreciation and Amortisation
EPS	Earnings per share, i.e., profit after tax for a financial year divided by the weighted average number of equity shares during the financial year
FEMA	Foreign Exchange Management Act, 1999, together with rules and regulations thereunder
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended
Financial year or fiscal year or fiscal or FY	Unless otherwise stated, the period of 12 months ended March 31 of that particular year
FPIs	Foreign Portfolio Investors as defined under the SEBI FPI Regulations
FVCI or foreign venture capital investors	Foreign venture capital investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI
GDP	Gross Domestic Product
GoI or Government	Government of India
Gratuity Act	Payment of Gratuity Act, 1972
GST	Goods and service tax
HUF	Hindu Undivided Family
ICAI	Institute of Chartered Accountants of India
ICSI	The Institute of Company Secretaries of India
ICWAI	The Institute of Cost Accountants of India
ID Act	The Industrial Disputes Act, 1947
IESO Act	The Industrial Employment (Standing Orders) Act, 1946
IFRS	International Financial Reporting Standards
Ind AS	Indian accounting standards as notified by the MCA vide Companies (Indian Accounting Standards) Rule 2015, as amended
I.T. Act	Income Tax Act, 1961
Indian GAAP	Generally Accepted Accounting Principles in India
Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992
Insurance Company	An insurance company registered with the Insurance Regulatory and Development Authority in India
Maternity Benefit Act	The Maternity Benefit Act, 1961
MCA	Ministry of Corporate Affairs
Minimum Wages Act	Minimum Wages Act, 1948
MoU	Memorandum of Understanding
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
Non-Resident	A person resident outside India, as defined under the FEMA and includes a Non-Resident Indian
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
PAN	Permanent Account Number allotted under the I.T. Act
RBI	Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act
Rule 144A	Rule 144A under the U.S. Securities Act
RoC	The Registrar of Companies, Bangalore
Rs./ ₹/Rupee	Indian Rupees
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India constituted under the SEBI Act

Term	Description
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI ESOP Regulations	Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Merchant Bankers Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
SEBI Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended
SHWPR Act	The Sexual Harassment at Workplace (Prevention, Prohibition and Redressal) Act, 2013
Supreme Court	Supreme Court of India
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
U.S. QIB	A qualified institutional buyer, as defined under Rule 144A under the U.S. Securities Act and which is also an QIB
U.S. GAAP	Generally accepted accounting principles in the United States of America
U.S. Securities Act	The U.S. Securities Act of 1933
VAT	Value added tax
VCF(s) or Venture capital funds	Venture capital funds as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the SEBI AIF Regulations, as the case may be

SUMMARY OF THE ISSUE

This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Prospectus, including in "*Risk Factors*", "*Use of Proceeds*", "*Placement*" and "*Issue Procedure*" on pages 41, 76, 231 and 213 respectively.

The following is a general summary of the terms of the Issue:

Issuer	Quess Corp Limited
Issue Size	Issue of 10,924,029 Equity Shares# at an Issue Price of ₹800 per Equity Share, aggregating to ₹8,739.22 million# *#Subject to finalization of Basis of Allocation. The exact number of Equity Shares to be issued pursuant to the Issue may be required to be adjusted depending on, inter alia, the actual number of Equity Shares Allotted upon finalization of the Basis of Allocation.*
Issue Price	₹800 per Equity Share, being the price at which the Equity Shares offered in the Issue will be Allotted to the successful Applicants in terms of the Basis of Allocation, Allotment Criteria and the CAN. Please see "*Issue Procedure*" on page 213
Eligible Investors	QIBs. Please see "*Issue Procedure – Who can Apply*" on page 213
Class of Equity Shares	The Equity Shares offered in the Issue are securities of the Company of the same class and in all respects uniform with the Equity Shares listed and traded on the Stock Exchanges. For details, see "*Description of the Equity Shares*" on page 248
Equity Shares issued and outstanding immediately prior to the Issue*	126,790,961 Equity Shares
Equity Shares issued and outstanding immediately after the Issue*	137,714,990 Equity Shares# *#Subject to finalization of Basis of Allocation. The exact number of Equity Shares to be issued pursuant to the Issue may be required to be adjusted depending on, inter alia, the actual number of Equity Shares Allotted upon finalization of the Basis of Allocation.*
Price Band	The Price Band as decided by the Company in consultation with the Book Running Lead Managers, which was announced at least one day prior to the Issue Opening Date. The Price Band was a minimum price of ₹800 per Equity Share (Floor Price) and a maximum price of ₹820 per Equity Share (Cap Price)
Floor Price	The Floor Price, as decided by the Company in consultation with the Book Running Lead Managers, i.e, ₹800 per Equity Share
Cap Price	The higher end of the Price Band announced by the Company, above which the Issue Price was not finalised and above which no ASBA Applications have been accepted, i.e., ₹820 per Equity Share
Listing	(i) Applications for in-principle approval, in terms of Regulation 28 of the SEBI Listing Regulations, for listing and admission of the Equity Shares offered in the Issue and for trading on the Stock Exchanges, were made and approval has been received from each of the Stock Exchanges; and (ii) the application for the final listing and trading approval will be made after Allotment of the Equity Shares pursuant to the Issue
Transferability Restrictions	The Equity Shares Allotted pursuant to the Issue shall not be sold for a period of one year from the date of Allotment, except on the Stock Exchanges. Please see "*Purchaser Representations and Transfer Restrictions*" on page 242
Closing	The Allotment of the Equity Shares offered pursuant to this Issue is expected to be

	made on or about August 18, 2017
Use of Proceeds	Net proceeds of the Issue (after deduction of fees, commissions and expenses) are expected to total approximately ₹8,475.49 million. Please see "*Use of Proceeds*" on page 76
Risk Factors	Please see "*Risk Factors*" on page 41 for a discussion of factors you should consider before deciding whether to subscribe for the Equity Shares offered in the Issue.
Ranking	The Equity Shares being issued pursuant to the Issue shall be subject to the provisions of the Memorandum and the Articles of Association and shall rank *pari passu* in all respects with the existing Equity Shares, including rights in respect of voting and dividends. The shareholders will be entitled to participate in dividends and other corporate benefits, if any, declared by the Company after the Allotment of the Equity Shares issued pursuant to the Issue, in compliance with the Companies Act, the SEBI Listing Regulations and other applicable laws and regulations.
Security Codes for the Equity Shares	**ISIN:** INE615P01015 **BSE Code:** 539978 **NSE Code:** QUESS

***** *As on June 30, 2017, the total number of options granted by our Company to purchase Equity Shares pursuant to our Company's ESOP 2009 is 3,369,256, of which 3,369,256 have vested and 1,891,920 are yet to be exercised. Further, our Nomination and Remuneration Committee at its meeting held on May 16, 2017 has approved the grant of 230,680 stock options to employees of our Company under ESOP 2015. However, as on date no stock options have been granted under ESOP 2015.*

SELECTED FINANCIAL INFORMATION

Our Company's fiscal year ends on March 31 of each year, except that in 2014 our Company aligned its fiscal year end to that of our corporate Promoter TCIL, December 31. However, our Company subsequently reverted to a March 31 year end in Fiscal 2015 as required under the Companies Act. In this Prospectus (i) the terms (i) Fiscal 2015 (15 months) denotes the 15 months ended March 31, 2015; and (ii) Fiscal 2016 and 2017 denotes the 12 months ended March 31, 2016 and 2017 respectively. Accordingly, our results of operations in Fiscal 2015 (15 months) and Fiscal 2016 (12 months) are not comparable to each other or to the results of operations in other 12-month fiscal periods.

The following tables set forth the summary financial information derived from our Financial Statements prepared in accordance with the Companies Act and Ind AS/Indian GAAP (as applicable). The summary financial information presented below should be read in conjunction with "*Financial Statements*" and "*Management's Discussion and Analysis of Financial Conditions and Operations*" on pages 266 and 79 respectively.

Summary of Consolidated Balance Sheet

(₹ in million)

Particulars	Ind AS	
	As at March 31, 2017	**As at March 31, 2016**
ASSETS		
Non-current assets		
Property, plant and equipment	504.36	444.39
Goodwill	3,787.53	2,019.76
Other intangible assets	79.04	57.58
Intangible assets under development	77.17	23.91
Financial assets		
(i) Investments	2,976.38	36.55
(ii) Non-current loans	143.34	40.89
(iii) Other non-current financial assets	13.11	21.74
Deferred tax assets (net)	479.96	613.87
Income tax assets (net)	1,178.02	730.95
Other non-current assets	56.33	61.37
Total non-current assets	**9,295.23**	**4,051.00**
Current assets		
Inventories	57.27	18.28
Financial assets		
(i) Trade receivables	4,468.46	4,052.77
(ii) Cash and cash equivalents	3,012.72	1,066.42
(iii) Bank balances other than cash and cash equivalents above	1,583.35	27.11
(iv) Current loans	230.23	173.89
(v) Other current financial assets	25.99	2.38
(vi) Unbilled revenue	3,868.26	2,873.28
Other current assets	261.90	235.34
Total current assets	**13,508.18**	**8,449.46**
Total Assets	**22,803.41**	**12,500.47**
EQUITY AND LIABILITIES		
Equity		
Equity share capital	1,267.91	1,133.35
Other equity	7,093.83	2,432.88
Total equity attributable to equity holders of the Company	**8,361.74**	**3,566.23**
Non-controlling interests	8.82	0.00
Total Equity	**8,370.56**	**3,566.23**
Liabilities		

(₹ in million)

Particulars	Ind AS	
	As at March 31, 2017	As at March 31, 2016
Non-current liabilities		
Financial liabilities		
(i) Non-current borrowings	2,744.49	354.81
(ii) Other non-current financial liabilities	1,327.90	291.83
Non-current provisions	225.46	141.78
Total non-current liabilities	**4,297.85**	**788.43**
Current liabilities		
Financial liabilities		
(i) Bank overdraft	3.42	38.57
(ii) Current borrowings	4,556.55	3,390.01
(iii) Trade payables	631.45	673.75
(iv) Other current financial liabilities	2,863.86	2,629.51
Income tax liabilities (net)	82.37	0.00
Current provisions	227.22	196.91
Other current liabilities	1,770.12	1,217.07
Total current liabilities	**10,134.99**	**8,145.81**
Total Liabilities	**14,432.85**	**8,934.24**
Total Equity and Liabilities	**22,803.40**	**12,500.47**

(₹ in million)

Particulars	Indian GAAP	
	As at March 31, 2016	As at March 31, 2015
EQUITY AND LIABILITIES		
Shareholders' funds		
Share capital	1,133.35	257.74
Reserves and surplus	2,322.48	2,249.60
	3,455.83	**2,507.34**
Non-current liabilities		
Long-term borrowings	354.81	0.00
Other long-term liabilities	0.00	6.67
Long-term provisions	464.75	85.11
	819.56	**91.78**
Current liabilities		
Short-term borrowings	3,390.01	2,204.27
Trade payables	675.52	417.28
Other current liabilities	3,840.85	1,891.35
Short-term provisions	196.91	66.96
	8,103.29	**4,579.86**
Total Equity and Liabilities	**12,378.68**	**7,178.97**
ASSETS		
Non-current assets		
Fixed assets		
Tangible assets	444.39	145.86
Intangible assets	60.86	42.94
Intangible assets under development	23.91	0.00
	529.16	**188.79**
Goodwill on consolidation	2,045.55	1,104.22

Particulars	Indian GAAP	
	As at March 31, 2016	As at March 31, 2015
Non-current investments	36.55	0.00
Deferred tax assets (net)	233.15	29.61
Long-term loans and advances	825.07	534.33
Other non-current assets	35.76	9.73
	1,130.52	**573.67**
Current assets		
Inventories	18.28	5.28
Trade receivables	4,282.00	2,548.36
Cash and bank balances	1,093.53	818.25
Short-term loans and advances	239.26	393.59
Other current assets	3,040.38	1,546.81
	8,673.45	**5,312.30**
Total Assets	**12,378.68**	**7,178.97**

Summary of Consolidated Statement of Profit and Loss

(₹ in million, except per share data)

Particulars	Ind AS	
	For the year ended	
	March 31, 2017	March 31, 2016
Income		
Revenue from operations	41,573.59	34,350.14
Other income	152.52	90.52
Total income	**41,726.12**	**34,440.66**
Expenses		
Cost of material and stores and spare parts consumed	468.78	481.40
Employee benefit expenses	35,435.09	30,069.21
Finance costs	465.33	310.43
Depreciation and amortisation expenses	264.42	143.90
Other expenses	3,441.72	2,288.71
Total expenses	**40,075.33**	**33,293.64**
Profit before share of profit of equity accounted investees and income tax	**1,650.78**	**1,147.01**
Share of profit/ (loss) of equity accounted investees (net of income tax)	1.25	0.00
Profit before tax	**1,652.03**	**1,147.01**
Tax expense		
Current tax	(372.07)	(624.58)
Excess provision of tax relating to earlier years	0.00	64.56
Deferred tax	(145.51)	224.80
Total tax expenses	**(517.59)**	**(335.21)**
Profit for the year	**1,134.44**	**811.80**
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurement of the net defined benefit liability/ asset	(34.05)	63.22
Income tax relating to items that will not be reclassified to profit or loss	10.67	(22.54)
Share of other comprehensive income of equity accounted investees (net of income tax)	5.44	0.00
Items that will be reclassified to profit or loss		
Exchange differences in translating financial statements of foreign operations	(33.39)	(2.54)
Income tax relating to items that will be reclassified to profit or loss	0.00	0.00
Total other comprehensive income, net of tax	**(51.32)**	**38.14**
Total comprehensive income for the year	**1,083.12**	**849.94**
Profit attributable to:		
Owners of the Company	1,134.61	811.80
Non-controlling interests	(0.16)	0.00
Total profit for the year	**1,134.44**	**811.80**
Other comprehensive income attributable to:		
Owners of the Company	(51.32)	38.14
Non-controlling interests	0.00	0.00
Total other comprehensive income	**(51.32)**	**38.14**
Total comprehensive income attributable to:		
Owners of the Company	1,083.28	849.94
Non-controlling interests	(0.16)	0.00
Total comprehensive income	**1,083.12**	**849.94**
Earnings per equity share (face value of Rs 10 each)		

Basic (in Rs)	9.24	7.17
Diluted (in Rs)	9.10	7.03

(₹ in million, except per share data)

Particulars	Indian GAAP	
	For the year ended March 31, 2016	**For the period from January 1, 2014 to March 31, 2015**
Revenue		
Revenue from operations		
Sale of services	34,350.14	25,670.57
	34,350.14	**25,670.57**
Other income	84.26	74.38
Total Revenue	**34,434.40**	**25,744.95**
Expenses		
Cost of material and stores and spare parts consumed	481.40	522.65
Employee benefits expenses	30,372.20	22,742.35
Finance costs	307.90	218.30
Depreciation and amortisation expense	160.19	101.41
Other expenses	1,859.07	1,112.50
Total Expenses	**33,180.77**	**24,697.21**
Profit before tax	**1,253.64**	**1,047.75**
Tax expense:		
- Current tax	(624.58)	(290.78)
- Income tax credit for earlier years	64.56	0.00
- Deferred tax credit/ (charge) for the year/ period	203.54	(68.04)
Profit after tax	**897.16**	**688.92**
Earnings per equity share (face value of Rs 10 each)		
Basic (in Rs)	7.92	7.46
Diluted (in Rs)	7.77	5.95

Summary of Consolidated Statement of Cash Flows

(₹ in million)

Particulars	Ind AS	
	For the year ended	
	March 31, 2017	March 31, 2016
Cash flows from operating activities		
Profit before tax	1,652.03	1,147.01
Adjustments for:		
Depreciation and amortisation expenses	264.42	143.90
Dividend income on mutual fund units	(16.63)	0.00
Bad debts written off	71.06	0.00
Deposits/ advances written off	0.00	13.70
Liabilities no longer required written back	(3.24)	(16.13)
Impairment loss on financial assets	(8.52)	78.88
Interest income	(124.44)	(70.00)
Finance costs	465.33	310.43
Change in fair value of contingent consideration	(4.47)	0.00
Loss/ (Profit) on sale of property, plant and equipment and intangible assets, net	1.52	(0.10)
Unrealised forex exchange loss	0.98	1.31
Share of profit of equity accounted investees	(1.25)	0.00
Operating cash flows before working capital changes	**2,296.78**	**1,609.00**
Changes in		
Inventory	(37.25)	(10.08)
Trade receivables and security deposits	121.81	(1,610.00)
Other current, non-current, unbilled revenue and financial assets	(827.83)	(1,488.40)
Trade payables and other financial liabilities	(398.13)	1,588.06
Other liabilities and provisions	382.90	(101.60)
Cash generated from operating activities	**1,538.28**	**(13.02)**
Income taxes paid (net)	(802.24)	(482.23)
Net cash provided by/ (used in) operating activities (A)	**736.04**	**(495.25)**
Cash flows from investing activities		
Acquisition of property, plant and equipment and intangibles	(379.17)	(225.52)
Acqusition of shares in subsidiaries net of acquisition date cash and cash equivalents	(933.04)	114.41
Acquisition of shares in equity accounted investees	(732.04)	0.00
Investment in preference shares	(2,200.00)	0.00
Dividend received on mutual fund units	16.63	0.00
Bank deposits (having original maturity of more than three months), net	(1,544.88)	15.04
Interest received on term deposits	89.23	6.34
Loan given to related parties, net of repayments	(69.21)	0.00
Interest received on loans given to related parties	1.18	0.00
Payment to erstwhile minority shareholders	(6.67)	(6.67)
Net cash used in investing activities (B)	**(5,757.98)**	**(96.39)**
Cash flows from financing activities		
Borrowings - vehicle loan taken	7.83	2.52
Borrowings - vehicle loan repaid	(3.00)	(1.62)
Current borrowings, net of repayments	1,170.42	874.16
Proceeds from issue of debentures, net of issue expenses	1,483.31	0.00
Proceeds from issue of equity shares, net of issue expenses	3,703.85	25.60
Proceeds from exercise of share options	8.38	0.00
Proceeds from term loan	1,072.49	204.92

(₹ in million)

Particulars	Ind AS	
	For the year ended	
	March 31, 2017	March 31, 2016
Repayment of term loan	(31.47)	0.00
Proceeds/ (repayment) under finance leases, net	33.53	40.11
Proceeds from loans taken from related parties	3.52	20.92
Repayment of loans to related parties	(10.68)	(4.13)
Interest paid	(430.02)	(304.01)
Net cash provided by financing activities (C)	**7,008.16**	**858.47**
Net increase in cash and cash equivalents (A+B+C)	1,986.22	266.83
Cash and cash equivalents at the beginning of the year	1,027.86	760.28
Effect of exchange rate fluctuations on cash and cash equivalents	(4.78)	0.75
Cash and cash equivalents at the end of the year	**3,009.30**	**1,027.86**

(₹ in million)

Particulars	Indian GAAP	
	For the year ended March 31, 2016	For the period from January 1, 2014 to March 31, 2015
Cash flows from operating activities		
Profit before tax	1,253.64	1,047.75
Adjustments for:		
Depreciation and amortisation expense	160.19	101.41
Profit on sale of fixed assets	(0.10)	(0.40)
Bad debts written off	0.00	3.79
Provision for doubtful debts, net	24.86	21.39
Deposits written off	13.70	1.00
Liabilities no longer required written back	(1.58)	(8.42)
Provision no longer required written back	(14.55)	(25.03)
Share of loss from an investment in associate	0.00	0.00
Interest income on term deposits	(7.05)	(8.60)
Finance costs	307.90	218.30
Operating cash flows before working capital changes	**1,737.01**	**1,351.20**
Changes in trade receivables	(1,590.07)	(701.34)
Changes in inventories	(10.08)	0.04
Changes in long-term loans and advances	(17.78)	(99.54)
Changes in short-term loans and advances	(42.73)	387.50
Changes in other current assets and non-current assets	(1,424.13)	(480.81)
Changes in long-term- liabilities and long-term provisions	(2.36)	(15.22)
Changes in trade payables, other current liabilities and short-term provisions	1,447.31	47.56
Cash generated from operations	**97.16**	**489.39**
Income taxes paid, net of refund	(538.90)	(341.10)
Net cash (used in) / provided by operating activities (A)	**(441.75)**	**148.29**
Cash flows from investing activities		
Purchase of fixed assets	(231.98)	(150.29)
Proceeds from sale of fixed assets	1.70	1.41
Loans given to related parties	(15.06)	0.00
Acquisition of subsidiaries	(0.00)	(524.75)
Purchase of long-term investments	(20.00)	0.00

Bank deposits (having original maturity of more than three months)	15.04	(20.14)
Interest income on term deposits	6.34	8.84
Net cash used in investing activities (B)	**(243.96)**	**(684.92)**
Cash flows from financing activities		
Proceeds/ Repayment from/ to borrowings, net	1,096.77	881.90
Proceeds/ Repayment under finance leases, net	40.11	0.00
Proceeds from issue of equity shares	25.60	0.00
Finance cost paid	(304.28)	(218.30)
Net cash provided by financing activities (C)	**858.20**	**663.60**
Net increase in cash and cash equivalents (A+B+C)	172.49	126.97
Cash and cash equivalents acquired from subsidiaries	134.41	388.96
Effect of exchange differences on foreign currency cash balances	(0.75)	(8.66)
Cash and cash equivalents at the beginning of the year/ period	760.28	253.01
Cash and cash equivalents at the end of the year/ period	**1,066.42**	**760.28**

Summary of Standalone Balance Sheet

(₹ in million)

Particulars	Ind AS	
	As at March 31, 2017	As at March 31, 2016
ASSETS		
Non-current assets		
Property, plant and equipment	181.06	162.40
Goodwill	4.52	0.00
Other intangible assets	805.37	867.29
Intangible assets under development	85.24	8.56
Financial assets		
(i) Investments	3,650.25	168.84
(ii) Non-current loans	114.65	57.74
(iii) Other non- current financial assets	8.57	20.52
Deferred tax assets (net)	156.13	294.22
Income tax assets (net)	1,115.56	692.99
Other non-current assets	43.66	38.82
Total non-current assets	**6,165.02**	**2,311.35**
Current assets		
Inventories	46.23	13.22
Financial assets		
(i) Trade receivables	2,855.30	3,239.82
(ii) Cash and cash equivalents	2,237.97	842.08
(iii) Bank balances other than cash and cash equivalent above	1,582.71	26.97
(iv) Current loans	257.22	261.41
(v) Other current financial assets	29.47	6.68
(vi) Unbilled revenue	3,482.76	2,747.90
Other current assets	151.64	162.59
Total current assets	**10,643.31**	**7,300.68**
Total Assets	**16,808.33**	**9,612.03**
EQUITY AND LIABILITIES		
Equity		
Equity share capital	1,267.91	1,133.35
Other equity	6,656.45	2,196.89
Total equity	**7,924.36**	**3,330.24**
Liabilities		
Non-current liabilities		
Financial liabilities		
(i) Non-current borrowings	1,487.24	1.56
(ii) Other non-current financial liabilities	0.00	0.00
Non-current provisions	161.31	83.61
Total non-current liabilities	**1,648.55**	**85.18**
Current liabilities		
Financial liabilities		
(i) Bank overdraft	3.42	0.00
(ii) Current borrowings	3,852.30	2,627.45
(iii) Trade payables	199.89	159.26
(iv) Other current financial liabilities	1,871.37	2,234.70
Current provisions	204.41	173.63
Other current liabilities	1,104.04	1,001.57
Total current liabilities	**7,235.42**	**6,196.61**

(₹ in million)

Particulars	Ind AS	
	As at March 31, 2017	As at March 31, 2016
Total Liabilities	**8,883.97**	**6,281.79**
Total Equity and Liabilities	**16,808.33**	**9,612.03**

(₹ in million)

Particulars	Indian GAAP	
	As at 31 March 2016	As at 31 March 2015
EQUITY AND LIABILITIES		
Shareholders' funds		
Share capital	1,133.35	257.74
Reserves and surplus	2,343.02	2,337.13
	3,476.37	**2,594.87**
Non-current liabilities		
Long-term borrowings	1.56	0.00
Other long-term liabilities	0.00	6.67
Long-term provisions	83.61	85.11
	85.18	**91.78**
Current liabilities		
Short-term borrowings	2,627.45	1,650.62
Trade payables	161.03	124.69
Other current liabilities	3,223.49	1,753.88
Short-term provisions	173.63	61.97
	6,185.61	**3,591.16**
Total Equity and Liabilities	**9,747.15**	**6,277.81**
ASSETS		
Non-current assets		
Fixed assets		
Tangible assets	162.40	131.90
Intangible assets	869.69	937.55
Intangible assets under development	8.56	0.00
	1,040.64	**1,069.44**
Non-current investments	156.03	46.03
Deferred tax asset (net)	215.93	27.87
Long-term loans and advances	779.58	527.20
Other non-current assets	22.80	8.78
	1,174.34	**609.88**
Current assets		
Inventories	13.22	5.28
Trade receivables	3,462.32	2,156.67
Cash and bank balances	869.05	706.91
Short-term loans and advances	333.91	397.17
Other current assets	2,853.67	1,332.45
	7,532.17	**4,598.49**
Total Assets	**9,747.15**	**6,277.81**

Summary of Standalone Statement of Profit and Loss

(₹ in million, except per share data)

Particulars	Ind AS	
	For the year ended	
	31 March 2017	31 March 2016
Income		
Revenue from operations	33,607.22	29,181.77
Other income, net	161.21	90.99
Total income	**33,768.43**	**29,272.76**
Expenses		
Cost of material and stores and spare parts consumed	360.42	417.14
Employee benefit expenses	29,363.04	25,583.38
Finance costs	389.03	270.86
Depreciation and amortisation expenses	170.21	152.37
Other expenses	2,102.08	1,740.79
Total expenses	**32,384.78**	**28,164.54**
Profit before income tax	**1,383.65**	**1,108.22**
Tax expense		
Current tax	(332.74)	(613.50)
Adjustments of tax relating to earlier years	0.00	64.56
Deferred tax	(148.80)	226.25
Total tax expenses	**(481.55)**	**(322.68)**
Profit for the year	**902.10**	**785.54**
Other comprehensive income/ (expense)		
Items that will not be reclassified subsequently to profit or loss		
Remeasurement of the net defined benefit liability/ asset	(30.93)	65.60
Income tax relating to items that will not be reclassed to profit or loss	10.72	(22.70)
Other comprehensive income/ (expense) for the year, net of income tax	**(20.21)**	**42.90**
Total comprehensive income for the year	**881.89**	**828.43**
Earnings per equity share (face value of Rs 10 each)		
Basic (in Rs.)	7.34	6.94
Diluted (in Rs.)	7.23	6.81

(₹ in million, except per share data)

Particulars	Indian GAAP	
	For the year ended 31 March 2016	**For the period from 1 January 2014 to 31 March 2015**
Revenue		
Revenue from operations		
Sale of services	29,181.77	23,732.83
	29,181.77	**23,732.83**
Other income	83.61	65.82
Total Revenue	**29,265.38**	**23,798.65**
Expenses		
Cost of material and stores and spare parts consumed	417.14	522.65
Employee benefits expenses	25,884.20	20,875.40
Finance costs	270.86	209.27
Depreciation and amortisation expense	164.53	170.23
Other expenses	1,311.87	1,023.75
Total Expenses	**28,048.60**	**22,801.30**
Profit before tax	**1,216.77**	**997.35**
Tax expense:		
- Current tax	(613.50)	(290.73)
- Income tax credit for earlier year	64.56	0.00
- Deferred tax credit/(charge) for the year / period	188.06	(69.26)
Profit after tax	**855.90**	**637.35**
Earnings per equity share (face value of Rs 10 each)		
Basic (in Rs.)	7.56	6.91
Diluted (in Rs.)	7.42	5.51

Summary of Standalone Statement of Cash Flows

(₹ in million)

Particulars	Ind AS	
	For the year ended	
	31 March 2017	31 March 2016
Cash flow from operating activities		
Profit before tax	1,383.65	1,108.22
Adjustments for:		
Depreciation and amortisation expenses	170.21	152.37
Dividend income on mutual fund units	(16.63)	0.00
Bad debts written off	68.06	0.00
Deposits/advances written-off	0.00	13.70
Liabilities no longer required written back	(3.02)	(13.58)
Impairment loss on financial assets	(11.26)	82.01
Interest income	(139.77)	(75.51)
Finance costs	389.03	270.86
Unhedged foreign exchange loss	1.39	1.45
Operating cash flows before working capital changes	**1,841.67**	**1,539.52**
Working capital adjustments:		
Changes in		
Inventory	(33.01)	(7.94)
Trade receivables and security deposit	349.36	(1,358.92)
Other current, non current, unbilled revenue and financial assets	(732.36)	(1,549.34)
Trade payables and other financial liabilities	(380.46)	1,413.22
Other liabilities and provisions	182.91	297.66
Cash generated from operating activities	**1,228.12**	**334.20**
Income taxes paid, net	(752.83)	(465.75)
Net cash provided by/ (used in) operating activities (A)	**475.30**	**(131.55)**
Cash flows from investing activities		
Acquisition of property, plant and equipment and intangibles	(201.25)	(139.99)
Acquisition of shares in subsidiaries	(515.29)	(110.00)
Acquisition of shares in associates	(731.30)	0.00
Investment in preference shares	(2,200.00)	0.00
Dividend received on mutual fund units	16.63	0.00
Bank deposits (having maturity of more than three months), net	(1,543.79)	14.23
Interest received on term deposits	88.84	5.82
Loans given to subsidiaries	(278.63)	(246.23)
Loans repaid by subsidiaries	208.15	103.27
Interest received on loans given to subsidiaries	13.56	0.63
Payments to erstwhile minority shareholders	(6.67)	(6.67)
Net cash used in investing activities (B)	**(5,149.76)**	**(378.95)**
Cash flows from financing activities		
Borrowings - Vehicle loan taken	7.83	2.52
Borrowings - Vehicle loan repaid	(3.00)	(1.62)
Short-term borrowings, net of repayments	1,224.85	946.83
Proceeds from issue of debentures, net of issue expenses	1,483.31	0.00
Proceeds from issue of equity shares, net of issue expenses	3,703.85	25.60
Proceeds from exercise of share options	8.38	0.00
Finance cost paid	(358.29)	(269.69)
Net cash provided by financing activities (C)	**6,066.93**	**703.64**

Net increase in cash and cash equivalents (A+B+C)	**1,392.47**	**193.14**
Cash and cash equivalents at the beginning of the year	842.08	648.94
Cash and cash equivalents at the end of the year	**2,234.55**	**842.08**

(₹ in million)

Particulars	**Indian GAAP**	
	For the year ended 31 March 2016	**For the period from 1 January 2014 to 31 March 2015**
Cash flows from operating activities		
Profit before tax	1,216.77	997.35
Adjustments for:		
Depreciation and amortization	164.53	170.23
Profit on sale of fixed assets, net	0.00	(0.40)
Deposits written off	13.70	1.00
Bad debts written off	0.00	4.82
Provision for bad and doubtful debts, net	25.67	21.39
Provision no longer required written back	(12.00)	(25.03)
Liabilities no longer required written back	(1.58)	(8.42)
Interest income on term deposits	(6.50)	(8.42)
Finance costs	270.86	209.27
Operating cash flows before working capital changes	**1,671.45**	**1,361.79**
Changes in		
Trade receivables	(1,331.32)	192.79
Inventories	(7.94)	0.04
Long-term loans and advances	(16.17)	(90.57)
Short-term loans and advances	(65.69)	(52.63)
Other non current assets	2.74	(5.92)
Other current assets	(1,520.53)	(927.82)
Trade payables	36.34	120.69
Long term liabilities and long term provisions	(8.17)	(9.88)
Current liability and short term provision	1,624.35	(27.73)
Cash generated from operations	**385.08**	**560.77**
Direct taxes paid, net of refund	(522.42)	(341.09)
Net cash (used in) / provided by operating activities (A)	**(137.35)**	**219.67**
Cash flows from investing activities		
Purchase of fixed assets	(141.16)	(142.25)
Proceeds from sale of fixed assets	0.92	1.41
Loans given to subsidiaries	(246.23)	(6.58)
Loans repaid by subsidiaries	103.27	0.00
Acquisition of subsidiaries	(110.00)	(524.76)
Bank deposits (having original maturity of more than three months)	14.23	(51.86)
Interest income on term deposits	5.82	8.43
Net cash used in investing activities (B)	**(373.15)**	**(715.59)**
Cash flows from financing activities		
Proceeds from borrowings	1,557.73	888.27
Repayment of borrowings	(610.00)	(30.00)
Proceeds from issue of equity shares	25.60	0.00
Interest paid	(269.69)	(209.27)
Net cash provided by financing activities (C)	**703.64**	**649.00**

Net increase in cash and cash equivalents (A+B+C)	**193.13**	**153.07**
Cash and cash equivalents at the beginning of the year / period	648.94	206.49
Cash and cash equivalents acquired on amalgamation	0.00	289.38
Cash and cash equivalents at the end of the year / period	**842.08**	**648.94**

Reviewed Financial Results

Pursuant to a meeting of our Board of Directors on July 21, 2017, we have adopted and filed with the Stock Exchanges, the unaudited standalone and consolidated financial results for the quarter ended June 30, 2017 in accordance with the provisions of Regulation 33 of the SEBI Listing Regulations. For further information, see *"Financial Statements – Consolidated Reviewed Financial Results for the quarter ended June 30, 2017" and "Financial Statements – Standalone Reviewed Financial Results for the quarter ended June 30, 2017"*.

RISK FACTORS

An investment in the Equity Shares involves a high degree of risk. You should carefully consider all the information disclosed in this Prospectus, including the risks and uncertainties described below, before making an investment decision in the Equity Shares. The risks described below are not the only ones relevant to us or the Equity Shares or the industry in which we operate or India. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may also impair our business, results of operations and financial condition. In order to obtain a complete understanding of our Company, businesses and operations, prospective investors should read this section in conjunction with "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 180 and 79, respectively, as well as the other financial and statistical information contained in this Prospectus. If any one or a combination of the risks described below or other risks that are not currently known or are currently deemed immaterial actually occur, our business, prospects, financial condition and results of operations could be adversely affected, the trading price of the Equity Shares could decline, and investors may lose all or part of the value of their investment. The financial and other related implications of the risk factors, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are certain risk factors where the financial impact is not quantifiable and, therefore, cannot be disclosed in such risk factors. You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in this Issue.

Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read "Forward-Looking Statements" for a discussion of the risks and uncertainties related to such statements. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.

In this section, unless the context otherwise requires, a reference to "our Company" is a reference to Quess Corp Limited on a standalone basis, while any reference to "we", "us" or "our" refers to Quess Corp Limited, its Subsidiaries, Associates and its Joint Venture, as applicable in the relevant fiscal period, on a consolidated basis.

Our Company's fiscal year ends on March 31 of each year, except that in 2014 our Company aligned its fiscal year end to that of our corporate Promoter TCIL, December 31. However, our Company subsequently reverted to a March 31 year end in Fiscal 2015 as required under the Companies Act. Accordingly, in this Prospectus (i) Fiscal 2015 (15 months) denotes the 15 months ended March 31, 2015; and (ii) the terms Fiscal 2016 and Fiscal 2017 denote the 12 months ended March 31, 2016 and 2017, respectively. Our results of operations in Fiscal 2015 (15 months) are not comparable to the results of operations in other 12-month fiscal years included in this Prospectus.

We have completed various acquisitions in Fiscal 2015 (15 months), Fiscal 2016 and Fiscal 2017. The results of operations of such acquired entities would be reflected in our consolidated financial statements for the relevant fiscal periods only with effect from the effective date of such respective acquisition, and our consolidated financial statements for Fiscal 2015 (15 months), Fiscal 2016 and Fiscal 2017 are also not comparable on account of such acquisitions. For important information relating to the presentation of financial information, including the transition from Indian GAAP to Ind AS financial statements and the presentation of certain proforma financial information with respect to the Proposed MIS Acquisition, see "Management's Discussion and Analysis of Financial Condition and Results of Operations - Presentation of Financial Information".

The industry data used in this section has been derived from the F&S Report 2017, which has been commissioned by the Company from Frost & Sullivan (India) Private Limited. This section also contains certain information that has been derived from the Strategy Meets Action Report – SMA Research: 2017 IT Spending and Priorities (Extract) dated July 13, 2017, which has been prepared by Strategy Meets Action ("SMA") at the specific request of the Company.

Risks Relating to our Business

1. Our business and operations are subject to various risks relating to our proposed acquisition of the facility management and catering business of MIS, including the integration of such businesses into our existing operations, which could adversely impact our business, financial condition and results of operations.

On November 28, 2016, we entered into definitive agreements relating to the demerger of the facility management and catering businesses of Manipal Integrated Services Private Limited ("MIS") into our Company through a scheme of arrangement (such proposed acquisition, the "Proposed MIS Acquisition"). Our business and operations are subject to various risks relating to the Proposed MIS Acquisition. The completion of the Proposed MIS Acquisition is subject to various conditions, including the approval of the shareholders and creditors, the sanction of the scheme of arrangement by the National Company Law Tribunal as well as other relevant regulatory approvals. There can be no assurance that all such conditions will be fulfilled in an acceptable manner or that requisite approvals will be received in a timely manner, or at all, for the consummation of the transaction.

While we believe that the Proposed MIS Acquisition is likely to result in the expansion of our Integrated Facility Management business, there can be no assurance that we will be able to successfully integrate the facility management and catering businesses acquired from MIS ("Target MIS Business") into our existing operations. Any difficulties encountered in integrating and/or managing the Target MIS Business could result in increased costs and adversely affect our operating margins and results of operations. In addition, we have recently entered into definitive agreements to subscribe to the share capital of Heptagon Technologies and Comtel Pro Pte. Ltd. For further information, see "*Our Business - Recent Developments – Other Proposed Investments*" and *"Management's Discussion and Analysis of Financial Condition and Results of Operations – Presentation of Financial Information – Acquisitions and Investments"*.

The information relied on by us with respect to the business and operations of MIS and the Target MIS Business may be incomplete or inaccurate, and we may be subject to unforeseen risks, liabilities and obligations. MIS is a privately owned unlisted company and is not subject to operational controls, financial reporting procedures and corporate governance processes that are comparable to the controls and processes applicable to us as a publicly listed entity. There may be infirmities or irregularities in the operational and financial reporting procedures or in compliance with regulatory and other requirements by MIS, and we may be subject to unforeseen risks, liabilities and obligations in this regard. In addition, the facility management and catering businesses of MIS was historically not operated as a separate operating or business segment within MIS and accordingly, the historical audited financial statements of MIS did not maintain financial statements of such businesses distinct from the hostels business of MIS, which we do not propose to acquire. For further information, see *"Management's Discussion and Analysis of Financial Condition and Results of Operations – Presentation of Financial Information - Proforma Financial Information on Proposed MIS Acquisition".* We may also be required to expend significant management and other resources to ensure that the operational and financial reporting standards followed by the Target MIS Business are integrated to those followed in our existing operations.

2. The MIS Acquisition Proforma Financial Information has been prepared for illustrative purposes only based on various assumptions stated therein, does not purport to predict our future financial condition, results of operations or cash flows in the event of completion of the Proposed MIS Acquisition, and potential investors should not place undue reliance on such information in connection with any investment decision.

Since the Proposed MIS Acquisition has not been completed, the effect of the Proposed MIS Acquisition is not currently reflected in our audited consolidated financial statements for Fiscal 2017. The investment for the Proposed MIS Acquisition is material in the context of our financial condition, and we have accordingly included in this Prospectus certain proforma financial information with respect to the Proposed MIS Acquisition (such proforma financial information, the "MIS Acquisition Proforma Financial Information"). The MIS Acquisition Proforma Financial Information seeks to present the impact of the Proposed MIS Acquisition on our historical audited consolidated financial statements for Fiscal 2017.

The MIS Acquisition Proforma Financial Information involves various assumptions as stated therein, including (i) assumptions relating to the preparation of historical financial information of the Target MIS Business (i.e not taking into account the hostels business of MIS that is not proposed to be acquired by us); and (ii) that the Proposed MIS Acquisition had taken place with effect from April 1, 2016. In the event that all applicable regulatory and other approvals are received, the Proposed MIS Acquisition will in fact be deemed to be effective from December 1, 2016 in accordance with the scheme of arrangement filed with respect to the Proposed MIS Acquisition.

The MIS Acquisition Proforma Financial Information has been prepared by the management and reported on by Sriramulu Naidu & Co, Chartered Accountants, who have been engaged by us for such purposes on account of their familiarity with the underlying financial statements of MIS and the Target MIS Business. The MIS Acquisition Proforma Financial Information is based on (i) the financial statements for Fiscal 2017 prepared under Ind AS for Target MIS Business that have been subjected to a limited review by Sriramulu Naidu & Co, Chartered Accountants; and (ii) our audited consolidated financial statements for Fiscal 2017 under Ind AS. Although we have included the MIS Acquisition Proforma Financial Information with respect to Fiscal 2017, given that MIS is a private limited company and is not required under applicable laws to prepare quarterly financial statements for the three months ended June 30, 2017, and given that the acquisition is still not completed, we have been unable to include any proforma financial information with respect to the Proposed MIS Acquisition with respect to the quarter ended June 30, 2017.

The MIS Acquisition Proforma Financial Information has been prepared for illustrative purposes only based on various assumptions stated therein, does not purport to predict our future financial condition, results of operations or cash flows in the event of completion of the Proposed MIS Acquisition, and potential investors should therefore not place undue reliance on such information in connection with any investment decision. The MIS Acquisition Proforma Financial Information has not been prepared in accordance with auditing or other standards and practices generally accepted in other jurisdictions. For further information, see *"Management's Discussion and Analysis of Financial Condition and Results of Operations – Presentation of Financial Information - Proforma Financial Information on Proposed MIS Acquisition".*

3. ***We were required to prepare and present our financial statements under Ind AS with effect from April 1, 2016. In this Prospectus, we have included our Ind AS Audited Financial Statements for Fiscal 2016 and Fiscal 2017 which are not comparable with the historical Indian GAAP Audited Financial Statements for Fiscal 2015 (15 months) and Fiscal 2016 included herein.***

As a subsidiary of our Corporate Promoter, TCIL (which was required to prepare and present its financial statements in accordance with Ind AS with effect from April 1, 2016), our Company was also required to prepare standalone and consolidated financial statements in accordance with Ind AS for Fiscal 2017 (together with the corresponding standalone and consolidated financial statements under Ind AS for Fiscal 2016). Our historical audited standalone and consolidated financial statements for Fiscal 2015 (15 months) and for Fiscal 2016 were originally prepared in accordance with Indian GAAP. Ind AS varies in many respects from Indian GAAP, and accordingly our Ind AS financial statements for Fiscal 2016 and Fiscal 2017 are not comparable with our historical Indian GAAP financial statements for Fiscal 2015 (15 months) and Fiscal 2016. For further information, see *"Financial Statements – Ind AS Audited Consolidated Financial Statements – Note 55".*

In this Prospectus we have therefore included (i) the audited standalone financial statements under Indian GAAP for Fiscal 2015 (15 months) and Fiscal 2016 (the "Indian GAAP Standalone Audited Financial Statements") and the audited consolidated financial statements under Indian GAAP for Fiscal 2015 (15 months) and Fiscal 2016 (the "Indian GAAP Audited Consolidated Financial Statements", and together with the Indian GAAP Audited Standalone Financial Statements, the "Indian GAAP Audited Financial Statements") and (ii) the audited standalone financial statements under Ind AS for Fiscal 2016 and Fiscal 2017 (the "Ind AS Audited Standalone Financial Statements") and the audited consolidated financial statements under Ind AS for Fiscal 2016 and Fiscal 2017 (the "Ind AS Audited Consolidated Financial Statements", and together with the Ind AS Audited Standalone Financial Statements, the "Ind AS Audited Financial Statements"). Our Ind AS Audited Financial Statements also includes reconciliation statements of the Ind AS Audited Financial Statements for Fiscal 2016 with our historical Indian GAAP Audited Financial Statements for Fiscal 2016 explaining the impact of transition to Ind AS on the preparation and presentation of our financial statements. In this Prospectus, we have therefore included in the Management's Discussion and Analysis of our Financial Condition and Results of Operations section, discussions (i) comparing Ind AS Audited Consolidated Financial Statements for Fiscal 2017 with the Ind AS Audited Consolidated Financial Statements for Fiscal 2016; and (ii) comparing the Indian GAAP Audited Consolidated Financial Statements for Fiscal 2016 with the Indian GAAP Audited Consolidated Financial Statements for Fiscal 2015 (15 months).

4. ***Our business and operations are subject to various risks relating to our recent acquisitions, including risks***

relating to the integration of these acquired businesses with our existing operations. We may in the future continue to make strategic acquisitions to grow our business and further diversify service offerings. An inability to identify, complete and successfully integrate such acquisitions could adversely affect our business prospects, results of operations and financial condition.

We have in recent periods announced and completed a number of acquisitions in India and other jurisdictions to grow our business, expand our business segments and service offerings, and diversify our revenue streams. For further information, see "*Our Business – Competitive Strengths - Track record of successful inorganic growth with improved financial performance"* and *"Management's Discussion and Analysis of Financial Condition and Results of Operations – Presentation of Financial Information – Acquisitions and Investments".* As a result, our business and operations are subject to various risks arising out of these acquisitions and investments.

We further continue to evaluate inorganic growth opportunities consistent with our business strategy of diversifying our service offerings and providing integrated business services to our clients. However, such proposed acquisitions may be subject to receipt of relevant approvals. For example, the Proposed MIS Acquisition is subject to approval by National Company Law Tribunal, Bengaluru Bench for the proposed scheme of arrangement. There can be no assurance that we will be able to obtain such approvals in a reasonable timeframe, or at all. For further information, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Presentation of Financial Information - Proforma Financial Information on Proposed MIS Acquisition".* Further, with respect to our acquisition of Terrier, any additional investment in Terrier beyond the current 49.00% equity shareholding acquired by us and upto the current statutory maximum limit of 74.00% equity shareholding, requires approval from the Ministry of Home Affairs. In the event we are unable to obtain requisite approval, Terrier will continue to remain an Associate and will continue to be accounted for under the equity method of accounting. We will also be obligated to ensure payment of the remaining consideration for the acquisition of Terrier.

There can be no assurance that we will be able to successfully integrate the acquired businesses into our existing operations. Our acquisition strategy involves various risks and challenges, including the diversion of management's attention from our business operations; the potential loss of key employees and customers of the acquired businesses; potential disruption of business relationships with current clients; uncertainties that may impair our ability to attract, retain and motivate key personnel; issues relating to management and integration of operations; potential deficiencies in financial control and statutory compliance at the acquired companies; an increase in our expenses and working capital requirements; a failure to achieve cultural compatibility and other benefits expected from an acquisition; and exposure to unanticipated liabilities of the acquired companies. An inability to integrate or manage these acquired businesses or entities may result in increased costs and adversely affect our results of operations.

Further, the information relied on by us with respect to these acquired entities may have been incomplete or inaccurate. There may be infirmities or irregularities in the operational and financial reporting procedures or in compliance with regulatory and other requirements by such entities, and we may be subject to unforeseen risks, liabilities and obligations in this regard. In addition, we may not have any recourse against the entities from which we acquired these entities in connection with any loss that may arise out of such acquisitions. We may be adversely impacted by liabilities that we assume from our acquisitions, including known and unknown obligations, intellectual property or other assets, terminated employees, current or former clients, or other third parties, and we may fail to identify or adequately assess the magnitude of certain liabilities, shortcomings or other circumstances prior to acquisition, which could result in unexpected legal or regulatory exposure, unfavourable accounting treatment, unexpected increases in taxes, or other adverse effects on our business.

In addition, we may require additional financial resources for the successful expansion or reorganization of these recently acquired businesses and integrating their operations into our operations. An inability to raise adequate finances in a timely manner and on commercially acceptable terms for the expansion, reorganization or integration of these businesses with our existing operations could materially and adversely affect our business, results of operations and financial condition.

An inability to identify, complete and successfully integrate any acquired businesses into our operations, may affect our growth strategy, market share, profitability, or competitive position.

5. ***The loss of, or a significant decrease in revenues from, one or more of our Key Clients or primary markets may adversely affect our revenues, results of operations and financial performance.***

Revenues from any particular client may vary between financial reporting periods depending on the nature and term of ongoing contracts with such client. However, historically certain key clients have accounted for a significant proportion of our revenues in the relevant business segments. In Fiscal 2017, our top 10 clients contributed 31.13%, of our total revenues from operations while our largest client contributed 7.82% of our total revenues from operations in such period. The loss of any of our Key Clients could have a material adverse effect on our results of operations or financial condition, even if we generate equivalent revenues from new clients.

Significant dependence on certain clients may increase the potential volatility of our results of operations, if we do not achieve our expected margins or suffer losses on such contracts. Our clients can unilaterally decrease the amount of services we provide or terminate all services due to any reason including those beyond our control, including adverse business and financial conditions.

Further, we typically do not enter into long term contracts for our services and our service agreements with Key Clients are typically cancellable by either party at relatively short notice. As of March 31, 2017, contracts with our Key Clients for our P&S segment were typically for a period of one year, for our GTS business segment such contracts range from a period of one to two years, for our IFM business segment for a period of one to five years and for our Industrials business segments such contracts are for a period of one to two years.

A significant majority of our revenues are derived from our operations in India and North America. Under Indian GAAP, in Fiscal 2015 (15 months), revenues from our operations in India represented 90.46% of our total revenues from operations while revenue from our operations from North America represented 7.09% of our total revenue from operations in such period. Under Ind AS, in Fiscal 2016 and Fiscal 2017, revenues from our operations in India represented 86.15% and 82.15%, respectively, of our total revenues from operations while revenue from our operations from North America represented 13.08% and 14.73%, respectively, of our total revenue from operations in such periods. The loss of, or a significant decrease in revenues from these key markets may adversely affect our revenues, results of operation and profitability.

6. ***Our financial statements for Fiscal 2015 (15 months), Fiscal 2016 and Fiscal 2017 are not comparable due to the variation in our financial accounting periods as well as on account of various acquisitions and investments undertaken by our Company in the relevant financial reporting periods.***

Our Company's fiscal year ends on March 31 of each year, except that in 2014 our Company aligned its fiscal year end to that of our corporate Promoter TCIL, December 31. However, our Company subsequently reverted to a March 31 year end in Fiscal 2015 as required under the Companies Act. Accordingly, our results of operations in Fiscal 2015 (15 months) are not comparable to the results of operations in other 12-month fiscal years included in this Prospectus.

We have announced and/or completed various acquisitions and investments in Fiscal 2015 (15 months), Fiscal 2016 and Fiscal 2017. The results of operations of any acquired entities or investments would be reflected in our consolidated financial statements for the relevant fiscal periods only with effect from the effective date of such respective acquisition or investment, and our consolidated financial statements for Fiscal 2015 (15 months), Fiscal 2016 and Fiscal 2017 are also not comparable on account of such acquisitions and investments during such periods. For further information on such acquisitions and investments, see *"Management's Discussion and Analysis of Financial Condition and Results of Operations – Presentation of Financial Information – Acquisitions and Investments".*

In this Prospectus, other than for the MIS Acquisition Proforma Financial Information, we have not included any pro forma financial information prepared in accordance with the laws and regulations of the United States, India or any other jurisdiction, which would have shown the effect of any other acquisitions and investments completed in Fiscal 2015 (15 months), Fiscal 2016 or Fiscal 2017 or those completed subsequent to March 31, 2017, on our historical results of operations and financial condition.

7. One of our Directors and our corporate Promoter, TCIL, have been named as a respondent in certain criminal proceedings which are currently pending.

One of our Directors, Chandran Ratnaswami and our corporate Promoter, TCIL, have been named as respondents in certain criminal proceedings that are pending at different levels of adjudication before various courts. For further information on these criminal proceedings, see "*Legal Proceedings*" on page 254.

Any conviction, penalties or other action against our Director or corporate Promoter for the offences alleged by the complainants may potentially cause negative publicity thereby affecting our reputation, business, and financial condition.

8. We are involved in certain legal proceedings, which, if determined adversely, may affect our business and financial condition.

As on the date of filing this Prospectus, there are outstanding legal proceedings initiated against and initiated by our Company, Directors and our Subsidiaries that are pending before various courts, tribunals and other appellate authorities.

Our Company, Directors and our Subsidiaries are, subject to various legal proceedings from time to time, primarily arising in the ordinary course of their business including criminal proceedings, civil proceedings, tax proceedings and labour related disputes. We believe that the number of proceedings and disputes in which our Company, Directors and our Subsidiaries are involved is not unusual for a company of our size in the context of doing business in India and in international markets. For further information relating to litigation involving our Company, Directors and our Subsidiaries, see *"Legal Proceedings"* on page 254.

9. We are subject to certain terms and conditions under the share purchase agreement relating to the acquisition of MFX, pursuant to which our subsidiary Quess USA is required to pay a consideration of 40% of the net income of the MFX Group (defined below) to FFHL for certain financial periods. Such cash outflows may adversely affect our results of operations in the future. We may also be, restricted in our ability to conduct business in North America and which may result in loss of business opportunities in the future.

Our Subsidiaries, Quess USA and Quesscorp Holdings Pte. Ltd, acquired MFX (along with its current subsidiary MFXchange US, Inc. and the erstwhile MFXchange (Ireland) Limited, collectively, "MFX Group") from Fairfax Financial Holdings Limited ("FFHL"), under a share purchase agreement dated November 3, 2014. The acquisition of the MFX Group is subject to an earn-out mechanism under which Quess USA is required to pay an additional consideration of 40.00% of MFX Group's net income to FFHL for each of the financial years beginning on January 1 and ending on December 31, 2015, 2016, 2017, 2018 and 2019 respectively ("Additional Consideration"), in the event MFX Group achieves profits (net income). In addition such future cash outflows of 40.00% of the net income of MFX Group for the relevant financial periods may adversely affect our results of operations in the future. Further, Quess USA has an option to pay 80.00% of the Additional Consideration with the remaining portion in cash due at the end of every financial year in the form of preferred shares to be issued by MFX in favour of FFHL.

Additionally, under this agreement, we are not allowed, subject to certain exceptions, to provide technology services business as then conducted by the MFX Group in North America (including providing support in technology and business applications to the commercial property and casualty industry and managed IT infrastructure services across all industries) except through MFX Group until the end of such earn out period. We are also not permitted to transfer the MFX business to any other entity until December 31, 2019. These conditions may restrict our ability to conduct business in North America and there can be no assurance that such restriction will not result in a loss of business opportunities in the future.

10. Grants of stock options under our employee stock option plan may result in a charge to our profit and loss account and, to that extent, reduce our profits.

As on June 30, 2017, the total number of options granted by our Company to purchase Equity Shares pursuant to our Company's ESOP 2009 is 3,369,256, of which 3,369,256 have vested and 1,891,920 are yet to be exercised. Further, our Nomination and Remuneration Committee at its meeting held on May 16, 2017 has approved the grant of 230,680 stock options to employees of our Company under ESOP 2015. However, as on date no stock options have been granted under ESOP 2015.

Under Ind AS, the grant of employee stock options results in a charge to our Company's statement of profit and loss account with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted including any market performance conditions, excluding the impact of any service and non-market performance vesting conditions, and including the impact of any non-vesting conditions. The total expenses are recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. We have not granted any stock options during Fiscal 2015 (15 months), Fiscal 2016 and Fiscal 2017. In addition to the impact on the statement of profit and loss, the exercise of vested stock options may dilute the interest of holders of our Equity Shares (as in the case of any issuance of Equity Shares). For further information, see *"Financial Statements"*.

11. Our acquisition of Brainhunter Systems Limited is challenged under Indian laws. Brainhunter represents a significant percentage of our revenues from operations and our Net Tangible Assets as of March 31, 2017. Any adverse judicial and/or regulatory decision relating to our acquisition and ownership of Brainhunter, including where the acquisition may be treated as void ab-initio, may adversely affect our results of operations, financial condition and impact our investment in Brainhunter or attract adverse regulatory action, including applicable penalties.

Our Company acquired the entire paid up share capital of Brainhunter (then known as Zylog Systems (Canada) Limited) from ICICI Bank pursuant to a purchase and sale agreement dated September 17, 2014 that was governed by Canadian laws. The equity shares of Brainhunter were originally owned by Zylog Systems Limited ("Zylog"), a Chennai headquartered company, and had been pledged by Zylog in favour of ICICI Bank as security for certain loans availed by Zylog from ICICI Bank. Such pledge over the equity shares of Brainhunter was invoked by ICICI Bank pursuant to a notice dated May 1, 2014 and exercised by ICICI Bank pursuant to the Personal Property Security Act, R.S.O. 1990, subsequent to a default in repayment of loans by Zylog. Zylog is currently under liquidation and pursuant to an order of the Madras High Court dated July 3, 2014 an official liquidator was appointed to manage the affairs of Zylog. Our Company received a notice dated November 13, 2014 from the official liquidator, alleging that the acquisition by our Company of the equity shares of Brainhunter was not in accordance with law and therefore void ab initio, as such sale and transfer of the equity shares of Brainhunter had taken place subsequent to an order passed by the Madras High Court without the leave of the Madras High Court. Our Company has responded to such notice to the official liquidator on November 28, 2014 denying such allegations and also stated amongst others that under Indian law a secured creditor is legally entitled to enforce the security and assert his right without the leave of the Court and that the invocation of pledge and sale of the shares was governed by Canadian laws. Subsequently, our Company has received letters from the RBI, stating its inability to take on record the transfer of the equity shares of Brainhunter until the winding up proceedings of Zylog have been completed and resolved.

There can be no assurance that the proceedings in the Madras High Court will not be resolved in a manner that adversely affects our acquisition of the equity shares of Brainhunter. Brainhunter contributes significantly to our revenue from operations. Under Indian GAAP, in Fiscal 2015 (15 months), Brainhunter contributed ₹ 1,820.41 million, representing 7.09% of our total revenues from operations in such period. Under Ind AS, in Fiscal 2016 and Fiscal 2017, Brainhunter contributed ₹ 3,726.92 million and ₹ 3,505.33 million, respectively, representing 10.85% and 8.43%, respectively, of our total revenues from operations in such periods. In the event that the acquisition of the equity shares of Brainhunter by our Company is finally determined by the Madras High Court or any other higher court or other competent judicial forum to be void ab initio under applicable laws, our results of operations and financial condition will be adversely affected. Further, our shareholding in Brainhunter will be adversely affected and we may not be able to fully recover our investment of ₹ 17.51 million in Brainhunter. We may also be subject to applicable penalties if so determined by such judicial forum or regulatory authority. In addition, we may also be liable to repay the balance outstanding (amounting to CAD 10.05 million as of March 31, 2017) on the credit facility availed by Brainhunter from ICICI Bank, Canada, pursuant to the facility agreement dated October 15, 2015 or to the extent of the corporate guarantee provided by our Company to ICICI Bank, Canada for CAD 12.1 million to secure such facility agreement. We may face disruption in our business and there may be an impact on our operations in Canada which may therefore also have an adverse impact on our financial position and results of operations. There can also be no assurance that such order will not retrospectively affect our historical financial performance.

12. ***An inability to manage our rapid growth and business diversification initiatives may disrupt our operations and adversely affect our business and growth strategies and future financial performance.***

We have experienced rapid growth in recent years and expect our business to grow significantly as a result of the increase in size of operations, expansion into a diversified range of service offerings, through organic growth as well as acquisitions and other strategic growth opportunities across geographies. We intend to further grow our GTS, IFM and Industrials businesses, which are relatively high margin businesses compared to our P&S business. We also intend to focus on managed services offerings in the e-commerce ecosystem. This exposes us to a wide range of risks, including business risks, operational risks, fraud risks and regulatory and legal risks.

These strategic initiatives may require significant capital and other resources, as well as management attention, which could place a burden on our resources and abilities. We are in the initial stages of our diversification strategy and may not be able to properly assess the risks, economic viability and prospects of such opportunities. We may not be successful in developing these businesses and there can be no assurance relating to any revenues from or profitability of such business opportunities we intend to pursue.

We expect such rapid growth to place significant demands on us requiring us to continuously evolve and improve our operational, financial and internal controls. In particular, we may face increased challenges in maintaining high levels of client satisfaction; recruiting, training and retaining sufficient skilled management and recruitment personnel; adhering to service execution standards and key performance indicators specified by our clients; preserving a uniform culture, values and work environment across our operations; and developing and improving our internal administrative infrastructure, in particular with our financial, operational, communications and other internal systems. Our ability to continue to grow consistently will depend on a number of factors beyond our control, including the level of competition for opportunities for inorganic growth and our ability to successfully manage our organic growth. An inability to manage our growth may have an adverse effect on our business prospects and future financial performance.

13. ***Some of our Subsidiaries have incurred losses in the past and may incur losses in the future.***

Some of our Subsidiaries have incurred losses in the past, the details of which are as follows:

Name of the Subsidiary	Currency	Fiscal 2017
		(Ind AS)
Coachieve Solutions Private Limited	(₹million)	(3.41)
Dependo Logistics Solutions Private Limited	(₹ million)	(0.07)
Excelus Learning Solutions Private Limited	(₹ million)	(3.30)
Inticore VJP Advanced Solutions Private Limited	(₹million)	(0.46)
Brainhunter Systems Limited	(₹ million)	(28.02)
Quess Corp (USA) Inc.	(₹ million)	(11.88)
Quesscorp Holdings Pte Ltd	(₹ million)	(9.59)

We cannot assure you that our Subsidiaries will not incur losses in the future. This may lead to reputational loss or decline in our overall profitability.

14. ***Our businesses are subject to various operational risks and any adverse incident or accident involving employees in our businesses may adversely affect our reputation, business, results of operations and financial condition.***

As a provider of temporary and permanent staffing solutions and business services, our reputation is dependent upon the performance of our Associate Employees we place with our clients and the services rendered by such Associate Employees. If our clients become dissatisfied with the performance of our Associate Employees, or our account managers or recruitment personnel, or if any such Associate Employees do not perform in accordance with the instructions or standards established by the clients or agreed by us, our business reputation and ability to maintain or expand our client base may be adversely affected.

Our business operations, in particular, our IFM and Industrials businesses, are subject to hazards inherent in providing such services, including risk of equipment failure, work accidents, food poisoning, fire or explosion, including hazards that may cause injury and loss of life, severe damage to and destruction of property and equipment, and environmental damage. Further, some of our personnel are deployed at high risk industries such as mining and construction, which pose a high fatality risk. Our success in these businesses are dependent on our reputation for providing quality services, track record of safety and performance, and our relationship with our clients. Adverse publicity resulting from an accident or other hazardous incident could result in a negative perception of our services and the loss of existing or potential clients. Such risks and other unanticipated operational hazards could also lead to additional regulatory scrutiny and potential liability to third party claims, which could have a material adverse effect on our business prospects, results of operations and financial condition.

15. Our statutory auditors have highlighted certain matters in our audited financial statements for Fiscal 2015 (15 months), Fiscal 2016 and Fiscal 2017 in relation to our Company and certain of our Subsidiaries.

Statutory auditors of companies in India are required to comment upon matters included in the Companies (Auditor's Report) Order, 2003 ("CARO Report") issued by the Central Government of India under sub section (4A) of Section 227 of Companies Act 1956 and / Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013. Our statutory auditors have highlighted certain matters in our audited financial statements for Fiscal 2015 (15 months), Fiscal 2016 and Fiscal 2017 in relation to our Company and certain of our subsidiaries, including drawing attention to certain matters specified in CARO Report and the Order of our Company and certain of its subsidiaries, which do not require any adjustments to our historical audited financial statements. These matters include failure to make timely payment of certain statutory dues. For further information, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Auditors' Observations"* and *"Financial Statements".*

16. Our financial condition may be adversely affected if any of our contingent liabilities materialize.

The following table sets forth certain information relating to our contingent liabilities as of March 31, 2017:

Particulars	**Amount**
	(₹ million)
Contingent Liabilities	
Corporate guarantee given as security for loan availed by related party	220.00
Direct and Indirect tax matters	123.09
Provident Fund	25.73
Bonus for the period ended March 31, 2015	325.88
Total	694.70

For further information, see *"Financial Statements"*. Our financial condition may be adversely affected if any of these contingent liabilities materialize.

17. Any negative cash flows in the future could adversely affect our cash flow requirements and consequently our business operations.

We have in the past, and may in the future, experience negative cash flows. The following table sets forth certain information relating to our cash flows in Fiscal 2016 and Fiscal 2017 under Ind AS:

	Fiscal 2016	Fiscal 2017
	(Ind AS)	
	(₹ million)	
Net cash generated from/(used in) operating activities	(495.25)	736.04
Net cash generated from/(used in) investing activities	(96.39)	(5,757.98)
Net cash (generated from)/ used in the financing activities	858.47	7,008.16
Net increase/(decrease) in cash and cash equivalents	266.83	1,986.22

The following table sets forth certain information relating to our cash flows in Fiscal 2015 (15 months) and Fiscal 2016 under Indian GAAP:

	Fiscal 2015 (15 months)	Fiscal 2016
	(Indian GAAP)	
	(₹ million)	
Net cash generated from/(used in) operating activities	148.29	(441.75)
Net cash generated from/(used in) investing activities	(684.92)	(243.96)
Net cash (generated from)/ used in the financing activities	663.60	858.20
Net increase/(decrease) in cash and cash equivalents	126.97	172.49

We had negative cash flows from operating activities of ₹ 441.75 million in Fiscal 2016 under Indian GAAP and ₹ 495.25 million in Fiscal 2016 under Ind AS primarily due to increase in working capital requirement fuelled by revenue growth of the Company. We also had negative cash flows from investing activities of ₹ 684.92 million in Fiscal 2015 (15 months), ₹ 243.96 million for Fiscal 2016 under Indian GAAP (₹ 96.39 million for Fiscal 2016 under Ind AS) and ₹ 5,757.98 million for Fiscal 2017, primarily due to acquisitions made and purchase of fixed assets during each such period.

Negative cash flows over extended periods, or significant negative cash flows in the short term, could have a material impact on our business and implement our growth plans. As a result, our cash flows, business, future financial performance and results of operations could be materially and adversely affected. For further information, see *"Management's Discussion and Analysis of Financial Condition and Results of Operations"*.

18. An inability to recruit, train and retain qualified and experienced personnel who meet the staffing requirements of our clients may adversely affect our reputation, business prospects and future financial performance.

Our business depends on our ability to attract and retain qualified personnel who possess the skills and experience necessary to meet the requirements of our clients. Our business operations and financial performance may be adversely affected if we are unable to find sufficient personnel for our staffing and other businesses. In addition, we must continually evaluate and upgrade our database of available qualified personnel through recruiting and training programs to keep pace with changing client needs and emerging technologies. Competition for individuals with proven professional skills and experience is intense, and we expect demand for such individuals to remain strong in the foreseeable future. In particular, our IT staffing business involves skilled personnel, and our success depends upon our ability to attract, develop, motivate and retain skilled IT consultants. Qualified personnel may not be available to us in sufficient numbers and on terms of employment acceptable to us. We may not be able to effectively meet the expectations of our clients due to our failure to identify personnel with the requisite skills, experience or other attributes, and our training programs may not succeed in developing effective skills in a timely manner or at all. In addition, our staffing services business consists of the placement of individuals seeking employment. There can be no assurance that candidates for employment will continue to seek employment through us. Candidates generally seek temporary or regular positions through multiple sources, including us and our competitors. Any shortage of candidates could materially and adversely affect our business prospects.

The cost of providing our services and the extent to which we utilize our employees, affects our profitability.

The rate at which we utilize our employees is affected by a number of factors, including our ability to transition employees from completed contracts to new assignments and to hire and assimilate new employees in the jurisdictions where we operate; our ability to manage attrition; our need to devote time and resources to training, business development, professional development and other non-chargeable activities; and our ability to manage our Associate Employee workforce.

19. Our staffing business, which accounts for the significant majority of our consolidated revenues, is susceptible to unfavourable socioeconomic perception.

In Fiscal 2016 and Fiscal 2017, under Ind AS, revenues from staffing and recruitment services represented 81.58% and 78.50%, respectively, of our total revenues from operations in such periods. In Fiscal 2015 (15 months), under Indian GAAP, revenues from staffing and recruitment services represented 83.45% of our total revenues from operations in such period. The staffing industry has come under criticism from trade unions, regulatory agencies and other constituents that claim that labour and employment protection, such as wage and benefits regulations, are subverted when clients use staffing services. Our staffing business in particular is dependent on the continued acceptance of temporary staffing arrangements as a source of flexible labour for our clients. If public perception or business practices alter as a result of pressure from organized labour, political groups or regulatory agencies, it could have a material adverse effect on our business, results of operations and financial condition.

20. We may be exposed to risks and costs associated with protecting the integrity and security of our systems as well as our clients' operational and other confidential information.

We seek to protect our information systems and network infrastructure from physical break-ins as well as security breaches and other disruptive problems. Critical information systems are used in every aspect of our daily operations, most significantly, in the identification and matching of staffing resources to client assignments and in the customer billing and consultant or vendor payment functions. There may be areas in the systems that have not been properly protected from security breaches and other attacks. Cybersecurity attacks are evolving and could lead to disruptions in systems, unauthorized release of confidential or otherwise protected information and corruption of data. We employ security systems, including firewalls and password encryption, designed to minimize the risk of security breaches. However, these measures and technology may not always be adequate to properly prevent security breaches.

Further our business operations, particularly in our GTS business, involve access by our Associate Employees to clients' operational and other confidential information, and our employees are required to securely handle and transmit confidential information about our clients. There can be no assurance that in the future we will not be subjected to claims relating to abuse of confidential information by our employees or proceedings related to intentional or unintentional exposure of our clients' confidential information.

Also, any theft or misuse of information resulting from a security breach could result in, among other things, loss of significant and/or sensitive information, litigation by affected parties, financial obligations resulting from such theft or misuse, higher insurance premiums, governmental investigations, negative reactions from current and potential future clients and poor publicity and any of these could adversely affect our results of operations. In addition, the non-availability of the information systems or the failure of these systems to perform as anticipated for any reason could disrupt our business and could result in decreased performance and increased overhead costs, causing our business and results of operations to suffer.

21. Our revenues and profitability vary across our business segments, thereby making our future financial results less predictable.

Our revenues and profitability vary across our business segments and sub-verticals within each business segment. Our results of operations may fluctuate in the future depending on a number of factors, including but not limited to:

- our ability to increase and/or maintain the proportion of our high-margin business segments, such as the GTS, the IFM and the Industrials business, compared to the proportion of our relatively thin margin businesses, particularly our P&S business;
- award of new contracts and contract renewals, and the selection process and timing for performing these contracts that are subject to contingencies beyond our control;
- the size, complexity, timing of revenue recognition, pricing terms and profitability of significant contracts;
- changes in our pricing policies or those of our competitors;
- financial condition or business prospects of our clients;
- unanticipated variations in the duration, size and scope of our contracts;
- seasonal changes that may affect the demand for our services, the mix of services or the relative proportion of services revenue from our various business segments within a reporting period; and
- unanticipated cancellations or contract terminations.

In particular, certain of our businesses, such as the fee based income for recruitment and executive search business, can vary significantly from period to period depending on the success of such placements. A significant proportion of our operating expenses, particularly full time employee expenses, are fixed. Unanticipated variations in key contracts may result in variations in our results of operations in any particular financial period. As a result of these factors, our results of operations and cash flows may fluctuate from financial reporting period to period.

22. We are engaged in highly competitive businesses and may be unable to compete successfully against existing or new competition.

As an integrated business services company providing a wide range of business services ranging from staffing solutions to industrial asset and facility management services, we compete with a range of organized and unorganized competitors, depending on the nature and location of services provided. For further details, see *"Our Business - Competition"*.

Unlike most of our competitors, we have a portfolio of businesses and must allocate resources across these businesses while competing against players focused on one or more businesses or service lines. As a result, our competitors may have greater financial, technical and marketing resources available to them than our businesses that compete against them. Industry consolidation also may affect competition by creating larger, more homogeneous and potentially stronger competitors in the markets in which we compete. Our competitors also may affect our business by entering into exclusive arrangements with existing or potential clients. There can be no assurance that we will be able to compete successfully against such competitors or that we will not lose our key employees or clients to such competitors. Additionally, we believe that our ability to compete also depends in part on factors outside our control, such as the availability of skilled resources, the price at which our competitors offer comparable services, and the extent of our competitors' responsiveness to their clients' needs.

Our continued success depends on our ability to compete effectively against our existing and future competitors. With the potential influx of new competitors, our ability to retain our existing clients and to attract new clients is critical to our continued success. As a result, there can be no assurance that we will not encounter increased competition in the future. Nor can there be any assurance that we will, in light of competitive pressures, be able to effectively compete with our competition in the various business segments we operate in, whether on the basis of pricing, quality or range of services or otherwise, and we may be unable to retain existing clients or attract new clients, which could have a material adverse effect on our business, results of operations and financial condition.

23. Any errors, defects or disruption in our service or inability to meet expected or agreed service standards may lead to claims, or adversely affect revenues or future business prospects.

Any errors, defects, or disruptions in service or other performance issues, or inability to meet expected or agreed service standards under our SLA linked contracts, may adversely affect our revenues from such contracts, or result in affecting client relationships leading to non-renewal of contracts, or delay or withholding of payments due to us. Further, our clients may bring claims against us, which could lead to provision for doubtful accounts, an increase in collection cycles for accounts receivable or litigation costs. All these factors could adversely affect our business and results of operations.

Although we attempt to contractually limit our liability for damages, including consequential damages, we cannot assure you that the limitations on liability will be enforceable in such cases. Although we maintain general liability insurance, including for errors and omissions relating to services provided, there can be no assurance that such insurance coverage will be adequate. Any such occurrence may also result in damage to our reputation and loss of existing and future clients, which could adversely affect our business prospects, results of operations and financial condition.

24. An inability to accurately anticipate the cost and complexity of performing work on any fixed price or SLA linked contract undertaken by us may adversely affect our results of operations.

We negotiate pricing terms for a particular contract utilizing a range of pricing structures and conditions, including personnel and materials contracts, fixed-price contracts, and contracts with features of a mix of such pricing models. Our pricing is dependent on our internal forecasts, which may be based on limited data and could prove to be inaccurate. If we do not accurately estimate the costs and timing for completing fixed price or SLA linked contracts, such contracts could prove unprofitable for us or yield lower profit margins than anticipated. There is a risk that we may under-price our contracts, fail to accurately estimate the costs of performing the work or fail to accurately assess the risks associated with potential contracts. In particular, any increased or unexpected costs, delays or failures to achieve anticipated cost savings, or unexpected risks we encounter in connection with the performance of such contracts, including those caused by factors outside our control, or any failure to complete our contractual obligations at the committed service levels could adversely affect our revenues and profitability.

25. We face significant employee related regulatory risks and any significant disputes with our employees and/or concerned regulators may adversely affect our business prospects, results of operations and financial condition.

As of March 31, 2017, we along with Target MIS Business employed a large workforce of more than 190,000 employees, including over 4,000 Core Employees and over 186,000 Associate Employees. Inherent risks involved in managing such a large workforce includes possible discrimination and harassment claims for physical or sexual abuse, and other acts allegedly committed by our employees or agents, wrongful termination, violation of employment rights and minimum wage requirements, criminal activity or any other claims.

Since our business success depends on our reputation, adverse publicity could impact the demand for our services. Adverse publicity concerning reported incidents or allegations of physical or sexual abuse or other harm, whether or not directly relating to or involving us, could result in termination of existing corporate relationships or inability to attract new corporate relationships, or increased insurance costs, all of which could adversely affect our operations. Our reputation can be severely damaged even by isolated incidents, particularly if the incidents receive considerable adverse publicity or result in substantial litigation.

Although we maintain insurance cover for professional liability and claims involving personal injury for our Core Employees, and our Associate Employees are typically covered by insurance cover obtained by us as well as our clients and also in certain cases covered under the ESIC (Employees' State Insurance Corporation) scheme, in the event of any serious accident or personal injury to our employees arising from our operations or the operations of our clients, there is a risk that legal proceedings may be initiated against us and/or our clients, which could result in damages and other costs that may not be adequately covered by the relevant insurance policy. We face the risk that lawsuits may be filed which could result in damages and other costs that our insurance may be inadequate to cover. In addition to diverting our management resources, such allegations may result in adverse publicity that may materially and adversely affect us and our reputation, regardless of whether such allegations are valid. Any such claim or the adverse publicity resulting from it may have a material adverse effect on our business, reputation, results of operations and financial condition including, without limitation, adverse effects caused by increased cost or decreased availability of insurance and decreased demand for our services from our clients. While we believe that we maintain good relationships with our employees, there can be no assurance that we will not experience future disruptions to our operations due to disputes or other problems with our work force, which may adversely affect our business and results of operations.

26. ***We have significant employee benefit expenses, such as workers' compensation, staff welfare expenses and contribution to provident and other funds. An increase in employee costs in India may prevent us from maintaining our competitive advantage and may reduce our profitability.***

We incur various employee benefit expenses, including workers' compensation, staff welfare expenses and contribution to provident and other funds. Workers' compensation costs may increase in the future if states raise benefit levels and liberalize allowable claims. Our profit margins may get adversely impacted, if we are unable to pass on such costs and cost increases to our clients on a concurrent basis.

Employee costs increases in the long term may reduce our profit margins unless we are able to continue to increase the efficiency and productivity of our employees or source talent from other low cost sources or pass on such cost increases to our clients on a concurrent basis.

27. ***Our strategy of servicing the e-commerce ecosystem and capitalizing on its growth opportunities may not be successful.***

As part of our business strategy, we seek to capitalize on the growth in the e-commerce system through provision of logistics, staffing and managed services as well as identifying business to consumer ("B2C") opportunities. We have commenced providing service level agreements ("SLA") based arrangements to certain e-commerce clients, taking over responsibility of their delivery centers and logistics services. In addition, we continue to focus on the B2C segment leveraging the expertise we have in our IFM business. Inability to effectively pursue our strategy of servicing the e-commerce ecosystem and identify other B2C business opportunities may adversely affect our business prospects, financial condition and results of operations.

28. ***If we are required to write down goodwill, our financial condition and results would be negatively affected.***

The excess of cost to the Company of its investment in subsidiaries over its portion of equity in the subsidiaries at the respective dates on which the relevant investment in such subsidiaries were made, has been recognised in our Consolidated Financial Statements as goodwill. As of March 31, 2017, we accounted ₹ 3,787.53 million for goodwill on consolidation which represented 16.61% of our total assets as of such date.

In accordance with our accounting policies, goodwill that arises on a business combination is measured at cost less accumulated impairment losses. Goodwill is not amortised and is tested for impairment annually 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. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the Company's cash generating units ("CGU") or groups of CGU's expected to benefit from the synergies arising from the business combination. Any such write-down, if significant, could have an adverse effect on our future financial condition.

29. ***Gross margins in our P&S business are lower, which magnifies the impact of variations in revenue and operating costs on our results of operations in this segment.***

In Fiscal 2016 and Fiscal 2017, under Ind AS, our P&S business contributed 56.61% and 56.21%, respectively, of our total income in such periods. In Fiscal 2015 (15 months), under Indian GAAP, our P&S business contributed 54.51% of our total income from operations in such period. As a result of intense price competition in the general staffing business, gross margins in our P&S business are lower, and we expect them to continue to be low in the future. Price competition arising from unorganized players and industry consolidation may hinder our ability to maintain or improve our gross margins in this segment. Lower gross margins magnify the impact of variations in revenue, operating costs, bad debts and interest expense on our operating results. A portion of our operating expenses is relatively fixed, and planned expenditures are based in part on anticipated orders that are forecasted with limited visibility of future demand. As a result, we may not be able to reduce our operating expenses as a percentage of revenue to mitigate any further reductions in gross margins in the future. Our inability to manage our costs may adversely affect our business, results of operation and financial condition.

30. Certain of our client contracts can be terminated by our clients without cause and with limited or no notice or penalty, which could negatively impact our revenue and profitability.

Our clients typically retain us on a non-exclusive, project-by-project basis. Many of our client contracts can be terminated with or without cause by providing notice and without termination-related penalties. Additionally, most of our contracts with clients are typically limited to discrete projects without any commitment to a specific volume of business or future work. In SLA based contracts, our revenues are conditional upon our meeting predetermined performance levels, service guarantees or service delivery date targets, which if not met by us, enable clients to claim credits against their payments to us and, under certain conditions terminate their agreements. Our inability to meet our service level commitments could adversely affect our revenue and cash flow. While we typically have carve-outs for force majeure events, many events, such as equipment failure and third-party vendors being unable to meet their underlying commitments to us, could impact our ability to meet our service level agreements. Our business is dependent on the decisions and actions of our clients, and there are a number of factors relating to our clients that are outside our control that might result in the termination of a project or the loss of a client, including financial difficulties for a client; change in strategic priorities, resulting in a reduced level of spending on staffing solutions; a demand for price reductions; and a change in strategy by moving more work in-house or to our competitors. Our business may be adversely affected if any of our contracts are terminated by our clients.

31. We incur substantial costs in developing new services, which may not yield benefits in proportion to such costs incurred by us. Further, if we are unable to derive substantial benefit from our efforts in developing new services, our results of operations may be adversely affected.

We incur substantial costs in developing new services for our clients. We cannot ascertain that our efforts in developing new services have enabled us to achieve tangible benefits in proportion to the costs incurred by us. We may not be able to derive substantial benefit from our efforts in developing new services, or any benefit at all in the future. We cannot assure you that the commercialization of our new services offerings will be profitable. If we are unable to monetize and/ or sustain our efforts in developing new services, our results of operations may be adversely affected.

32. Our success is significantly dependent on our senior management and skilled professionals and our ability to attract and retain these personnel. Further, our individual Promoter and senior management team play a key role in our operations and strategic growth plans and we heavily rely on their knowledge and experience in operating our business. Therefore it is critical for our business that our individual Promoter and senior management team remain associated with us.

Our future success depends, to a significant extent, on our ability to attract, train and retain our senior management and technical and marketing personnel. Our core management team oversees the day-to-day operations, implementation of strategy and growth of our business and possesses business and technical capabilities that are difficult to replace. Although our management team has entered into employment agreements containing non-competition, non-disclosure and non-solicitation covenants, these contracts do not guarantee that they will continue their employment with us or that such covenants will be enforceable. If we lose the service of any of the key executives, we may not be able to effectively manage our current operations and meet our ongoing and future business challenges and this may have a material adverse effect on our business, results of operations, financial condition and cash flows.

Further, our individual Promoter currently serves as CEO, Chairman and Managing Director and his experience and vision have played a key role in obtaining our current market position. We cannot assure you that any conflicts of interest will not arise in the future, or that any such conflicts of interest as may arise will be ultimately resolved in our favour, within a reasonable period or at all. Moreover, if our individual Promoter is unable or unwilling for any reason to continue his present association with us, or to devote as much time to our operations as he has in the past, we may not be able to identify and engage a suitable professional and may not be able to replace him easily, or at all. As a result of any such factors, our business, financial condition, results of operations and prospects and, particularly, our brand value, reputation and expansion strategy, may be adversely affected.

We depend on our current senior management for the implementation of our strategy and the operation of our day-to-day activities. Furthermore, relationships of members of senior management are important to the conduct of our business. Competition for experienced management personnel in the business sectors we operate in is intense, the pool of qualified candidates is limited, and we may not be able to retain our senior executives or key personnel or attract and retain skilled senior executives or key personnel in the future. Consequently, there can be no assurance that these individuals will continue to make their services available to us in the future. Any significant loss of senior management or key personnel, including if they join a competitor or form a competing company, could materially and adversely affect our business, financial condition, results of operations and prospects. Moreover, as on the date of this Prospectus, we do not maintain key man insurance policies. As a result, we may incur significant costs in implementing our strategies towards retaining any member of our core management team and our failure to retain any such member may adversely affect our business, financial condition, results of operations and prospects.

In addition, our ability to train and integrate new employees into our operations may not meet the growing demands of our business. If we are unable to attract, train and retain qualified and skilled personnel, our business may be materially and adversely affected. Competition for skilled personnel in our business segments is intense, and we may or may not be able to attract or retain such personnel unless we offer competitive compensation packages, which may impact on our profitability. Any increase in our attrition rates, particularly with respect to our senior management and skilled personnel, may adversely affect our growth strategy and significantly impact our resource management.

We may require a long period of time to hire and train replacement personnel when senior management or skilled personnel terminate their employment with us. Therefore the loss of any member of senior management or other senior professionals or specialized employees may adversely affect our business, results of operations and financial condition.

33. If we are unable to collect our receivables from our clients, our results of operations and cash flows could be adversely affected.

As of March 31, 2017, we had net trade receivables of ₹ 4,468.46 million, which represented 19.60% of our total assets as of such date. Receivables of ₹ 423.10 million representing 8.75% of total receivables were outstanding for a period exceeding six months. Of the total receivables as of March 31, 2017, we had receivables of ₹ 12.34 million due from related parties, which represented 0.26% of our total receivables. Our business depends on our ability to successfully obtain payment from our customers for services provided. We typically bill and collect on relatively short cycles and maintain provisions against receivables and unbilled services. Actual losses on client balances could differ from those that we currently anticipate and as a result we might need to adjust our provisions. Macroeconomic conditions could also result in financial difficulties, including insolvency or bankruptcy, for our clients, and as a result could cause clients to delay payments to us, request modifications to their payment arrangements that could increase our receivables balance or working capital requirements, or default on their payment obligations to us.

Recovery of our receivables and timely collection of client balances also depends on our ability to complete our contractual commitments and bill and collect our contracted revenues. If we are unable to meet our contractual requirements, we might experience delays in collection of and/or be unable to collect our client balances, and if this occurs, our results of operations and cash flows could be adversely affected. In addition, if we experience an increase in the time to bill and collect for our services, our cash flows could be adversely affected.

34. We do not have any documents evidencing certain information included in the Director biographies for one

of our Directors under the section "Board of Directors and Senior Management Personnel" of this Prospectus.

We do not have any documents evidencing certain information included in the Director biographies for one of our Directors, Madhavan Karunakaran Menon, under the section *"Board of Directors and Senior Management Personnel – Brief Profiles of the Directors"*. The information included in the section are based on the details provided by our Director, Madhavan Karunakaran Menon, and are supported by a certificate executed by him certifying the authenticity of the information provided. We cannot assure you that all information relating to our Director included in the section "*Board of Directors and Senior Management Personnel*" is true and accurate.

35. We are subject to risks resulting from foreign exchange rate fluctuations, which could adversely affect our results of operations.

In Fiscal 2017 and Fiscal 2016, under Ind AS, our revenues from operations outside India represented 17.85% and 13.85%, respectively of our total revenues from operations in such periods, while in Fiscal 2015 (15 months), under Indian GAAP, our revenues from operations outside India represented 9.54% of our total revenues from operations in such period. Changes in currency exchange rates influence our results of operations. Some of our expenses, particularly operating expenses in connection with our operations outside India, are denominated in currencies other than Indian Rupees, particularly the U.S. Dollar.

In addition, depreciation of the Indian Rupee against the U.S. Dollar and other foreign currencies may adversely affect our results of operations by increasing the cost of financing any debt denominated in foreign currency that we may enter into or proposed capital expenditure, if any, in foreign currencies. The amount of unhedged foreign currency exposure (solely on account of trade receivables not hedged by derivative instruments) were as follows:

	As of March 31, 2016		**As of March 31, 2017**	
Currency	**Amount**	**Equivalent Amount in ₹ million**	**Amount**	**Equivalent Amount in ₹ million**
USD	3,542,645	234.72	4,018,722	260.61
EUR	22,819	1.72	16,798	1.16
CAD	2,284	0.12	6,248	0.30
SAR	-	-	96,695	1.67
Total	-	236.56	-	263.74

Furthermore, the financial reporting currency of our Company and our operations in India is in Indian Rupees, while the financial reporting currency of our international subsidiaries is in the relevant foreign currency. Our foreign currency exchange risks therefore arise 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 our Company and our Subsidiaries and Associates, as well as timing differences between receipts and payments which could result in an increase of any such mismatch. Although we may, in the future, enter into hedging transactions to minimize our currency exchange risks, there can be no assurance that such measures will enable us to avoid the effect of any adverse fluctuations in the value of the Indian Rupee against the relevant foreign currencies.

36. Upon completion of the Issue, our Promoters and Promoter Group will continue to retain control over us, which will allow them to influence the outcome of matters submitted to the shareholders for approval.

Our Promoters and Promoter Group currently own 88.95% of our Equity Shares. Upon completion of the Issue, our Promoters and Promoter Group will continue to hold majority of our outstanding Equity Shares. Consequently, our Promoters and Promoter Group may exercise substantial control over us and may have the power to elect and remove a majority of our Directors and/or determine the outcome of proposals for corporate action requiring approval of our Board of Directors or shareholders, such as lending and investment policies, revenue budgets, capital expenditure, dividend policy and strategic acquisitions. Our Promoters and Promoter Group may be able to influence our major policy decisions, including our overall strategic and investment decisions, by controlling the election of our Directors and, in turn, indirectly controlling the selection of our senior management, approving our annual budgets, deciding on increases or decreases in our share capital, determining our issuance of new securities, approving mergers, acquisitions and disposals of our assets or businesses, and amending our Articles of Association. Further, our individual Promoter, Ajit Isaac, has entered into a promoter escrow agreement dated December 15, 2015 with our Company, our corporate Promoter - TCIL, and J. Sagar Associates, through its office located in Bengaluru, the escrow agent as amended by an amendment agreement dated June 1, 2016 between our Company, Ajit Isaac, our corporate Promoter - TCIL and J. Sagar Associates, through its office located in Bengaluru, the escrow agent and Yes Bank Limited (in its capacity as the depository participant and the account bank), wherein he has voluntarily agreed to deliver 1,000,000 Equity Shares (which is currently 4,000,000 Equity Shares on account of the allotment of bonus Equity Shares on January 5, 2016) held by him in the Company in an escrow account ("**Escrow Shares**"). In terms of the promoter escrow agreement our individual Promoter, Ajit Isaac shall forfeit the Escrow Shares outstanding in the escrow account as of date in accordance with the promoter escrow agreement if he ceases to be a Promoter Director in the Company during a period of eight years from the date of the agreement. Therefore, our individual Promoter, Ajit Isaac, may continue to be our promoter for the next eight years and may continue to retain control over us. This control could also delay, defer or prevent a change in control of our Company, impede a merger, consolidation, takeover or other business combination involving our Company, or discourage a potential acquirer from obtaining control of our Company. The interests of our Promoters and Promoter Group could conflict with the interests of our other shareholders, including the holders of our Equity Shares to be offered, and our Promoters and Promoter Group could make decisions that materially adversely affect investment in our Equity Shares to be offered. We cannot assure you that our Promoters and Promoter Group will act to resolve any conflicts of interest in our Company's favour.

37. Some of our contracts are with the Government of India or government agencies and we may face certain inherent risks associated with government contracts.

We have entered into certain contracts involving the Government of India (GoI) and certain State governments and government controlled entities, particularly in our skill development and training business. We may be subject to additional regulatory or other scrutiny associated with commercial transactions with government owned or controlled entities. We are also subject to risks arising from any abrupt change in government policy or discontinuation of funding of certain programs. In addition, there may be delays associated with collection of receivables from government owned or controlled entities. Payments from government owned or controlled entities are typically made on achievement of project milestones which are subject to audit by government agencies. Any delay in certification by such government agencies could have an adverse impact on our collections and consequently on our financial condition.

38. Some of the industries we serve are cyclical in nature, and fluctuations in commodity prices could also have a material adverse impact on our results of operations.

Certain of the industries we serve, particularly in our Industrials business, such as the oil, gas, power and energy sectors have been, and will likely continue to be, cyclical in nature and vulnerable to general downturns in the domestic and international economies. Under difficult economic conditions, our clients may seek to reduce discretionary spending thereby impacting our revenue levels. Our results of operations have fluctuated in the past and may continue to fluctuate depending on the demand for services from such industries. In particular, fluctuations in commodity prices, such as chemicals or oil and gas, which have experienced significant price declines in the recent past, can have a significant impact on our Industrials business, since those prices have a direct effect on our customers' decision to invest in capital projects. Falling commodity prices can negatively impact the financial returns on those projects, which may result in projects being delayed or cancelled, which in turn could have a material adverse impact on our operating results.

39. Our results of operations and ability to grow could be materially affected if we cannot successfully keep pace with technological changes in the development and implementation of our services and solutions.

We use information technology systems to manage our business operations. Our success depends on our ability to keep pace with rapid technological changes in the development and implementation of our services and solutions. Our business is reliant on a variety of technologies, including those which support employee on-boarding, applicant tracking systems, contract management, billing, and client data analytics. There is a risk that we may not sufficiently invest in technology or industry developments, or evolve our business with the right strategic investments, or at sufficient speed and scale, to adapt to changes in our market. Our failure to successfully adopt new technologies in a cost effective and a timely manner could increase our costs and lead to us being less competitive in terms of our prices or quality of services we provide. Further, implementation of new or upgraded technology may not be cost effective, which may adversely affect our business, results of operations, cash flows and financial condition. Similarly, from time to time we make strategic commitments to particular technologies and platforms to support our business, and there is a risk that they may be unsuccessful. These and similar risks could have a negative effect on our business operations and financial performance.

40. Any excess payment made to our Associate Employees may result in irrecoverable losses.

We occasionally receive stop pay instructions from our clients at the time of closure of the payroll cycle when certain of the corresponding payments may have been already made to our Associate Employees. Any such excess payments due to any change of instructions, or as a result of system or human errors, may lead to losses if we are unable to recover such losses from clients or from the relevant Associate Employees.

41. If we are unable to attract new clients or our existing clients do not renew their contract, the growth of our business and cash flows will be adversely affected.

To increase our revenue and cash flows, we must regularly add new clients. If we are unable to generate sufficient sales leads through our marketing programs, or if our existing or new clients do not perceive our services to be of sufficiently high value and quality, we may not be able to increase sales and our operating results would be adversely affected. In addition, our existing clients have no obligation to renew their contracts, and renewal rates may decline or fluctuate due to a number of factors, including customers' satisfaction with our services, our prices and the prices of competing service providers. If we fail to sell our services to new customers or if our existing customers do not renew their contracts, our operating results will suffer, and our revenue growth, cash flows and profitability may be materially and adversely affected.

42. We have applied for registration of several trademarks including our logo Quess that are currently pending before the concerned authorities. Registrations of some of our trademarks have been challenged by third parties. Failure to obtain the registration of such trademarks may have adverse effect on our business and goodwill.

We have applied for registration of several trademarks, including our logo Quess, that are currently pending before the concerned authorities. For Further information on details of trademarks applied for, see "*Our Business – Intellectual Property*". Our applications for registration of such trademarks may be rejected by the concerned authorities. Further, some of our applications have been challenged by third parties. If we are unable to obtain the registration of the trademarks applied for, such rejection may have an adverse effect on our business and our goodwill.

We may also be subject to litigation for infringement of registered trademarks of third parties and for passing off. For instance, Inter IKEA Systems BV filed a petition before the Court of District Judge, Saket, New Delhi alleging passing off and infringement of its registered trademarks and trade name. Our name and trademarks are significant to our business and operations. We believe that several of our trade names have significant brand recognition in their respective industries. Any adverse decision by the adjudicating authority may prevent us from registering and using such trademarks.

43. We may be unable to perform background verification procedures on our Associate Employees prior to placing them with our clients.

Our internal policies require us to perform background verification procedures on all our Associate Employees prior to employing them. However, given the high volume of Associate Employees that we employ each month, and the quality of sufficiently reliable information being unavailable in some cases, we may be unable to fully perform background verification procedures on each of our Associate Employees. Our inability to perform these procedures fully could result in insufficient vetting of our Associate Employees, which could in turn result in an adverse effect on our reputation, results of operations and business prospects if such Associate Employees engaged in illegal or fraudulent activities during the course of their employment.

44. ***India has stringent labour legislations that protect the interests of workers, and if our employees unionize, we may be subject to industrial unrest, slowdowns and increased wage costs.***

India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution and employee removal and legislation that imposes certain financial obligations on employers upon retrenchment. We are also subject to state and local laws and regulations, governing our relationships with our employees, including those relating to minimum wage, bonus, gratuity, overtime, working conditions, recruitment and termination of employment, non-discrimination, work permits and employee benefits. Although our employees are not currently unionized, there can be no assurance that they will not unionize in the future. If our employees unionize, it may become difficult for us to maintain flexible labour policies, and our business may be adversely affected. Further, if we are unable to negotiate with employees, it could result in work stoppages or increased operating costs as a result of higher than anticipated wages or benefits.

45. ***We may not be able to qualify for, compete and win contracts, which could adversely affect our business and results of operations.***

We obtain some of our contracts through a competitive bidding process. In selection for major contracts, clients generally limit the bid to contractors (or sub-contractors) they have pre-qualified based on several criteria including experience, technical and technological capacity, previous performance, reputation for quality, safety record, the financial strength of the bidder as well as its ability to provide performance guarantees. These requirements vary depending on the business segment and the nature of the contract. If we are unable to pre-qualify for contracts that we intend to bid on, or successfully compete for and win such contracts, our business, results of operations and financial condition may be adversely affected.

46. ***Our indebtedness and the conditions and restrictions imposed by our financing agreements could restrict our ability to conduct our business and operations in the manner we desire.***

As of March 31, 2017, our consolidated gross indebtedness totalled ₹ 7,304.46 million, comprising of long term borrowings of ₹ 2,744.49 million and short term borrowings of ₹ 4,559.97 million. Further our debt equity ratio was 0.87 as of March 31, 2017. Our indebtedness could have several important consequences, including but not limited to the following:

- a portion of our cash flow may be used towards repayment of our existing debt, which will reduce the availability of our cash flow to fund working capital, capital expenditures, acquisitions and other general corporate requirements;
- our ability to obtain additional financing in the future at reasonable terms may be restricted;
- fluctuations in market interest rates may affect the cost of our borrowings, as some of our indebtedness are at variable interest rates;
- there could be a material adverse effect on our business, financial condition and results of operations if we are unable to service our indebtedness or otherwise comply with financial and other covenants specified in the financing agreements; and
- we may be limited in our ability to withstand competitive pressures and may have reduced flexibility in responding to changing business, regulatory and economic conditions.

Further, we provide corporate guarantees to secure obligations under the respective contracts for our business. If we are unable to provide sufficient collateral to secure the bank guarantees or performance bonds, our ability to enter into new contracts could be limited. Many of our financing agreements also include various conditions and covenants that require us to obtain lender consents prior to carrying out certain activities or entering into certain transactions. These financing agreements also require us to maintain certain financial ratios like debt equity ratio. Typically, restrictive covenants under our financing documents relate to obtaining prior consent of the lender for, among others, change in the capital structure, amendment of constitutive documents, any merger, reorganization or similar action etc. In the past, there has been an instance of failure to maintain a ratio of total liabilities to total net worth as prescribed by one of our lenders, which was subsequently waived off by the lender and no action was taken. Any failure to observe the restrictive covenants under our financing agreements in the future or to obtain necessary consents required thereunder may lead to the termination of our credit facilities, levy of penal interest, acceleration of all amounts due under such facilities and the enforcement of any security provided. Any acceleration of amounts due under such facilities may also trigger cross default provisions under our other financing agreements.

In addition, we have pledged a portion of the shares we hold in our Subsidiaries in favour of lenders as security for loans obtained by our Subsidiaries. Quess Corp (USA) Inc., one of our Subsidiaries, which holds 51.05% of the share capital of Brainhunter, has pledged all the shares of Brainhunter held by it with ICICI Bank Canada to secure the borrowings of Brainhunter. Quesscorp Holdings Pte. Ltd, one of our Subsidiaries, which holds 64.00% of the share capital of Comtel Solutions Pte Limited, has pledged all the shares of Comtel Solutions Pte Limited held by it with Axis Bank to secure its borrowing from Axis Bank. Any invocation of the pledge might lead to a loss of control or a loss of stake in our Subsidiaries. Some of our loan agreements further contain options for the lenders to call for repayments of loans on demand upon their exercise of such options, where a lender has the right to call for repayment of the entire amount owed at the end of a stated period or at stated intervals after a written notice is issued, or to charge interest payments at a higher rate if the option is not invoked. The corporate guarantees provided by us in relation to certain facility agreements entered into by our Company and Subsidiaries with various lenders stipulate that the lenders may without our concurrence alter or modify the terms and conditions of the facility, and particularly they are permitted to revise the payment terms and also increase the rates of interest. In addition, the lenders may, at their discretion, exercise their rights and powers pursuant to the guarantee against the guarantors jointly or severally.

Any of these circumstances could adversely affect our business, credit rating, prospects, results of operations and financial condition. Moreover, any such action initiated by our lenders could result in the price of the Equity Shares being adversely affected.

47. We are subject to risks arising from interest rate fluctuations, which could adversely affect our business, financial condition and results of operations.

Interest rates for borrowings have been volatile in recent periods in India and globally. Our operations are funded to a significant extent by working capital debt facilities and increases in interest rate (and consequent increase in the cost of servicing such debt) may have an adverse effect on our results of operations and financial condition. Our current debt facilities carry interest at variable rates as well as fixed rates. Although we may in the future engage in interest rate hedging transactions from time to time, there can be no assurance that these agreements will protect us adequately against interest rate risks.

48. We are subject to extensive government regulation in the businesses and in jurisdictions where we operate. Our inability to obtain, maintain or renew our statutory and regulatory permits and approvals required in connection with our operations may adversely affect our business and operations.

Our operations are subject to extensive regulation and we are required to obtain, maintain and renew various statutory and regulatory permits, certificates and approvals in connection with our business and operations. Regulatory permits required for our operations may also be subject to periodic renewal and, in certain circumstances, modification or revocation. There can be no assurance that the relevant authorities will issue or renew any such permits or approvals in time or at all. Any failure or delay in obtaining approvals or non-compliance or failure by us to obtain, maintain or renew the requisite permits or approvals within applicable time or at all may result in interruption of our operations, penal action against us, imposing fines or penalties or initiating legal proceedings, thereby adversely affecting our business, results of operations and financial condition. These approvals are subject to numerous terms and conditions and we cannot assure you that these would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. If there is any failure by us to comply with the applicable regulations or if the regulations governing our business are amended, we may incur increased costs, be subject to penalties, have our approvals and permits revoked or suffer a disruption in our activities, any of which could adversely affect our business.

Changes in laws or government regulations may result in prohibition or restriction of certain types of services we are permitted to offer, or the imposition of new or additional licensing or tax requirements that could adversely affect our financial performance. There can be no assurance that we will be able to increase the fees charged to our clients in a timely manner and by a sufficient amount to cover increased costs as a result of any changes in laws or government regulations. Any future changes in laws or government regulations, including changes in tax laws and rates of taxation, may make it more onerous for us to provide services and could have a material adverse effect on our business, financial condition and results of operations.

In particular, a significant portion of our Associate Employee base has wages that are at or slightly above the prescribed minimum wage levels. In the event that regional minimum wage levels are increased by relevant Governmental authorities, there could be short periods of time when we could be technically non-compliant with minimum wage rules and regulations, until our clients absorb the increase in wages.

There are monetary claims against our Company and/ or our Subsidiaries, by various clients, consumers, contractors, employees and other entities in the form of legal/ demand notices. If such claims translate into potential litigation, it may result in financial liabilities against our Company and/ or our Subsidiaries.

We cannot assure that these legal proceedings will be decided in our favour. Any adverse rulings in these proceedings or consequent levy of penalties by statutory authorities may have a significant adverse effect on our cash flows, business, financial condition and results of operations.

49. One of our subsidiaries, MFX Infotech is engaged in a line of business similar to that of a Promoter Group entity of ours. Any conflict of interest which may occur between the business of our subsidiary, our Promoters, Promoter Group and us could adversely affect our business, prospects, results of operations and financial condition.

Indium Software (India) Limited ("Indium"), which is a Promoter Group entity, is engaged in providing software testing services since 1999. Our individual Promoter indirectly has a controlling stake in Indium. One of our Subsidiaries, MFX Infotech offers testing services. There is a possibility for a potential conflict of interest between Indium and MFX Infotech if MFX Infotech chooses to expand this line of business in the future. Currently, MFX Infotech has not entered into any non-compete agreement with Indium. We will take adequate steps to address any conflict of interest, including by way of entering into a non-compete agreement and adopting the necessary procedures and practices as permitted by applicable law, to address any conflict which may arise in the future. We cannot assure you that our individual Promoter will not favor the interests of Indium over interest of our subsidiary MFX Infotech or that we will be able to suitably resolve any such conflict without an adverse effect on our business or operations.

50. We may be unable to obtain future financing on favorable terms, or at all, to fund expected capital expenditure and working capital requirements.

Our business requires funding for capital expenditure and working capital requirements. The actual amount and timing of future financing may depend on several factors, among others, new business opportunities, opportunities for inorganic growth, regulatory changes, economic conditions, technological changes and market developments. Our sources of additional funding, if required, may include the incurrence of debt or the issue of equity or debt securities or a combination of both. If we decide to raise additional funds through the incurrence of debt, our interest and debt repayment obligations will increase, and could have a significant effect on our profitability and cash flows and we may be subject to additional covenants, which could limit our ability to access cash flows from operations.

Our working capital requirements may increase due to various factors including growth in our businesses and longer payment schedules from our clients. In case there are insufficient cash flows to meet our working capital requirement or we are unable to arrange the same from other sources or there is delay in disbursement of arranged funds, or there is any increase in interest rate on our borrowings, it may adversely affect our operations and profitability. These factors may result in an increased amount of short-term borrowings. A disproportionate increase of our working capital requirements may result in increased borrowing costs, which may have an adverse effect on our financial condition and results of operations.

Further our ability to arrange for additional funds on acceptable terms is subject to a variety of uncertainties, including: future results of operations, financial condition and cash flows; economic, political conditions and market demand for our services; costs of financing, liquidity and over all condition of financial and capital markets in India and internationally; receipt of applicable business/government licenses, approvals and other risks associated with our businesses; and limitations on our ability to raise capital in capital markets. Any such inability could have a material adverse effect on our business and results of operations.

51. We may need to change our pricing models to compete successfully.

The intense competition we face in our businesses, and general economic and business conditions can put pressure on us to reduce our prices. If our competitors offer deep discounts on certain services, we may need to lower prices or offer other favourable terms in order to compete successfully. Any such changes may reduce margins and could adversely affect our operating results.

Any broad-based change to our prices and pricing policies could cause our revenues to decline or be delayed as a result of our clients adjusting to the new pricing policies. Some of our competitors may bundle services for promotional purposes or as a long-term pricing strategy and provide best price guarantees. These practices could, over time, significantly constrain the prices that we can charge for certain of our services. If we do not adapt our pricing models to reflect changes in clients' use of our services or changes in customer demand, our revenues could decrease.

52. We require certain approvals or licenses in the ordinary course of business. Any failure to obtain them in a timely manner or at all may adversely affect our operations.

We require certain approvals, licenses, registrations and permissions for conducting our business in India and various foreign jurisdictions, which have currently been obtained for our business. However wherever applicable, if our approvals or licenses are not renewed on expiry or if the new approvals or licenses are not obtained in time, our business may be adversely affected. Further, we have made or are in the process of making renewal applications to the appropriate authorities for licenses or approvals that have expired in the ordinary course of business. Any failure to obtain them in a timely manner or at all may adversely affect our operations.

53. We are subject to several tax regimes. Any failure to comply with such tax laws and any changes in tax laws and rules applicable to us may adversely affect our results of operations and financial condition.

Taxes and other levies imposed by the GoI or State governments in India that affect our business and operations include income tax, value added tax, service tax and other additional taxes and surcharges introduced on a permanent or temporary basis from time to time. Our operations, while primarily located in India, are also located in several jurisdictions in the Middle East, South Asia and North America. Consequently, we are subject to the jurisdiction of a significant number of tax authorities and regimes. The revenues recorded and income earned in these various jurisdictions are taxed on differing bases, including net income actually earned, net income deemed earned and revenue-based tax withholding. The final determination of our tax liabilities involves the interpretation of local tax laws, tax treaties and related authorities in each jurisdiction as well as the significant use of estimates and assumptions regarding the scope of future operations and results achieved and the timing and nature of income earned and expenditures incurred. These tax liabilities and tax regimes also involve the assessment of transfer pricing arrangements among our Company and its Subsidiaries in different tax jurisdictions. Although we enter into arms-length transactions among our Company and its Subsidiaries, there can be no assurance that regulatory and tax authorities in the various jurisdictions that we operate in will not disagree with our assessment of such transactions. Changes in the operating environment, including changes in tax law and currency/repatriation controls, including on a retroactive basis, could impact the determination of our tax liabilities for any given tax year. Foreign income tax returns of foreign subsidiaries, unconsolidated affiliates and related entities may be examined by foreign tax authorities and may result in assessments of additional taxes or penalties or both and have an adverse effect on our results of operations and financial condition.

54. Our insurance coverage may not be adequate and this may have a material adverse effect on our business financial condition and results of operation.

We maintain insurance coverage for key risks relating to our business. While we believe that the amount of our insurance coverage is in line with industry standards, there can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part or on time. In addition, not all risks associated with our operations may be insurable, on commercially reasonable terms or at all. Although we believe that we have obtained insurance coverage customary to our business, such insurance may not provide adequate coverage in certain circumstances and is subject to certain deductibles, exclusions and limits on coverage. To the extent that we suffer loss or damage that is not covered by insurance or exceeds our insurance coverage, our results of operations and cash flow may be adversely affected. Natural disasters in the future or occurrence of any other event for which we are not adequately or sufficiently insured may cause significant disruption to our operations that could have a material adverse impact on our business and operations. The occurrence of an event for which we are not adequately or sufficiently insured could have an adverse effect on our business, results of operations, financial condition and cash flows. If we are subject to litigation or claims or our operations are interrupted for a sustained period, we cannot assure you that our insurance policies will be adequate to cover the losses that may be incurred as a result of such interruption.

55. Our ability to invest in foreign subsidiaries or joint ventures is constrained by applicable restrictions under Indian foreign investment laws as well as laws of the relevant international jurisdiction, which could adversely affect our business prospects and international growth strategy.

Under Indian foreign investment laws, an Indian company is permitted to invest in overseas joint ventures or subsidiaries, up to 400% of the Indian company's net worth as at the date of its last audited balance sheet (subject to certain exceptions). This limitation also applies to any other form of financial commitment by the Indian company, including in terms of any loan, guarantee or counter guarantee issued by such Indian company. However, any financial commitment exceeding USD 1 billion (or its equivalent) in a financial year would require prior approval of the Reserve Bank of India, even when the total financial commitment of the Indian company is within the eligible limit as mentioned above. Further, there may be limitations stipulated in the host country for foreign investment. Investment or financial commitment not complying with the stipulated requirements is permitted with prior approval of the RBI. In addition, there are certain routine procedural and disclosure requirements in relation to any such overseas direct investment. These limitations on overseas direct investment could constrain our ability to acquire or increase our stake in overseas entities as well as to provide other forms of financial assistance or support to such entities, which may adversely affect our business and financial condition.

56. Our businesses are susceptible to uncertain economic conditions. Further, our operations are subject to political, economic, regulatory and other risks of doing business in India and other jurisdictions.

The demand for our businesses is significantly affected by the general level of economic activity in India and other jurisdictions we provide our services in. Our clients may postpone or cut back on hiring in an effort to cut costs, particularly during economic downturns. Such events may have a material adverse effect on our business prospects and results of operations. Our results of operations are affected by the level of business activity of our clients, which in turn is affected by the macroeconomic conditions in the economy and the industries in which they operate. In recent years, there has been considerable volatility and uncertainty in economic conditions in India and other jurisdictions where we carry on our business activities. If, in the event of unfavorable economic conditions, companies limit their spending on the services which we provide, it may have a material adverse effect on our financial and operating performance. Economic recovery is difficult to predict, and may be short lived, slow or uneven, with certain regions, or countries within a region, continuing to experience declines or weakness in economic activity while others improve. Differing economic conditions and patterns of economic growth or contraction in the geographical regions in which we operate may affect demand for our business services.

In Fiscal 2017, our revenues from operations outside India represented 17.85% of our total revenues from operations in such period, and we expect that our international operations will continue to account for a significant portion of our revenues. In order to manage our international operations, we must overcome cultural and language barriers and assimilate different business practices. In addition, we are required to create compensation programs, employment policies, codes of conduct and other administrative programs that comply with the laws and customs of different jurisdictions. Further, we need to continue to tailor our services and business model to the unique circumstances of the international markets to succeed, including building new relationships and understanding of the market. As a result of our international operations, we are exposed to many risks and uncertainties, including: difficulty in staffing, managing and supporting operations in multiple countries; tariffs and international trade / service barriers; intellectual property and contract rights in certain countries; different and changing legal and regulatory requirements; government currency control and restrictions on repatriation of earnings; fluctuations in foreign currency exchange and interest rates; and political and economic changes, hostilities and other disruptions in regions where we currently operate or may operate in the future.

Adapting our practices and business models effectively to new markets could divert management and personnel resources. We cannot assure you that we will be able to efficiently or effectively manage the growth of our operations in these new markets. Negative developments in one or more countries we operate in could result in a reduction in demand for our services, the cancellation or delay of contracts already placed, difficulty in collecting receivables, and a higher cost of doing business, any of which could adversely affect our business, results of operations or financial condition.

57. Certain of our Directors, including our individual Promoter, and certain senior management personnel hold Equity Shares in our Company and are therefore interested in the Company's performance in addition to their normal remuneration or benefits and reimbursement of expenses incurred.

Certain of our Directors, our individual Promoter and senior management personnel are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their shareholding in our Company including employee stock options held by them under ESOP 2009. Further, our Nomination and Remuneration Committee at its meeting held on May 16, 2017 has approved the grant of 230,680 stock options to employees of our Company under ESOP 2015. However, as on date no stock options have been granted under ESOP 2015. In addition, our Company's registered office has been given on lease to us until July 31, 2023 by Net Resources, which is a Promoter Group entity, owned by our individual Promoter, Ajit Isaac. There can be no assurance that our corporate Promoter and our senior management personnel will exercise their rights as shareholders to the benefit and best interest of our Company. For further details, see *"Board of Directors and Senior Management".*

58. We have entered into certain transactions with related parties in the past and may continue to do so in future. These transactions or any future transactions with our related parties could potentially involve conflicts of interest.

We have entered into certain transactions with related parties and may continue to do so in future. The transactions that we have entered into and any future transactions with our related parties could potentially involve conflicts of interest. For further information, see *"Financial Statements".*

It is likely that we will enter into related party transactions in the future as well. Although, going forward, all related party transactions that we may enter into, will be subject to board or shareholder approval, as necessary under the Companies Act, 2013 and the SEBI Listing Regulations, there can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations or that we could not have achieved more favorable terms if such transactions had not been entered into with related parties. In the event that obligations owed to us arising from such related party transactions are not fulfilled, either individually or in the aggregate, our business, financial condition, results of operations and prospects may be adversely affected.

59. If we are unable to establish and maintain an effective system of internal controls and compliances, our

business and reputation could be adversely affected.

We manage our internal compliance by monitoring and evaluating internal controls, and ensuring all relevant statutory and regulatory compliances. However, there can be no assurance that deficiencies in our internal controls will not arise, or that we will be able to implement, and continue to maintain, adequate measures to rectify or mitigate any such deficiencies in our internal controls, in a timely manner or at all. For instance, in the past we have made inadvertent mistakes in certain e-Form 2s filed with the RoC for allotment of shares of our Company and certain e-Form 5s filed for the increase in the authorised share capital of our Company. Further in the past, our Company may have failed to update statutory registers/submit annual reports as required by certain labour laws namely, Sexual Harassment of Women at Workplace Act, Maternity Benefit Act, Contract Labour Act, and other labour laws and the related rules laid down under these acts or failed to obtain registrations under the relevant state's professional tax regulations in four states. In addition, there were few errors in the basis for computation of wages under the ESI Act and EPF Act, and contribution towards the provident fund as required under the EPF Act, and certain defaults in relation to the discharge and accounting of service tax on certain services. In the past there have also been instances when our Company delayed in making payments towards statutory dues, including with respect to remittance of provident fund contributions, delayed remittance of employees state insurance contributions, delayed or non filing of TDS returns. Further, there have been instances of non-compliance with overtime payout and payment of minimum wages as per the Minimum Wages Act, 1948, operating a kitchen without an FSSAI license for a certain time period, non submission of renewal applications under the CLRA, discrepancies and errors in half yearly returns and other returns filed under CLRA, deployment of higher number of personnel than the number prescribed under the CLRA licenses. In addition, we may be subject to further action from the RBI in relation to (i) delayed filing of Form FC-GPR with RBI in relation to the allotment of Equity Shares under our initial public offering for which we are in the process of filing a compounding application; and (ii) delayed filing of the Annual Performance Report in relation to our overseas subsidiaries.

As we continue to grow our business, our statutory liabilities, comprising primarily employee related social security payments and service tax dues, will continue to increase. As of March 31, 2017, we had statutory liabilities of ₹ 943.93 million outstanding payable in due course. In the event of any delayed payment or non-payment of any statutory dues, our results of operations and financial condition may be adversely affected due to regulatory proceedings and any penalty or fines levied on us on account of this. As we continue to grow, there can be no assurance that there will be no other instances of statutory non-compliance/delays or any unauthorized transactions by our employees.

60. Our management will have flexibility over the use of the Net Proceeds and our funding requirements and proposed deployment of the Net Proceeds of the Issue are based on management estimates and have not been independently appraised.

We intend to use the Net Proceeds of the Issue for the purposes described in "*Use of Proceeds*". The objects of the Issue are based on internal management estimates on current conditions and are subject to changes, in light of external circumstances or costs, or in other financial condition, business or strategy, as discussed further below.

Given the dynamic nature of our business, we may have to revise our funding requirements and deployment on account of a variety of factors such as our financial condition, business and strategy and external factors such as market conditions, competitive environment and interest or exchange rate fluctuations, which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of our management. If the actual utilisation towards any of the objects is lower than the proposed deployment, such balance will be used for general corporate purposes. In case of a shortfall in raising requisite capital from the Net Proceeds or an increase in the total estimated costs of the objects of the Issue, we may explore a range of options including utilising our internal accruals and seeking additional debt from existing and future lenders. Further, in case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this Issue.

Subject to the supervision of the utilization of the Net Proceeds by the Audit Committee and the Board as required under the provisions of the SEBI Listing Regulations, the management of the Company will have flexibility in deploying the Net Proceeds in accordance with the provisions of the Companies Act, 2013.

Accordingly, prospective investors in the Issue will need to rely upon our management's judgment with respect to the use of proceeds. If we are unable to enter into arrangements for utilization of the Issue proceeds as expected and assumed by us in a timely manner or at all, we may not be able to derive the expected benefits from the proceeds of the Issue and our business and financial results may suffer.

61. We operate our registered office and other offices on a leasehold basis. Our inability to renew the lease agreements or any adverse impact on the title or ownership rights of our landlords in relation to such premises may impede our operations.

Our Company operates the registered office as well as other operational offices, including regional branch office on a leasehold basis. Our lease agreements generally being long term in nature are renewable on mutually acceptable terms and upon payment of such rent escalations as stated in lease agreements. We paid an aggregate rent of ₹ 368.96 million during Fiscal 2017, ₹ 285.82 million during Fiscal 2016 and ₹ 193.87 million (as computed under Indian GAAP) during Fiscal 2015 (15 months).

Our Company's registered office has been given on lease to us until July 31, 2023 by Net Resources, which is a Promoter Group entity, owned by our individual Promoter, Ajit Isaac. We believe that our Company is currently paying rent at market rates to the lessors for our registered office. Any new rental arrangements with Net Resources will be on an arm's length basis and subject to the review of our Audit Committee in accordance with its terms of reference. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our business, prospects, financial condition and results of operations, including because of potential conflicts of interest or otherwise.

If our lease agreements are not renewed or are renewed on terms and conditions that are unfavourable to us or we are unable to find alternate premises on commercially acceptable terms, we may suffer a disruption in our operations which could have a material adverse effect on our business and operations. Further, any adverse impact on the title or ownership rights of the landlords, may force us to vacate such premises and we would be required to make alternative arrangements, which may have an adverse effect on the costs of operation and profitability of our Company.

62. We have not made any dividend payments in the past and our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements, capital expenditures and restrictive covenants in our financing arrangements.

In the past, we have not made dividend payments to the shareholders of our Company. There can be no assurance that we will be able to declare dividends. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on various factors, including among others, our profits, capital requirements, overall financial condition, contractual restrictions and other factors considered relevant by our Board. Additionally, our ability to pay dividends is and may be subject to restrictive covenants contained in the financing related agreements we have entered into and will enter into in the future. Accordingly, realisation of a gain on shareholder investments may depend on the appreciation of the price of the Equity Shares. There is no guarantee that our Equity shares will appreciate in value. For further details, see "*Dividend Policy*".

63. Industry information included in this Prospectus has been derived from industry reports commissioned by us for such purpose. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate.

We have retained the services of certain independent third party research agencies, including F&S and SMA, to prepare certain industry reports for purposes of inclusion of such information in this Prospectus. These reports are subject to various limitations and based upon certain assumptions that are subjective in nature. We have not independently verified data from such industry reports and other sources. Although we believe that the data may be considered to be reliable, their accuracy, completeness and underlying assumptions are not guaranteed and their dependability cannot be assured. While we have taken reasonable care in the reproduction of the information, the information has not been prepared or independently verified by us, any of the BRLMs or any of our or their respective affiliates or advisors and, therefore, we make no representation or warranty, express or implied, as to the accuracy or completeness of such facts and statistics. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Prospectus.

External Risk Factors

64. The Issue Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Issue. The Equity Shares may experience price and volume fluctuations. Further, financial instability, economic developments and volatility in securities markets in other countries may also cause the price of the Equity Shares to decline.

The Issue Price of the Equity Shares has been determined by the Company in consultation with the BRLMs and may not be indicative of the market price for the Equity Shares after the Issue. The market price of the Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that the investor will be able to resell their Equity Shares at or above the Issue Price.

The market price of the Equity Shares can be volatile as a result of several factors beyond our control, including volatility in the Indian and global securities markets, our results of operations, the performance of our competitors, developments in the Indian general staffing and IT sector, changing perceptions in the market about investments in this sector in India, investor perceptions of our future performance, adverse media reports about us or our sector, changes in the estimates of our performance or recommendations by financial analysts, significant developments in India's economic liberalisation and deregulation policies, and significant developments in India's fiscal regulations. In addition, the Stock Exchanges may experience significant price and volume fluctuations, which may have a material adverse effect on the market price of the Equity Shares.

Further, the Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging market countries in Asia. Financial turmoil in Europe and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy.

In the event that there is any significant financial disruption in the global credit and capital markets, such conditions could have an adverse effect on our business, future financial performance and the trading price of the Equity Shares.

65. There are restrictions on daily movements in the price of the Equity Shares, which may adversely affect a shareholder's ability to sell, or the price at which it can sell, Equity Shares at a particular point in time.

We are subject to a daily circuit breaker imposed by all stock exchanges in India which does not allow transactions beyond certain volatility in the price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on our circuit breaker is set by the stock exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The stock exchanges do not inform us of the percentage limit of the circuit breaker from time to time, and may change it without our knowledge. This circuit breaker effectively limits the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, there can be no assurance regarding the ability of shareholders to sell the underlying Equity Shares or the price at which shareholders may be able to sell their Equity Shares at a particular time.

66. Under Indian law, foreign investors are subject to investment restrictions that limit our ability to attract foreign investors, which may adversely impact the trading price of the Equity Shares.

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are permitted (subject to certain exceptions) if they comply inter-alia with the pricing guidelines and reporting requirements specified by the RBI. If a transfer of shares is not in compliance with such pricing guidelines or reporting requirements or falls under any of the prescribed exceptions, then prior approval of the RBI will be required.

67. Currency exchange rate fluctuations may affect the value of the Equity Shares independent of our financial results.

The Equity Shares are, and will be quoted in Rupees on the Stock Exchanges. Any dividends in respect of the Equity Shares will be paid in Rupees and subsequently converted into other currencies for repatriation. Any adverse movement in exchange rates during the time it takes to undertake such conversion may reduce the net dividend to investors. In addition, any adverse movement in exchange rates during a delay in repatriating the proceeds from a sale of Equity Shares outside India, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares, may reduce the net proceeds received by shareholders.

68. There is no guarantee that the Equity Shares issued pursuant to the Issue will be listed on the BSE and the NSE in a timely manner or at all and any trading closures at the BSE and the NSE may adversely affect the trading price of your Company's Equity Shares.

In accordance with Indian law and practice, permission for listing of the Equity Shares will not be granted until after those Equity Shares have been issued and allotted. In addition, we are required to deliver the Red Herring Prospectus and this Prospectus to the Registrar of Companies for registration under the applicable provisions of the Companies Act and the SEBI Regulations. Approval requires all other relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on the BSE and the NSE. Any failure or delay in obtaining the approval would restrict investors' ability to dispose of their Equity Shares.

69. Any future issue of Equity Shares may dilute the investor’s shareholding and sales of the Equity Shares by our Promoters or other major shareholders in future may adversely affect the trading price of the Equity Shares.

Any future issuance of the Equity Shares by our Company, including in a primary offering or pursuant to a preferential allotment or issuances of stock options under employee stock option plans, could dilute your shareholding in our Company. Any such future issuance of the Equity Shares or future sales of the Equity Shares by any of our significant shareholders in future or our promoters may also adversely affect the trading price of the Equity Shares and impact our ability to raise capital through an offering of our securities. Any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. After the completion of the Issue, our Promoters and members of our Promoter Group will continue to hold majority of our outstanding Equity Shares. Additionally, the disposal, pledge or encumbrance of the Equity Shares by any of our Company’s major shareholders including our promoters, or the perception that such transactions may occur may affect the trading price of the Equity Shares. No assurance may be given that our Company will not issue Equity Shares or that such shareholders will not dispose of, pledge or encumber their Equity Shares in the future. Any such issuance or sale, or any perception by investors that such issuances or sales might occur, may lead to the dilution of investor shareholding in our Company or affect the trading price of the Equity Shares and could affect our ability to raise capital through an offering of our securities.

70. Your ability to acquire and sell our Equity Shares in jurisdictions outside India is restricted by the distribution and transfer restrictions contained herein.

No actions have been taken to permit a public offering of the Equity Shares in any jurisdiction except India. As such, the Equity Shares have not and will not be registered under the Securities Act, any state securities laws or the law of any jurisdiction other than India. Furthermore, the Equity Shares are subject to restrictions on transferability and resale. You are required to inform yourself about and observe these restrictions. We, our representatives and our agents will not be obligated to recognise any acquisition, transfer or resale of the Equity Shares made other than in compliance with the restrictions contained herein.

71. We may be affected by competition law in India and any adverse application or interpretation of the Competition Act, 2002 could adversely affect our business and activities.

The Competition Act, 2002, as amended ("**Competition Act**"), regulates practices having or likely to have an appreciable adverse effect on competition in the relevant market in India. Under the Competition Act, any formal or informal arrangement, understanding or action in concert, which causes or is likely to cause an appreciable adverse effect on competition is considered void and results in the imposition of substantial monetary penalties. Further, any agreement among competitors which directly or indirectly involves the determination of purchase or sale prices, limits or controls production, supply, markets, technical development, investment or provision of services, shares the market or source of production or provision of services by way of allocation of geographical area, type of goods or services or number of customers in the relevant market or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an appreciable adverse effect on competition. The Competition Act also prohibits abuse of a dominant position by any enterprise. On March 4, 2011, the government issued and brought into force the combination regulation (merger control) provisions under the Competition Act with effect from June 1, 2011. These provisions require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset and turnover based thresholds to be mandatorily notified to and pre-approved by the Competition Commission of India ("**CCI**"). Additionally, on May 11, 2011, the CCI issued Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011, as amended, which sets out the mechanism for implementation of the merger control regime in India.

The Competition Act aims to, among others, prohibit all agreements and transactions which may have an appreciable adverse effect on competition in India. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an appreciable adverse effect on competition in India. The applicability or interpretation of any provision of the Competition Act to any merger, amalgamation or acquisition proposed or undertaken by us, or any enforcement proceedings initiated by the CCI for any alleged violation of provisions of the Competition Act, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, may adversely affect our business, results of operations and prospects

72. An investor will not be able to sell any of our Equity Shares subscribed in this Issue other than on a recognized Indian stock exchange for a period of 12 months from the date of Allotment of our Equity Shares in this Issue.

Pursuant to the SEBI Regulations, for a period of 12 months from the date of the Allotment of our Equity Shares in the Issue, QIBs subscribing to the Equity Shares in the Issue may only sell their Equity Shares on the Stock Exchanges and may not enter into any off market trading in respect of these Equity Shares. We cannot be certain that these restrictions will not have an impact on the price and liquidity of the Equity Shares.

73. Any downgrading of India's debt rating by a domestic or international rating agency could adversely affect our business.

India's sovereign debt rating could be downgraded due to various factors, including changes in tax or fiscal policy or a decline in India's foreign exchange reserves, which are outside our control. Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our business and financial performance, ability to obtain financing for capital expenditures and the price of the Equity Shares.

74. Changing laws, rules and regulations and legal uncertainties, including adverse application of corporate and tax laws, may adversely affect our business, results of operations, financial condition and prospects.

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes in law or interpretations of existing, or the promulgation of new laws, rules and regulations in India applicable to us and our business, including the instances mentioned below, may adversely affect our business, results of operations, financial condition and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy.

The Government of India has recently released safe harbour rules with respect to acceptance by the Indian tax authorities of declared transfer prices for certain types of international transactions (including intra-group loans and corporate guarantees and for the manufacture and export of core and non-core automotive components) between an eligible assesse and its associated enterprises, either or both of which are not Indian residents. The benefit, if any, that we may derive from the application of such rules in the future is unclear.

Until recently, transfer pricing regulations in India covered only cross border transactions. The Finance Act, 2012 extended its scope to cover certain domestic transactions with related parties within India, defined as 'specified domestic transactions'. These domestic transfer pricing provisions became applicable from assessment year 2013-14. Transactions will be regarded as 'specified domestic transactions' only in the event that the aggregate value of all such transactions exceeds ₹ 200 million.

The Goods and Services Tax ("GST") in India was introduced on July 1, 2017. GST is a unified and comprehensive, multi stage and destination based tax which has subsumed the multiple indirect taxes levied by the central and state governments. India has adopted a dual model of GST. Therefore, under the GST regime, a tax called the Central Goods and Services Tax ("CGST") along with State Goods and Services Tax ("SGST") or Union Territory Goods and Services Tax ("UTGST") would be simultaneously levied on all intra-state supplies of goods and/or services at the rates specified in this regard. Further, Integrated Goods and Services Tax ("IGST") would be levied on all supplies of goods and/or services made in the course of inter-State trade or commerce. In this regard, the CGST Act, 2017, the IGST Act, 2017, the UTGST Act, 2017 and Goods and Services Tax (Compensation to States) Act, 2017 received the assent of the President of India on April 12, 2017. Further, majority of the states have passed their respective SGST legislations. The implementation of this rationalized tax structure may be affected by any disagreement between certain state governments, which may create uncertainty. Any future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable.

Further, the General Anti Avoidance Rules ("GAAR") have come into from April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement could result in denial of tax benefit amongst other consequences. In the absence of any precedents on the subject, the application of these provisions is uncertain. If the GAAR provisions are made applicable to our Company, it may have an adverse tax impact on us.

There can be no assurance that the Central or the State Governments in India may not implement new regulations and policies which will impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the implementation of the new regulations may have a material adverse effect on all our business, financial condition and results of operations. In addition, we may have to incur capital expenditures to comply with the requirements of any new regulations, which may also materially harm our results of operations.

We have not determined the impact of these recent and proposed legislations on our business. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy in the jurisdictions in which we operate, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future.

75. Any anticipated measures undertaken by the Government of India or any regulatory authority such as the recent demonetization measures may adversely affect our business, financial condition and results of operations.

On November 8, 2016, the Indian government announced phasing out of large-denomination currency notes (₹ 500 and ₹ 1,000, representing 86% of the total currency in circulation) as legal tender. They were immediately replaced with new ₹ 500 and ₹ 2,000 currency notes. This measure was undertaken to curb corruption, tax evasion, and counterfeiting. The withdrawal from circulation started immediately and ended on December 30, 2016. Unexpected demonetisation weighed on growth in the third quarter of fiscal 2017. Any such anticipated measures undertaken by the Government of India or any regulatory authority may adversely affect our business, financial condition and results of operations.

76. Investors may have difficulty enforcing judgments against our Company or our management.

Our company is incorporated under the laws of India and almost all our directors and key managerial personnel reside in India. A majority of our assets, and the assets of our Directors and officers, are also located in India.

As a result, it may be difficult for investors to effect service of process upon, or to enforce judgments obtained against, our Company or such persons outside India. India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, which include the United Kingdom, Singapore and Hong Kong. The United States has not been declared as a reciprocating territory for the purposes of the Code of Civil Procedure, 1908 ("Civil Code") and thus a judgement of a court outside India may be enforced in India only by a suit and not by proceedings in execution. In order to be enforceable, a judgement from a jurisdiction with reciprocity must meet certain requirements of the Civil Code. The Civil Code only permits the enforcement of monetary decrees, not being in the nature of any amounts payable in respect of taxes, other charges, fines or penalties and does not include arbitration awards. Judgments or decrees from jurisdictions which do not have reciprocal recognition with India cannot be enforced by proceedings in execution in India. Therefore, a final judgement for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be enforceable in India. Even if an investor obtained a judgement in such a jurisdiction against us, our officers or directors, it may be required to institute a new proceeding in India and obtain a decree from an Indian court. However, the party in whose favour such final judgement is rendered, may bring a fresh suit in a competent court in India, based on a final judgement that has been obtained in a non-reciprocating territory, within three years of obtaining such final judgement. It is unlikely that an Indian court would award damages on the same basis, or to the same extent, as was awarded in a final judgement rendered by a court in another jurisdiction, if the Indian court believes that the amount of damages awarded was excessive or inconsistent with public policy in India. In addition, any person seeking to enforce a foreign judgement in India is required to obtain prior approval of the RBI, to repatriate any amount recovered pursuant to the execution of the judgement.

77. The occurrence of natural or man-made disasters could adversely affect our results of operations and financial condition. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations or financial condition, including in the following respects:

- A natural or man-made disaster, could result in damage to our assets or losses in our projects, or the failure of our counterparties to perform, or cause significant volatility in global financial markets.
- Political tension, civil unrest, riots, acts of violence, situations of war or terrorist activities may result in disruption of services and may potentially lead to an economic recession and/or impact investor confidence.

Terrorist attacks and other acts of violence or war may adversely affect the Indian securities markets. In addition, any deterioration in international relations, especially between India and its neighbouring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse impact on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business and the market price of the Equity Shares.

78. Investors may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares. .

Under current Indian tax laws, capital gains arising from the sale of equity shares of an Indian company are taxable in India, unless specifically exempted. Any gain realised on the sale of the Equity Shares listed on a recognised stock exchange held for more than 12 months will not be subject to capital gains tax in India, provided, Securities Transaction Tax ("STT"), has been paid on purchase of such shares. STT will be levied on and collected by an Indian stock exchange on which the Equity Shares are sold. Any gain realised on the sale of the Equity Shares held for more than 12 months by an Indian resident, which are not subject to STT will be subject to long term capital gains tax in India. Further, any gain realised on the sale of the Equity Shares listed on a recognised stock exchange, held for a period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where an exemption is provided under a treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable to tax in India as well as in their own jurisdictions on gains arising from a sale of Equity Shares.

79. The exit by the UK from the European Union has and could further impact global financial markets which could in turn adversely affect the trading prices of our Equity Shares.

The exit by the UK from the European Union ("EU") may impact the trading prices of our Equity Shares. As a result of the referendum held in the UK on June 23, 2016, which resulted in a vote in favour of the exit from the EU, the global financial markets have experienced significant volatility and may continue to experience volatility. In addition, the UK and member countries in the EU may face increased economic and financial volatility. Such economic and financial volatility may further impact global financial markets, which may adversely affect the trading prices of our Equity Shares.

80. Sustained increase in Indian price inflation may adversely affect our financial condition.

In recent years, India's wholesale price inflation index has indicated an increasing inflation trend compared to prior periods. An increase in inflation in India could cause a result in an increase in cost of services due to rise in the cost of wages, raw materials or any other expenses. We may be unable to reduce our costs or pass the impact of the increase in costs to our clients adversely affecting our financial condition.

81. Our ability to raise foreign capital may be constrained by Indian law.

As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions could constrain our ability to obtain financings on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that any required regulatory approvals for borrowing in foreign currencies will be granted to us without onerous conditions, or at all. Limitations on foreign debt may have an adverse effect on our business growth, financial condition and results of operations.

MARKET PRICE INFORMATION

As of the date of this Prospectus, 126,790,961 Equity Shares have been issued and are fully paid up. The Equity Shares are listed on the BSE and the NSE. As the Equity Shares are actively traded on the BSE and the NSE, the stock market data has been given separately for each of these Stock Exchanges. The Equity Shares have been listed on the BSE and the NSE since July 12, 2016.

The stock market data have been prepared based on following considerations;

- Year is a Financial Year;
- Average price is the average of the daily closing prices of the Equity Shares for the year, or the month, as the case may be;
- High price is the maximum of the daily high prices and low price is the minimum of the daily low prices of the Equity Shares, as the case may be, for the year, or the month, as the case may be; and
- In case of two days with the same high / low / closing price, the date with higher volume has been considered.

The table set forth below indicates the high and low prices of the Equity Shares and the volume of trading activity for the specified periods. The closing prices of the Equity Shares on the BSE and the NSE on August 16, 2017 were ₹890.85 and ₹894.85 per Equity Share, respectively.

The high, low and average market prices of the Equity Shares for the periods indicated, are as below:

BSE									
Year ending March 31,	**Date of High**	**High (₹)**	**Volume on date of High (No. of Equity Shares)**	**Volume on date of High (In ₹ million)**	**Date of Low**	**Low (₹)**	**Volume on Date of Low (No. of Equity Shares)**	**Volume on Date of Low (In ₹ million)**	**Average (₹)**
2017	January 25, 2017	744.55	86,031	62.32	July 14, 2016	452.40	704,158	333.09	610.21
2016	NA	NA	NA	NA	NA	NA	NA	NA	NA
2015	NA	NA	NA	NA	NA	NA	NA	NA	NA

(Source: www.bseindia.com)

NSE									
Year ending March 31,	**Date of High**	**High (₹)**	**Volume on date of High (No. of Equity Shares)**	**Volume on date of High (In ₹ million)**	**Date of Low**	**Low (₹)**	**Volume on Date of Low (No. of Equity Shares)**	**Volume on Date of Low (In ₹ million)**	**Average (₹)**
2017	January 25, 2017	744.00	308,026	221.69	July 14, 2016	452.50	2,381,010	1,126.84	610.63
2016	NA	NA	NA	NA	NA	NA	NA	NA	NA
2015	NA	NA	NA	NA	NA	NA	NA	NA	NA

(Source: www.nseindia.com)

Monthly high and low prices and trading volumes on the Stock Exchanges for the six months preceding the date of filing of this Prospectus:

BSE									
Month	**Date**	**High (₹)**	**Volume (No. of Equity Shares)**	**Volume on date of High (In ₹ million)**	**Date**	**Low (₹)**	**Volume (No. of Equity Shares)**	**Volume on Date of Low (In ₹ million)**	**Average (₹)**
July 2017	July 18, 2017	970.00	11,354	10.87	July 27, 2017	864.00	2,694	2.36	911.24
June 2017	June 8, 2017	1,068.00	5,945	5.38	June 20, 2017	860.70	4,641	4.11	899.42

BSE									
Month	**Date**	**High (₹)**	**Volume (No. of Equity Shares)**	**Volume on date of High (In ₹ million)**	**Date**	**Low (₹)**	**Volume (No. of Equity Shares)**	**Volume on Date of Low (In ₹ million)**	**Average (₹)**
May 2017	May 11, 2017	900.00	15,032	13.07	May 23, 2017	750.00	8,195	6.40	830.91
April 2017	April 26, 2017	815.50	13,874	11.07	April 3, 2017	688.00	13,319	9.43	754.97
March 2017	March 28, 2017	700.00	2,928	2.03	March 9, 2017	630.15	5,479	3.50	671.02
February 2017	February 1, 2017	690.00	13,500	9.18	February 15, 2017	639.00	6,533	4.24	660.63

(Source: www.bseindia.com)

NSE									
Month	**Date**	**High (₹)** (1)	**Volume (No. of Equity Shares)** (2)	**Volume on date of High (In ₹ million)**	**Date**	**Low (₹)**(1)	**Volume (No. of Equity Shares)** (2)	**Volume on Date of Low (In ₹ million)**	**Average (₹)** (3)
July 2017	July 18, 2017	970.00	65,125	61.88	July 27, 2017	861.00	35,667	31.29	912.63
June 2017	June 30, 2017	942.40	97,983	90.68	June 20, 2017	845.55	52,403	46.43	901.99
May 2017	May 31, 2017	899.90	49,480	43.73	May 2, 2017	769.60	60,931	48.15	833.74
April 2017	April 26, 2017	814.00	88,248	70.45	April 3, 2017	683.00	83,195	58.66	756.25
March 2017	March 28, 2017	721.00	52,914	36.81	March 3, 2017	630.00	27,865	17.76	671.68
February 2017	February 1, 2017	697.85	54,880	37.39	February 15, 2017	640.10	27,237	17.72	661.64

(Source: www.nseindia.com)

Market price on May 17, 2017, the first working day following the Board Meeting approving the Issue was:

	BSE				NSE			
	Open (₹)	**High (₹)**	**Low (₹)**	**Close (₹)**	**Open (₹)**	**High (₹)**	**Low (₹)**	**Close (₹)**
May 17, 2017	846.35	850.00	805.70	815.75	840.00	851.50	810.10	824.00
Volume (No. of Equity Shares)	18,942				95,056			
Volume (in ₹ million)	15.56				78.57			

(Source: www.bseindia.com, www.nseindia.com)

Details of the volume of business transacted during the last six months on the Stock Exchanges:

Period	BSE (No. of Equity Shares)	NSE (No. of Equity Shares)
July 2017	125,132	904,390
June 2017	76,514	932,002
May 2017	157,977	1,197,909
April 2017	166,247	1,504,046
March 2017	118,908	1,408,641
February 2017	132,569	965,623

(Source:www.bseindia.com,www.nseindia.com)

USE OF PROCEEDS

The total proceeds of the Issue will be aggregating to ₹8,739.22 million#. After deducting fees and expenses of approximately ₹263.73 million, the net proceeds of the Issue will be approximately ₹8,475.49 million# (**"Net Proceeds"**).

#*Subject to finalization of Basis of Allocation. The exact number of Equity Shares to be issued pursuant to the Issue may be required to be adjusted depending on, inter alia, the actual number of Equity Shares Allotted upon finalization of the Basis of Allocation.*

Subject to compliance with applicable laws and regulations, we intend to use the Net Proceeds of the Issue towards acquisitions and other strategic initiatives, funding working capital requirements and general corporate purposes, depending on the business requirements.

The estimated use of Net Proceeds is set forth in the table as stated below:

Particulars	**Amount (₹ in million)**
Acquisitions and other strategic initiatives	6,250.00
Funding working capital requirements	1,500.00
General corporate purposes	725.49
Total Net Proceeds	**8,475.49**

The deployment of Net Proceeds will depend on various factors and is expected to be completed by March 31, 2020.

We intend to completely finance our Objects from Net Proceeds. Given the dynamic nature of our business, we may have to revise our funding requirements and deployment on account of a variety of factors such as our financial condition, business and strategy and external factors such as market conditions, competitive environment and interest or exchange rate fluctuations, which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of our management. If the actual utilisation towards any of the objects is lower than the proposed deployment, such balance will be used for general corporate purposes. In case of a shortfall in raising requisite capital from the Net Proceeds or an increase in the total estimated costs of the objects of the Issue, we may explore a range of options including utilising our internal accruals and seeking additional debt from existing and future lenders. Further, in case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this Issue.

Subject to the supervision of the utilization of the Net Proceeds by the Audit Committee and the Board as required under the provisions of the SEBI Listing Regulations, the management of the Company will have flexibility in deploying the Net Proceeds in accordance with the provisions of the Companies Act, 2013. Our fund requirements and deployment of the Net Proceeds is based on internal management estimates, and on current conditions and are subject to change in light of external circumstances or costs, or in other financial condition, business or strategy. For details of factors that may affect these estimates, see "*Risk Factors*" on page 41.

Pending utilization of the Net Proceeds, the Company intends to temporarily invest the funds in interest bearing instruments including deposits with banks and investments in mutual funds**.** Such investments would be in accordance with all applicable laws and regulations.

CAPITALISATION STATEMENT

The following table sets forth the Company's capitalisation and total debt, on a consolidated basis, as of March 31, 2017 and as adjusted to give effect to the Issue. This table should be read in conjunction with "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and our financial information contained in "*Financial Statements*" on pages 79 and 180 respectively.

Consolidated Capitalisation Statement

(₹ in million, unless otherwise stated)

Particulars	Pre Issue as at March 31, 2017	Post Issue
Shareholders's Fund		
Share Capital	1,267.91	1,377.15
Reserves and Surplus, as restated	7,093.83	15,723.81
Total Shareholder's funds (A)	**8,361.74**	**17,100.96**
Borrowings		
Short term (B)	4,556.55	4,556.55
Long term (C)	2,744.49	2,744.49
Total (D)= (B+C)	**7,301.04**	**7,301.04**
Long term borrowings / shareholder funds (C/A)	0.33	0.16
Total borrowings / shareholder funds (D/A)	0.87	0.43

Standalone Capitalisation Statement

(₹ in million, unless otherwise stated)

Particulars	Pre Issue as at March 31, 2017	Post Issue
Shareholders's Fund		
Share Capital	1,267.91	1,377.15
Reserves and Surplus	6,656.45	15,286.43
Total Shareholder's funds (A)	**7,924.36**	**16,663.58**
Borrowings		
Short term (B)	3,852.30	3,852.30
Long term (C)	1,487.24	1,487.24
Total (D)= (B+C)	**5,339.54**	**5,339.54**
Long term borrowings / shareholder funds (C/A)	0.19	0.09
Total borrowings / shareholder funds (D/A)	0.67	0.32

There will be no further issue of Equity Shares whether by way of public issue, issue of bonus shares, preferential allotment, rights issue, qualified institutions placement or in any other manner during the period commencing from the date of registering the Red Herring Prospectus with the RoC until the Equity Shares offered in the Issue have been listed on the Stock Exchanges or the Application Amounts are refunded, on account of *inter alia*, refusal of the listing of such Equity Shares by the Stock Exchanges.

DIVIDENDS

The declaration and payment of dividends on our Equity Shares, if any, will be recommended by our Board and approved by our Shareholders, at their discretion, subject to the provisions of the Articles of Association and the Companies Act. The dividend, if any, will depend on a number of factors, including but not limited to our Company's profits, capital requirements, overall financial condition, contractual restrictions and other factors considered relevant by our Board.

No dividend on Equity Shares has been declared by our Company during the last three financial years preceding the date of this Prospectus.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read "Forward-Looking Statements" on page 14 for a discussion of the risks and uncertainties related to such statements and also "Risk Factors" on page 41 for a discussion of certain factors that may affect our business, financial condition and results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.

In this section, unless the context otherwise requires, a reference to the "Company" is a reference to Quess Corp Limited on a standalone basis, while any reference to "we", "us" or "our" refers to Quess Corp Limited, its Subsidiaries, Associates and its Joint Venture, as applicable in the relevant fiscal period, on a consolidated basis.

Our Company's fiscal year ends on March 31 of each year, except that in 2014 our Company aligned its fiscal year end to that of our corporate Promoter TCIL, December 31. However, our Company subsequently reverted to a March 31 year end in Fiscal 2015 as required under the Companies Act. Accordingly, in this Prospectus (i) Fiscal 2015 (15 months) denotes the 15 months ended March 31, 2015; and (ii) the terms Fiscal 2016 and Fiscal 2017 denote the 12 months ended March 31, 2016 and 2017, respectively. Our results of operations in Fiscal 2015 (15 months) are not comparable to the results of operations in other 12-month fiscal years included in this Prospectus.

For important information relating to the presentation of financial information, including the transition from Indian GAAP to Ind AS financial statements and the presentation of certain proforma financial information with respect to the Proposed MIS Acquisition, see "Presentation of Financial Information" below.

The industry data used in this section has been derived from the F&S Report 2017, which has been commissioned by the Company from Frost & Sullivan (India) Private Limited. This section also contains certain information that has been derived from the Strategy Meets Action Report –SMA Research: 2017 IT Spending and Priorities (Extract) dated July 13, 2017, which has been prepared by Strategy Meets Action ("SMA") at the specific request of the Company.

Overview

We are one of India's leading integrated business services providers *(Source: F&S Report 2017)* focused on emerging as the preferred partner for handling end-to-end business functions of our clients. We offer comprehensive solutions including recruitment, temporary staffing, technology staffing, IT products and solutions, skill development, payroll, compliance management, integrated facility management, manned guarding and industrial asset management services. As of March 31, 2017, our Key Clients included some of the world's largest, reputable organizations, including 23 companies ranked in the 2017 Fortune Global 500 list.

We are among the industry leaders in each of our key business services:

- The largest IT staff augmentation provider in India based on number of employees *(Source: F&S Report 2017)*;
- The largest independent IT staffing company in Singapore based on number of employees *(Source: F&S Report 2017)*
- The second largest general staffing company in India based on number of employees *(Source: F&S Report 2017)*;
- Among the leading industrial asset management service providers in India *(Source: F&S Report 2017)*;
- The second largest integrated facility management service provider in India *(Source: F&S Report 2017)*; and
- Among the largest training and skill development partner for the Ministry of Rural Development based on approved project cost *(Source: F&S Report 2017).*

Our Key Clients include ABB India Limited, Amazon Seller Services Private Limited, Avaya India Private Limited, Bata India Limited, Bayer CropScience Limited, Delhi International Airport Limited, Electronics City Industrial Township Authority, Hinduja Group Limited, Hindustan Field Services Private Limited, India Exposition Mart Limited, Manipur State Power Distribution Company Limited, One97 Communications Limited, PNB Housing Finance Limited, SBI Card and Payments Services Private Limited, SBI General Insurance Company Limited, Smollan India Private Limited, South Bihar Power Distribution Co. Limited, Tata Consultancy Services Limited, The Himalaya Drug Company, Urban Ladder Home Décor Solutions Private Limited, VF Brands India Private Limited and Vodafone India Limited, among others. Our service and product offerings include four broad operational segments: Global Technology Solutions ("**GTS**"), People and Services ("**P&S**"), Integrated Facility Management ("**IFM**") and Industrials, which are offered under various brands as indicated below:

- **Global Technology Solutions.** The GTS segment provides IT staffing, IT product solutions and services in India, North America and Singapore, under our *Magna Infotech*, *Brainhunter*, *Mindwire*, *MFX* and *Comtel* brands. We own and operate offshore delivery and development centers in Chennai and Bengaluru in India with more than 300 full time employees as of March 31, 2017. Our datacenters at Ridgefield Park, New Jersey and Roanoke, Virginia are SSAE 16 SOC1 Type II compliant facilities, and are strategically located in different regions in the United States to ensure disaster recovery protection and meet applicable regulatory requirements. Our Key Clients in the GTS segment include 11 companies ranked in the 2017 Fortune Global 500 list, as well as large international banks and Indian IT consulting companies.

- **People and Services.** The P&S segment provides comprehensive staffing (excluding IT staffing) services and solutions including general staffing, recruitment and executive search, recruitment process outsourcing, as well as payroll, compliance and background verification services under our *IKYA* and *CoAchieve* brands in India and South East Asia (in Malaysia, Philippines and Sri Lanka). In addition, we provide training and skill development services through 66 centers (as of March 31, 2017) spread across 13 states in India, under our *Excelus* brand in partnership with the Government of India. We are authorized to provide training and skill development programs covering 20 trades/sectors, including ITES sector for technical support, logistics sector for warehouse assistance, and travel and tourism sector for domestic tour operators.

- **Integrated Facility Management.** The IFM segment provides integrated facility management solutions to corporates and various other institutions such as hospitals, schools and airports across India. We provide the entire range of facility management services including janitorial services, electro-mechanical services, pest control as well as food and hospitality services and manned guarding and security solutions. These services are provided under our *Avon* and *Terrier* brands. Significant clients in this segment include leading IT/ITeS companies, large banking and financial institutions, Fortune 500 real estate services companies, hospitals, educational institutions and private airport management companies.

- **Industrials.** The Industrials segment provides industrial operations and maintenance ("**O&M**") services and related asset record maintenance services under our *Hofincons* brand across various industries, including power, energy, oil and gas, chemicals and ferrous and non-ferrous metal industries across India and the Middle East. Further, we provide managed services for utilities (meter reading services) and telecom companies (tower maintenance and network deployment services) under our *Maxeed* brand. We also provide engineering design services to our industrial clients under our *Inticore* brand, with capabilities in aerospace, engineering, defense and oil and gas sectors. Significant clients in this segment include some of India's leading steel, cement and energy companies.

The following table sets forth certain information relating to our results of operations in our principal operational segments in Fiscal 2015 (15 months) and Fiscal 2016 prepared under Indian GAAP:

Segment	**Fiscal 2015 (15 months)**	**Fiscal 2016**
	(Indian GAAP)	
	(₹ million, except percentages and numbers)	
Global Technology Solutions		
GTS Revenue from Operations	7,355.98	9,211.25
As % of Total Income	28.57%	26.75%
GTS EBIT	593.35	608.32
Associate Employees[1]	8,748	8,614
Core Employees[2]	668	1,110
People and Services		
P&S Revenue from Operations	14,035.42	19,498.47
As % of Total Income	54.52%	56.62%
P&S EBIT	389.19	630.00
Associate Employees[3]	63,141	83,657
Core Employees[4]	365	1,664
Integrated Facility Management		
IFM Revenue from Operations	3,008.57	3,718.71
As % of Total Income	11.69%	10.80%
IFM EBIT	145.16	174.52
Associate Employees	17,619	19,911
Core Employees	241	186
Industrials		
Industrials Revenue from Operations	1,270.59	1,921.72
As % of Total Income	4.94%	5.58%
Industrials EBIT	153.61	197.30

1. Indicates Associate Employees of our IT staffing business in India.
2. Indicates Core Employees of our IT staffing business in India.
3. Indicates Associate Employees of our general staffing business.
4. Indicates Core Employees of our general staffing business.

The following table sets forth certain information relating to our results of operations in our principal operational segments in Fiscal 2016 and Fiscal 2017 prepared under Ind AS:

Segment	**Fiscal 2016**	**Fiscal 2017**
	(Ind AS)	
	(₹ million, except percentages and numbers)	
Global Technology Solutions		
GTS Revenue from Operations	9,211.25	11,829.67
As % of Total Income	26.75%	28.35%
GTS EBIT	604.61	833.68

Segment	Fiscal 2016	Fiscal 2017
	(Ind AS)	
Associate Employees[1]	8,614	11,708
Core Employees[2]	1,110	1,141
People and Services		
P&S Revenue from Operations	19,498.47	23,454.11
As % of Total Income	56.61%	56.21%
P&S EBIT	724.31	1,089.04
Associate Employees[3]	83,657	116,947
Core Employees[4]	1,664	1,823
Integrated Facility Management		
IFM Revenue from Operations	3,718.71	4,046.12
As % of Total Income	10.80%	9.70%
IFM EBIT	171.80	203.06
Associate Employees	19,911	52,369
Core Employees	186	921
Industrials		
Industrials Revenue from Operations	1,921.72	2,243.70
As % of Total Income	5.58%	5.38%
Industrials EBIT	170.54	170.94

1. Indicates Associate Employees of our IT staffing business in India.
2. Indicates Core Employees of our IT staffing business in India.
3. Indicates Associate Employees of our general staffing business.
4. Indicates Core Employees of our general staffing business.

Headquartered in Bengaluru, we have a pan-India presence with 66 offices across 33 cities as of March 31, 2017, as well as operations in North America, the Middle East and South East Asia. As of March 31, 2017, we along with Target MIS Business employed more than 190,000 employees, including over 4,000 Core Employees and over 186,000 Associate Employees. As of March 31, 2017, we had more than 1,500 clients, based on ongoing contracts as of such date.

RECENT DEVELOPMENTS

Proposed MIS Acquisition

On November 28, 2016, we entered into definitive agreements relating to the demerger of the facility management and catering businesses of Manipal Integrated Services Private Limited (MIS) into our Company through a scheme of arrangement (such proposed acquisition, the Proposed MIS Acquisition). The completion of the Proposed MIS Acquisition is subject to various conditions, including the approval of the shareholders and creditors, the sanction of the scheme of arrangement by the National Company Law Tribunal as well as other relevant regulatory approvals. We have to date paid an aggregate amount of ₹ 2,200 million to acquire certain compulsory convertible preference shares of MIS in accordance with the terms of the relevant definitive agreements and the scheme of arrangement. For further information, see *"Management's Discussion and Analysis of Financial Condition and Results of Operations – Presentation of Financial Information – Pro Forma Financial Information on Proposed MIS Acquisition"*.

Other Proposed Investments

We entered into definitive agreements to subscribe to up to 46.00% of the share capital of Heptagon Technologies, engaged in software development with machine learning and automation technologies. As on June 30, 2017, we held 33.37% of the share capital of Simpliance, a Bengaluru based compliance technology firm. We also entered into a definitive agreement to subscribe to 51.00% shareholding in Comtel Pro Pte. Ltd., an entity focused on general staffing operations in Singapore. For further information, see *"Management's Discussion and Analysis of Financial Condition and Results of Operations – Presentation of Financial Information – Acquisitions and Investments"*.

Announcement of Reviewed Financial Results

Pursuant to a meeting of our Board of Directors on July 21, 2017, we have adopted and filed with the Stock Exchanges, the unaudited standalone and consolidated financial results for the quarter ended June 30, 2017 in accordance with the provisions of Regulation 33 of the SEBI Listing Regulations. For further information, see *"Financial Statements – Consolidated Reviewed Financial Results" and "Financial Statements – Standalone Reviewed Financial Results"*.

PRESENTATION OF FINANCIAL INFORMATION

Transition from Indian GAAP to Ind AS Financial Statements

As a subsidiary of our Corporate Promoter, TCIL (which was required to prepare and present its financial statements in accordance with Ind AS with effect from April 1, 2016), our Company was also required to prepare standalone and consolidated financial statements in accordance with Ind AS for Fiscal 2017 (together with the corresponding standalone and consolidated financial statements under Ind AS for Fiscal 2016). Our historical audited standalone and consolidated financial statements for Fiscal 2015 (15 months) and for Fiscal 2016 were originally prepared in accordance with Indian GAAP.

Ind AS varies in many respects from Indian GAAP, and accordingly our Ind AS financial statements for Fiscal 2016 and Fiscal 2017 are not comparable with our historical Indian GAAP financial statements for Fiscal 2015 (15 months) and Fiscal 2016. See Note 55 of our Ind AS Audited Consolidated Financial Statements in *"Financial Statements"* and *"Risk Factors - We were required to prepare and present our financial statements under Ind AS with effect from April 1, 2016. In this Prospectus, we have included our Ind AS Audited Financial Statements for Fiscal 2016 and Fiscal 2017 which are not comparable with the historical Indian GAAP Audited Financial Statements for Fiscal 2015 (15 months) and Fiscal 2016 included herein"*.

For the purpose of transition from Indian GAAP to Ind AS, we have followed the guidance prescribed under Ind AS 101 – First time adoption of Indian Accounting Standards ("Ind AS 101"), with effect from April 1, 2015 ("transition date"). For Fiscal 2016, we had prepared the Audited Consolidated Financial Statements in accordance with Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Companies Act and other relevant provisions of the Companies Act ("Indian GAAP").

The accounting policies have been applied in preparing the Ind AS Audited Consolidated Financial Statements for Fiscal 2017 including the comparative information for Fiscal 2016 and the opening consolidated Ind AS balance sheet on the date of transition i.e. April 1, 2015. In preparing our consolidated Ind AS balance sheet as of April 1, 2015 and in presenting the comparative information for Fiscal 2016, we have adjusted amounts reported previously in consolidated financial statements prepared in accordance with Indian GAAP.

In this Prospectus we have therefore included (i) the Indian GAAP Audited Standalone Financial Statements and the Indian GAAP Audited Consolidated Financial Statements; and (ii) the Ind AS Audited Standalone Financial Statements and the Ind AS Audited Consolidated Financial Statements. Our Ind AS Audited Financial Statements also includes reconciliation statements of the Ind AS Audited Financial Statements for Fiscal 2016 with our historical Indian GAAP Audited Financial Statements for Fiscal 2016 explaining the impact of transition to Ind AS on the preparation and presentation of our financial statements.

We have therefore included below management's discussion and analysis of our financial performance (i) comparing Ind AS Audited Consolidated Financial Statements for Fiscal 2017 with the Ind AS Audited Consolidated Financial

Statements for Fiscal 2016; and (ii) comparing the Indian GAAP Audited Consolidated Financial Statements for Fiscal 2016 with the Indian GAAP Audited Consolidated Financial Statements for Fiscal 2015 (15 months).

Acquisitions and Investments

We have completed various acquisitions in Fiscal 2015 (15 months), Fiscal 2016 and Fiscal 2017. The results of operations of such acquired entities would be reflected in our consolidated financial statements for the relevant fiscal periods only with effect from the effective date of such respective acquisition, and our consolidated financial statements for Fiscal 2015 (15 months), Fiscal 2016 and Fiscal 2017 are also not comparable on account of such acquisitions.

The following table sets forth certain information relating to the various acquisitions and investments announced in Fiscal 2015 (15 months), Fiscal 2016 and Fiscal 2017, and where applicable, the closing date of the relevant transaction:

	Acquisition / Investment	**Transaction Closing Date**	**Shareholding Acquired**	**Transaction Consideration**	**Revenue from Operations of Acquired Entity / Investee in Fiscal 2017**	**EBITDA of Acquired Entity / Investee in Fiscal 2017**
1.	Hofincons	June 27, 2014	100.00%	₹ 503.00 million	NA – Merged with our Company	-
2.	Brainhunter	October 23, 2014	100.00%	CAD 100,000	CAD 68.49 million	CAD 0.34 million
3.	MFX	November 3, 2014	49.00%	De minimus	US$ 37.39 million	US$ 3.15 million
4.	Aravon Services	April 1, 2015	100.00%	₹ 100.00	₹ 660.00 million	₹ 59.71 million
5.	TSQ[1]	NA[1]	49.00%[1]	US$ 1.00	NA	NA
6.	Randstad Lanka	April 26, 2016	100.00%	LKR 85.15 million	LKR 72.86 million[2]	LKR 33.86 million[2]
7.	MFX	January 1, 2016	51.00%	De minimus	US$ 37.39 million	US$ 3.15 million
8.	Comtel	February 14, 2017	64.00%[#]	S$ 43.00 million	S$95.85 million	S$8.40 million
9.	Terrier	December 9, 2016	49.00%	₹ 720.0 million	₹ 3,074.62 million	₹ 77.09 million
10.	Simpliance	NA[3]	33.37%[3]	₹ 25.00 million	₹ 2.32 million	(₹ 4.96 million)
11.	Target MIS Business	NA[4]	100.00%[4]	₹ 2,200.0 million + approximately 7.15 million Equity Shares	₹ 4,554.17 million	₹ 471.61 million
12.	Inticore	December 1, 2016	73.95%	₹ 35.0 million	₹ 41.87 million[5]	₹ 0.20 million[5]
13.	Heptagon Technologies	NA[6]	43.81%[6]	₹ 97.7 million	Not available	Not available
14.	Comtel Pro Pte. Ltd.	NA[7]	-	SGD 101,000	Not available	Not available

1. Our Company entered into an agreement dated June 1, 2015 to acquire 49.00% of the equity shares of TSQ and the beneficial interest in the remaining 51.00% of equity shares of TSQ from Middle East Business Development Company WLL. The proposed acquisition of such 49.00% of the equity shares of TSQ and the beneficial interest in the remaining 51.00% of equity shares of TSQ has not yet been completed, and is subject to receipt of requisite tax clearance certificate(s) by the Company.
2. Revenue from operations and EBITDA of Ranstad Lanka reflects revenue from operations and EBITDA for the period from April 27, 2016 to March 31, 2017.
3. Our Company entered into an agreement dated October19, 2016 to acquire up to 45.00% of the equity shares of Simpliance. The acquisition has taken place in tranches in accordance with the terms of such agreement. As of June 30, 2017, our Company had acquired 33.37% of the equity shares in Simpliance. The proposed acquisition of the remaining shareholding is pending as of the date of this Prospectus.

4. The proposed acquisition of the Target MIS Business is subject to receipt of requisite regulatory approvals. For further information on the proposed acquisition of the Target MIS Business, see "- Recent Developments - Proposed MIS Acquisition".
5, Revenue from operations of Inticore and EBITDA reflected in table above reflects revenue from operations and EBITDA for the period from March 14, 2016 to March 31, 2017.
6. Our Company entered into agreements dated April 1, 2017 and June 13, 2017 to acquire 46.00% of the equity shares of Heptagon. The acquisition has taken place in tranches in accordance with the terms of such agreement. As of June 30, 2017, our Company had acquired 43.81% of the equity shares in Heptagon Technologies. The proposed acquisition of the remaining shareholding is pending as of the date of this Prospectus.
7. Our Company entered into an agreement dated June 22, 2017 to acquire 51.00% of the equity shares of Comtel Pro Pte. Ltd. The proposed acquisition has not yet been completed. As of June 30, 2017 and as of the date of this Prospectus, our Company has not acquired any shareholding in Comtel Pro Pte. Ltd.
[#]Pursuant to agreement dated February 14, 2017, we acquired 64.00% equity shares of Comtel and propose to acquire the remaining 36.00% over a period of five years.

Proforma Financial Information on Proposed MIS Acquisition

On November 28, 2016, we entered into definitive agreements relating to the demerger of the facility management and catering businesses of Manipal Integrated Services Private Limited (MIS) into our Company through a scheme of arrangement (such proposed acquisition, the Proposed MIS Acquisition). The completion of the Proposed MIS Acquisition is subject to various conditions, including the approval of the shareholders and creditors, the sanction of the scheme of arrangement by the National Company Law Tribunal as well as other relevant regulatory approvals. Since the Proposed MIS Acquisition has not been completed, the effect of the Proposed MIS Acquisition is not currently reflected in our audited consolidated financial statements for Fiscal 2017. In the event that all applicable regulatory and other approvals are received, the Proposed MIS Acquisition will be deemed to be effective from December 1, 2016 in accordance with the scheme of arrangement filed with respect to the Proposed MIS Acquisition.

The investment for the Proposed MIS Acquisition is material in the context of our financial condition, and we have accordingly included in this Prospectus certain proforma financial information with respect to the Proposed MIS Acquisition (such proforma financial information, the MIS Acquisition Proforma Financial Information). The MIS Acquisition Proforma Financial Information seeks to present the impact of the Proposed MIS Acquisition on our historical audited consolidated financial statements for Fiscal 2017.

The MIS Acquisition Proforma Financial Information involves various assumptions as stated therein, including (i) assumptions relating to the preparation of historical financial information of the Target MIS Business (i.e. not taking into account the hostels business of MIS that is not proposed to be acquired by us), including allocation of revenue, costs, assets and liabilities and (ii) that the Proposed MIS Acquisition had taken place with effect from April 1, 2016.

The MIS Acquisition Proforma Financial Information has been prepared by the management and reported on by Sriramulu Naidu & Co, Chartered Accountants who have been engaged by us for such purposes on account of their familiarity with the underlying financial statements of MIS. The MIS Acquisition Proforma Financial Information is based on (i) the financial statements for Fiscal 2017 prepared under Ind AS for the Target MIS Business that have been subjected to a limited review by Sriramulu Naidu & Co, Chartered Accountants; and (ii) the Ind AS Audited Consolidated Financial Statements for Fiscal 2017.

Although we have included the MIS Acquisition Proforma Financial Information with respect to Fiscal 2017, given that MIS is a private limited company and is not required under applicable laws to prepare quarterly financial statements for the three months ended June 30, 2017, and given that the acquisition is still not completed, we have been unable to include any proforma financial information with respect to the Proposed MIS Acquisition with respect to the quarter ended June 30, 2017.

The MIS Acquisition Proforma Financial Information has been prepared for illustrative purposes only based on various assumptions stated therein, does not purport to predict our future financial condition, results of operations or cash flows in the event of completion of the Proposed MIS Acquisition, and potential investors should not place undue reliance on such information in connection with any investment decision.

Potential investors should carefully take into account the disclosures above and our Indian GAAP Audited Financial Statements and Ind AS Audited Financial Statements included in this Prospectus in evaluating our business and financial performance and in making any investment decision.

FACTORS AFFECTING RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Inorganic growth through strategic acquisitions

In addition to the organic growth of our service portfolio, we have an established track record of successful inorganic growth through strategic acquisitions that supplement our business verticals. We expect to continue making acquisitions and entering into new business ventures or initiatives as part of our strategy. For further information, see "*Our Business – Business Strategies – Supplement service offerings through margin and return accretive M&A strategy".* We believe that the effect of our acquisitions and the consolidation of the acquired entity's financial results in our consolidated financial statements will strengthen our financial performance. We believe that the increase in our consolidated net worth as a result of our growth will enable us to obtain better credit ratings and lower cost of financing. We intend to continue our strategic expansion plans through inorganic growth opportunities in underserved markets and geographies that complement our existing operations. We believe that the highly fragmented nature of the industries we operate in will continue to offer consolidation opportunities. Through strategic acquisitions, we intend to increase our market share, enable access to new clients and enter high-growth geographies in a cost effective manner. Although some of our acquisitions involve entities that were loss making at the time of acquisition, we believe that these entities have growth potential and the integration of these entities into our businesses will enable us to achieve profitability in these entities. We have historically introduced operating efficiencies, revenue growth and/or increased profitability in our acquired businesses, resulting in increased operating margins. See *"Our Business – Competitive Strengths - Track record of successful inorganic growth with improved financial performance".*

Efficiency derived from operational leverage

We believe that our business model has inherent operational leverages. Given that we make fixed investments in infrastructure and technology in most of our business segments, we derive substantial benefits as we increase the number of Associate Employees we place and our business scales up. As a result, our business benefits from a non-linear relationship between the number of Associate Employees we place and the fixed nature of our investments in infrastructure and technology.

In addition, we aim to improve our operating margins through a range of initiatives, including metric-driven improvement in client service, application of consistent process guidelines at an operational level and leveraging scale to improve recruitment efficiency. We have also made significant investments in technology infrastructure over the years, including leveraging our domain expertise, implementing SAP across our operations in India, centralizing common administrative functions, developing customized applicant tracking, and automating the Associate Employee life cycle. With the increase in the scale of our operations, we expect to significantly rationalize corporate expenses and reduce common administrative costs across our businesses. For instance, our shared service centre in Bengaluru provides centralized finance, human resources and administrative support services for all our businesses resulting in significant operating and cost efficiencies. See *"Our Business – Competitive Strengths - Track record of growth and improved operating efficiencies and margins through business cycles".*

Our ability to enter into high margin businesses

Changes in the revenue mix from our business segments are likely to continue to have an impact on our financial condition and results of operations, as each business segment has varying operating margins. Our P&S segment has historically had low operating margins but provides higher volume opportunities. The volumes in the P&S segment play a significant factor in its overall profitability. Any increase in profitability levels in the P&S segment will be driven by our ability to extract scale-related efficiencies through continued investments in operational and technological infrastructure. Should the P&S segment contribute a greater percentage of our revenue mix, it is likely that our overall profit margins will decline. Our strategy is therefore to increase the revenue mix from our GTS, IFM and Industrials segments that have higher operating margins, through a mix of organic growth and acquisitions, and as a result increase their proportion of our overall revenue. For further information, see *"Our Business – Business Strategies – Supplement service offerings through margin and return accretive M&A strategy"* and *"Our Business – Business Strategies – Improve margins through operating leverage, higher value added services and shift in favor of higher margin segments".*

We intend to continue to invest in businesses, industries and geographies that we believe present scope for margin accretive growth. With a comprehensive range of business service offerings, we are well positioned to focus on cross selling opportunities across the various business verticals to improve operating margins. As a result, our ability to enter and grow our high margin businesses is expected to have a significant effect on our results of operations.

Competition

As an integrated business services company providing a wide range of business services ranging from staffing solutions to asset and facility management services, we compete with a range of organized and unorganized competitors depending on the nature and location of services provided. Many of the industries that we operate in have low entry barriers. As a result, we face competition from both the unorganized segment and from established players with substantial marketing and financial resources at their disposal. We expect competition levels to remain high, which could constrain our ability to maintain or increase our market share or profitability. We believe that we stand differentiated vis-a-vis our competitors due to our recruitment abilities across business segments and due to our positioning as an integrated provider of business services to our clients. Our continued success depends on our ability to compete effectively by providing high-quality service levels, developing strong relationships with, and delivering value-added services to, our existing and future clients.

General economic factors and the regulatory environment

Demand for our services is significantly affected by the general level of economic activity and economic conditions in the various geographies (India, North America, Middle East and South East Asia) and sectors in which we operate. Deterioration in economic conditions in any of the key geographies or sectors that we operate in may lead to lower demand for our services. Any deterioration in global markets may also have a corresponding effect on our operations as some of our top clients are multinational corporations with operations in India. Any decision by our multinational clients to reduce or exit their emerging markets operations may have a significant adverse impact on our business and financial performance.

In addition, the services we provide in India are subject to complex laws and regulations, which vary from state to state in India and are subject to change. Changes in laws or government regulations may result in prohibition or restriction of certain types of services we are permitted to offer or the imposition of new or additional benefit, licensing or tax requirements that could reduce our revenues and earnings. Alternatively, labor law reforms can expand the market for our services and have a favorable effect on our result of operations.

SIGNIFICANT ACCOUNTING POLICIES UNDER IND AS AND UNDER INDIAN GAAP

Changes in Accounting Policies Resulting from Transition from Indian GAAP to Ind AS

As a subsidiary of our Corporate Promoter, TCIL (which was required to prepare and present its financial statements in accordance with Ind AS with effect from April 1, 2016), our Company was also required to prepare standalone and consolidated financial statements in accordance with Ind AS for Fiscal 2017 (together with the corresponding standalone and consolidated financial statements under Ind AS for Fiscal 2016). Our historical audited standalone and consolidated financial statements for Fiscal 2015 (15 months) and for Fiscal 2016 were originally prepared in accordance with Indian GAAP.

For further information on the significant accounting policies under Ind AS, see *"- Significant Accounting Policies under Ind AS"* below.

For further information on the significant accounting policies under Indian GAAP, see *"- Significant Accounting Policies under Indian GAAP"* below.

For significant differences between accounting policies under Indian GAAP and Ind AS, also see *"Financial Statements – Ind AS Audited Consolidated Financial Statements – Note 55*".

There have been no changes in our accounting policies in the last three fiscal periods with exception to the changes in accounting policies, as part of the Company's transition to Ind AS, as mentioned below:

- ***Property, plant and equipment***

On transition to Ind AS, we had elected to continue with the carrying value of all of our property, plant and equipment recognised as of April 1, 2015 measured in accordance with Indian GAAP that was previously applicable and use that carrying value as the deemed cost of the property, plant and equipment

- ***Goodwill and other intangible assets***

On transition to Ind AS, we had elected to continue with the carrying value of all intangible assets recognized as of April 1, 2015 measured in accordance with Indian GAAP that was previously applicable and use that carrying value as the deemed cost of intangible assets

- ***Basis of consolidation - business combinations***

As part of our transition to Ind AS, we had elected to apply the relevant Ind AS viz. Ind AS 103, Business Combinations, on the business combinations accounted on or after April 1, 2015. For the business combinations occurred on or after April 1, 2015, in accordance with Ind AS 103, we account for these business combinations using the acquisition method when control is transferred to us. The consideration transferred for the business combination is generally measured at fair value as of the date the control is acquired (acquisition date). Any goodwill that arises is tested annually for impairment. Transaction costs are expensed as incurred, except to the extent related to the issue of debt or equity securities

- ***Impairment of goodwill and reversal of amortisation***

We have availed the exemption under Ind AS 101 and accordingly business combination prior to April 1, 2015 was not restated and goodwill is carried at cost. We have carried the impairment testing of goodwill as of April 1, 2015 and as the recoverable amount was less than the carrying value, this goodwill is impaired leading to decrease in equity. As the goodwill is impaired on April 1, 2015, the amortisation on such goodwill amortised as per Indian GAAP is reversed leading to an increase in income.

- ***Loans and other current assets - security deposits***

Under Indian GAAP, interest free lease security deposits (that are refundable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, we have fair valued these security deposits under Ind AS.

Difference between the fair value and transaction value of the security deposits has been recognised as prepaid rent. Consequent to this change, the amount of security deposits decreased by ₹ 25.46 million as of March 31, 2016 (April 1, 2015: ₹ 19.82 million). The prepaid rent increased by ₹ 24.83 million as of March 31, 2016 (April 1, 2015: ₹ 19.07 million). Total equity decreased by ₹ 0.75 million as on April 1, 2015. The profit for the year and total equity as of March 31, 2016 decreased by ₹ 6.34 million due to amortisation of the prepaid rent and is partially off-set by the notional interest income of ₹ 6.25 million recognised on security deposits.

- ***Deferred taxes***

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12, Income taxes requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for deferred tax on such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity. The net impact on deferred tax asset is of ₹ 380.72 million as of March 31, 2016 (April 1, 2015: ₹ 366.88 million).

- ***Trade receivables***

Under Indian GAAP previously applicable, loss provision for trade receivables was created based on credit risk assessment. Under Ind AS, these provisions are based on assessment of risk of default and timing of collection. We use an allowance matrix to measure the expected credit loss over the last six quarters under which we impaired our trade receivables by ₹ 168.20 million on April 1, 2015 which has been eliminated against retained earnings. The impact of ₹ 61.03 million for the year ended on March 31, 2016 has been recognised in the statement of profit and loss.

- ***Provisions for other liabilities and charges***

We had reinstated business combination for Fiscal 2016 as required under Ind AS 103. Accordingly, contingent liability appearing in balance sheet at nil has been fair valued at ₹ 42.53 million.

- ***Other equity***

Adjustments to retained earnings has been made in accordance with Ind AS for the above mentioned line Item. In addition, as per Ind AS 19, Employee benefits actuarial gain and losses are recognised in other comprehensive income as compared to being recognised in the statement of profit and loss under India GAAP. Further, we have reinstated business combinations for Fiscal 2016 as required under Ind AS 103. Accordingly, based on the purchase price allocation, we had recognized goodwill of ₹ 7.3 million as opposed to capital reserve aggregating to ₹ 29.06 million recognised under Indian GAAP which was previously applicable.

- ***Other income***

Adjustments in other income pertains to effective interest income on present valuation of financial instruments i.e. on security deposits

- ***Employee benefit expenses - remeasurement of post-employment defined benefit obligations***

Under Ind AS, remeasurement i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability/asset are recognised in other comprehensive income instead of profit or loss. Under Indian GAAP that was previously applicable, these remeasurements were forming part of the profit or loss for the year. As a result of this change, the profit for Fiscal 2016 decreased by ₹ 63.22 million. There was no impact on the total equity as of March 31, 2016.

- ***Finance costs***

Under Ind AS, contingent consideration has been present valued and accordingly, the adjustments in relation to finance costs pertains to unwinding of contingent consideration.

- ***Depreciation and amortisation expenses***

Under Ind AS, acquired goodwill is not amortised as it has indefinite useful life and tested for impairment annually and when there is an indication of impairment the same is impaired whereas in Indian GAAP, purchased goodwill was amortised over three years. Therefore, on Ind AS transition the amortisation on goodwill as per Indian GAAP has been written back.

- ***Other expenses***

Ind AS adjustments in relation to other expenses pertains to amortisation of prepaid rent recognised against security deposits during the period and impairment loss allowance recognised against trade receivables as per expected credit loss model

- ***Deferred tax***

Deferred tax adjustments has been made in accordance with Ind AS under balance sheet approach for all the items which have differential book base from that of tax base and which gets reversed due to timing difference.

- ***Other comprehensive income***

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurement of the net defined benefit liability /asset etc. The concept of other comprehensive income did not exist under Indian GAAP that was previously applicable.

MANAGEMENT'S DISCUSSION AND ANALYSIS ON IND AS AUDITED CONSOLIDATED FINANCIAL STATEMENTS

Our consolidated Ind AS financial statements are prepared in accordance with Ind AS and the provisions of the Companies Act, 2013 and the relevant rules thereunder. The Ind AS are prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. Our consolidated financial statement up to and for Fiscal 2016 were prepared in accordance with Indian GAAP and the Companies (Accounting Standards) Rules, 2006, notified under Section 133 and other provisions of the Companies Act, 2013.

We have adopted all the relevant Ind AS standards and the first time adoption was carried out in accordance with Ind AS 101, First time adoption of Indian Accounting Standards. The transition was carried out from Indian GAAP as prescribed and an explanation of the transition to Ind AS and reconciliation to our Indian GAAP financial information for Fiscal 2016 is included in our Ind AS Audited Financial Statements.

Our Ind AS Financial Statements have been prepared on a historical cost convention and on an accrual 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) share based payment transactions measured at fair value; (iii) defined benefit and other long-term employee benefits where plan asset is measured at fair value less present value of defined benefit obligations; and (iv) contingent consideration in business combination measured at fair value.

Basis of consolidation

- ***Business combinations***

As part of our transition to Ind AS, we have elected to apply the relevant Ind AS i.e Ind AS 103 Business Combinations, on the business combinations accounted on or after April 1, 2015. For the business combinations that occurred on or after April 1, 2015, in accordance with Ind AS 103, we account for these business combinations using the acquisition method when control is transferred to us. The consideration transferred for the business combination is generally measured at fair value as of the date the control is acquired (acquisition date). Any goodwill that arises is tested annually for impairment. Transaction costs are expensed as incurred, except to the extent related to the issue of debt or equity securities. The consideration transferred does not include amounts related to the settlement of pre-existing relationship with the acquiree. Such amounts are generally recognised in profit or loss. Any contingent consideration is measured at fair value at the date of acquisition. Contingent consideration is re-measured at fair value at each reporting date and changes in the fair value of the contingent consideration are recognised in profit or loss. If a business combination is achieved in stages, any previously held equity interest in the acquiree is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or other comprehensive income, as the case may be.

- ***Goodwill***

Goodwill represents the cost of business acquisition in excess of our interest in the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. When the net fair value of the identifiable assets, liabilities and contingent liabilities ("net assets") acquired exceeds the cost of business acquisition, the excess of net assets over cost of business acquisition is recognised immediately in capital reserve. Goodwill is measured at cost less accumulated impairment losses. In respect of such business combinations that occurred prior to April 1, 2015, goodwill is included on the basis of its deemed cost, which represents the amount recorded under the Indian GAAP applicable earlier.

- ***Intangible assets***

Intangible assets acquired in a business combination are measured at fair value as of the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The amortisation of an intangible asset with a finite useful life reflects the manner in which the economic benefit is expected to be generated and is included in depreciation and amortisation expenses in the consolidated statements of profit and loss. The estimated useful life of amortizable intangibles are reviewed and where appropriate are adjusted, annually.

- ***Subsidiaries***

Subsidiaries are the entities controlled by our group of companies. Our consolidated Ind AS financial statements comprise the financial statements of our Company and its Subsidiaries as disclosed in Note 46 of our Ind AS Audited Consolidated Financial Statements. Control exists when the parent has power over an investee, exposure or rights to variable returns from its involvement with the investee and the 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 our group companies are consolidated on a line-by-line basis and intra-group balances and transactions including un-realized gain/ loss from such transactions are eliminated upon consolidation. The financial statements are prepared by applying uniform policies in use at our group of companies. Non-controlling interests which represent part of the net profit or loss and net assets of Subsidiaries that are not, directly or indirectly, owned or controlled by our group, are excluded. Non-controlling interests are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition. In case where we have written a put option with non-controlling interests in an existing subsidiary on their equity interest in that subsidiary then we evaluate access to the returns associated with the ownership interest. In case the non-controlling interests still have present access to returns associated with the underlying ownership interest, then we have 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 non-controlling interests. 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 profit and loss account.

Change in our equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

- ***Equity accounted investees***

Our interests in equity accounted investees comprise interests in associates and joint ventures. Associates are entities over which we have significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which we have joint control and have 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 our share of profit or loss and OCI of equity accounted investees until the date on which significant influence or joint control ceases. Our investment in equity accounted investees includes goodwill identified on acquisition.

Estimates and Assumptions

The preparation of the Consolidated Ind AS Financial Statements in conformity with Ind AS requires our management to make judgements, estimates and assumptions that affect the application of our Ind AS accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. We review such management estimates and underlying assumptions 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. In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the Consolidated Ind AS Financial Statements includes the following:

- ***Contingent liability.*** Contingent liabilities are not recognised in the financial statements but are disclosed in the notes. They are assessed continually to determine whether an outflow of resources embodying economic benefits has become probable. If it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability, a provision is recognised in the financial statements of the period in which the change in probability occurs (except in the extremely rare circumstances where no reliable estimate can be made).

- ***Income taxes***. Significant judgements are involved in determining the provision for income taxes, including the amount expected to be paid or recovered in connection with uncertain tax positions. Availability of future taxable profits against which deferred tax amount can be used.

- ***Recognition of deferred tax assets***. Availability of future taxable profit against which tax losses carried forward can be used.

- ***Measurement of defined benefit obligations***. Key actuarial assumptions used for actuarial valuation.

- ***Impairment of financial assets***. We assess on a forward looking basis the expected credit losses associated with our assets carried at amortised cost and fair value through other comprehensive income debt instruments. In particular, we estimate the probability of collection of accounts receivable by analyzing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

- ***Property, plant and equipment***. Useful life of asset.

- ***Investment in preference shares***. Estimation of fair value of unlisted preference shares.

- ***Business combinations and intangible assets***. Business combinations are accounted for using Ind AS 103, Business Combinations. 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.

- ***Other estimates***. The preparation of financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses for the reporting period.

Measurement of fair values

A number of our accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- ***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 (i.e. as prices) or indirectly (i.e. derived from prices); and
- ***Level 3***. Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, we use observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. We recognize transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Results of Operations

Ind AS Fiscal 2017 compared to Ind AS Fiscal 2016

The following table sets forth certain information with respect to our consolidated results of operations under Ind AS in Fiscal 2016 and Fiscal 2017:

	Fiscal 2016		**Fiscal 2017**	
	(Ind AS)			
	Amount	**Percentage of Total Income**	**Amount**	**Percentage of Total Income**
	(₹ million)	**(%)**	**(₹ million)**	**(%)**
Income				
Revenue from operations	34,350.14	99.74%	41,573.59	99.63%
Other income, net	90.52	0.26%	152.52	0.37%
Total Income	**34,440.66**	**100.00%**	**41,726.12**	**100.00%**
Expenses				
Cost of material and stores and spare parts consumed	481.40	1.40%	468.78	1.12%
Employee benefit expenses	30,069.21	87.31%	35,435.09	84.92%
Finance costs	310.43	0.90%	465.33	1.12%
Depreciation and amortisation expenses	143.90	0.42%	264.42	0.63%
Other expenses	2,288.71	6.65%	3,441.72	8.25%
Total Expenses	**33,293.64**	**96.67%**	**40,075.33**	**96.04%**
Profit before share of profit of equity accounted investees and income tax	**1,147.01**	3.33%	**1,650.78**	3.96%
Share of profit/ (loss) of equity accounted investees (net of income tax)	-		1.25	0.00%
Profit before tax	**1,147.01**	3.33%	**1,652.03**	3.96%
Tax Expense				
Current Tax	(624.58)	(1.81)%	(372.07)	(0.89)%
Excess provision of tax relating to earlier years	64.56	0.19%	-	-
Deferred Tax	224.80	0.65%	(145.51)	(0.35)%
Total tax expenses	**(335.21)**	**(0.97)%**	**(517.59)**	**(1.24)%**
Profit for the year	**811.80**	2.36%	**1,134.44**	2.72%

	Fiscal 2016		Fiscal 2017	
	(Ind AS)			
	Amount	Percentage of Total Income	Amount	Percentage of Total Income
	(₹ million)	(%)	(₹ million)	(%)
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Remeasurement of the net defined benefit liability/ asset	63.22	0.18%	(34.05)	(0.08)%
Income tax relating to items that will not be reclassified to profit or loss	(22.54)	(0.07)%	10.67	0.03%
Share of other comprehensive income of equity accounted investees (net of income tax)	-	-	5.44	0.01%
Items that will be reclassified to profit or loss				
Exchange differences in translating financial statements of foreign operations	(2.54)	(0.01)%	(33.39)	(0.08)%
Income tax relating to items that will be reclassified to profit or loss	-	-	-	-
Total other comprehensive income, net of tax	**38.14**	0.11%	**(51.32)**	(0.12)%
Total comprehensive income for the year	**849.94**	2.47%	**1,083.12**	2.60%

The following table sets forth certain information with respect to our Earnings before Interest, Taxes, Depreciation and Amortization Expenses (EBITDA) for the periods indicated:

Particulars	Fiscal 2016		Fiscal 2017	
	(Ind AS)			
	Amount	Percentage of Revenue from operations	Amount	Percentage of Revenue from operations
	(₹ million)	(%)	(₹ million)	(%)
Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA)[1]	1,510.83	4.40%	2,228.01	5.36%

[1] *Calculated as Profit Before Tax plus Depreciation and Amortization Expenses plus Finance Costs less Other Income*

We announced six acquisitions and investments in Fiscal 2017. These acquisitions have been made consistent with our strategy of growing our principal business segments, diversifying revenue streams and integrating such acquired businesses to further strengthen our service portfolio. With the exception of the Proposed MIS Acquisition and our investment in Heptagon, which is expected to close during Fiscal 2018, all transactions were closed in Fiscal 2017. Our Ind AS Audited Consolidated Financial Statements for Fiscal 2017 reflect the results of operations of these acquired entities with effect from the effective date of the relevant transaction.

The following table sets forth certain information relating to the various acquisitions and investments announced in Fiscal 2017, and where applicable, the closing date of the relevant transaction:

	Acquisition / Investment	Transaction Closing Date	Shareholding Acquired	Transaction Consideration	Revenue from Operations of Acquired Entity / Investee in Fiscal 2017	EBITDA of Acquired Entity / Investee in Fiscal 2017
1	Comtel	February 14, 2017	64.00%[#]	S$ 43.00 million	S$95.85 million	S$8.40 million
2	Terrier	December 9, 2016	49.00%	₹ 720.0 million	₹ 3,074.62 million	₹ 77.09 million
3	Simpliance	NA[1]	33.37%[1]	₹ 25.00 million	₹ 2.32 million	(₹ 4.96 million)
4	Target MIS Business	-	100.00%^	₹ 2,200.0 million + approximately	₹ 4,554.17 million	₹ 471.61 million

	Acquisition / Investment	Transaction Closing Date	Shareholding Acquired	Transaction Consideration	Revenue from Operations of Acquired Entity / Investee in Fiscal 2017	EBITDA of Acquired Entity / Investee in Fiscal 2017
				7.15 million Equity Shares		
5	Inticore	December 01, 2016	74.00%	₹ 35.0 million	₹ 41.87 million*	₹ 0.20 million*
6	Heptagon Technologies	NA[2]	43.81%[2]	₹ 97.7 million	Not available	Not available

[1] Our Company entered into an agreement dated Octoer 19, 2016 to acquire up to 45.00% of the equity shares of Simpliance. The acquisition has taken place in tranches in accordance with the terms of such agreement. As of June 30, 2017, our Company had acquired 33.37% of the equity shares in Simpliance. The proposed acquisition of the remaining shareholding is pending as of the date of this Prospectus.

[2] Our Company entered into agreements dated April 1, 2017 and June 13, 2017 to acquire 46.00% of the equity shares of Heptagon. The acquisition has taken place in tranches in accordance with the terms of such agreement. As of June 30, 2017, our Company had acquired 43.81% of the equity shares in Heptagon Technologies. The proposed acquisition of the remaining shareholding is pending as of the date of this Prospectus.

^The proposed acquisition of Target MIS Business is subject to receipt of relevant regulatory approvals

** For the period from March 14, 2016 to March 31, 2017.*

[#]Pursuant to agreement dated February 14, 2017, we acquired 64.00% equity shares of Comtel and propose to acquire the remaining 36.00% over a period of five years.

We acquired Quess Corp Lanka (formerly known as Randstad Lanka (Private) Limited) in April 2017, Inticore in December 2016 and Comtel in February 2017. Accordingly, our consolidated results of operations in Fiscal 2017 reflects approximately 11 months of results of operations from the staffing operations of Quess Corp Lanka, approximately four months of results of operations from the Industrials business of Inticore and approximately two months of results from IT staffing business of Comtel. In addition, we acquired 49.00% of the equity share capital of Terrier with effect from December 9, 2016 and the first tranche of the equity share capital of Simpliance with effect from January 2, 2017. In our Ind AS Audited Consolidated Financial Statements for Fiscal 2017, Terrier and Simpliance are treated as associate entities with effect from the effective dates of the relevant transaction as specified above. Interests in associates 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 Ind AS Audited Consolidated Financial Statements include the Company's share of profit or loss and OCI of equity accounted investees until the date on which significant influence or joint control ceases. The Company's investment in equity accounted investees includes goodwill identified on acquisition.

In Fiscal 2016, we acquired 100.00% shareholding in Aravon Services Private Limited (formerly known as Aramark India Private Limited). Aravon offers facility management services and solutions with established operations in western India and certain capabilities in facility management for hospitality and healthcare segments. We also acquired the remaining 51.00% equity shareholding in MFX with effect from January 1, 2016. Accordingly, in our Ind AS Audited Consolidated Financial Statements for Fiscal 2016, subsequent to January 1, 2016, MFX has been accounted for as a wholly owned subsidiary in accordance with AS 21 - Consolidated Financial Statements. We had acquired 49.00% of the equity shareholding in MFX with effect from November 3, 2014. MFX was therefore earlier treated as an associate with effect from November 3, 2014.

On account of these various acquisitions, our results of operations in Fiscal 2017 are therefore not comparable to our results of operations in Fiscal 2016.

Income

Our total income consists of revenue from operations and other income. Total income increased by 21.15% from ₹ 34,440.66 million in Fiscal 2016 to ₹ 41,726.12 million in Fiscal 2017. The increase in total income reflects the growth in our existing businesses as well as additional income from acquisitions concluded by us during Fiscal 2017. Setting aside the impact of acquisitions made in Fiscal 2017, total income increased by 17.80% from ₹ 34,440.66 million in Fiscal 2016 to ₹ 40,572.30 million in Fiscal 2017.

The following table sets forth certain information relating to our revenue from operations, EBIT and EBIT margin (EBIT calculated as a percentage of total income) presented for our principal business segments in Fiscal 2016 and Fiscal 2017 under Ind AS:

	Fiscal 2016				Fiscal 2017			
	(Ind AS)							
	Revenue from Operations	Percentage of Total Income	EBIT	EBIT Margin	Revenue from Operations	Percentage of Total Income	EBIT	EBIT Margin
	(₹ million)	(%)	(₹ million)	(%)	(₹ million)	(%)	(₹ million)	(%)
Global Technology Solutions	9,211.25	26.75%	604.61	6.56%	11,829.67	28.35%	833.68	7.05%
People and Services	19,498.47	56.61%	724.31	3.71%	23,454.11	56.21%	1,089.04	4.64%
Integrated Facility Management	3,718.71	10.80%	171.80	4.62%	4,046.12	9.70%	203.06	5.02%
Industrials	1,921.72	5.58%	170.54	8.87%	2,243.70	5.38%	170.94	7.62%
Other Income	90.52	0.26%	-	NA	152.52	0.37%	-	NA
Unallocated Expenses	--	--	(304.34)	NA	--	--	(333.13)	NA
Total	**34,440.66**	**100.00%**	**1,366.92**	**3.97%**	**41,726.11**	**100.00%**	**1,963.59**	**4.71%**

- *Revenue from Operations*

Revenue from operations increased by 21.03% from ₹ 34,350.14 million in Fiscal 2016 to ₹ 41,573.59 million in Fiscal 2017. The increase in revenue from operations reflect the growth in our existing businesses as well as additional revenues from acquisitions concluded by us during Fiscal 2017.

The following table sets forth certain information relating to our revenue from operations across our principal services verticals in Fiscal 21016 and Fiscal 2017 under Ind AS:

	Fiscal 2016		Fiscal 2017	
	(Ind AS)			
	Revenue from Operations	Percentage of Total Revenue from Operations	Revenue from Operations	Percentage of Total Revenue from Operations
	(₹ million)	(%)	(₹ million)	(%)
Staffing and recruitment services	28,022.45	81.58%	32,634.30	78.50%
Facility management and food services	3,718.71	10.83%	4,188.17	10.07%
Training services	700.97	2.04%	910.18	2.19%
Operation and maintenance	1,137.83	3.31%	1,318.26	3.17%
Software sales and maintenance	770.18	2.24%	2,522.69	6.07%
Total	**34,350.14**	**100.00%**	**41,573.59**	**100.00%**

- *Staffing and recruitment services*

Revenue from staffing and recruitment services relates to revenue from staffing services provided under our P&S business segment and the IT staffing business under our GTS business segment. It also includes fees from recruitment and executive search activities under our P&S segment. Revenue related to staffing services are negotiated and invoiced on a monthly basis. Salary and incidental expenses of Associate Employees along with service charges are billed in accordance with the agreed terms and recognised as the related services are performed. The P&S business segment contributes a significant majority of our staffing services revenue; however, the IT staffing business under the GTS business segment involves higher operating margins compared to the P&S segment. Revenue related to recruitment services are recognised at the time the candidate commences full time employment. Revenue related to executive search is recognised upon rendering of the service.

Revenue from staffing and recruitment services increased by 16.46% from ₹ 28,022.45 million in Fiscal 2016 to ₹ 32,634.30 million in Fiscal 2017. As a percentage of total revenue from operations, staffing and recruitment services however marginally declined from 81.58% in Fiscal 2016 to 78.50% in Fiscal 2017. This decline was primarily attributable to a shift in revenue mix with continued growth across other revenue lines and segments, with particular increase in the software sales and maintenance services.

Revenue from staffing and recruitment services primarily consists of revenues from staffing services with revenues from selection and recruitment business contributing the rest. The increase in staffing services in Fiscal 2017 compared to that in Fiscal 2016 resulted from the growth of our general staffing and IT staffing businesses. Such growth was in part the result of our verticalisation strategy and increasing capabilities in new verticals as well as new industry/ sector focus in our general staffing.

- *Facility management and food services*

Revenue from facility management and food services relate to various services rendered under the IFM segment. It includes revenues from soft services, hard services, handyman services and pest control services. It also includes revenues from onsite and offsite catering or hospitality solutions provided to institutional clients. Revenue for facility management and food services are negotiated and invoiced on a monthly basis to our clients. Revenues are at a fixed rate and recognised as services are performed in accordance with the terms of the arrangement with the customers.

Revenue from facility management and food services increased by 12.62% from ₹ 3,718.71 million in Fiscal 2016 to ₹ 4,188.17 million in Fiscal 2017. The increase was primarily on account of expansion in our Integrated Facility Management business segment on an organic basis with increased focus on facility management in areas such as healthcare, public infrastructure and BFSI. The moderate growth in revenue from operations in this compared to other segments also reflected the discontinuation of certain low margin contracts in the corporate catering business. Revenue from facility management and food services was the second largest contributor of revenues from oprrations, representing 10.83% and 10.07% of our total revenue from operations in Fiscal 2016 and Fiscal 2017, respectively.

- *Training services*

Revenue from training services relate to training and skill development services provided under our P&S segment. Revenue from skill development and training services is recognised prorated over the period of training.

Revenue from training services, primarily representing income received under the government training and skill development programs, was ₹ 910.18 million in Fiscal 2017 compared to ₹ 700.97 million in Fiscal 2016. The increase in revenue from training fees in Fiscal 2017 was primarily on account of increase in the number of training centers and students trained and placed in various skill development programs executed in collaboration with the GoI and State governments. Revenue from training fees represent a relatively small percentage of our total revenues from operations, and contributed 2.04% and 2.19% of our total revenues from operations in Fiscal 2016 and Fiscal 2017, respectively.

- *Operation and maintenance*

Revenue from operation and maintenance relate to services rendered under our Industrials segment, which include industrial operations and maintenance services, managed services and technical and consultancy services. Arrangements with clients for operations and maintenance services and managed services are primarily earned on a fixed rate basis and are recognised in accordance with the terms of the arrangement with the customer. Certain arrangements are on time and material basis and are recognised as the services are performed as per the terms of the arrangement with the customer.

Revenues from operations from our operations and maintenance services increased by 15.86% from ₹ 1,137.83 million in Fiscal 2016 to ₹ 1,318.26 million in Fiscal 2017, and represented 3.31% and 3.17% of our total revenues from operations in Fiscal 2016 and Fiscal 2017, respectively. Revenue from operations from operation and maintenance services includes the managed services that we provide to our telecom and utility clients under our Industrials business segment.

- *Software sales and maintenance*

Revenue from software sales and maintenance primarily includes co-location, interconnection offerings, managed infrastructure services and application management services. Revenue is recognized ratably in accordance with the agreed terms of the contract with the customers.

Revenues from operations relating to software sales and maintenance increased by 227.55% from ₹ 770.18 million in Fiscal 2016 to ₹ 2,522.69 million in Fiscal 2017 and represented 2.24% and 6.07% of our total revenues from operations in Fiscal 2016 and Fiscal 2017, respectively.

- *Other Income*

Other income primarily includes interest income, dividend income and exchange gain/ loss on translation of foreign currency assets and liabilities. In Fiscal 2017, other income was ₹ 152.52 million compared to ₹ 90.52 million in Fiscal 2016. As a percentage of total income, other income was 0.37% in Fiscal 2017 compared to 0.26% in Fiscal 2016.

Expenses

Our expenses consist primarily of cost of services, employee benefit expenses, finance costs, depreciation and amortisation, impairment charges and other expenses. In Fiscal 2017, total expenses was ₹ 40,075.33 million, or 96.04% of our total income in such period, while in Fiscal 2016, total expenses was ₹ 33,293.64 million, or 96.67% of our total income in such period.

- *Cost of Material and Stores and Spare Parts Consumed*

Cost of material and stores and spare parts consumed represents the cost of material consumed and other direct costs associated with our operations. This primarily includes cost of consumables and other materials used in our Integrated Facility Management and Industrials business segments.

Cost of material and stores and spare parts consumed was ₹ 468.78 million in Fiscal 2017, compared to ₹ 481.4 million in Fiscal 2016. As a percentage of total income, cost of services was 1.40% and 1.12% in Fiscal 2016 and Fiscal 2017, respectively. The decrease in cost of material and stores and spare parts consumed in Fiscal 2017 compared to Fiscal 2016 was primarily on account of discontinuation of certain low margin contracts in the corporate catering business, resulting in lower associated costs for materials and stores.

- *Employee Benefit Expenses*

Employee benefit expenses include salaries, wages and bonus payments to our Associate Employees as well as to our Core Employees, contribution to provident and other funds, leave encashment, staff welfare and other employee benefit payments. Given our business, employee benefit expenses represent our most significant operating expense.

Employee benefits expenses represent our most significant operating expense and increased by 17.85% from ₹ 30,069.21 million in Fiscal 2016 to ₹ 35,435.09 million in Fiscal 2017. As a percentage of total income, employee benefit expenses decreased from 87.31% in Fiscal 2016 to 84.92% in Fiscal 2017.

The relative increase in employee benefit expenses was primarily attributable to increase in salaries and remuneration of our Associate Employees and corresponding increase in contribution to provident fund and employee state insurance in respect of our Associate Employees. These increases can be attributed primarily to increase in associate headcount driven by organic business growth and acquisitions, wage inflation as well as increase in statutory minimum wages. As of March 31, 2017, we along with Target MIS Business had over 190,000 employees including approximately 186,000 Associate Employees and approximately 4,000 Core Employees, compared to over 121,000 employees as of March 31, 2016.

In Fiscal 2017, salaries and wages increased by 17.43% from ₹ 27,925.32 million in Fiscal 2016 to ₹ 32,793.99 million in Fiscal 2017, while contribution to provident and other funds increased by 32.01% from ₹ 1,776.68 million in Fiscal 2016 to ₹ 2,345.42 million in Fiscal 2017. Staff welfare expense was ₹ 178.98 million in Fiscal 2017, compared to ₹ 114.23 million in Fiscal 2016.

- *Finance Costs*

Finance costs increased by 49.90% from ₹ 310.43 million in Fiscal 2016 to ₹ 465.33 million in Fiscal 2017. Finance costs included interest expenses of ₹ 434.95 million and other borrowing costs of ₹ 30.38 million in Fiscal 2017 while it included interest expenses of ₹ 283.47 million and other borrowing costs of ₹ 26.96 million in Fiscal 2016.

As a percentage of total income, finance costs remained relatively insignificant, at 0.90% and 1.12% in Fiscal 2016 and Fiscal 2017, respectively. The increase in finance costs in Fiscal 2017 was primarily attributable to finance costs of loan availed to fund the acquisition of Comtel in February 2017 and the non-convertible debentures issued by us in January 2017.

- *Depreciation and Amortization Expenses*

Depreciation is provided on a straight line method over estimated useful life of the fixed assets estimated by the management. Depreciation for assets purchased/ sold during the year is proportionately charged. The amortisation of an intangible asset with a finite useful life reflects the manner in which the economic benefit is expected to be generated and is included in depreciation and amortisation expenses in the consolidated statements of profit and loss. Our businesses involve limited fixed assets, as historically we have followed an asset light business model. As a result, depreciation and amortisation expenses are not significant in our operations.

Depreciation and amortization expenses in Fiscal 2017 was ₹ 264.42 million comprising depreciation and amortization of tangible as well as intangible assets, while it was ₹ 143.90 million in Fiscal 2016. The relative increase in depreciation expenses was attributable to the depreciation on additions in tangible assets, including leasehold improvements, furniture and fixtures, computers, and office equipment on account of organic growth as well as acquisitions made in Fiscal 2017. As a percentage of total income, depreciation and amortization costs were 0.63% and 0.42% in Fiscal 2017 and Fiscal 2016, respectively.

- *Other Expenses*

Other expenses include expenses relating to corporate, administration and sales related expenses across businesses. Significant costs under this head include rent, sub-contractor charges, recruitment and training expenses, travelling and conveyance, legal and professional fees, repairs and maintenance charges and communication expenses, among others.

Other expenses were ₹ 3,441.72 million in Fiscal 2017, compared to ₹ 2,288.71 million in Fiscal 2016. As a percentage of total income, other expenses were 8.25% in Fiscal 2017 compared to 6.65% in Fiscal 2016. The increase in other expenses is on account of growth in our operations.

Profit before Tax

For the reasons discussed above, profit before tax was ₹ 1,652.03 million in Fiscal 2017 compared to profit before tax and minority interest of ₹ 1,147.01 million in Fiscal 2016.

Tax Expense

Our tax expenses in Fiscal 2017 were ₹ 517.59 million, including ₹ 372.07 million of current tax. In addition, there was a deferred tax credit of ₹ 145.51 million in Fiscal 2017. Our tax expense in Fiscal 2016 was ₹ 335.21 million, primarily consisting of ₹ 624.58 million of current tax offset by credit of income tax for earlier years of ₹ 64.56 million and a deferred tax credit of ₹ 224.80 million in Fiscal 2016.

Profit for the Year

For the reasons discussed above, profit for the year was significantly higher at ₹ 1,134.44 million in Fiscal 2017, compared to profit after tax of ₹ 811.80 million in Fiscal 2016. Our profit margin, calculated as our profit for the year, presented as a percentage of our total income, was 2.72% in Fiscal 2017 compared to 2.36% in Fiscal 2016.

Earnings before Interest, Taxes, Depreciation and Amortisation (EBITDA)

EBITDA was ₹ 2,228.01 million in Fiscal 2017 compared to EBITDA of ₹ 1,510.83 million in Fiscal 2016, while EBITDA margin (EBITDA as a percentage of our revenue from operations in the relevant fiscal period) was 5.36% in Fiscal 2017 compared to 4.40% in Fiscal 2016.

Financial Condition under Ind AS Audited Consolidated Financial Statements

Trade Receivables

Our trade receivables were ₹ 4,468.46 million as of March 31, 2017, compared to ₹ 4,052.77 million as of March 31, 2016. Our general credit terms vary across businesses and clients, typically between 30 and 90 days. The increase in our trade receivables in Fiscal 2017 was primarily attributable to growth across our business segments and the addition of the business following the acquisitions closed during the year.

Our turnover for trade receivables, or debtors' turnover ratio (calculated based on trade receivables divided by revenue from operations over 360 days (with revenue from operations in the 12 month periods annualized)), was 39 days in Fiscal 2017, compared to 43 days in Fiscal 2016.

Loans

- *Non-current*

Non-current loans comprises security deposits and was ₹ 143.34 million as of March 31, 2017 and ₹ 40.89 million as of March 31, 2016.

- *Current*

Current loans comprise security deposits, loans to related party and loans to employees. Current loans was ₹ 230.23 million as of March 31, 2017 and ₹ 173.89 million as of March 31, 2016.

Cash and Bank Balances

Cash and bank balances comprise cash in hand and cash equivalents, i.e., balances with banks, which is available for use in our operations. It also includes balances in deposit accounts (due to mature within 12 months from the reporting date). Total cash and bank balance was ₹ 4,596.07 million as of March 31, 2017 compared to ₹ 1,093.53 million as of March 31, 2016.

Financial Assets

Financial assets comprises unbilled revenue, prepaid expenses, security deposits, interest on term deposits accrued but not due, loans to employees and related parties excluding trade receivables, loans and advances and cash and bank balances. Service income from time-and-material contracts are recognised as and when the related services are performed and revenue from the end of the last billing to the balance sheet date is recognised as unbilled revenue. Financial assets were ₹ 4,169.26 million as of March 31, 2017 compared to ₹ 3,132.74 million as of March 31, 2016.

Current Liabilities

Total current liabilities were ₹ 10,134.99 million as of March 31, 2017 and ₹ 8,145.81 million as of March 31, 2016. Our current liabilities primarily include short term borrowings and bank overdraft, trade payables and other financial liabilities and other current liabilities and provisions. The increase in current liabilities reflected the growth in our business and operations.

Current Borrowings and Bank overdraft

Current borrowings and bank overdrafts were ₹ 4,559.97 million as of March 31, 2017 compared to ₹ 3,428.58 million as of March 31, 2016. The increase in borrowings and bank overdraft was primarily on account of funding of our incremental working capital requirements resulting from the significant growth in our operations.

Trade Payables

Our trade payables were ₹ 631.45 million as of March 31, 2017 compared to ₹ 673.75 million as of March 31, 2016.

Other Current Financial Liabilities

Other current financial liabilities primarily include current maturities of long term debt and finance obligations, advance received from customers, balance payable to government authorities, consideration payable for acquisition of business (including consideration consideration), accrued salaries and benefits, interest accrued but not due, uniform deposits and other liabilities. Other current financial liabilities were ₹ 2,863.86 million as of March 31, 2017 compared to ₹ 2,629.51 million as of March 31, 2016. The increase in other current liabilities is primarily attributable to increase in accrued salaries and benefits which is consistent with the increase in our revenues from operations and consideration payable for acquisition of business.

Current Provisions

Provisions, primarily relating to provision for gratuity, provision for compensated absence were ₹ 227.22 million as of March 31, 2017 compared to ₹ 196.91 million as of March 31, 2016.

Property, Plant and Equipment

Property, plant and equipment include tangible assets such as leasehold improvements, furniture and fixtures, vehicles, office equipment, plant and machinery and computer equipment. Our net block of property, plant and equipment was ₹ 504.36 million as of March 31, 2017 compared to ₹ 444.39 million as of March 31, 2016. The increase in property, plant and equipment was primarily due to the addition of computer equipment and heavy machineries in relation to operations across various business segments.

Intangible assets include computer software and goodwill on acquisitions. Our net block of intangible assets was ₹ 79.04 million as of March 31, 2017 compared to ₹ 57.58 million as of March 31, 2016.

Share Capital

Share capital was ₹ 1,267.91 million as of March 31, 2017 compared to ₹ 1,133.35 million as of March 31, 2016. The increase in share capital as of March 31, 2017 of ₹ 134.56 million resulted from issuance of additional equity shares pursuant to the initial public offering of our Company as well as certain shares allotted on the exercise of options under our ESOP.

Non-current Borrowings

Non-current borrowings were ₹ 2,744.49 million as of March 31, 2017 compared to ₹ 354.81 million as of March 31, 2016. The significant increase in non-current borrowings as of March 31, 2017 was primarily on account of issuance of secured non-convertible debentures aggregating ₹ 1,483.31 million and borrowings availed in an amount of ₹ 1,072.49 million in connection with the acquisition of Comtel.

Goodwill on Consolidation

Goodwill on consolidation was ₹ 3,787.53 million as of March 31, 2017 compared to ₹ 2,019.76 million as of March 31, 2016. Goodwill on consolidation increased by ₹ 1,767.77 million primarily relating to the excess of purchase consideration over net asset value of subsidiaries acquired in Fiscal 2017 on the date of the relevant acquisition/ investment.

Non-current Investments

Non-current investments were ₹ 2,976.38 million as of March 31, 2017 compared to ₹ 36.55 million as of March 31, 2016. The increase of non-current investments by ₹ 2,939.83 million primarily related to the investment in the compulsorily convertible preference shares of MIS in connection with the Proposed MIS Acquisition in an amount of ₹ 2,200 million and our investments in associates companies in Fiscal 2017, primarily in relation to our investments in Terrier and Simpliance.

Liquidity and Capital Resources

Historically, our primary liquidity requirements have been to fund our working capital requirements, capital expenditure and acquisitions. We have funded these primarily through cash generated from operations, bank borrowings and shareholders' equity. We expect to meet our working capital, planned capital expenditure and acquisitions requirements for the next 36 months primarily from the cash flows from business operations, borrowings from banks and financial institutions and the proceeds of this Issue.

Cash Flows under our Ind AS Audited Consolidated Financial Statements

The following table sets forth certain information relating to our cash flows on under Ind AS in Fiscal 2016 and Fiscal 2017:

	Fiscal 2016	**Fiscal 2017**
	(Ind AS)	
	(₹ in million)	
Net cash generated from/(used in) operating activities	(495.25)	736.04
Net cash generated from/(used in) investing activities	(96.39)	(5,757.98)
Net cash (generated from)/ used in the financing activities	858.47	7,008.16
Net increase/(decrease) in cash and cash equivalents	**266.83**	**1,986.22**
Cash and cash equivalents at the beginning of the year	760.28	1,027.86
Effects of exchange differences on translation of foreign currency cash and cash equivalents	0.75	(4.78)
Cash and cash equivalents at the end of the periods / years	**1,027.86**	**3,009.30**

Operating Activities

Fiscal 2017

In Fiscal 2017, net cash flows generated from operating activities was ₹ 736.04 million and the operating cash flows before working capital changes was ₹ 2,296.78 million. The main working capital adjustments were increase in other liabilities and provisions of ₹ 382.90 million and decrease in trade receivables and security deposit of ₹ 121.81 million which was offset primarily by increase in inventories of ₹ 37.25 million, increase in other current, non-current, unbilled revenue and financial assets of ₹ 827.83 million and a decrease in trade payables and other financial liabilities of ₹ 398.13 million. Income tax paid was ₹ 802.24 million in Fiscal 2017.

Fiscal 2016

In Fiscal 2016, net cash flows used in operating activities was ₹ 495.25 million and the operating cash flows before working capital changes was ₹ 1,609.00 million. The main working capital adjustments were increase in trade payables and other financial liabilities of ₹ 1,588.06 million which was offset primarily by an increase in trade receivables and security deposit of ₹ 1,610.00 million, increase in inventories of ₹ 10.08 million, increase in other current, non-current, unbilled revenue and financial assets of ₹ 1,488.40 million and decrease in other liabilities and provisions of ₹ 101.60 million. Income tax paid was ₹ 482.22 million in Fiscal 2016.

Investing Activities

Fiscal 2017

Net cash used in investing activities was ₹ 5,757.98 million in Fiscal 2017, primarily on account of acquisition of property, plant and equipment and intangibles of ₹ 379.17 million, investments net of acquisition date cash and cash equivalent of ₹ 3,865.08 million (primarily relating to preference shares of MIS amounting to ₹ 2,220.00 million and investment in Comtel, Terrier and other subsidiary and associates amounting to ₹ 1,665.08 million), loans given to related parties of ₹ 69.21 million and movement in bank deposits having original maturity of more than three months of ₹ 1,544.88 million. This amount was partly offset by dividend received on mutual fund units of ₹ 16.63 million, interest received on term deposits of ₹ 892.27 million in Fiscal 2017.

Fiscal 2016

Net cash used in investing activities was ₹ 96.39 million in Fiscal 2016, primarily on account of purchase of fixed assets of ₹ 225.52 million, This amount was partly offset by investments net of acquisition date cash and cash equivalent of ₹ 114.40 million (primarily relating to investments in subsidiaries), and movement in bank deposits having original maturity of more than three months of ₹ 15.04 million, and interest received of ₹ 6.34 million in Fiscal 2016.

Financing Activities

Fiscal 2017

Net cash provided by financing activities in Fiscal 2017 was ₹ 7,008.16 million which primarily consisted of net proceeds from secured borrowings of ₹ 2,242.65 million, which primarily consisted of working capital facilities finance leases and loan taken for acquisition of Comtel, net proceeds from issue of share capital of ₹ 3,712.22 million and net proceeds from issue of non-convertible debentures of ₹ 1,483.31 million. This amount was partly offset by interest paid of ₹ 430.02 million.

Fiscal 2016

Net cash provided by financing activities in Fiscal 2016 was ₹ 858.46 million which primarily consisted of net proceeds from secured borrowings of ₹ 1,136.87 million, which primarily consisted of working capital facilities and finance leases and proceeds from issue of share capital of ₹ 25.60 million. This amount was partly offset by interest paid of ₹ 304.00 million.

Indebtedness

The following table sets forth certain information relating to our outstanding indebtedness as of March 31, 2017:

Particulars	**Amount (₹ million)**
Non-current Borrowings	
Secured	2,737.17
Unsecured	7.32
Total non-current borrowings	2,744.49
Current Borrowings	
Secured	4,250.88
Unsecured	309.09
Total Current Borrowings	4,559.97

Of our total outstanding borrowings of ₹ 7,304.46 million as of March 31, 2017, ₹ 5,423.10 million was denominated in Indian Rupees and ₹ 1,881.36 million was denominated in foreign currency. The principal amounts outstanding under the borrowings bear interest either at a fixed rate or at a floating rate. For further information, see "*Financial Statements*" on page 266.

Contractual Obligations and Commitments

The following table sets forth certain information relating to future payments due under known contractual commitments as of March 31, 2017, aggregated by type of contractual obligation:

Particulars	**As of March 31, 2017**			
	Payment due by period			
	Total	**Less than 1 year**	**1-5 years**	**More than 5 years**
	(` million)			
Obligations under capital leases	346.33	146.98	199.36	-
Capital commitments	59.07	59.07	-	-
Non-cancellable operating lease obligations	503.15	166.75	286.35	50.05
Current borrowings	4,559.97	4,559.97	-	-
Other Financial Obligations (Contingent consideration for acquisitions and others)	1,521.82	193.92	1,327.90	-
Non-current borrowings	3,067.09	322.61	2,744.48	-
Trade Payables	631.45	631.45	-	-
Total Contractual Obligations	10,688.88	6,080.75	4,558.09	50.05

Contingent Liabilities and other Off-Balance Sheet Arrangements

The following table sets forth certain information relating to our contingent liabilities as of March 31, 2017:

Particulars	**Amount (₹ million)**
Contingent Liabilities	
Corporate guarantee given as security for loan availed by related party	220.00
Direct and Indirect tax matters	123.09
Provident fund	25.73
Bonus	325.88
Total	694.70

For further information, see "*Financial Statements*" on page 266.

Except as disclosed in our Ind AS Audited Consolidated Financial Statements or our Indian GAAP Audited Consolidated Financial Statements or otherwise in this Prospectus, there are no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that we believe are material to investors.

Historical and Planned Capital Expenditures

In Fiscal 2016 and Fiscal 2017, our capital expenditure (excluding capital advances) under our Ind AS Audited Consolidated Financial Statements was ₹ 219.91 million and ₹ 396.03 million, respectively. We believe that our capital expenditures in Fiscal 2018 and Fiscal 2019 will be financed by the proceeds of this Issue, funds generated from operations and borrowings.

Ind AS three months ended June 30, 2017 compared to Ind AS three months ended June 30, 2016

The following table sets forth certain information with respect to our consolidated results of operations for three months ended June 30, 2017 and three months ended June 30, 2016 as derived from our unaudited consolidated financial results:

	Three months ended June 30,			
	2016		2017	
	(Ind AS)			
	Amount	Percentage of Total Income	Amount	Percentage of Total Income
	(₹ million)	(%)	(₹ million)	(%)
Income from operations				
Revenue from operations	9,909.60	99.93%	11,881.07	99.71%
Other income, net	6.97	0.07%	34.03	0.29%
Total Income	**9,916.57**	**100.00%**	**11,915.10**	**100.00%**
Expenses				
Cost of material and stores and spare parts consumed	124.35	1.25%	111.47	0.94%
Employee benefit expenses	8,440.79	85.12%	10,221.48	85.79%
Finance costs	92.08	0.93%	160.63	1.35%
Depreciation and amortisation expenses	60.02	0.61%	66.94	0.56%
Other expenses	816.97	8.24%	913.29	7.66%
Total Expenses	**9,534.21**	**96.14%**	**11,473.81**	**96.30%**
Profit before share of profit of equity accounted investees, exceptional items and income tax	**382.36**	**3.86%**	**441.29**	**3.70%**
Share of profit/ (loss) of equity accounted investees (net of income tax)	-	-	5.51	0.05%
Profit before exceptional items and tax	**382.36**	**3.86%**	**446.80**	**3.75%**
Exceptional items	-	-	-	-
Profit before tax	**382.36**	**3.86%**	**446.80**	**3.75%**
Tax Expense				
Current Tax	121.01	1.22%	97.49	0.82%
Deferred Tax	14.40	0.15%	18.01	0.15%
Total tax expenses	**135.42**	**1.37%**	**115.50**	**0.97%**
Profit for the period	**246.94**	**2.49%**	**331.30**	**2.78%**
Other comprehensive income				

	Three months ended June 30,			
	2016		2017	
	(Ind AS)			
	Amount	Percentage of Total Income	Amount	Percentage of Total Income
	(₹ million)	(%)	(₹ million)	(%)
Items that will not be reclassified to profit or loss				
Remeasurement of the net defined benefit liability/ asset	(11.99)	(0.12)%	(7.89)	(0.07)%
Share of other comprehensive income of equity accounted investees (net of income tax)	-	-	0.25	0.00%
Income tax relating to items that will not be reclassified to profit or loss	4.15	0.04%	2.73	0.02%
Items that will be reclassified to profit or loss	-	-	-	-
Exchange differences in translating financial statements of foreign operations	-	-	5.19	0.04%
Income tax relating to items that will be reclassified to profit or loss	-	0.08%	-	-
Total other comprehensive income, net of tax	**(7.84)**	**(2.41)%**	**0.29**	**0.00%**
Total comprehensive income	**239.11**	**1.22%**	**331.59**	**2.78%**

Income

Our total income consists of revenue from operations and other income. Total income increased by 20.15% from ₹ 9,916.57 million in the three months ended June 30, 2016 to ₹ 11,915.10 million in the three months ended June 30, 2017. The increase in total income reflects the growth in our existing businesses as well as additional income from acquisitions concluded by us during the previous year post June 30, 2016.

- *Revenue from Operations*

Revenue from operations increased by 19.89% from ₹ 9,909.60 million in the three months ended June 30, 2016 to ₹ 11,881.07 million in the three months ended June 30, 2017. The increase in revenue from operations reflect the growth in our existing businesses as well as revenues from acquisitions concluded by us during the previous year post June 30, 2106.

- *Other Income*

Other income primarily includes interest income, dividend income and exchange gain/ loss on translation of foreign currency assets and liabilities. In the three months ended June 30, 2017, other income was ₹ 34.03 million compared to ₹ 6.97 million in the three months ended June 30, 2016. As a percentage of total income, other income was 0.29% in the three months ended June 30, 2017 compared to 0.07% in in the three months ended June 30, 2016.

Expenses

Our expenses consist primarily of cost of services, employee benefit expenses, finance costs, depreciation and amortisation, impairment charges and other expenses. In the three months ended June 30, 2017, total expenses was ₹ 11,473.81 million, or 96.30% of our total income in such period, while in the three months ended June 30, 2016, total expenses was ₹ 9,534.21 million, or 96.14% of our total income in such period.

- *Cost of Material and Stores and Spare Parts Consumed*

Cost of material and stores and spare parts consumed represents the cost of material consumed and other direct costs associated with our operations. This primarily includes cost of consumables and other materials used in our Integrated Facility Management and Industrials business segments.

Cost of material and stores and spare parts consumed was ₹ 111.47 million in the three months ended June 30, 2017, compared to ₹ 124.35 million in the three months ended June 30, 2016. As a percentage of total income, cost of services was 1.25% and 0.94% in the three months ended June 30, 2016 and in the three months ended June 30, 2017, respectively. The decrease in cost of material and stores and spare parts consumed in the three months ended June 30, 2017 compared to the three months ended June 30, 2016 was primarily on account of discontinuation of certain low margin contracts in the corporate catering business, resulting in lower associated costs for materials and stores.

- *Employee Benefit Expenses*

Employee benefit expenses include salaries, wages and bonus payments to our Associate Employees as well as to our Core Employees, contribution to provident and other funds, leave encashment, staff welfare and other employee benefit payments. Given our business, employee benefit expenses represent our most significant operating expense.

Employee benefits expenses represent our most significant operating expense and increased by 21.10% from ₹ 8,440.79 million in the three months ended June 30, 2016 to ₹ 10,221.48 million in the three months ended June 30, 2017. As a percentage of total income, employee benefit expenses increased from 85.12% in the three months ended June 30, 2016 to 85.79% in the three months ended June 30, 2017.

The relative increase in employee benefit expenses was primarily attributable to increase in salaries and remuneration of our Associate Employees and corresponding increase in contribution to provident fund and employee state insurance in respect of our Associate Employees. These increases can be attributed primarily to increase in associate headcount driven by organic business growth and acquisitions, wage inflation as well as increase in statutory minimum wages.

- *Finance Costs*

Finance costs increased by 74.45% from ₹ 92.08 million in the three months ended June 30, 2016 to ₹ 160.63 million in the three months ended June 30, 2017.

As a percentage of total income, finance costs remained relatively insignificant, at 0.93% and 1.35% in the three months ended June 30, 2016 and the three months ended June 30, 2017, respectively. The increase in finance costs in the three months ended June 30, 2017 was primarily attributable to finance costs of loan availed to fund the acquisition of Comtel and interest accrued on non-convertible debentures issued by us in January 2017.

- *Depreciation and Amortization Expenses*

Depreciation is provided on a straight line method over estimated useful life of the fixed assets estimated by the management. Depreciation for assets purchased/ sold during the year is proportionately charged. The amortisation of an intangible asset with a finite useful life reflects the manner in which the economic benefit is expected to be generated and is included in depreciation and amortisation expenses in the consolidated statements of profit and loss. Our businesses involve limited fixed assets, as historically we have followed an asset light business model. As a result, depreciation and amortisation expenses are not significant in our operations.

Depreciation and amortization expenses in the three months ended June 30, 2017 was ₹ 66.94 million comprising depreciation and amortization of tangible as well as intangible assets, while it was ₹ 60.02 million in the three months ended June 30, 2016. The relative increase in depreciation expenses was attributable to the depreciation on additions in tangible assets, including leasehold improvements, furniture and fixtures, computers, and office equipment on account of organic growth as well as acquisitions made during the period. As a percentage of total income, depreciation and amortization costs were 0.56% and 0.61% in the three months ended June 30, 2017 and in the three months ended June 30, 2016, respectively.

- *Other Expenses*

Other expenses include expenses relating to corporate, administration and sales related expenses across businesses. Significant costs under this head include rent, sub-contractor charges, recruitment and training expenses, travelling and conveyance, legal and professional fees, repairs and maintenance charges and communication expenses, among others.

Other expenses were ₹ 913.29 million in the three months ended June 30, 2017, compared to ₹ 816.97 million in the three months ended June 30, 2016. As a percentage of total income, other expenses were 7.66% in the three months ended June 30, 2017 compared to 8.24% in the three months ended June 30, 2016. The increase in other expenses is on account of growth in our operations.

Profit before Tax

For the reasons discussed above, profit before tax was ₹ 446.80 million in the three months ended June 30, 2017 compared to profit before tax of ₹ 382.36 million in the three months ended June 30, 2016.

Tax Expense

Our tax expenses in the three months ended June 30, 2017 were ₹ 115.50 million, including ₹ 97.49 million of current tax. In addition, there was a deferred tax credit of ₹ 18.01 million in the three months ended June 30, 2017. Our tax expense in the three months ended June 30, 2016 was ₹ 135.42 million, primarily consisting of ₹ 121.01 million of current tax and a deferred tax credit of ₹ 14.40 million in the three months ended June 30, 2016.

Profit for the Period

For the reasons discussed above, profit for the period was higher at ₹ 331.30 million in the three months ended June 30, 2017, compared to profit after tax of ₹ 246.94 million in the three months ended June 30, 2016. Our profit margin, calculated as our profit for the period, presented as a percentage of our total income, was 2.78% in in the three months ended June 30, 2017 compared to 2.49% in the three months ended June 30, 2016.

MANAGEMENT'S DISCUSSION AND ANALYSIS ON INDIAN GAAP AUDITED CONSOLIDATED FINANCIAL STATEMENTS

Results of Operations

Indian GAAP Fiscal 2016 compared to Indian GAAP Fiscal 2015 (15 months)

The following table sets forth certain information with respect to our consolidated results of operations under Indian GAAP for Fiscal 2016 and for Fiscal 2015 (15 months):

	Fiscal 2015 (15 months)		**Fiscal 2016**	
	(Indian GAAP)			
	Amount	**Percentage of Total Income**	**Amount**	**Percentage of Total Income**
	(₹ million)	**(%)**	**(₹ million)**	**(%)**
Income				
Revenue from Operations	25,670.57	99.71%	34,350.14	99.76%
Other Income	74.38	0.29%	84.26	0.24%
Total Income	**25,744.95**	**100.00%**	**34,434.40**	**100.00%**
Expenditure				
Cost of Services	522.65	2.03%	481.40	1.40%
Employee Benefits Expense	22,742.35	88.34%	30,372.20	88.20%
Finance Costs	218.30	0.85%	307.90	0.89%
Depreciation and Amortisation Expense	101.41	0.39%	160.19	0.47%
Other Expenses	1,112.50	4.32%	1,859.07	5.40%
Total Expenditure	**24,697.21**	**95.93%**	**33,180.77**	**96.36%**

	Fiscal 2015 (15 months)		Fiscal 2016	
	(Indian GAAP)			
	Amount	Percentage of Total Income	Amount	Percentage of Total Income
	(₹ million)	(%)	(₹ million)	(%)
Net Profit/ (Loss) before Tax	**1,047.75**	**4.07%**	**1,253.64**	**3.64%**
Tax Expense/ (Income)				
Current Tax	(290.78)	(1.13)%	(624.58)	(1.81)%
Income Tax credit for earlier years	-	-	64.56	0.19%
Deferred Tax Credit/ (Charge) for the Period/ Year	(68.04)	(0.26)%	203.54	0.59%
Total Tax Expense	**(358.82)**	**(1.39)%**	**(356.48)**	**(1.04)%**
Profit Before Minority Interest	**688.93**	**2.68%**	**897.16**	**2.61%**
Profit after Tax for the Year/ Period	**688.93**	**2.68%**	**897.16**	**2.61%**

The following table sets forth certain information with respect to our Earnings before Interest, Taxes, Depreciation and Amortization Expenses (EBITDA) for the periods indicated:

Particulars	Fiscal 2015 (15 months)		Fiscal 2016	
	(Indian GAAP)			
	(₹ in million)	Percentage of revenue from operations (%)	(₹ in million)	Percentage of total income (%)
Earnings Before Interest, Taxes Depreciation and Amortisation (EBITDA)[1]	**1,293.07**	**5.02%**	**1,637.47**	**4.76%**

[1] *Calculated as our Net Profit (Loss) before Tax plus Depreciation and Amortization Expenses plus Finance Costs less Other Income*

In Fiscal 2016, we acquired 100.00% shareholding in Aravon Services Private Limited (formerly known as Aramark India Private Limited). Aravon offers facility management services and solutions to its clients and has a strong presence in western India and capabilities in facility management for hospitality and healthcare segments.

We also acquired the remaining 51.00% equity share capital in MFX with effect from January 1, 2016. Accordingly, in our consolidated financial statements subsequent to January 1, 2016, MFX has been accounted for as a wholly owned subsidiary in accordance with AS 21 - Consolidated Financial Statements. We had acquired 49.00% of the equity share capital of MFX with effect from November 3, 2014. Accordingly, MFX was treated as an associate with effect from November 3, 2014. Our Indian GAAP Audited Consolidated Financial Statements for Fiscal 2015 (15 months) therefore include the share of losses incurred by MFX, accounted for using the equity method of accounting in accordance with AS 23 - Accounting for Investments in Associates in Consolidated Financial Statements.

We acquired Hofincons in June 2014 and Brainhunter in October 2014. Our consolidated results of operations in Fiscal 2015 (15 months) reflects the additional revenue from operations of Hofincons and of Brainhunter from the effective date of the relevant acquisition, and our consolidated financial statements in Fiscal 2016 reflects the full 12 months of results of operations from Industrials business of Hofincons and IT staffing (North America) business of Brainhunter.

Accordingly, our results of operations in Fiscal 2016 are not comparable to that in Fiscal 2015 (15 months) not only due to the difference in the length of the fiscal period but also since our consolidated results of operations in Fiscal 2016 includes the consolidated results of operations of Aravon and MFX with effect from the relevant acquisition dates and the results of Hofincons and Brainhunter for the entire 12 months.

Income

Total income consists of revenue from operations and other income. Total income increased by 33.75% from ₹ 25,744.95 million in Fiscal 2015 (15 months) to ₹ 34,434.40 million in Fiscal 2016. The increase in total income reflects the growth in our existing businesses as well as additional income from acquisitions concluded by us during

Fiscal 2016.

Total income was ₹ 34,434.40 million in Fiscal 2016 compared to total income of ₹ 25,744.95 million in Fiscal 2015 (15 months). The following table sets forth certain information relating to our revenue from operations, EBIT and EBIT margin (EBIT calculated as a percentage of total income) presented for our various business segments:

	Fiscal 2015 (15 months)				Fiscal 2016			
	(Indian GAAP)							
	Revenue from Operations	Percentage of Total Income	EBIT	EBIT Margin	Revenue from Operations	Percentage of Total Income	EBIT	EBIT Margin
	(₹ million)	(%)	(₹ million)	(%)	(₹ million)	(%)	(₹ million)	(%)
Global Technology Solutions	7,355.98	28.57%	593.35	8.07%	9,211.25	26.75%	608.32	6.60%
People and Services	14,035.42	54.52%	389.19	2.77%	19,498.47	56.62%	630.00	3.23%
Integrated Facility Management	3,008.57	11.69%	145.16	4.82%	3,718.71	10.80%	174.52	4.69%
Industrials	1,270.59	4.94%	153.61	12.09%	1,921.72	5.58%	197.30	10.27%
Other Income	74.38	0.29%	-	NA	84.26	0.24%	-	NA
Unallocated Expenses	--	--	(89.65)	NA	--	--	(132.87)	NA
Total	**25,744.95**	**100.00%**	**1,191.67**	**4.63%**	**34,434.40**	**100.00%**	**1,477.28**	**4.29%**

- *Revenue from Operations*

Revenue from operations increased by 33.81% from ₹ 25,670.57 million in Fiscal 2015 (15 months) to ₹ 34,350.14 million in Fiscal 2016. The increase in revenue from operations reflect growth in our existing businesses as well as additional revenues from Integrated Facility Management services of Aravon and IT solutions and products business of MFX.

The following table sets forth certain information relating to our revenue from operations across our principal services verticals in Fiscal 2016 and Fiscal 2015 (15 months) under Indian GAAP:

	Fiscal 2015 (15 months)		Fiscal 2016	
	(Indian GAAP)			
	Revenue from Operations	Percentage of Total Revenue from Operations	Revenue from Operations	Percentage of Total Revenue from Operations
	(₹ in million)	(%)	(₹ in million)	(%)
Staffing and recruitment services	21,420.99 (1)	83.45%	27,860.11	81.11%
Facility management and food services	3,008.57 (2)	11.72%	3,718.71(3)	10.83%
Training services	201.20	0.78%	700.97	2.04%
Operation and maintenance	874.91 (2)	3.41%	1,137.83	3.31%
Software and solution business	164.89	0.64%	932.52(4)	2.71%
Total	25,670.57	100.00%	34,350.14	100.00%

1 *Includes approximately five months of revenues from operations of Brainhunter following acquisition with effect from October 23, 2014.*

2 *Includes revenues from operations of Hofincons following acquisition with effect from June 27, 2014.*

3 *Includes revenue from operations of Aravon following acquisition with effect from April 1, 2015.*

4 *Includes approximately three months of revenues from operations of MFX following increase in shareholding with effect from January 1, 2016.*

- *Staffing and recruitment services*

Revenue from staffing and recruitment services related to revenue from staffing services provided under our P&S business segment and the IT staffing business under our GTS business segment. It also included fees from recruitment and executive search activities under our P&S segment. Revenue from staffing services were negotiated and invoiced on a monthly basis. Salary and incidental expenses of Associate Employees along with service charges were billed in accordance with the agreed terms. The P&S business segment contributes a significant majority of our staffing services revenue; however, the IT staffing business under the GTS business segment involves higher operating margins compared to the P&S segment. Revenue related to recruitment services are recognised at the time the candidate commences full-time employment. Revenue related to executive search activities are recognised upon rendering of the service and placement of the candidate.

Revenue from staffing and recruitment services was ₹ 27,860.11 million in Fiscal 2016 compared to ₹ 21,420.99 million in Fiscal 2015 (15 months). As a percentage of total revenue from operations, staffing and recruitment services however decreased marginally from 83.45% in Fiscal 2015 (15 months) to 81.11% in Fiscal 2016.

Revenue from staffing and recruitment services represents revenues from staffing services and revenues from selection and recruitment business. The significant increase in staffing services in Fiscal 2016 compared to that in Fiscal 2015 (15 months) resulted from the growth of our general staffing and IT staffing businesses. Such growth was in part the result of our verticalisation strategy and increasing capabilities in new verticals such as IT staffing as well as new industry/ sector focus in our general staffing.

In addition, Fiscal 2016 includes revenues from IT staffing business of Brainhunter for twelve months period, as compared to Fiscal 2015 (15 months) which included such revenue for a period of approximately five months from the date of acquisition of Brainhunter in October 2014.

While our recruitment services continue to be an important strategic element in our business, revenues from recruitment services continue to represent a small percentage of our total revenues. The relative increase in recruitment and selection business was observed primarily on account of organic growth in the recruitment business, increasing acceptance of recruitment process outsourcing (RPO) by our clients and the increase in executive search mandates as the general economy in India improved in Fiscal 2016.

- *Facility management and food services*

Revenue from facility management and food services relate to various services rendered under the Integrated Facility Management segment. It includes revenues from soft services, hard services, handyman services and pest control services under our facility management services. It also includes revenues from onsite and offsite catering or hospitality solutions provided to corporate, manufacturing and institutional clients under our food and hospitality services. Revenue for facility management and food services are negotiated and invoiced on a monthly basis to our clients. Revenues were recognised as services are performed in accordance with the terms of the arrangement with the client.

Revenue from facility management and food services was ₹ 3,718.71 million in Fiscal 2016 compared to ₹ 3,008.57 million in Fiscal 2015 (15 months). The increase was primarily on account of the significant growth in our IFM segment as we expanded the range of services provided, in particular the range of soft services provided, as well as the introduction of additional services including pest control services and guest house / serviced apartments maintenance services. In addition, as a result of the acquisition of Aravon, we also further expanded our offerings in soft services offerings. In addition, the acquisition of Aravon contributed ₹ 542.14 million to our revenue from operations in Fiscal 2016.

Revenue from facility management and food services was the second largest source of revenues, representing 11.72% and 10.83% of our total revenue from operations in Fiscal 2015 (15 months) and Fiscal 2016, respectively.

- *Training services*

Revenue from training services relate to training and skill development services provided under our P&S segment. Revenue from skill development and training services was recognised over the period of instruction. Revenue from training services, primarily representing income received under the government training and skill development programs, was ₹ 700.97 million in Fiscal 2016 compared to ₹ 201.20 million in Fiscal 2015 (15 months). The increase in revenue from training fees in Fiscal 2016 was primarily on account of increased activity in various placement linked skill development programs executed in collaboration with the GoI and State governments. Revenue from training fees represent a relatively small percentage of our total revenues, representing 0.78% and 2.04% of our total revenues from operations in Fiscal 2015 (15 months) and Fiscal 2016, respectively.

- *Operation and maintenance*

Revenue from operation and maintenance relate to services rendered under our Industrials segment, which include industrial operations and maintenance services, managed services and technical and consultancy services. Arrangements with clients for operations and maintenance services and managed services are mostly based on time, material and fixed-price contracts. Revenue from technical and consultancy services relate to providing an integrated approach to asset management and delivering end-to-end ERP data solutions.

Revenue from our operations and maintenance services was ₹ 1,137.83 million in Fiscal 2016 compared to ₹ 874.91 million in Fiscal 2015 (15 months), representing 3.31% and 3.41% of our total revenues from operations in Fiscal 2016 and Fiscal 2015 (15 months), respectively. Revenue from operation and maintenance also includes the managed services that we provide to our telecom and utility clients under our Industrials business segment. The increase in our revenue from operations was partly due to growth in our O&M business. In addition, Fiscal 2016 includes revenues from O&M business of Hofincons for twelve months period, as compared to Fiscal 2015 (15 months) which included such revenue for a period of approximately nine months from the date of acquisition of Hofincons in June 2014.

- *Software and solution business*

Revenue from software and solutions business relate to services rendered under our GTS segment, which include revenue earned on IT services provided by Brainhunter, MFX, our South East Asian operations and our offshore development centers in India. In Fiscal 2016 and Fiscal 2015 (15 months), revenue from our software and solution business was ₹ 932.52 million and ₹ 164.89 million respectively. Revenue from software and solution business represented 2.71% and 0.64 % of our total revenues in Fiscal 2016 and Fiscal 2015 (15 months). In addition, Fiscal 2016 includes revenues from IT solutions and products of MFX for three months period from the date of acquisition of MFX in January 2016.

- *Other Income*

Other income primarily includes interest income, write back of liabilities, profit on sale of fixed assets, miscellaneous income, and foreign exchange fluctuation gains. In Fiscal 2016 (as computed under Indian GAAP), other income was ₹ 84.26 million compared to ₹ 74.38 million in Fiscal 2015 (15 months). As a percentage of total income, other income was 0.24% in Fiscal 2016 and 0.30% in Fiscal 2015 (15 months).

Expenditure

Our expenses consist primarily of cost of services, employee benefit expenses, finance costs, depreciation and amortisation, impairment charges and other expenses. In Fiscal 2016, total expenditure was ₹ 33,180.77 million or 96.36% of our total income in such period, while in Fiscal 2015 (15 months), total expenditure was ₹ 24,697.21 million, representing 95.93% of our total income in such period.

- *Cost of Services*

Cost of services represents the cost of material consumed and other direct costs associated with our operations. This primarily includes consumables and other materials used in our IFM and Industrials business segments. Cost of services was ₹ 481.40 million in Fiscal 2016, compared to cost of services of ₹ 522.65 million in Fiscal 2015 (15 months). Cost of services primarily includes cost of material consumed and other direct costs relating to the IFM and Industrials segments. As a percentage of total income, cost of services was 2.03% and 1.40% in Fiscal 2015 (15 months) and Fiscal 2016, respectively.

- *Employee Benefit Expenses*

Employee benefit expenses include salaries (including ESOP expenses), wages and bonus payments to our Associate Employees as well as to our Core Employees, contribution to provident and other funds, leave encashment, insurance, staff welfare and other employee benefit payments. Given our business, employee benefit expenses represent our most significant operating expense.

Employee benefits expenses represent our most significant operating expenditure and was ₹ 30,372.20 million in Fiscal 2016, compared to ₹ 22,742.35 million in Fiscal 2015 (15 months). As a percentage of total income, employee benefit expenses remained stable at 88.20% in Fiscal 2016 compared to 88.34% in Fiscal 2015 (15 months).

The relative increase in employee benefit expenses was primarily attributable to increase in salaries and remuneration of our Associate Employees and corresponding increase in contribution to provident fund and employee state insurance in respect of our Associate Employees. There was an increase in the number of Associate Employees as a result of the organic growth in our business as well as the acquisition of Aravon and MFX in Fiscal 2016. As of March 31, 2016, we had over 121,000 employees including approximately 117,000 Associate Employees and approximately 3,400 Core Employees, compared to approximately 92,000 employees as of March 31, 2015.

Salaries and wages was ₹ 28,230.33 million, and contribution to provident and other funds was ₹ 2,029.66 million in Fiscal 2016; while salaries and wages were ₹ 21,120.68 million, and contribution to provident and other funds was ₹ 1,534.85 million in Fiscal 2015 (15 months). Staff welfare expense was ₹ 112.22 million in Fiscal 2016, compared to ₹ 86.82 million in Fiscal 2015 (15 months). We did not incur employee stock option expense in Fiscal 2016 or in Fiscal 2015 (15 months).

- *Finance Costs*

Finance costs include interest and other borrowing costs. We have historically funded our operations and inorganic growth through cash from operations and equity and have not incurred any significant debt other than regular working capital arrangements.

Finance costs were ₹ 307.90 million in Fiscal 2016, while it was ₹ 218.30 million in Fiscal 2015 (15 months). Finance costs include interest expenses of ₹ 283.46 million and other borrowing costs of ₹ 24.43 million in Fiscal 2016 while interest expenses was ₹ 205.84 million and other borrowing costs was ₹ 12.46 million in Fiscal 2015 (15 months).

As a percentage of total income, finance costs remained relatively insignificant, at 0.89% and 0.85% in Fiscal 2016 and Fiscal 2015 (15 months), respectively. The increase in finance costs in Fiscal 2016 was primarily attributable to interest payments on additional working capital facilities from banks reflecting the growth in our operations.

- *Depreciation and Amortization Expenses*

Depreciation is provided on a proportionate basis for all assets purchased and sold during the period. Our businesses involve limited fixed assets, as historically we have followed an asset light business model. As a result, depreciation and amortisation expenses are not significant in our operations. Depreciation and amortization expenses in Fiscal 2016 was ₹ 160.19 million comprising depreciation and amortization of tangible as well as intangible assets, while it was ₹ 101.41 million in Fiscal 2015 (15 months). The relative increase in depreciation expenses was attributable to the depreciation on additions in tangible assets, including leasehold improvements, furniture and fixtures, computers, and office equipment on account of organic growth as well as acquisitions made in Fiscal 2016. As a percentage of total income, depreciation and amortization costs were 0.47% and 0.39% in Fiscal 2016 and Fiscal 2015 (15 months), respectively.

- *Other Expenses*

Other expenses include expenses relating to corporate, administration and sales related expenses across businesses. Our significant costs include rental expenses, sub-contractor charges, staff training expenses, travelling and conveyance, legal and professional charges, repairs and maintenance charges and printing and stationery expenses among others. Other expenses were ₹ 1,859.07 million in Fiscal 2016, compared to ₹ 1,112.50 million in Fiscal 2015 (15 months). As a percentage of total income, other expenses were 5.40% in Fiscal 2016 compared to 4.34% in Fiscal 2015 (15 months). The increase in other expenses is on account of growth in our operations.

The most significant components of other expenses include sub-contractor charges, rent costs, travelling and conveyance, legal and professional fees, communication expenses and training expenses.

Profit before Tax and Minority Interest

For the reasons discussed above, profit before tax and minority interest was ₹ 1,253.64 million in Fiscal 2016 compared to profit before tax and minority interest of ₹ 1,047.75 million in Fiscal 2015 (15 months).

Provision for Taxation

Our tax expenses in Fiscal 2016 were ₹ 356.48 million, including ₹ 624.58 million of current tax offset by credit of income tax for earlier years of ₹ 64.56 million. In addition, there was a deferred tax credit of ₹ 203.54 million in Fiscal 2016. Our tax expense in Fiscal 2015 (15 months) was ₹ 358.82 million, primarily consisting of ₹ 290.78 million of current tax and a deferred tax charge of ₹ 68.04 million in Fiscal 2015 (15 months).

Profit before Minority Interest

Profit before minority interest in Fiscal 2016 was ₹ 897.16 million while it was ₹ 688.93 million in Fiscal 2015 (15 months).

Profit after Tax

For the reasons discussed above, profit after tax was significantly higher at ₹ 897.16 million in Fiscal 2016, compared to profit after tax of ₹ 688.93 million in Fiscal 2015 (15 months). Our profit margin, calculated as our profit after tax, presented as a percentage of our total income was 2.61% in Fiscal 2016 compared to 2.68% in Fiscal 2015 (15 months).

Earnings before Interest, Taxes, Depreciation and Amortisation (EBITDA)

EBITDA was ₹ 1,637.47 million in Fiscal 2016 compared to EBITDA of ₹ 1,293.07 million in Fiscal 2015 (15 months). EBITDA margin (EBITDA as a percentage of revenue from operations) was 4.77% in Fiscal 2016 compared to 5.03% in Fiscal 2015 (15 months).

Financial Condition under Ind GAAP Audited Consolidated Financial Statements

Trade Receivables

Our trade receivables were ₹ 4,282.00 million as of March 31, 2016 and ₹ 2,548.36 million as of March 31, 2015.

Our general credit terms vary across businesses and clients and normally provide for payment within 30 to 90 days. The increase in our trade receivables in Fiscal 2016 is attributable to growth across our business segments and the acquisition of Aravon and MFX.

Our turnover for trade receivables, or debtors' turnover ratio (calculated based on trade receivables divided by revenue from operations over 360 days (with revenue from operations in the six month period, nine month period and 15 month period annualized)), was 45 days for Fiscal 2016 and 48 days for Fiscal 2015 (15 months).

Loans and Advances

- *Long Term*

Long term loans and advances comprise security deposits, advance income tax (net of provision for tax), MAT credit entitlement, payments made under protest, prepaid expenses, capital advances and advances to employees. Long term loans and advances was ₹ 825.07 million as of March 31, 2016 and ₹ 534.33 million as of March 31, 2015.

- *Short Term*

Short term loans and advances comprise advance income tax (net of provision for tax), security deposits, advance to suppliers, balance with government authorities, loans and advances to related party, employee advances, travel advances and others. Short term loans and advances was ₹ 239.26 million as of March 31, 2016 and ₹ 393.59 million as of March 31, 2015.

Cash and Bank Balances

Cash and bank balances comprise cash in hand and cash equivalents, i.e. balances with banks, which is available for use in our operations. Total cash and bank balances were ₹ 1,093.53 million as of March 31, 2016 and ₹ 818.25 million as of March 31, 2015.

Other Current Assets

Other current assets comprises of unbilled revenue, prepaid expenses and interest on term deposits accrued but not due. Service income from time-and-material contracts are recognised as and when the related services are performed and revenue from the end of the last billing to the balance sheet date is recognised as accrued revenue. Other current assets was ₹ 3,040.38 million as of March 31, 2016 and ₹ 1,546.81 million as of March 31, 2015.

Current Liabilities

Total current liabilities were ₹ 8,103.29 million as of March 31, 2016 and ₹ 4,579.86 million as of March 31, 2015. Our current liabilities primarily include short term borrowings, trade payables, other current liabilities and short term provisions.

Short Term Borrowings

Short term borrowings were ₹ 3,390.01 million as of March 31, 2016 and ₹ 2,204.27 million as of March 31, 2015. The increase in short term borrowings was primarily on account of funding of our incremental working capital requirements resulting from the significant growth in our operations and the acquisition of Brainhunter and MFX.

Trade Payables

Our trade payables were ₹ 675.52 million as of March 31, 2016 and ₹ 417.28 million as of March 31, 2015.

Short Term Provisions

Short term provisions, primarily relating to provision for employee benefits and provision for warranty were ₹ 196.91 million as of March 31, 2016 and ₹ 66.96 million as of March 31, 2015.

Other Current Liabilities

Other current liabilities primarily include current maturities of long term borrowings, current maturities of finance lease obligations, advance received from customers, balance payable to government authorities, book overdraft, payable to minority shareholder, accrued salaries and benefits, provision for expenses, interest accrued but not due, uniform deposits, provisions for rent escalations and other liabilities. Other current liabilities were ₹ 3,840.85 million as of March 31, 2016 and ₹ 1,891.35 million as of March 31, 2015.

The increase in other current liabilities is primarily attributable to increase in accrued salaries and benefits which is consistent with the increase in our revenues from operations.

Long Term Provisions

Long term provisions, primarily relating to provision for gratuity, provision for disputed claims and provision for consideration payable on acquisition were ₹ 464.75 million as of March 31, 2016 while it was ₹ 85.11 million as of March 31, 2015. There was a significant increase in our long term provisions particularly provisions for disputed claims as of March 31, 2016 were on account of consolidation of provisions for disputed claims amounting to ₹ 53.21 million (service tax and VAT cases) made by Aravon, prior to its acquisition. In addition, provision for consideration payable on acquisition of MFX amounting to ₹ 322.12 million was made during Fiscal 2016.

Fixed Assets

Fixed assets include tangible assets such as leasehold improvements, furniture and fixtures, vehicles, office equipment, plant and machinery and computer equipment. Our net block of tangible assets was ₹ 444.39 million as of March 31, 2016 and ₹ 145.86 million as of March 31, 2015. The increase in tangible assets was primarily due to the additions in tangible assets setting up our corporate office, delivery service centers in Chennai and Bengaluru and other additions in tangible assets on account of acquisitions namely MFX and Aravon during Fiscal 2016 and Hofincons and Brainhunter during Fiscal 2015 (15 months).

Intangible assets include computer software and goodwill on acquisitions. Our net block of intangible assets was ₹ 60.86 million as of March 31, 2016 and ₹ 42.94 million as of March 31, 2015.

Share Capital

Our share capital was ₹ 1,133.35 million as of March 31, 2016 and ₹ 257.74 million as of March 31, 2015. The share capital as of March 31, 2016 and as of March 31, 2015 comprised of Equity Shares. The increase in share capital in Fiscal 2016 of ₹ 875.61 million is on account of issuance of Equity Shares pursuant to the rights issue and bonus issue. During Fiscal 2015 (15 months), the decrease in share capital was due to the conversion of compulsorily convertible preference share capital amounting to ₹ 771.79 million into Equity Shares.

Long Term Borrowings

Long term borrowings were ₹ 354.81 million as of March 31, 2016 and nil as of March 31, 2015. The increase in long term borrowings in Fiscal 2016 is on account of long term borrowings aggregating to ₹ 204.92 million relating to ICICI loan to Brainhunter and consolidation of long-term maturities of finance lease obligations relating to MFX amounting to ₹ 182.48 million. The finance lease obligations are on account of purchase of computer equipment, computer software and other lease hold improvements by MFX.

Goodwill on Consolidation

Goodwill on consolidation was ₹ 2,045.55 million as of March 31, 2016 and ₹ 1,104.22 million as of March 31, 2015. During Fiscal 2016, goodwill on consolidation increased by ₹ 941.33 million comprising of ₹ 931.08 million on account of acquisition of MFX and ₹ 10.25 million due to foreign currency translation adjustment of goodwill on acquisition of foreign subsidiaries. During Fiscal 2015 (15 months) goodwill on consolidation increased by ₹ 101.05 million on account of acquisition of Hofincons and by ₹ 300.71 million on account of acquisition of Brainhunter and decreased due to foreign currency translation adjustment of goodwill on acquisition of foreign subsidiaries amounting to ₹ 27.02 million.

Non-Current Investments

Non-current investments were ₹ 36.55 million as of March 31, 2016. As of March 31, 2016 non-current investments comprised of investments made in Styracorp and IME Consultancy and non-current investments held by MFX amounting to ₹ 16.55 million.

Cash Flows under our Indian GAAP Audited Consolidated Financial Statements

The following table sets forth certain information relating to our cash flows on under Indian GAAP in Fiscal 2015 (15 months) and Fiscal 2016:

	Fiscal 2015 (15 months)	**Fiscal 2016**
	(Indian GAAP)	
	(₹ million)	
Net cash provided by/ (used in) operating activities	148.29	(441.75)
Net cash (used in) investing activities	(684.92)	(243.96)
Net cash provided by financing activities	663.60	858.20
Net increase in cash and cash equivalents	**126.97**	**172.50**
Cash and cash equivalents at the beginning of the year	253.01	760.28
Effects of exchange differences on translation of foreign currency cash and cash equivalents	(8.66)	(0.75)
Cash and cash equivalents at the end of the periods / years	**760.28**	**1,066.42**

Operating Activities

Fiscal 2016

In Fiscal 2016, net cash flows used in operating activities was ₹ 441.75 million and the operating profit before working capital changes was ₹ 1,737.01 million. The main working capital adjustments were increase in trade payables, other current liabilities and short-term provisions of ₹ 1,447.31 million which was offset primarily by an increase in trade receivables of ₹ 1,590.07 million, increase in inventories of ₹ 10.08 million, increase in long term loans and advances of ₹ 17.78 million and an increase in other current assets and non-current assets of ₹1,424.13 million, and decrease in long term liabilities and long term provisions of ₹ 2.36 million. Income tax paid was ₹ 538.90 million in Fiscal 2016.

Fiscal 2015 (15 months)

In Fiscal 2015 (15 months), net cash flows generated from operating activities was ₹ 148.28 million and operating profit before working capital changes was ₹ 1,351.20 million. The main working capital adjustments were increase in trade payables, other current liabilities and short-term provisions of ₹ 47.56 million, decrease in inventories of ₹ 0.04 million which was offset primarily by decrease in long term liabilities and long term provisions of ₹ 15.22 million, increase in long term loans and advances of ₹ 99.54 million and an increase in short term loans and advances of ₹ 387.50 million. Income tax paid was ₹ 341.10 million in Fiscal 2015 (15 months).

Investing Activities

Fiscal 2016

Net cash used in investing activities was ₹ 243.96 million in Fiscal 2016, primarily on account of purchase of fixed assets of ₹ 231.98 million, investments of ₹ 20.00 million (primarily relating to investments in Styracorp and IME Consultancy), loans given to related parties of ₹ 15.06 million and movement in bank deposits having original maturity of more than three months of ₹ 15.04 million. This amount was partly offset by interest received of ₹ 6.34 million and proceeds from sale of fixed assets of ₹ 1.70 million for the Fiscal 2016.

Fiscal 2015 (15 months)

Net cash used in investing activities was ₹ 684.92 million in Fiscal 2015 (15 months). This was primarily on account of purchase of fixed assets of ₹ 150.29 million, investments of ₹ 524.75 million (primarily relating to our acquisitions of Brainhunter and Hofincons), and bank deposits having original maturity of more than three months of ₹ 20.14 million. This amount was partly offset by interest received of ₹ 8.84 million and proceeds from sale of fixed assets on ₹ 1.41 million in Fiscal 2015 (15 months).

Financing Activities

Fiscal 2016

Net cash provided by financing activities in Fiscal 2016 was ₹ 858.20 million which primarily consisted of net proceeds from borrowings of ₹ 1,096.77 million, and which primarily consisted of working capital facilities and finance leases and proceeds from issue of share capital of ₹25.60 million. This amount was partly offset by interest paid of ₹ 304.28 million.

Fiscal 2015 (15 months)

Net cash provided by financing activities in Fiscal 2015 (15 months) was ₹ 663.60 million which primarily consisted of net proceeds from secured borrowings of ₹ 881.89 million. This amount was partly offset by interest paid of ₹ 218.30 million.

AUDITOR'S OBSERVATIONS

Our statutory auditors have made certain observations in our Indian GAAP Audited Financial Statements and Ind AS Audited Financial Statements:

Fiscal 2015 (15 months)

Observations in the Annexure to the auditor's report on the Standalone Financial Statements, on certain matters specified in the Companies (Auditors Report) Order 2003 (CARO).

Clause (iv) of CARO

The auditor reported that in relation to food business division, the internal control system relating to the purchase of inventories needs to be strengthened.

Management response. The management has taken necessary steps to strengthen its internal control systems and procedures especially in relation to purchase and inventory maintenance functions in the food business.

Clause (ix)(a) of CARO

According to the information and explanations given to the auditors and on the basis of the examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, employees state insurance, sales-tax and other material statutory dues have generally been regularly deposited during the fifteen month period by the Company with the appropriate authorities. According to the information and explanations given to the auditors and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed income-tax and service tax dues were not regularly deposited with the appropriate authorities. As explained to the auditors, the Company did not have any dues on account of investor education and protection fund, wealth tax, customs duty and excise duty. According to the information and explanations given to us, there were no other undisputed amounts payable in respect of income-tax, service tax, provident fund, employees state insurance and other material statutory dues, which were outstanding as of March 31, 2015 for a period of more than six months from the date dues became payable.

According to the information and explanations given to the auditors, dues stated below relating to income tax, service-tax and provident fund have not been deposited by the Company on account of disputes. There were no dues in respect of employees' state insurance, sales-tax, professional tax and other statutory dues which have not been deposited with the appropriate authorities on account of any dispute.

Name of the Statute	Nature of Dues	Amount (₹ in million)	Period to which the amount relates	Forum where dispute is pending
Provident Fund and Miscellaneous Provisions Act, 1952	Provident fund	42.89	April 2008 to February 2012	Employees' Provident Fund Appellate Tribunal, New Delhi
Income-tax Act, 1961	Income-tax	3.93	2004-2005	Commissioner of IT (Appeals), Chennai
Chapter V, The Finance Act 1994	Service-tax	4.66 (4.65)*	April 2009 to September 2011	Commissioner of Central Excise (Appeals)
Income-tax Act, 1961	Income-tax / interest demanded	3.05 (3.05)**	AY 2005-2006	Income Tax Appellate Tribunal, Hyderabad
Income-tax Act, 1961	Income-tax / interest demanded	1.48 (1.48)*	AY 2006-2007	Income Tax Appellate Tribunal, Hyderabad
Chapter V, The Finance Act 1994	Service-tax	6.05 (1.00)*	April 2008 to June 2009	Commissioner of Central Excise, Customs and Service Tax

* *Represents payment made under protest.*

** *Indicates the amounts adjusted with the refunds of subsequent years by the Income-tax department.*

Management response. The management has taken necessary steps to deposit all statutory dues within the stipulated time period in the forthcoming years with the appropriate authorities.

Fiscal 2016

Observations in the Annexure to the auditor's report on the Standalone Financial Statements, on certain matters specified in the Companies (Auditors Report) Order 2003 (CARO).

Clause (vii)(a) & (b) of CARO

According to the information and explanations given to the auditors and on the basis of the examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident fund, Income tax, Professional tax, Employee's State Insurance, Service tax, Value added tax, Sales tax, Cess and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities though there has been certain delays in few cases. As explained to the auditors, the Company did not have any dues on account of employee state insurance, investor education and protection fund, wealth tax, customs duty and excise duty. According to the information and explanations given to the auditors, no undisputed amounts payable in respect of provident fund, income tax, professional tax, employee's state insurance, service tax, value added tax, sales tax, cess and other material statutory dues were in arrears as of March 31, 2016 for a period of more than six months from the date they became payable.

According to the information and explanations given to the auditors, there are no material dues of duty of customs, sales tax, duty of excise, value added tax and other statutory dues which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of Income tax, Service tax and Provident fund and have not been deposited by the Company on account of disputes:

Name of the Statute	Nature of Dues	Amount (₹ in million)	Period to which the amount relates	Forum where dispute is pending
Provident Fund and Miscellaneous Provisions Act, 1952	Provident fund	42.89 (10.72)*	April 2008 to February 2012	Employees' Provident Fund Appellate Tribunal, New Delhi
Income-tax Act, 1961	Income-tax/interest-demanded	3.93	2004-05	Commissioner of IT (appeals), Chennai
Finance Act, 1994	Income tax/ Interest demanded	4.66 (4.65)*	April 2009 to September 2011	Commissioner of Central Excise (Appeals)
Chapter V, The Finance Act 1994	Service-tax/Interest demanded	6.06	April 2008 to June 2009	Commissioner of Central Excise, Customs and Service Tax

* represents payment made under protest.

Management response. The management has taken necessary steps to deposit all statutory dues within the stipulated time period in the forthcoming years with the appropriate authorities.

Fiscal 2017

Observations in the Annexure to the auditor's report on the Standalone Financial Statements, on certain matters specified in the Companies (Auditors Report) Order 2003 (CARO).

Clause (vii)(a) & (b) of CARO

According to the information and explanations given to the auditors and on the basis of their examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident fund, Income tax, Professional tax, Employee's State Insurance, Service tax, Value added tax, Sales tax, Cess and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities though there has been certain delays in few cases. As explained to them, the Company did not have any dues on account of duty of customs and duty of excise.

According to the information and explanations given to them, there are no dues in respect of customs, sales tax, duty of excise and cess which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to them, the following dues of Income tax, Service tax and value added tax have not been deposited by the Company on account of disputes:

Name of the statute	Nature of dues	Amount (₹ in million)	Period to which amount relates	Forum where dispute is pending
Income-tax Act, 1961	Interest	3.93	2004-05	Commissioner of IT (Appeals), Chennai
Income-tax Act, 1961	Tax	0.48 (0.07)*	2014-15	Commissioner of IT (Appeals), Bengaluru
Finance Act, 1994	Service tax interest and penalty	4.66 (4.65)*	April 2009 to September 2011	Commissioner of Central Excise (Appeals), Chennai
Finance Act 1994	Interest	6.06	April 2008 to June 2009	Commissioner of Central Excise, Customs and Service Tax, Bengaluru
Finance Act, 1994	Service tax	3.74	April 2013 to July 2014	Commissioner of Service Tax, Bengaluru
Finance Act, 1994	Service tax	3.91	2013-14 and 2014-15	Commissioner of Service Tax, Bengaluru
KVAT Act, 2003	Value added tax	13.39 (4.02)*	2012-13	Joint Commissioner of Commercial Taxes (Appeals), Bengaluru
KVAT Act, 2003	Value added tax	32.91 (9.87)*	2013-14	Joint Commissioner of Commercial Taxes

Name of the statute	Nature of dues	Amount (₹ in million)	Period to which amount relates	Forum where dispute is pending
				(Appeals), Bengaluru

* represents payment made under protest.

Management response. The management has taken necessary steps to deposit all statutory dues within the stipulated time period in the forthcoming years with the appropriate authorities.

Consolidated Financial Statements

There were certain observations in our consolidated financial statements in addition to those discussed above in the auditor's report in the financial statements for Fiscal 2015 (15 months), Fiscal 2016 and Fiscal 2017 which do not require any quantitative adjustment in the audited consolidated financial statements. These include:

Quess Corp Limited

Fiscal 2017

The auditors did not audit the financial statements/ financial information of twenty subsidiaries, whose financial statements/ financial information reflect total assets of ₹ 6,457.60 million and net assets of ₹ 641.40 million as of March 31, 2017, total revenues of ₹ 7,833.60 million and net cash inflows amounting to ₹ 143.10 million for the year ended on that date, as considered in the Ind AS consolidated financial statements. The Ind AS consolidated financial statements also include the Group's share of net profit of ₹ 0.67 million for the year ended March 31, 2017, as considered in the Ind AS consolidated financial statements, in respect of two associates and a joint venture, whose financial statements/ financial information have not been audited by our statutory auditor. These financial statements/ financial information have been audited by other auditors whose reports have been furnished to them by the management and their opinion on the Ind AS consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associates and joint venture, and their report in terms of Section 143(3) of the Act, in so far as it relates to the aforesaid subsidiaries, associates and joint venture, is based solely on the reports of the other auditors.

Seven of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. This has been done on the basis of a reporting package prepared by the Company which covers accounting and disclosure requirements applicable to the Ind AS consolidated financial statements under the generally accepted accounting principles in India. The reporting packages made for this purpose have been audited by the other auditors and reports for consolidation purposes of those other auditors have been furnished to them. Their opinion on the Ind AS consolidated financial statements, in so far as it relates to the financial statements/ financial information of such subsidiaries located outside India, is based solely on the aforesaid audit reports of these other auditors.

The opinion above on the Ind AS consolidated financial statements, is not modified in respect of the above matters with respect to the reports of the other auditors.

Management Response. The financial statements of all such subsidiaries are audited by independent Chartered Accountants of repute.

Fiscal 2016

Our statutory auditors did not audit the financial statements and other financial information of certain subsidiaries which have been incorporated in the Consolidated Financial Statements. These subsidiaries accounted for 12.22% of total assets as of March 31, 2016, 13.49% of the aggregate of total revenue and other income and ₹ 39 million of net decrease in cash and cash equivalents for Fiscal 2016, as shown in the Consolidated Financial Statements. Of the above:

i. The financial statements and other financial information of some of the subsidiaries incorporated outside India as drawn up in accordance with the generally accepted accounting principles of the respective countries ("the local GAAP") have been audited by other auditors duly qualified to act as auditors in those countries. These subsidiaries account for 10.77% of total assets as of March 31, 2016, 12.55% of the aggregate of total income from total revenue and other income and ₹ 34 million of net decrease in cash and cash equivalents for the year ended March 31, 2016, as shown in the consolidated financial statements. For the purposes of preparation of the Consolidated Financial Statements, the aforesaid local GAAP financial statements have been prepared by the management of the said entities so that they conform to the generally accepted accounting principles in India. This has been done on the basis of a reporting package prepared by the Company which covers accounting and disclosure requirements applicable to consolidated financial statements under the generally accepted accounting principles in India. The reporting packages made for this purpose have been audited by the other auditors and reports for consolidation purposes of those other auditors have been furnished to the statutory auditors. Opinion of the statutory auditors on the consolidated financial statements, insofar as it relates to these entities, is based solely on the aforesaid audit reports of the other auditors.

ii. The financial statements and other financial information of remaining subsidiaries (incorporated inside and outside India) account for 1.45% of total assets as of March 31, 2016, 0.94% of total revenue and other income and ₹ 5 million net decrease in cash and cash equivalents for Fiscal 2016 as shown in the Consolidated Financial Statements. These financial statements have been audited by other auditors whose audit reports have been furnished to the statutory auditors. Opinion of the statutory auditors on the Consolidated Financial Statements, insofar as it relates to these entities, is based on the aforesaid audit reports of the other auditors;

Management Response. The financial statements of all such subsidiaries are audited by independent Chartered Accountants of repute.

Fiscal 2015 (15 months)

Our statutory auditors did not audit the financial statements of certain subsidiaries (incorporated in India and outside India), whose financial statements reflect total assets of ₹ 692 million as of March 31, 2015, total revenues of ₹ 1,941 million and net cash flows amounting to ₹ 93 million for the year ended March 31, 2015, as considered in the audited consolidated financial statements.

The financial statements of subsidiaries (incorporated in India) have been audited by other auditors whose reports have been furnished to our statutory auditors and their opinion on the Consolidated Financial Statements in so far as it relates to the amounts and disclosures included in respect of the subsidiaries, is based solely on the reports of such other auditors.

The financial statements and other financial information of subsidiaries incorporated outside India as drawn up in accordance with the local GAAP have been audited by other auditors duly qualified to act as auditors in the respective countries. For purposes of preparation of the Consolidated Financial Statements, the aforesaid local GAAP financial statements have been restated by the management so that they conform to the generally accepted accounting principles in India.

Our statutory auditors believe that the audit evidence obtained by them is sufficient and appropriate to provide a basis for their audit opinion on the Consolidated Financial Statements.

Management Response. The financial statements of all such subsidiaries are audited by independent Chartered Accountants of repute.

MFX Infotech

Fiscal 2015

Undisputed statutory dues including provident fund, investor education fund, and protection fund, employees state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and any other material statutory dues, as applicable, were not deposited regularly with the appropriate authorities.

Management response. The management has taken necessary steps to deposit all statutory dues within the stipulated time period in the forthcoming years with the appropriate authorities.

Fiscal 2017

According to the information and explanations given to the auditors, the Company had undisputed amount payable in respect of profession tax amounting to ₹ 64,457 which was in arrears as of March 31, 2017 for the period April 2016 to August 2016.

Management response. The management has taken necessary steps to deposit all statutory dues within the stipulated time period in the forthcoming years with the appropriate authorities.

Aravon

Fiscal 2016

According to the information and explanations given to the auditors and on the basis of the examination of the records of the company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, employees state insurance, income tax, service tax, sales-tax/value added tax and other material statutory dues have generally been regularly deposited during the year by the company with the appropriate authorities except for income-tax and service tax dues which have not been regularly deposited with the appropriate authorities. As explained to the auditors, the company did not have any dues on account of custom, duty of excise and cess.

According to the information and explanations given to the auditors, no undisputed amounts payable in respect of provident fund, employees state insurance, income tax, service tax and sales-tax/value added tax and other material statutory dues were in arrears as of March 31, 2016 for a period of more than six months from the date they became payable, except for the dues stated below*:*

Name of the statute	Nature of the dues	Amount (₹ in million)	Period to which the amount relates
Professional Tax Act, 1975	Professional Tax	0.08	2007-2008
		0.10	2008-2009
		0.01	2010-2011
		0.01	2011-2012

According to the information and explanations given to the auditors, there are no dues of income-tax, service tax and sales-tax/value added tax which have not been deposited with the appropriate authorities on account of any dispute except as follows:

Name of the statute	Nature of the dues	Amount (₹ million)	Period to which the amount relates	Forum where dispute is pending
Income Tax,1961	Income tax	6.29	2008 - 2009	Income Tax Appellate Tribunal
Income Tax,1961	Penalty	5.57	2008 - 2009	Commission of Income tax (Appeals)
Maharashtra Value Added Tax, 2002	Penalty	0.50	2008 - 2009	Deputy Commissioner of Sales Tax
Andhra Pradesh Value Added Tax, 2005	VAT (including penalty)	1.42	2010 - 2011	Commercial Tax Office, Andhra Pradesh

Management Response. The management has taken necessary steps to deposit all statutory dues within the stipulated time period in the forthcoming years with the respective authorities.

Fiscal 2017

According to the information and explanations given to the auditors, amounts aggregating to ₹ 132,000 was received by the company in Specified Bank Notes from transactions which are non permitted.

Management Response. The company has provided requisite disclosure in its Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes.

According to the information and explanations given to the auditors, no undisputed amounts payable in respect of provident fund, employees state insurance, income tax, service tax and sales-tax/value added tax and other material statutory dues were in arrears as of March 31, 2017 for a period of more than six months from the date they became payable, except for the dues stated below*:*

Name of the statute	Nature of the dues	Amount (₹ million)	Period to which the amount relates
Professional Tax Act, 1975	Professional Tax	0.08	2007-08
		0.10	2008-09
		0.01	2010-11
		0.01	2011-12

According to the information and explanations given to the auditors, there are no dues of income-tax, service tax and sales-tax/value added tax which have not been deposited with the appropriate authorities on account of any dispute except as follows:

Name of the statute	Nature of the dues	Amount (₹ million)	Period to which the amount relates	Forum where dispute is pending
Income Tax,1961	Income tax	6.29	2008-09	Income Tax Appellate Tribunal
Income Tax,1961	Penalty	5.57	2008-09	Commission of Income tax (Appeals)
Maharashtra Value Added Tax, 2002	Penalty	0.50	2008-09	Deputy Commissioner of Sales Tax
Finance Act, 1994	Cenvat Credit	1.29	2009-14	Commissioner of Service Tax (Appeals)

Management Response. The management has taken necessary steps to deposit all statutory dues within the stipulated time period in the forthcoming years with the respective authorities.

Coachieve

Fiscal 2017

According to the information and explanations given to the auditors, the company had undisputed amount payable in respect of profession tax amounting to ₹ 37,439 which was in arrears as of March 31, 2017 for the period April 2016 to August 2016.

Management response. The management has taken necessary steps to deposit all statutory dues within the stipulated time period in the forthcoming years with the appropriate authorities.

Quess USA

The Company has not consolidated Brainhunter Systems Limited and its subsidiaries (a wholly owned subsidiary). In the auditor's opinion, accounting principles generally accepted in the United States of America require such investment to be consolidated in these financial statements. The investment in Brainhunter Systems Limited is accounted for on a cost basis. Had Brainhunter Systems Limited been consolidated, many elements in the accompanying financial statements would have been materially affected.

Management response. Since Brainhunter Systems Limited has been directly consolidated into the books of its ultimate parent, Quess Corp Limited, it has not been consolidated in Quess USA's books using the exemptions available under IFRS 110.

RELATED PARTY TRANSACTIONS

We enter into various transactions with related parties in the ordinary course of business. Primarily these transactions include loans and advances, transactions relating to rendering of services, managerial remuneration and rental payments. For further details relating to our related party transactions, see "*Financial Statements*" on page 266.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to various types of market risks in the ordinary course of business, including credit risks, interest rate risks and foreign currency exchange risks.

Credit Risk

We are exposed to credit risk on amounts owed to us by our clients. If our clients do not pay us promptly, or at all, it may impact our working capital cycle and/or we may have to make provisions for or write-off on such amounts.

Interest Rate Risk

Interest rates for borrowings have been volatile in India and globally in recent years. Our operations are funded to a significant extent by debt. Any increase in interest expenses may have an adverse effect on our results of operations and financial condition. Our borrowings may carry interest at variable rates as well as fixed rates. Although we may in the future engage in interest rate hedging transactions or exercise any right available to us under our financing arrangements to terminate the existing debt financing arrangement on the respective reset dates and enter into new financing arrangements, there can be no assurance that we will be able to do so on commercially reasonable terms, that our counterparties will perform their obligations, or that these agreements, if entered into, will protect us adequately against interest rate risks.

Exchange Rate Risk

Changes in currency exchange rates influence our results of operations. A portion of our revenues, particularly relating to our international operations, is denominated in currencies other than Indian Rupees. A portion of our expenses, including operating expenses in connection with our international operations, as well as certain of our capital expenditure on hardware and software, may also be denominated in currencies other than Indian Rupees.

Depreciation of the Indian Rupee against the U.S. dollar and other foreign currencies may adversely affect our results of operations by increasing the cost of financing any debt denominated in foreign currency that we may currently have or enter into in future or any proposed capital expenditure in foreign currencies. Appreciation of the Indian Rupee, on the other hand, may cause our services to be less competitive by raising our prices in terms of such other currencies, or alternatively require us to reduce the Indian Rupee price we charge for our services, either of which could adversely affect our profitability.

Although we may selectively enter into hedging transactions to minimize our currency exchange risks, there can be no assurance that such measures will enable us to avoid the effect of any adverse fluctuations in the value of the Indian Rupee against other relevant foreign currencies.

Liquidity Risk

Liquidity risk arises from the absence of liquid resources, when funding loans, and repaying borrowings. This could be due to a decline in expected collection, or our inability to raise adequate resources at an appropriate price. This risk may be minimized through a mix of strategies, including the maintenance of back-up bank credit lines, having diversified sources for funding both long term and short term loans and following a forward looking borrowing program based on projected loans and maturing obligations. The management monitors rolling forecast of the company's liquidity position and cash and cash equivalent on the basis of expected cash flows.

UNUSUAL OR INFREQUENT EVENTS OR TRANSACTIONS

Except as described in this Prospectus, there have been no other events or transactions that, to our knowledge, may be described as "unusual" or "infrequent".

SEGMENT REPORTING

Other than as disclosed in our Ind AS Audited Consolidated Financial Statements and historically in our Indian GAAP Audited Consolidated Financial Statements included in this Prospectus, we do not follow any other segment reporting.

SIGNIFICANT DEPENDENCE ON CLIENTS

Revenues from any particular client may vary between financial reporting periods depending on the nature and term of ongoing contracts with such client. However, historically certain key clients have accounted for a significant proportion of our revenues in the relevant business segments. In Fiscal 2017, our top 10 clients contributed 31.13% of our total revenues from operations in such period while our largest client contributed 7.82% of our total revenues from operations in such period.

KNOWN TRENDS OR UNCERTAINTIES

Other than as described in this section and in "*Risk Factors*" on page 41, to our knowledge, there are no known trends or uncertainties that are expected to have a material adverse impact on our revenues or income from continuing operations.

FUTURE RELATIONSHIP BETWEEN COST AND INCOME

Other than as described in this section, "*Risk Factors*" and "*Our Business*" on pages 41 and 180, respectively, to our knowledge there are no known factors that will have a material adverse impact on our operations and finances.

SEASONALITY OF BUSINESS

Our results of operations do not generally exhibit seasonality. However, we may have variation in our financial results from financial period to financial period as a result of various factors, including those described under "*Factors Affecting our Results of Operations*" above and in "*Risk Factors*" on page 41. While the business operations of certain of our clients are seasonal, given the large size of our operations and large and diverse client base, seasonality of businesses affecting such clients do not have any material impact on our business and results of operations.

COMPETITIVE CONDITIONS

We operate in a competitive environment. See "*Our Business*", "*Industry*" and "*Risk Factors*" on pages 180, 143 and 41, respectively, for further details on competitive conditions that we face across our various business segments.

SIGNIFICANT DEVELOPMENTS AFTER MARCH 31, 2017 THAT MAY AFFECT OUR FUTURE RESULTS OF OPERATIONS

Except as disclosed in this Prospectus, including under "*Our Business*" and "*Risk Factors*", to our knowledge no circumstances have arisen since the date of the last financial information disclosed in this Prospectus which materially and adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

SIGNIFICANT ACCOUNTING POLICIES UNDER IND AS AND UNDER INDIAN GAAP

SIGNIFICANT ACCOUNTING POLICIES UNDER IND AS

The following are the significant accounting policies under Ind AS as applicable to our Company:

Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits associated with the transaction will flow to the entity and revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. We have concluded that it is the principal in all of its revenue arrangements since it is exposed to the significant risks and rewards associated with rendering of services. When the outcome of the contract cannot be measured reliably, revenue is recognised only to the extent that expenses incurred are eligible to be recovered. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration. When services are performed by an indeterminate number of acts over a specified period of time, revenue is recognised on a straight-line basis over the specified period unless there is evidence that some other method better represents the stage of completion. Deferred revenue included in other current liabilities represents amounts billed in excess of revenue earned. Unbilled revenue represents revenue earned in excess of amounts billed.

- ***People and Services***

Revenue related to staffing services i.e. salary and incidental expenses of temporary associates along with the service charges are recognised in accordance with the agreed terms and recognised as the related services are performed. Revenue related to recruitment services are recognised at the time the candidate begins full time employment. Revenue related to executive research and trainings are recognised upon rendering of the service. Revenue from training services is recognised prorated over the period of training.

- ***Global Technology Solutions***

Revenue related to staffing services i.e. salary and incidental expenses of employees of information technology/ information technology enabled services along with the service charges are recognised in accordance with the agreed terms and recognised as the related services are performed.

- ***Integrated Facility Management***

Revenue from the integrated facility management and food services are at a fixed rate and are recognised as per the terms of the arrangement with the customers.

- ***Industrials***

Revenue from operation and maintenance services are primarily earned on a fixed rate basis and are recognised as per the terms of the arrangement with the customer. Certain arrangements are on time and material basis and are recognised as the services are performed as per the terms of the arrangement with the customer.

- ***Software and Solutions Business***

Revenue from information technology primarily includes colocation, which includes the licensing of cabinet space and power, interconnection offerings; managed infrastructure services and application management services. Revenue is recognised rateably in accordance with the agreed terms of the contract with the customers.

Other Income

Other income is comprised primarily of interest income, dividend income and exchange gain/ loss on translation of foreign currency assets and liabilities. Interest income or expense is recognised using effective interest method. The "effective interest rate" is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instruments to: (i) the gross carrying amount of the financial assets; or (ii) the amortised cost of the financial liability. In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit impaired) or to the amortised cost of the liability. However, for financial assets that have become credit impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis. Dividend income is recognised when the right to receive payment is established.

Foreign Currency Transactions and Balances

Foreign-currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the balance sheet date. Non-monetary assets and non-monetary 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 non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss and are generally recognised in profit and loss, except exchange differences arising from the translation of the following items which are recognised in OCI: (i) equity investments at fair value through OCI (FVOCI); (ii) a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and (iii) qualifying cash flow hedges to the extent that the hedges are effective.

Foreign currency transactions are translated into the functional currency using the exchange rates in effect on the dates of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in 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 Indian Rupees, the functional currency of our Company, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into Indian Rupees 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 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.

Property, Plant and Equipment and other Intangible Assets (other than Goodwill)

Property, Plant and Equipment

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment, if any. Cost of an item of property, plant and equipment comprises its purchase price including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the items to its working condition for its intended use and estimated cost of dismantling and removing the item and restoring the site on which it is located. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management. Subsequent expenditures relating to property, plant and equipment is capitalized 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. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognised in the statement of profit and loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

Transition to Ind AS

On transition to Ind AS, we have elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 1, 2015, measured under Indian GAAP, and use that carrying value as the deemed cost of such property, plant and equipment.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated on cost of the items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight line method ("SLM"), and is recognised in the statement of profit and loss. Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives. Our management believes that the useful lives as given below best represent the period over which management expects to use these assets based on an internal assessment and technical evaluation where necessary. Hence, the useful lives for these assets are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013. Depreciation for assets purchased/ sold during the year is proportionately charged. We estimated the useful lives for items of property, plant and equipment as follows:

Asset category	Estimated useful life
Leasehold improvements	Lease term or estimated useful life of 3 years, whichever is lower
Leasehold computer equipment	Lease term or estimated useful life of 3 years, whichever is lower
Buildings	20 years
Plant and machinery	3 years
Computer equipment	3 years
Furniture and Fixtures	4 - 7 years
Office equipment	4 - 5 years
Vehicles	3 years
Computer (data server)	7 years

The asset's residual values, useful lives and depreciation method are reviewed and adjusted if appropriate, at each financial year-end. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/ (losses). Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in progress'.

Goodwill and other Intangible Assets

Goodwill

Subsequent measurement of goodwill that arises on business combination is at carrying cost less any accumulated impairment losses. In respect of such business combinations that occurred prior to April 1, 2015, goodwill is included on the basis of its deemed cost, which represents the amount recorded under Indian GAAP as previously applicable.

Other Intangible Assets

- *Internally generated: Research and Development*

  Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets when the following criteria are met: (i) it is technically feasible to complete the software so that it will be available for use; (ii) management intends to complete the software and use or sell it; (iii) it can be demonstrated how the software will generate probable future economic benefits; (iv) adequate technical, financial and other resources to complete the development and to use or sell the software are available, and (v) the expenditure attributable to the software during its development can be reliably measured.

  Directly attributable costs that are capitalized as part of the software include employee costs and an appropriate portion of relevant overheads. Capitalized development costs are recorded as intangible assets and amortised from the point at which the asset is available for use.

- *Others*

  Other intangible assets including those acquired by us in a business combination are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

Subsequent Expenditure

Subsequent expenditure is capitalized 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 goodwill and brands, is recognised in profit and loss as and when incurred.

Transition to Ind AS

On transition to Ind AS, we elected to continue with the carrying value of all of its intangible assets recognised as of April 1, 2015, measured in accordance with Indian GAAP as previously applicable, and use that carrying value as the deemed cost of such intangible assets. .

Amortisation

Goodwill is not amortized and is tested for impairment annually.

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method, and is included in depreciation and amortisation expenses in Statement of Profit and Loss.

The estimated useful lives of intangibles are as follows:

Asset category	Estimated useful life
Software (leasehold)	Lease term or estimated useful life, whichever is lower
Software (owned)	3 years
Copyright and trademarks	3 years

Amortisation method, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each financial year.

Impairment of Intangible Assets and Property, Plant and Equipment

Intangible assets and property, plant and equipment 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 CGU to which the asset belongs. If such assets are considered to be impaired, the impairment to be recognised in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

Leases

Leases of property, plant and equipment that transfer to the Company substantially all the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to similar owned assets. Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are generally charged to profit or loss on a straight-line basis over the period of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Minimum lease payments made under finance leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Financial Instruments

- ***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 we become a party to the contractual provisions of the instrument. A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

- ***Classification and Subsequent Measurement***

  Financial Assets

  On initial recognition, a financial asset is classified as measured at (i) amortised cost; fair value through other comprehensive income (FVOCI) - debt investment; (iii) fair value through other comprehensive income (FVOCI) - equity investment; or fair value through profit and loss (FVTPL). Financial assets are not reclassified subsequent to their initial recognition, except if and in the period we change our business model for managing financial assets.

  A financial asset is measured at amortised cost if it meets both the following conditions and is not designated as of FVTPL: (i) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and (ii) the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amounts outstanding.

  A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as of FVTPL: (i) the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and (ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amounts outstanding.

On initial recognition of an equity investment that is not held for trading, we may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI - equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, we may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as of FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

- ***Subsequent Measurement and Gains and Losses of Financial Assets***

  - *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 profit and loss.

  - *Financial Assets at Amortised Cost.* These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss

  - *Debt Investments at FVOCI*. These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign at exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

  - *Equity investments at FVOCI*. These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of investment. Other net gains and losses are recognised in OCI are not reclassified to profit or loss.

- ***Derecognition of Financial Assets***

  We derecognize a financial asset when the (i) the contractual rights to the cash flows from the financial asset expire, or (ii) we transfer the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or (iii) we neither transfer nor retain substantially all of the risks and rewards of ownership and do not retain control of the financial asset.

  Where we have transferred an asset, we evaluate whether we have 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 we have neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if we have not retained control of the financial asset. Where we retain control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Financial Liabilities

- ***Initial Recognition and Measurement***

  Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit and loss (FVTPL) or amortised cost. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

- ***Subsequent Measurement***

  The measurement of financial liabilities depends on their classification, as described below:

  Financial Liabilities at Fair Value through Profit or Loss

  Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as of FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separate embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the profit or loss. Financial liabilities designated upon initial recognition at FVTPL are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI. These gains/ losses are not subsequently transferred to Statement of Profit and Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as of FVTPL.

  Amortised Cost

  After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

  Financial Guarantee Contracts

  Financial guarantee contracts issued us are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified party fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability 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 recognized less cumulative amortization.

- ***Derecognition***

  A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

  Offsetting

  Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, we currently have a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Employee Benefits

- ***Defined Benefit Plans***

  Our gratuity plan is a defined benefit plan. The present value of gratuity obligation under such defined benefit plans is determined based on actuarial valuations carried out by an independent actuary using the Projected Unit Credit Method. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as of the balance sheet date, having maturity periods approximating to the terms of related obligations. Actuarial gains or losses are recognised in other comprehensive income. Further, the profit or loss does not include an expected return on plan assets. Instead net interest recognised in profit or 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-measurements 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 profit or loss in subsequent periods.

- ***Short-term Benefit Plans***

  Short term employee benefits are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g. short term cash bonus, if we have a present legal or constructive obligation to pay this amount as a result of past services provided by the employees, and the amount of obligation can be estimated reliably.

- ***Compensated Absences***

  Our employees are entitled to compensated absences. The employees can carry forward a portion of the unutilized accumulating compensated absences and utilize it in future periods. We record an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The obligation is measured on the basis of an independent actuarial valuation using the Projected Unit Credit Method as of the reporting date.

- ***Defined Contribution Plan***

  A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards employee provident fund to Government administered provident fund scheme which is a defined contribution plan. Our contribution is recognised as an expense in the statement of profit and loss during the period in which the employee renders the related service.

- ***Termination Benefits***

  Termination benefits are expensed at the earlier of when we can no longer withdraw the offer of those benefits and when we recognize cost for restructuring. If the benefits are not expected to be settled wholly within 12 months of reporting date, then they are discounted.

Share based Payments

Our employees receive remuneration in the form of equity settled instruments of our Company, for rendering services over a defined vesting period. Equity instruments granted 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 to the share based payment reserve, a component of equity. 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 our estimate of equity instruments that will eventually vest.

Taxes

Income tax expense comprises current and deferred tax. It is recognised in the statement of profit and loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income. Current 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 balance sheet date. Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet 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 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 financial statements except for the cases mentioned below.

Deferred tax is not recognised for: (i) temporary differences arising on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits or loss at the time of the transaction; (ii) temporary investments related to investment in subsidiaries , associates and joint arrangements to the extent that we are able to control the timing of reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and (iii) taxable temporary difference arising on the initial recognition of goodwill. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of history of recent losses, we recognize a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profits will be available against which such deferred tax can be realized. 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 realized. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

Provisions (other than Employee Benefits)

A provision is recognised if, as a result of a past event, we have a present 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. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre -tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of discount is recognised as finance cost. Expected future operating losses are not provided for.

- *Onerous contract*

A contract is considered to be onerous when the expected economic benefit to be derived by us from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, we recognize any impairment loss on the assets associated with the contract.

Contingent Liability

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are disclosed in the financial statements if an inflow of economic benefits is probable.

Impairment

- ***Financial Assets***

  We assess on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 39 to our Ind AS Audited Consolidated Financial Statements provides how we determine whether there has been a significant increase in credit risk.

  In accordance with Ind AS 109, we apply expected credit loss (ECL) model for measurement and recognition of impairment loss. We follow simplified approach for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require us to track changes in credit risk, rather it recognizes 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, we determine 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 entity reverts to recognizing impairment loss allowance based on 12-month ECL.

- ***Non-financial Assets***

  Goodwill

  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. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to our cash generating units (CGU) or groups of CGU's expected to benefit from the synergies arising from the business combination. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. Impairment occurs when the carrying amount of a CGU including the goodwill, exceeds the estimated recoverable amount of the CGU. The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. Value-in-use is the present value of future cash flows expected to be derived from the CGU.

  Total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU. An impairment loss on goodwill is recognised in net profit in the statement of profit and loss and is not reversed in the subsequent period.

New Accounting Standards

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7 - Statement of Cash Flows, Ind AS 102 - Share-based Payment and Ind AS 115 - Revenue from Contracts with Customers. These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7 - Statement of Cash Flows, IFRS 2 - Share-based Payment, and IFRS 15 - Revenue from Contracts with Customer, respectively. These amendments are applicable to us with effect from April 1, 2017.

- ***Ind AS 115 Revenue from Contracts with Customers***

Ind AS 115, Revenue from Contracts with Customers was initially notified under the Companies (Indian Accounting Standards) Rules, 2015. The standard applies to contracts with customers. The core principle of the new standard is that an entity should recognize revenue to depict transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, timing and uncertainty of revenues and cash flows arising from the entity's contracts with customers. The new standard offers a range of transition options. An entity can choose to apply the new standard to its historical transactions - and retrospectively adjust each comparative period. Alternatively, an entity can recognize the cumulative effect of applying the new standard at the date of initial application and make no adjustments to its comparative information. The chosen transition option can have a significant effect on revenue trends in the financial statements. A change in the timing of revenue recognition may require a corresponding change in the timing of recognition of related costs. The standard has been currently deferred. The Company is currently evaluating the requirements of Ind AS 115, and has not yet determined the impact on the financial statements.

- ***Amendment to Ind AS 7***

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. This amendment had been applicable to the group from April 1, 2017.

- ***Amendment to Ind AS 102***

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes. It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Market-based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that include a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement. These amendments are not expected to have any impact on our financial statements as it is not applicable to us.

SIGNIFICANT ACCOUNTING POLICIES UNDER INDIAN GAAP

The following are the significant accounting policies under Indian GAAP that were applicable to our Company prior to transition to Ind AS:

Revenue recognition

- ***People and services***

Revenue related to staffing services i.e. salary and incidental expenses of temporary associates along with service charge are recognised in accordance with the agreed terms and recognised as the related services are performed. Revenue related to recruitment services are recognised at the time the candidate begins full time employment. Revenue related to executive search and trainings are recognised upon rendering of the service.

Revenue from training services is recognised prorated over the period of training.

- ***Global technology solutions***

Revenue related to staffing services i.e. salary and incidental expenses of employees of Information Technology/ Information Technology Enabled Services along with service charge are recognised in accordance with the agreed terms and recognized as the related services are performed.

- ***Integrated facility management***

Revenue for facility management and food services are primarily earned on fixed fee basis and are recognised as per the terms of the arrangement with the customers.

- ***Industrial asset management***

Revenue from operation and maintenance services are primarily earned on a fixed fee basis and are recognized ratably over the period of the contract with the customer. Certain arrangements are on time and material basis and are recognized as the services are performed as per the terms of the arrangement with the customer.

- ***Software and solutions business***

Revenue from information technology primarily includes colocation, which includes the licensing of cabinet space and power; interconnection offerings; managed infrastructure services and application management services. Revenue is recognized ratably in accordance with the agreed terms of the contract with the customers.
Deferred revenue included in other current liabilities represents amounts billed in excess of revenue earned. Unbilled revenue included in other current assets represents revenue earned in excess of amounts billed.

Interest income

Interest income is recognised using the time-proportion method, based on the underlying interest rates.

Fixed assets, depreciation and amortization

- ***Tangible fixed assets***

Tangible fixed assets are stated at the cost of acquisition or construction less accumulated depreciation up to the date of the balance sheet. The cost of an item of tangible asset comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price. Cost of the fixed assets not ready for their intended use before such date are disclosed as capital work-in-progress.

Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Such assets are capitalized at fair value of the asset or present value of the minimum lease payments at the inception of the lease, whichever is lower.

- ***Intangible fixed assets***

Acquired intangible assets are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less any accumulated amortisation and any accumulated impairment loss. Subsequent expenditure is capitalised only when it increases the future economic benefits from the specific asset to which it relates. Intangible assets are amortised in the statement of profit or loss over their estimated useful lives, from the date they are available for use based on the expected pattern of consumption of economic benefits of the asset. The carrying value of these intangible assets is reviewed annually for impairment and adjusted to the recoverable amount, if required.

- ***Depreciation***

Depreciation on fixed assets is provided using the straightline method over the estimated useful life of the assets. We believe that the existing useful life as given below represents the best useful estimated lives of these assets. Accordingly, the Company has carried out an internal assessment and obtained technical advice where necessary which is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013. Depreciation on additions and disposals is provided pro rata for the period in use.

Depreciation is provided on a proportionate basis for all assets purchased and sold during the year. Individual assets costing ₹ 5,000 or less are depreciated at the rate of 100%. Leasehold improvements are amortized over the lease term or estimated useful life of 3 years, whichever is lower. Leasehold computer equipment are amortized over the lease term or estimated useful life of 3 years, whichever is lower.

Asset description	**Useful life**
Computer equipment	3 years
Computer (data server)	7 years
Furniture and fixtures	4 - 7 years
Vehicles	3 years
Office equipment	4 - 5 years
Plant and machinery	3 years

- ***Amortization***

Amortization is provided at rates calculated to write off the cost less estimated residual value of each asset on a straight-line basis over its estimated useful life.

The amortization rates are as follows:

Asset description	**Useful life**
Goodwill	5 years or estimated useful life whichever is lower
Software (owned)	3 years

Leasehold software are amortized over the lease term or estimated useful life of 3 years, whichever is lower.

Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that an asset (including goodwill arising on consolidation) or a group of assets comprising a cash generating unit may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. For an asset or group of assets that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which asset belongs. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss.

If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to maximum of depreciable historical cost. An impairment loss is reversed only to the extent that the carrying amount of asset does not exceed the net book value that would have been determined, if no impairment loss had been recognised. Impairment loss recognised for goodwill is not reversed in a subsequent period unless the impairment loss was caused by a specific external event of an exceptional nature that is not expected to recur, and subsequent external events have occurred that reverse the effect of that event.

Inventories

Inventories (Raw materials and stores and spares) which comprise of food consumables, operating supplies and cleaning consumables are valued at the lower of cost and net realisable value. Cost of inventories comprises purchase price, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In determining cost, weighted average cost method is used. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs to sell. The comparison of cost and net realisable value is made on an item-by-item basis. Inventories are stated net of write down or allowances on account of obsolete, damaged or slow moving items.

Foreign exchange transactions and translations

The reporting currency of the Company is Indian Rupee. The local currencies of the non-integral subsidiaries are different from the reporting currency of the Company. Foreign exchange transactions are recorded using the exchange rates prevailing on the dates of the respective transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the statement of profit and loss for the year.

Monetary assets and liabilities denominated in foreign currencies as of the balance sheet date are translated at the closing exchange rates; the resultant exchange differences are recognized in the statement of profit and loss.
Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

- ***Non-integral operations***

The financial statements of the foreign non-integral subsidiaries/Step subsidiaries are translated into Indian Rupees as follows:-

- All assets and liabilities, both monetary and non-monetary are translated using the closing rates
- Share capital and opening reserves and surplus are carried at historical cost
- Revenue and expenses are translated at average rates
- The resulting net exchange difference is credited or debited to the "foreign currency translation reserve"
- Contingent liabilities are translated at the closing rate

Exchange differences which have been deferred in foreign currency translation reserve are not recognized as income or expenses until the disposal of that entity.

Investments

Non-current investments are valued at cost less any other than temporary diminution in value, determined on a specific identification basis.

Employee benefits

Post employment benefits

Defined contribution plan Provident Fund

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards employee Provident Fund to Government administered provident fund scheme which is a defined contribution plan. The Company's contribution is recognised as an expense in the statement of profit and loss during the period in which the employee renders the related service.

Defined benefit plan Gratuity

The Company's gratuity benefit scheme are defined benefit plans. The Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service costs and the fair value of any plan assets are deducted. The calculation of the Company's obligation is performed annually by an independent actuary using the projected unit credit method as of the reporting date.

The Company recognises all actuarial gains and losses arising from defined benefit plans immediately in the Statement of profit and loss. All expenses related to defined benefit plans are recognised in employee benefits expense in the Statement of profit and loss. The Company recognises gains and losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs.

Compensated absences

The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of an independent actuarial valuation using the projected unit credit method as of the reporting date.

Employee stock options

The Company has issued stock options to its employees. The Company measures and discloses such cost using intrinsic value-based method as prescribed in the Guidance Note on Accounting for Employee Share-based Payments issued by the Institute of Chartered Accountants of India. Under this method, compensation expense measured on the date of grant is recognised over the vesting term on a straight line basis.

Leases

Leases under which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease payments are charged to the statement of profit and loss on a straight line basis over the lease term.

Earnings per share

In determining the earning per share, the net profit after tax is divided by the weighted average number of shares outstanding during the year. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period unless issued at a later date. In computing dilutive earning per share, only potential equity shares that are dilutive i.e. which reduces earnings per share or increases loss per share are included.

Taxation

The Income tax expense comprises current tax (i.e. amount of tax for the year determined in accordance with the income tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the year). Deferred tax charge or credit are recognised for the future tax consequences attributable to timing difference that result between the profit offered for income taxes and the profit as per the financial statements. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, when there is a brought forward loss or unabsorbed depreciation under taxation laws, deferred tax assets are recognised only if there is virtual certainty of realisation or such assets. Deferred tax assets are reviewed as of each balance sheet date and written down or written-up to reflect the amount that is reasonably / virtually certain as the case may be to be realised. The Company offset, on a year on year basis, the current tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

Provisions, contingent liabilities and contingent assets

A provision is recognized if, as a result of a past event, the Company has a present 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 recognized at the best estimate of the expenditure required to settle the present obligation at the reporting date. The provisions are measured on an undiscounted basis. A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the consolidated financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

Warranties

Warranty costs are estimated on the basis of a technical evaluation and past experience. Provision is made for estimated liability in respect of warranty costs in the year of rendering of services.

- ***Onerous contracts***

A contract is considered as onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

Cash flow statement

Cash flow statement is reported using indirect method, whereby net profits before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows arising from operating, investing and financing activities of the Company are segregated.

Cash and cash equivalents

Cash and cash equivalents in the cash flow statement comprise cash and balances with banks. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of 3 months or less and that is readily convertible to known amounts of cash or cash equivalents.

Goodwill

Any excess of the cost to the parent of its investment in a subsidiary over the parent's portion of equity of the subsidiary, at the date on which investment in the subsidiary is made, is recorded as goodwill arising on consolidation. Goodwill arising on consolidation is not amortised. It is tested for impairment on a periodic basis and written off, if found impaired.

INDUSTRY OVERVIEW

*Unless noted otherwise, the information in this section is derived from "Assessment of Outsourced Services Market in India, Frost & Sullivan, July, 2017" ("**F&S Report 2017**") and "Assessment of IT Staffing Market in Singapore, Frost & Sullivan, July, 2017" ("**F&S Singapore Report 2017**") as well as other publications and industry sources. Neither we nor any other person connected with the Issue have independently verified this information. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect.*

*F&S Report 2017 and F&S Singapore Report 2017 have been commissioned by the Company from Frost & Sullivan (India) Private Limited ("**F&S**"). The market research process for this study has been undertaken thorough secondary / desktop research as well as primary research, which involves discussing the status of the market with leading participants and experts.*

The research methodology used is the Expert Opinion Methodology. Quantitative market information was sourced from interviews by way of primary research as well as from trusted portals, and therefore, the information is subject to fluctuations due to possible changes in the business and market climate. Frost & Sullivan's estimates and assumptions are based on varying levels of quantitative and qualitative analyses, including industry journals, company reports and information in the public domain.

Forecasts, estimates, predictions, and other forward-looking statements contained in this report are inherently uncertain because of changes in factors underlying their assumptions, or events or combinations of events that cannot be reasonably foreseen. Actual results and future events could differ materially from such forecasts, estimates, predictions, or such statements.

F&S has prepared this study in an independent and objective manner, and it has taken adequate care to ensure its accuracy and completeness. We believe that this study presents a true and fair view of facilities management, corporate catering, industrial asset management, and human resources solutions industry within the limitations of, among others, secondary statistics and primary research, and it does not purport to be exhaustive. Our research has been conducted with an "overall industry" perspective, and it will not necessarily reflect the performance of individual companies in the industry. Frost & Sullivan shall not be liable for any loss suffered because of reliance on the information contained in this study. This study should also not be considered as a recommendation to buy or not to buy the shares of any company or companies as mentioned in it or otherwise.

*Furthermore, Strategy Meets Action Report – SMA Research: 2017 IT Spending and Priorities (Extract) ("**SMA IT Spending Report 2017**") has been prepared by Strategy Meets Action ("**SMA**") at the specific request of our Company.*

The material and observations contained in the SMA IT Spending Report 2017 have been developed from sources believed to be reliable. SMA shall have no liability for omissions or errors and no obligation to revise or update any data or conclusions should new information become available or future events occur.

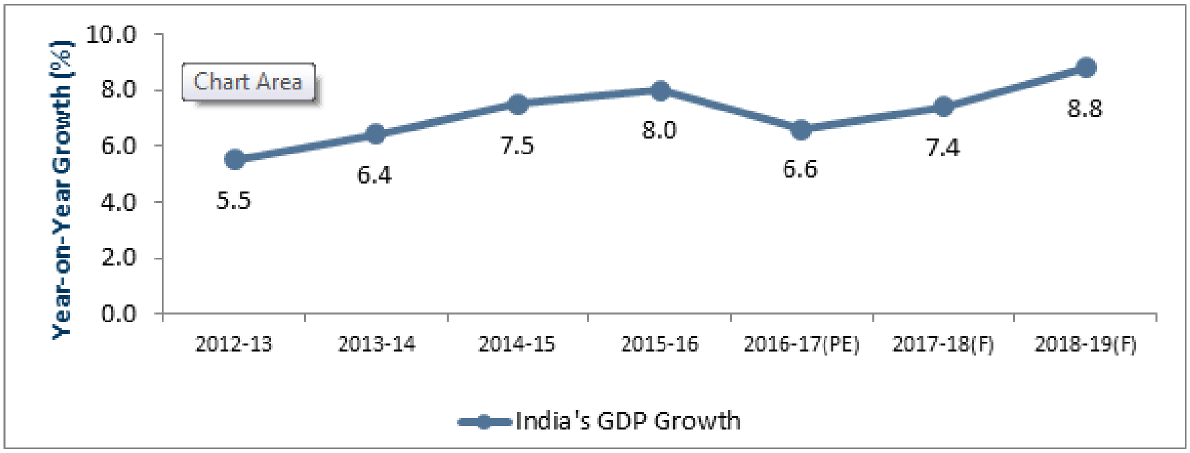
Indian Economy and Service Sector

Indian Economy

The Indian economy has been on a steady growth trajectory, with the country's GDP growth rate expanding from 5.5% in 2012-13 to a peak of 8.0% in 2015-16. In 2017, the growth was impacted due to the demonetization drive, which brought down the GDP growth to 6.6% in 2016-17. However, the growth prospects continue to be bright, even as many of the world's leading economies are slowing down. As per World Bank, India is the fastest growing economy in the world and is expected to grow by 7.4% and 8.8% in 2017-18 and 2018-19 respectively.

Landmark policy initiatives (e.g. Make in India, relaxing of FDI policy), Reforms (including GST, Insolvency code) and decisive executive action (steps to resolve the NPA challenge of PSU banks and increased spend on public infrastructure) are expected to boost the potential economic growth.

GDP Growth, India, 2012-2013 – 2018-219



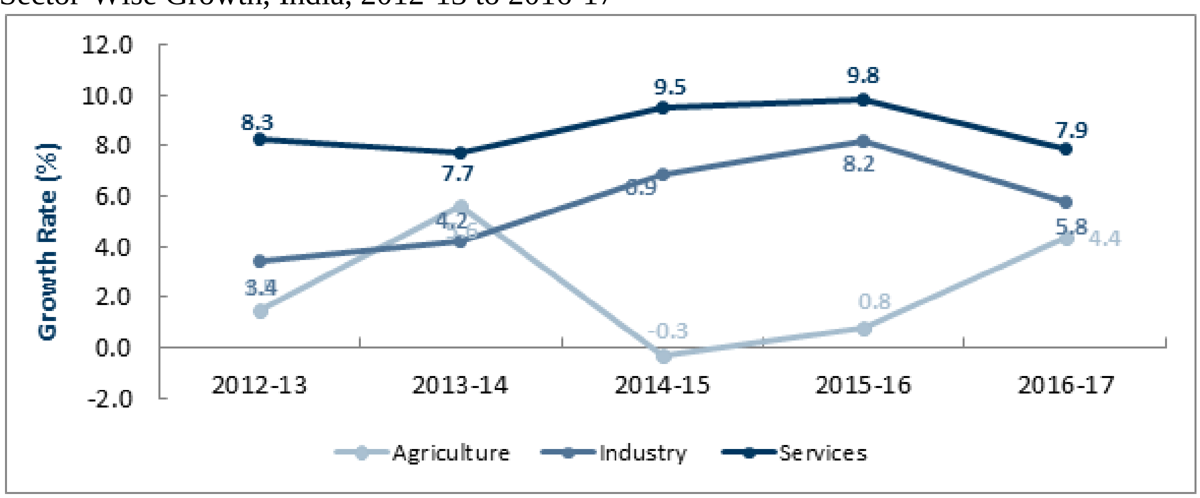
Note: PE refers to Provisional Estimates; F- Forecast

(Source: Ministry of Statistics and Programme Implementation, World Bank, F&S Report 2017)

Services Sector

The service sector has been a key growth engine for India's prosperity. The service sector grew at an average of 8.8% during 2011-12 to 2016-17, much higher than the average industry growth of 5.7% and average agriculture growth of 1.9% during the same period. As per the first advance estimates of the Central Statistics Office (CSO), the services sector is expected to grow at 8.8% in 2016-17. Moreover, at 53.66% of the GDP (MOSPI: 2017 estimates) service industry is the largest contributor to GDP and has been the fastest growing segment amongst the three key sectors historically.

Sector-Wise Growth, India, 2012-13 to 2016-17



(Source: MOSPI, F&S Report 2017)

The growth of the service industry has been affected by macroeconomic triggers such as subdued global demand for goods and services and temporary impact of structural reforms like demonetization. However, these impacts have been fading and the recovery has been much faster. Illustratively, the slowdown in investment activity and a worsening of business sentiments coupled with high inflation saw industrial growth fluctuating from 3.4% in 2012-13 further rising to 8.2% in 2015-16 and then dipping again in 2016-17 to 5.8%. In contrast, the growth in the service sector has remained in the 7.5-9.5% range during the same period indicating steady growth and continued buoyancy in the sector.

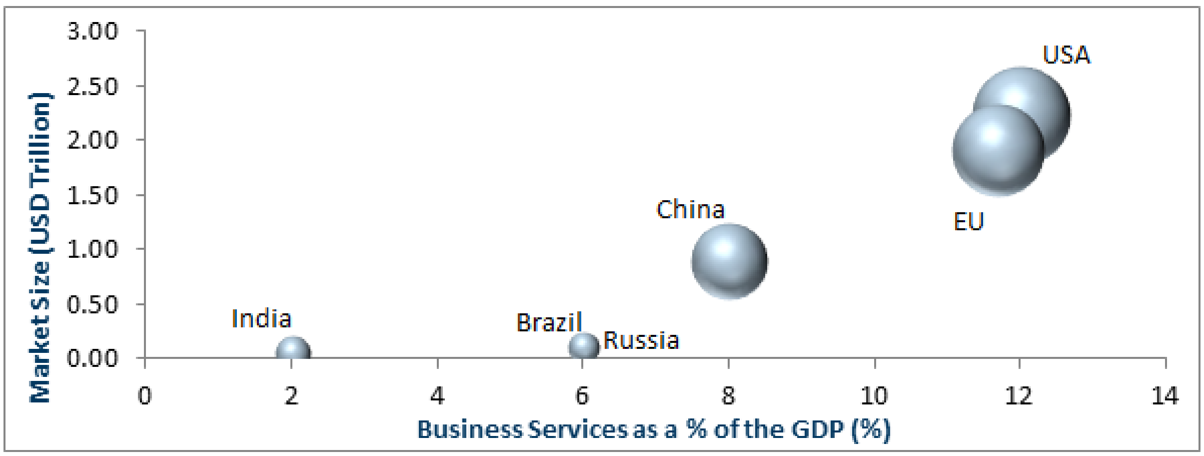
The service sector also remains a key destination sector for FDI highlighting its long term potential. Additionally, it provides significant employment opportunities in an economy that is undergoing a structural transition from primarily being an agricultural economy to that of a service economy.

Business Services Sector

Business Services are defined as non-core processes that are outsourced to a third-party company. It includes professional services, technical services and operational support services

Business services sector has registered high growth in the last decade globally, as companies strived to run their businesses more effectively and efficiently. Initially low-skilled and routine jobs were outsourced; but today as companies are increasingly using technology and data to enable them to provide better customer services, they are partnering with business service companies for a wide range of more complex and high-skilled activities that include pooling capabilities and resources to drive innovation and significant growth.

Business Services Market Attractiveness, Global, 2016-17



Note: Bubble size represents the GDP of that country in USD Trillion
(Source: IMF, European Commission, F&S Report 2017)

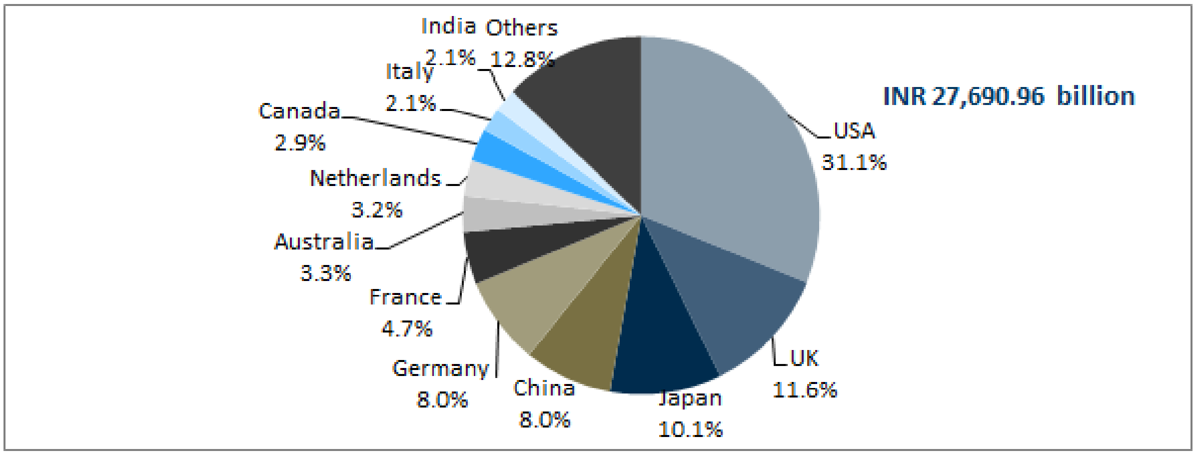
Although India is a USD 2.0 trillion economy, business services as a percentage of GDP is only at 2.0% compared to other BRIC nations such as Russia, Brazil and China where business services as a percentage of GDP is over 6%. Further, developed economies such as the USA and EU have business services as a percentage of GDP at above 11.0%. Given the low penetration of business services - India provides huge propensity to outsource non-core business activities. This sector in India will see volume growth driven by economic growth and increase in penetration rates as more companies tend to outsource processes. These developments augur well for leading integrated business service providers.

Human Resource Solutions Market

In order to focus on core business processes, Indian companies have begun to outsource activities that are non-core to their business function. HR departments of Corporates have taken to outsourcing many of their functions choosing instead to focus on value addition to the business. Functions outsourced include Recruitment (Permanent and Temporary – Flexi staffing), Payroll, Benefits Management, HR Compliance, Attendance Management etc. Increasing complexity of HR activity, an evolving regulatory regime, and constant pressure to expand margins has led to the growth of the HR Solutions Outsourcing market in India. Evolving business requirements of niche skills along with rapid business growth have further stretched internal HR teams, leading to the rapid growth of specialist staffing intermediaries. Players in the Indian HR Solutions Outsourcing market while enjoying high growth, face challenges in the form of high attrition rates, pressure on working capital, compliance risk with labour laws and technology disruption.

Economic uncertainty, growing complexity of regulatory policies and laws, shortage of skilled labour, and growth of technology are defining trends of the HR Solutions and staffing market. The global HR solutions outsourcing market is valued at ₹ 30,874.68 billion in 2015; staffing segment (commonly referred to as agency work or temporary staffing) is estimated at ₹ 27,690.96 billion, and accounts for 89.7% of the total HR solutions outsourcing market. The USA is the world's largest staffing market and accounts for 31.1% of the global staffing market. The United Kingdom (UK) and Japan are ranked second and third respectively with a combined share of 21.7% of the global market. India accounted for 2.1% of the global market in 2015.

Country Break-down of Staffing Market, World, 2015

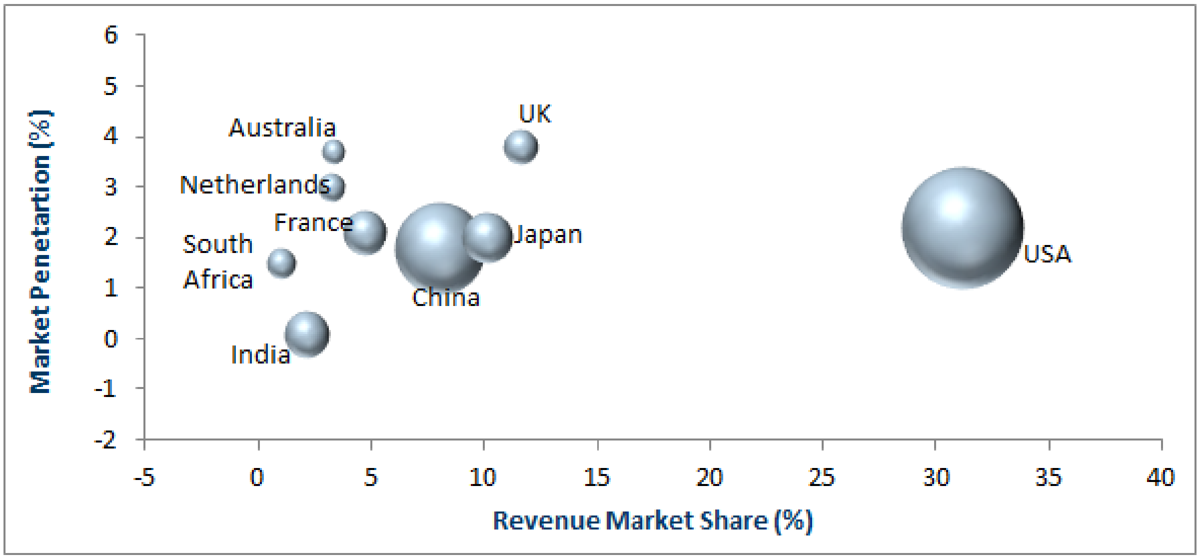


(Source: World Employment Confederation's Economic Report, Ciett, Staffing Industry Analysts and Frost & Sullivan Analysis, F&S Report 2017)

The temporary staffing market penetration (as compared to the overall labour market) in India is only 1.7% in 2015. The top three markets in terms of market penetration rates are UK (3.8%), Australia (3.7%) and New Zealand (3.5%).

In 2015, approximately 43.32 million temporary staff was employed globally. The USA accounted for 36% of the temporary staff followed by China with a share of 20%.

Staffing Market Attractiveness, World, 2015



Note: Bubble size represents the number of flexi staff in that country
(Source: World Employment Confederation's Economic Report, Ciett, Staffing Industry Analysts, and Frost & Sullivan Analysis, F&S Report 2017)

The USA is the largest market for flexi or temporary staffing. Businesses have realized that the temporary staffing workforce offers competitive edge with a wider access to large pool of candidates with specialized skills. The regulatory environment in countries such as the USA and the UK also has a significant influence on the growth of the temporary staffing market. Flexible labour laws with limited restrictions and market driven approach have resulted in higher penetration rates.

Indian Staffing Market Outlook

With increasing competition, margin pressures and shortage of skilled manpower, more temporary jobs are expected to be created. Workforce flexibility and ready availability of a large employable workforce are expected to be key drivers for the temporary staffing market in India. Flexi staffing assists user companies in employing and matching resources commensurate to the project in a timely manner, and therefore, gaining more control over payroll management. Employees or candidates believe that temporary jobs make them more employable with an eventually opportunity to avail a permanent job by the user companies. As industry becomes familiar with the benefits associated with temporary staffing and regulatory regime is rationalised, more experienced staff may join the temporary staffing segment.

Regulatory Impact on the Staffing Market

Laws governing employment in India were framed in the context of manufacturing and industrial sector, to protect workers from exploitation by the owner. Further, the laws do not address the fundamental shift towards services in the Indian economy with the service sector contributing significantly more to India's GDP as compared to industrial and agricultural sectors. Lack of a unified labour code with a single set of definitions leads to operational, implementation, and compliance issues.

Given the low regulatory supervision, there is ample scope for small contractors to offer temporary staffing services without adhering to statutory compliance norms. The legal framework for staffing industry, particularly the temporary staffing, has to evolve to accommodate tripartite relationship between employer, user companies and temporary staffing agencies.

It is widely expected that the future holds significant and substantial labour law reforms at a central level. Some state governments like Rajasthan, Madhya Pradesh and Haryana, have taken the initiative of introducing changes in labour laws to attract business investment.

Recent Reforms in Labour Laws, India, 2015-2016

Reform	Remarks
Shram Suvidha Portal	An online portal to file self-certified online compliance report for 16 Central labour laws.
Labour Inspection Scheme	Randomly selected units will be inspected from a computerised list, eliminating the individual discretion in the process.
Universal Account Number Scheme	Portable and universal access to employee's PF accounts and consolidation of their inoperative or previous accounts.
Apprentice Protsahan Yojana	Increase in minimum salary of apprentices and supporting Micro-Small-and Medium enterprises by reimbursing 50% of the apprentice's stipend for the first 2 years.
Revamped Rashtriya Swasthya Bima Yojana	Issuance of smart cards and provision of secondary healthcare to unorganized sector workers.

(Source: Clyde & Co, Ministry of Labour and Employment, F&S Report 2017)

The Ministry of Labour & Employment has been working on simplification, amalgamation and rationalization of Central Labour Laws and replacing them with 4 Labour Codes viz. Code on Wages, Code on Industrial Relations, Code on Social Security & Welfare, and Code on Occupational Safety, Health & Working Conditions. For example, it is expected that the Code on Social Security & Welfare would simplify social security compliance by amalgamating all existing Labour Laws related to Social Security (total 15 Labour Laws including EPF Act, ESI Act, Maternity Benefit Act, Payment of Gratuity Act, Employees Compensation Act, Unorganised Social Security Act, and various Welfare Cess /Fund Acts). This is still a work in progress with the government expected to table the bill in the upcoming monsoon session of the parliament.

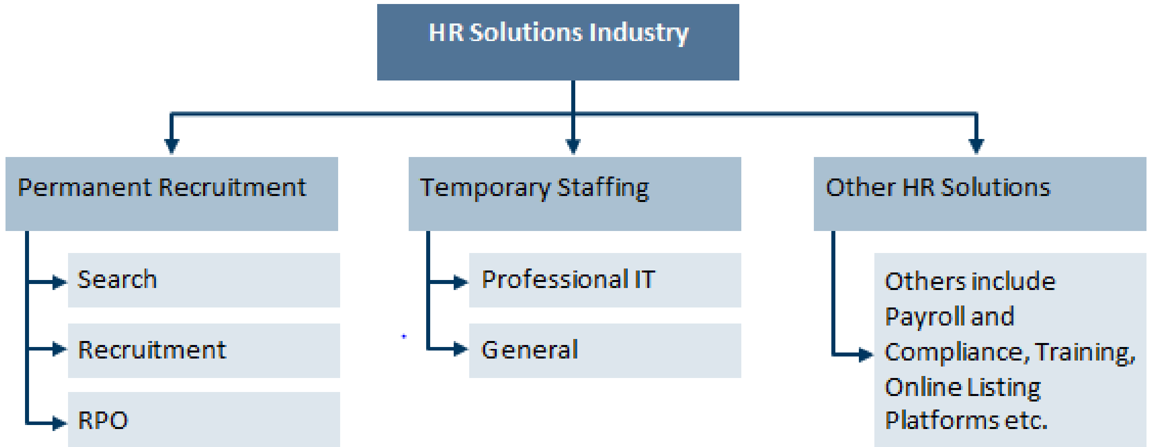
Impact of GST on Staffing Sector

The advent of GST in India is expected to trigger the transformation of the staffing industry from unorganized to organized staffing providers. This will also bring in transparency through amplifying the tax base where clients are expected to use formal banking channels to pay for their manpower requirements as opposed to the current practice of cash payment in certain cases, which is driving the unorganized market. Organized staffing companies are expected to benefit as GST compliance kicks into sectors such as real estate, construction and infrastructure and manufacturing where informal staffing is heavily prevalent. The widening of tax base under GST is expected to force the informal staffing companies to improve their processes and compliance levels thereby increasing their cost of business.

It is expected that these reforms will have a positive impact on the services market. The simplification of labour laws would facilitate the penetration of organised players across service segments. Companies with higher GST compliance scores to be preferred resulting in a shift towards organised companies.

HR Solutions Market in India

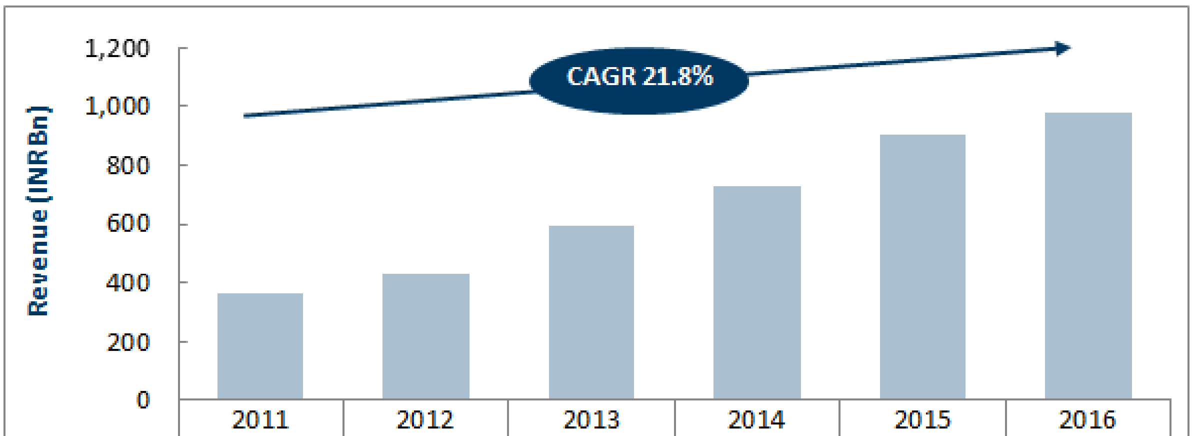
HR Solutions Industry Structure, India, 2016



Source: Frost & Sullivan Analysis, F&S Report 2017)

The total HR Solutions market size in 2016 is estimated at ₹ 980.22 billion. The market grew by a CAGR of 21.8% from 2011 and 2016.

HR Solutions Market – Historic Revenue Trend, India, 2011-2016

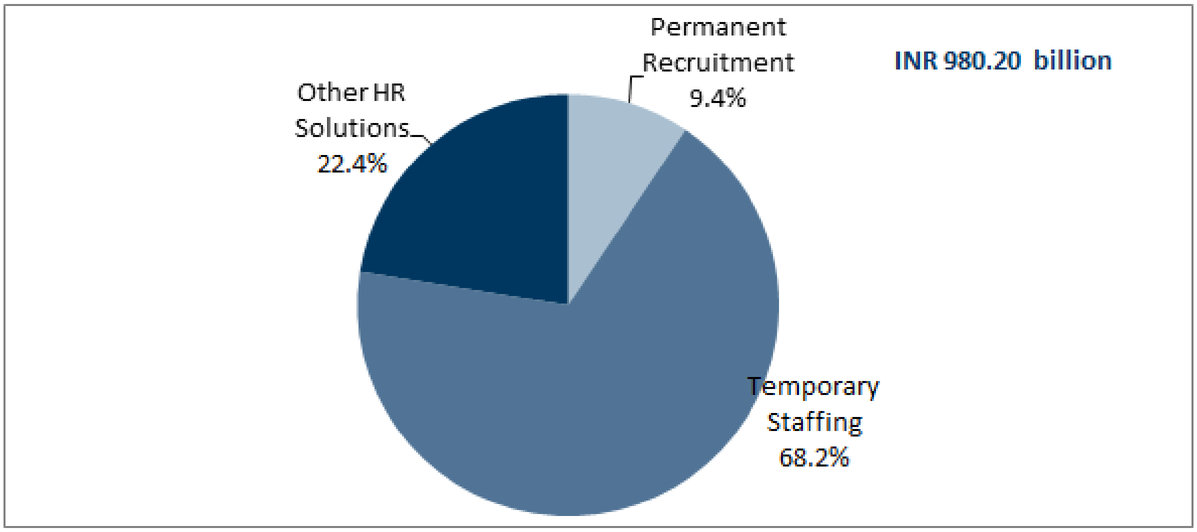


	2011	2012	2013	2014	2015	2016
Revenue	366.4	430.3	593.4	731.8	905.4	980.2

(Source: Ministry of Statistics and Programme Implementation and Frost &Sullivan Analysis, F&S Report 2017)

The temporary staffing (which includes professional IT staffing and temporary general staffing) segment is the largest in terms of value and volume and accounts for 68.2% of the total market. Permanent recruitment, accounts for 9.4% of the market. Other HR Solutions such as Payroll and Compliance, Employment Training, Online Job Portals etc. account for 22.4% of the overall market.

HR Solutions Market Breakdown by Segments, India, 2016



(Source: Frost & Sullivan Analysis, F&S Report 2017)

Temporary and General Staffing

With greater focus on cost and time efficiency, companies across sectors are opting for contractual workforce / temporary staff. The temporary general staffing industry in India operates on the basis of a tri-party agreement between the staffing intermediary, the worker, and client/user organisation. The workers are hired by the staffing agencies to work under the direct supervision of client companies. However, the workers remain on the payroll of the staffing intermediary.

The organised market is largely driven by MNCs such as Adecco, Randstad, Kelly Services, Manpower Group and national players such as Teamlease Services and Ikya Human Capital Solutions (a division of Quess Corp Limited). Based on the staff count, Teamlease and Ikya Human Capital solution (a division of Quess Corp) are the top 2 players in general staffing in India.

Temporary General Staffing Market - Staff Count by Staffing Companies, India, 2016

Rank	Company Name	Associate/ Flexi-staff Count
1	TeamLease	125,207
2	Ikya Human Capital (a division of Quess Corp Limited)	110,000
3	Adecco	100,000
4	Randstad	60,000
5	Genius Consultants	50,000
6	Global Innovsource Solutions	50,000
7	Manpower Group	38,000

(Source: Company Websites, Annual Reports, F&S Report 2017)

After recovering from the economic meltdown in 2008-09, the market has bounced back with more and more companies looking for organized staffing and workforce solutions. It is estimated that currently there are 2.39 million temporary workers in the organized sector that are staffed through intermediaries. The temporary general staffing market in India is estimated at ₹ 500.33 billion in 2016.

Temporary General Staffing Market in India - Market Drivers (2017-2021)

Driver	Impact		
	1-2 Years	3-4 Years	5-7 Years
Operational issues and compliance	High	High	High
Shift to staffing model	High	High	High
Growth in demand for skilled labour	Low	High	High

(Source: Frost & Sullivan Analysis, F&S Report 2017)

Organisations may not always have the resources or the ability to manage operational and compliance issues related to labour. The need to have flexibility in hiring while managing operational and compliance issues is driving clients to increasingly adopt temporary staffing.

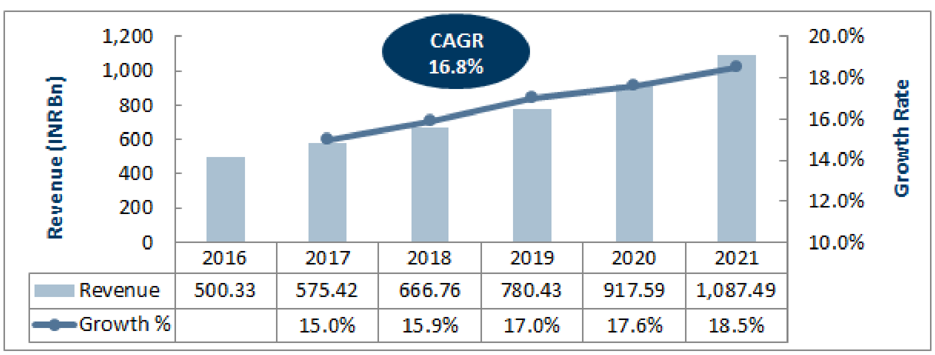
Employers, especially in the services sector are increasingly open to using the staffing model to deploy the workforce.

The NSDC report on Human Resource and Skill Requirement points out that almost 97.0% of the workers aged between 15 and 65 do not have training before they start working. This growing demand for skilled labour is opening up the market for temporary general staffing. Emergence of a young working population that is hungry for employment is also favouring the growth of the temporary staffing market.

Market Forecast

Demand for skilled labour in the market and the inclination of companies to work with intermediaries will be driving the temporary staffing market over the next five years. This growth will be triggered by demand for temporary workers in telecom, e-commerce, retail, FMCG, construction, healthcare and BFSI sectors.

Temporary General Staffing Market - Revenue Forecasts, India, 2016-2021



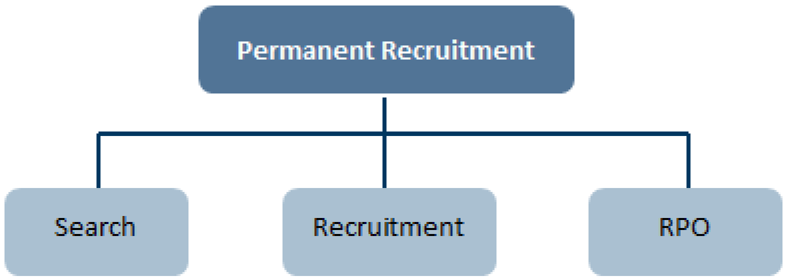
(Source: Frost & Sullivan Analysis, F&S Report 2017)

The market for temporary general staffing in India is expected to grow at a CAGR of 16.8% between 2016 and 2021 to reach an estimated ₹ 1,087.49 billion by 2021.

Permanent Recruitment Market

Permanent recruitment comprises of two main segments, ‘search’ and ‘recruitment’. Search is a niche category focused on hiring of CXO and Board level positions in an organization. Recruitment is mainly attributed to mid- and junior/entry-level hiring. RPO is a service where the provider/agency acts as company’s internal recruitment function for all or part of its recruitment activities.

Permanent Recruitment Market - Industry Structure, India, 2016



(Source: Frost & Sullivan Analysis, F&S Report 2017)

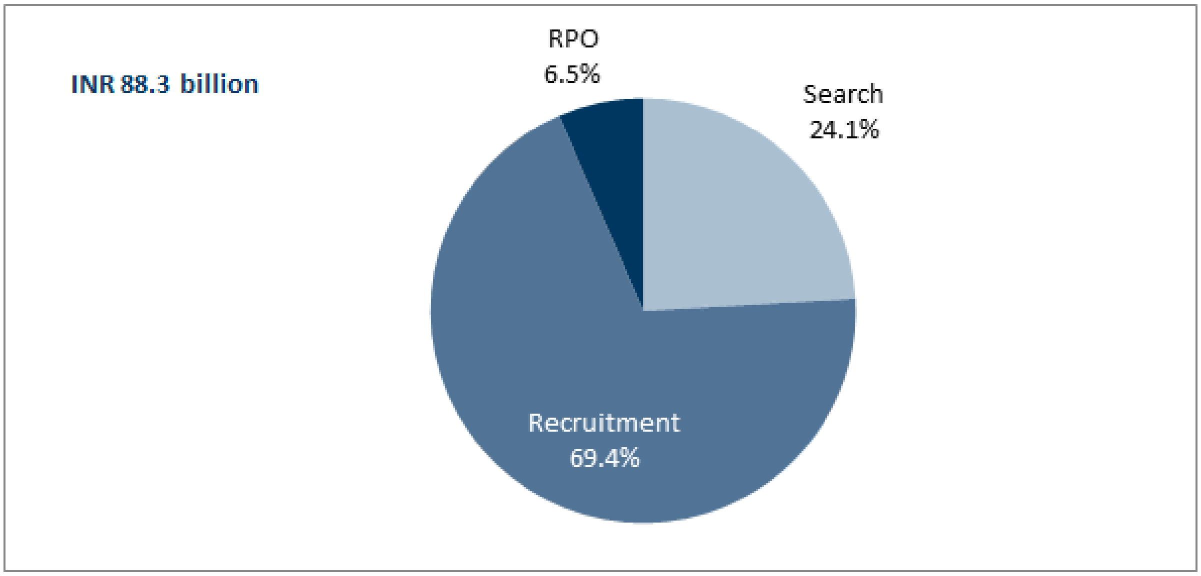
Major Players and Profiles

Market for permanent recruitment is quite fragmented with large MNCs such as Kelly Services and Michael Page, along with large Indian companies such as ABC Consultants, Randstad India (Ma Foi) dominating the market. There are numerous regional and local recruitment consultants dotting the market. Top executive search firms include Egon Zehnder International Inc., Russell Reynolds Associates Inc., Spencer Stuart, Michael Page International Plc, Korn Ferry and Heidrick and Struggles International Inc.

Market Size and Overview

Recruitment forms a substantial part of the permanent recruitment segment catering to the junior and mid-level positions. The market for permanent recruitment is estimated at ₹ 88.3 billion in 2016.

Permanent Recruitment Market - Breakdown by Type of Recruitment, India, 2016



(Source: Frost & Sullivan Analysis, F&S Report 2017)

RPO

Globally, companies have recognized and incorporated RPO as an integral part of their HR function and have derived significant cost synergies. RPO is however still at a nascent stage in India with organisations evaluating the pros and cons of incorporating RPOs as part of their HR strategy. Some of the companies active in this space are Randstad, People Strong, ABC Consultants and Kelly Services.

Payroll and Compliance

Payroll processing involves processing of the compensation of employees including salaries, advances, reimbursements, computation of taxable deductions and withholding of tax and other statutory dues.

The third-party payroll processing option fits businesses that may not have the proficiency or time to administer payroll and see outsourcing as a cost-saving technique. Further, third party payroll processing firms deploy latest technology, increasing efficiency for both themselves and their customers.

HR Compliance in any organisation includes activities such as statutory registrations and timely filing of accurate returns as required under applicable statutes, on-going audits to evaluate the level of compliance and setting up systems and processes to ensure that the organisation stays compliant with the regulations applicable to it.

HR Compliance was in the past the preserve of the HR department of companies. With HR managers grappling with more strategic focus areas, routine legal compliance activities are viewed as non-core functions that can be outsourced. All of this coupled with the chronic understaffing of HR departments has resulted in the increasing outsourcing of the HR Compliance function to specialists.

Strategic focus on core business, organisation’s expanding manpower and geography, cost pressures, and the quality of outsourced services are the driving factors for the growth of payroll and compliance outsourcing market in India.

Key Market Trends

Increasing adoption of Global Service Providers/ Multi-Country Payroll Outsourcing (MCPO):

- Globalisation has driven many Indian companies to expand geographically. As businesses grow, the organisations are looking at outsourcing their payroll and compliance to a service provider with global presence.

- Increasing adoption of MCPO among MNCs in India has been driven by realisation of cost reduction, compliance, improvements in management control and insight, vendor consolidation, expansion into newer geographies and technology rationalization.
- Technology advancements such as aggregated solutions which offer separate country level software systems to process payroll for each country have also led to the adoption of MCPO.

The top companies in the payroll and compliance market include ADP India Pvt. Ltd, Excelity Global (Formerly the payroll business of Aon Hewitt), Allsec Technologies Ltd and Aparajitha Corporate Services (P) Ltd. Further, there is a large unorganised segment comprising of "mom and pop" out fits and accountancy firms that offer customised payroll and compliance outsourcing services to their clients.

Payroll and Compliance Market – Competitive Mapping of Companies and Competitive Structure, India, 2016

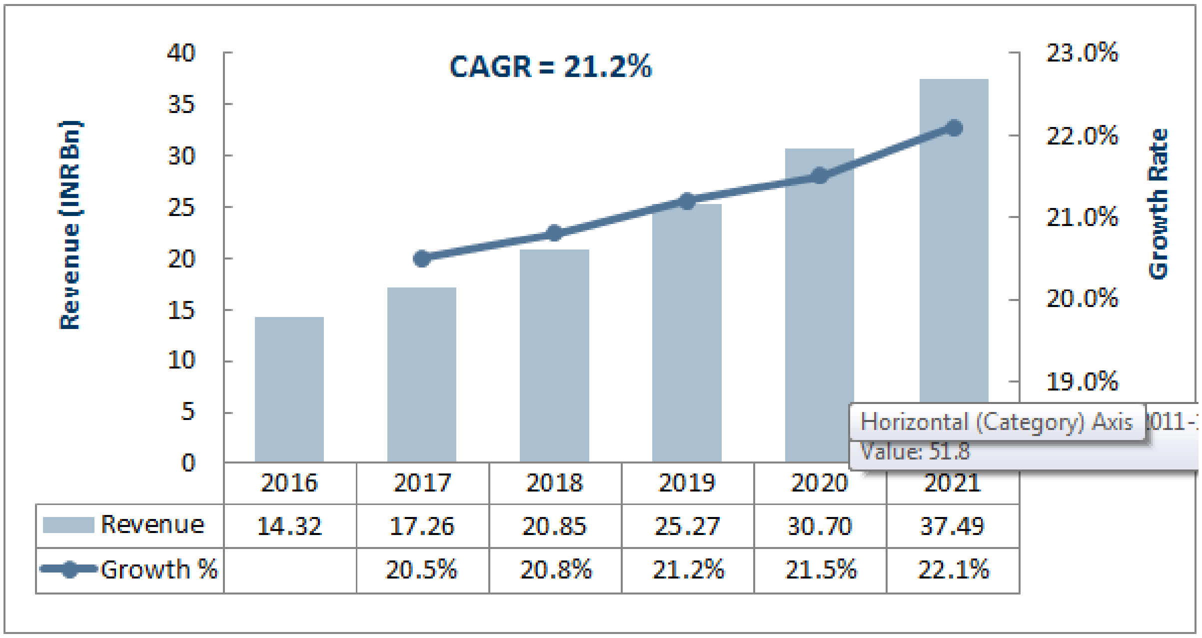
P&L Cost Items		Quess	Competition	Other Global Peers in the Payroll and Compliance Segment
Payroll and Compliance	*Compensation and benefits*	✓	▪ ADP ▪ Sodexo ▪ ISS	▪ Ceridian HCM, Inc ▪ TMF Group ▪ BDO International Limited ▪ activpayroll Ltd
	Compliance	✓	▪ Aparajitha	

(Source: Company websites, F&S Report 2017)

Market Outlook and Forecast

Payroll and Compliance market is expected to grow at a CAGR of 21.2% between 2016 and 2021 to reach ₹ 37.49 billion.

Payroll and Compliance Market - Revenue Forecasts, India, 2016-2021



(Source: Frost & Sullivan Analysis, F&S Report 2017)

Movement from manual processing to technology enabled computations has allowed third party service providers to leverage economies of scale to improve service while reducing costs. The emergence of cloud based solutions making available payroll solutions on SAAS basis has allowed third party service providers to rapidly scale up capacities keeping pace with the growth requirements of clients. The range of services offered has also expanded to include value-added services such as mobility, analytics, time and attendance and expatriate payroll.

Small and mid-sized businesses are waking up to the cost savings potential of outsourcing their payroll and compliance functions. The emergence of cloud based solutions has made these services even more affordable and customisable to their needs.

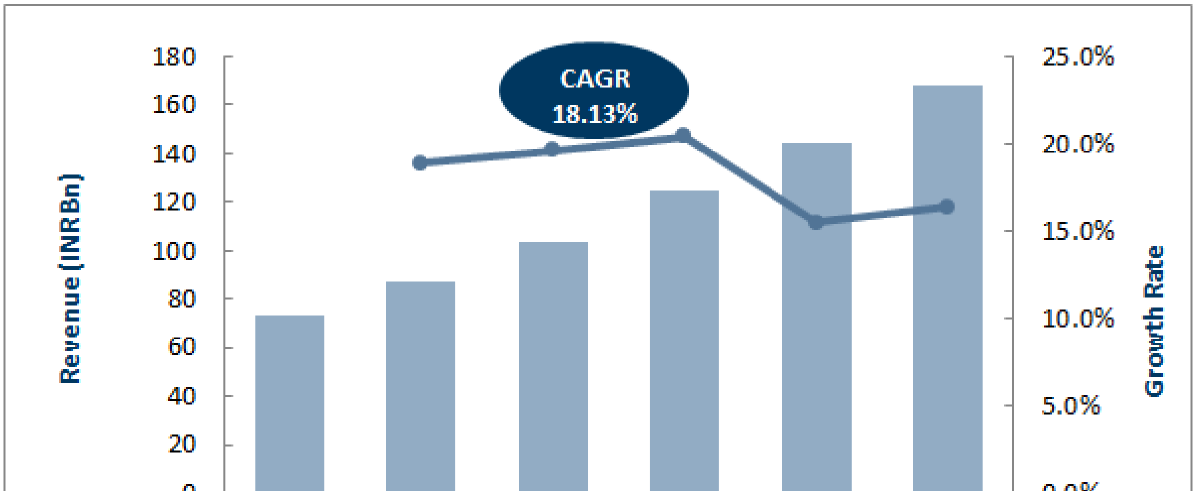
IT and ITES Staffing

Professional IT-staffing involves providing of skilled IT workers, on contract, by staffing intermediaries to end-user companies for a defined duration. Based on a contractual agreement, staffing agencies screen, hire and deploy IT professionals to the customer's site. The contracts are either time-based or project-based where the salaries and other benefits of professional flexi-staff are met by the staffing company.

Market Overview

IT companies as norm have 70–75% of the employees deployed in projects with the remaining 25–30% on the bench awaiting deployment. The professional IT staffing market in India for the year 2016 is estimated to be ₹ 168.2 billion, registering a CAGR of 16.0% from 2014 and having grown at CAGR of 18.13% since 2011. The slowdown in 2015 and 2016 was due to the downturn in the broader IT industry, which resulted in lower headcount additions.

Professional IT Staffing Market – Historic Revenue Trend, India, 2011- 2016



	2011	2012	2013	2014	2015	2016
Revenue	73.1	86.9	103.9	125.0	144.4	168.2
Growth %		18.9%	19.6%	20.4%	15.5%	16.4%

(Source: Frost & Sullivan Analysis, F&S Report 2017)

According to NASSCOM, IT industry added 1.7 lakh jobs in 2016-17 with hiring seen in some of the large marquee IT companies. The percentage of temporary manpower in the total manpower ranges between 10 to 15% in leading Indian IT companies. The slowdown in IT is being driven by the shift towards automation and rapid shift in technology which the incumbents are not equipped to handle. This is expected to result in a push towards increased temporary staffing, as clients access niche talent through staffing while keeping the workforce lean as automation takes over plain vanilla IT jobs. We expect IT companies to channel an increasing proportion of new hires through temporary staffing by IT staffing companies. In the next five years, the temporary staffs are expected to account for 40.0 – 45.0% of the total head count across IT companies.

Market Drivers

Professional IT Staffing Market - Market Drivers, India, 2017-2021

Driver	Impact		
	1-2 Years	3-4 Years	5-7 Years
Growth in IT Industry	High	High	High
Focus on Margins and Profitability	High	High	High

(Source: Frost & Sullivan Analysis, F&S Report 2017)

Growth in IT Industry: IT industry is one of the key service sectors in India. India's cost competitiveness in IT drives the export market with the country accounting for 56.0% of the global IT industry in 2015-16. The industry employs more than 10.0 million people and is expected to create 1.5 lakh new jobs in 2017-18.

Apart from the growth of the IT outsourcing market, increasing global captive centres or offshore delivery centers (ODCs) are also driving the growth of the professional IT staffing market in India. NASSCOM states that there are about 1,100 captive centers in India generating revenue of ₹ 1,545.60 billion (USD 23.00 billion) in 2016-17. The captive centers' revenue grew by 14.1% between 2013-14 and 2016-17. Some of the MNCs who operate captive centers in India are Accenture, AT&T, Cisco, IBM, Intel, Microsoft, Motorola, and Oracle. This trend of MNCs setting up captive centers in India and expanding their existing operations is expected to continue, going forward.

The need to rapidly ramp-up headcount without significant reliance on bench strength would mean that IT companies would have to significantly rely on temporary staffing to meet their recruitment requirements.

Focus on Margins and Profitability: The Indian IT industry has been an early adaptor to the practice of temporary staffing.The industry has modified its hiring policies in favour of temporary staffing, because of the cyclical growth witnessed in past and to keep the costs under check.

Major Players

The IT Staffing landscape in India is dominated by international and strong national players with local companies. Major players in this segment include Magna Infotech (a division of Quess Corp Ltd), Manpower, Collabera, Artech, SourceOne and Datamatics. Magna Infotech is the largest IT staff augmentation provider in India.

Professional IT Staffing Market - Associate Count of Select Staffing Companies, India, 2016

Rank	Company Name	Associate/ Flexi-staff Count
1	Magna Infotech (a division of Quess Corp Limited)	10,000
2	Manpower Group	3,000

(Source: Company Websites, Annual Reports, F&S Report 2017)

Professional IT Staffing Market – Competitive Mapping of Companies, India, 2016

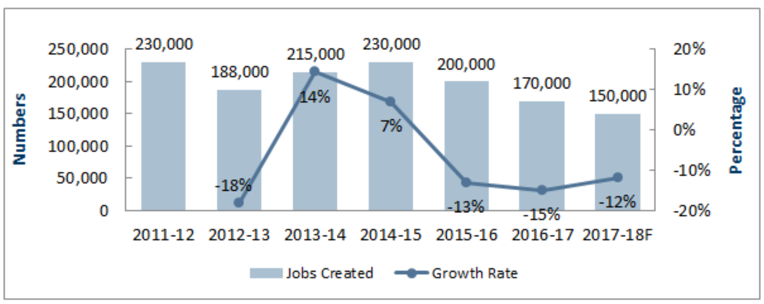
P&L Cost Items		Quess	Competition	Other Global Peers in the Staffing Segment
Staffing	*Direct Labor*	✓	• Randstad • Adecco • Teamlease	• Gi Group • Kelly Services • Robert Half International • Interserve • Volt Consulting Group
	Marketing Services	✓	• Adecco • Teamlease	
	IT Services and Maintenance	✓	• Manpower • SourceOne	
	Training & Skill Development	✓	• ILFS Skills • Datapro Computers	

(Source: Company Websites, F&S Report 2017)

Market Outlook and Forecast

Margin pressures, automation and increased productivity have reduced the pace of new job creation. Reduced hiring forecast is prevalent particularly in the middle-management roles and entry-level positions.

Hiring by IT Industry, India, 2011-12 – 2017-18

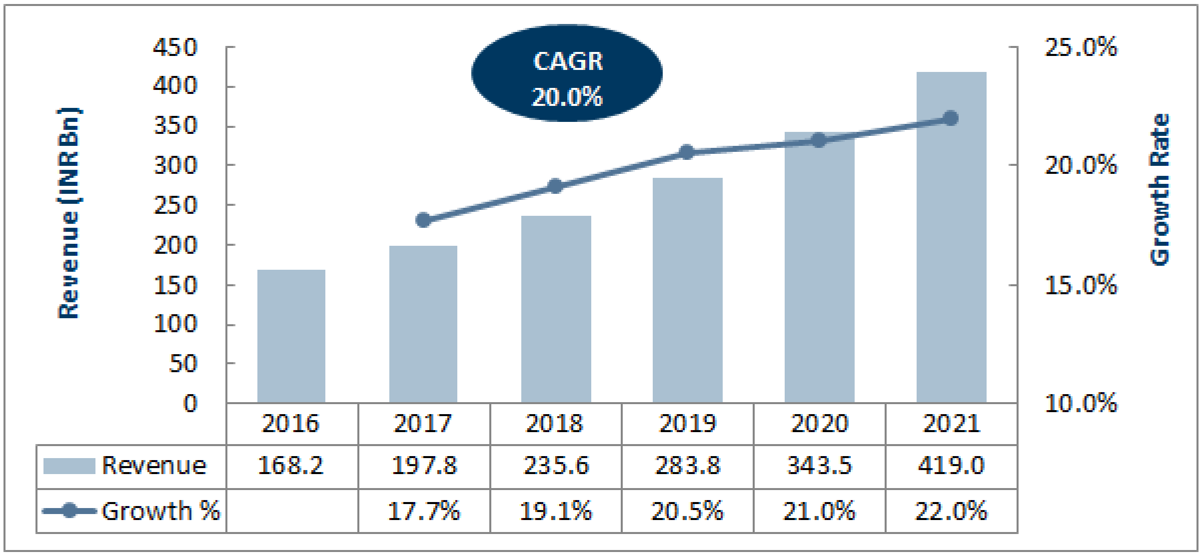


(Source: NASSCOM, F&S Report 2017)

However, there is a growing demand for domain expertise and niche skill sets. This should actually give fillip to staffing firms who have access to a deeper resource pool of candidates. We expect profit margins of IT staffing companies to increase by 3.0 - 5.0 % in the next five years.

Further, captive centers in India are moving up the value chain to manage complicated high-end processes rather than back-end work and call center operations. This is creating hiring demand for experienced IT professionals. With shift in captive centers' focus, staffing companies are expected to play an increased role in manpower management of Indian IT industry.

Professional IT Staffing Market - Revenue Forecasts, India, 2016-2021



(Source: Frost & Sullivan Analysis, F&S Report 2017)

The Professional IT staffing market is expected to grow at a CAGR of 20.0% between 2016 and 2021 to reach ₹ 419.0 billion. Currently, temporary staff account for only around 5.0% of the overall workforce in an IT company, which is very low as compared to 20.0% in developed nations, indicating sufficient headroom for growth.

Professional IT staffing market in North America

Macro-Economic Outlook

The United States economy grew at 1.6% in 2016 vs. 2.6% in 2015 (growth in real GDP). Although the activity was held back in 2016 by inventory adjustment and weak investment, economy regained momentum in second half of 2016 with strong job creation, solid growth in disposable income and robust consumer spending. IMF projects growth of 2.3% and 2.5% in real GDP in 2017 and 2018 respectively assuming fiscal easing and uptick in confidence which will reinforce cyclical momentum. The Canadian economy grew at 1.4% in 2016 compared to 0.9% in 2015 (growth in real GDP). IMF projects a further growth of 1.9% and 2.0% in real GDP in 2017 and 2018 for Canada because of upturn in commodity prices, supported by accommodative monetary policies and increased infrastructure investment. Canada's economy also stands to benefit from stronger US outlook and appreciation of US dollar. *(Source: International Monetary Fund)*

North American IT Staffing Market Overview

Information Technology Staffing, alongside office/clerical and industrial staffing is amongst the biggest sub segments of the temporary staffing industry in both Canada and US. With a market size of USD 28.6 billion and CAD 2.1 billion it forms 24% and 26% of the overall temporary staffing industry in the US and Canada respectively. *(Source: Staffing Industry Analyst (SIA))*

IT staffing in North America is characterized by significant shortage of skilled workers as reflected in the fill rates (24% compared to 70% for the overall staffing industry in the North America) and high time-to-fill metrics for the industry (10 days compared to 5 days for the overall staffing industry in the North America). This skill shortage translates into high margins for the IT staffing business (aggregate gross margin of ~25% in US). *(Source: SIA).*

Top 5 IT staffing companies contribute to 30% of the IT temporary staffing market with the market share remaining fairly stable

Seven biggest IT staffing firms by IT Staffing revenue in US		
Company	**2015 U.S. IT Temp. Staffing Revenue ($M)**	**Market Share**
Allegis Group (TEKsystems)	3,242	12%
On Assignment	1,528	6%
Insight Global	1,417	5%
Randstad Technologies	1,123	4%
Kforce	949	3%
ManpowerGroup (Experis)	900	3%
Adecco (Modis)	702	3%

Market Attractiveness

Globally, of the 60 international staffing markets assessed by SIA in Feb 2017 (based on parameters shown in the table below), Canada and USA ranked fourth and eleventh respectively.

	Country	Market Size	Protection of Permanent employees	Regulations on Temporary Agency Work	Ease of Doing Business	Economy (GDP 2017 - 2021)	Staffing Market Growth 2017	Long Term Growth Potential	Market Competition	Political Stability	Higher Education & Training	2017 score (2016 score)
1	Ireland	6	6	9	9	5	6	7	7	9	9	73 (75) ↓
2	Sweden	7	7	9	10	4	7	7	3	10	8	72 (74) ↓
3	Denmark	5	6	8	10	3	9	8	1	10	9	69 (71) ↓
4	Canada	8	4	10	9	4	3	8	4	10	8	68 (71) ↓
5	Finland	5	5	7	9	3	8	7	3	10	10	67 (66) ↑
-	Malaysia	3	2	10	9	8	8	10	3	7	7	67 (67) →
-	Netherlands	9	8	9	8	3	5	4	1	10	10	67 (67) →
8	New Zealand	5	1	10	10	5	4	9	3	10	9	66 (66) →
9	Germany	9	9	7	9	3	5	5	1	9	8	65 (68) ↓
-	Italy	9	8	6	7	2	3	8	9	7	6	65 (67) ↓
11	Australia	9	6	9	9	5	2	3	2	10	9	64 (67) ↓
-	South Korea	6	5	6	10	5	5	9	4	7	7	64 (68) ↓
-	United States	10	3	10	10	4	3	5	1	9	9	64 (66) ↓
14	Austria	6	7	7	9	3	2	6	4	10	9	63 (61) ↑
-	China	9	9	6	5	9	10	2	4	4	5	63 (61) ↑
-	Estonia	2	6	4	9	5	4	8	8	9	8	63 (61) ↑
-	Japan	10	6	9	8	2	5	5	1	9	8	63 (63) →
-	Lithuania	3	6	4	9	6	4	10	6	8	7	63 (64) ↓
-	Poland	5	7	6	9	5	8	7	1	8	7	63 (63) →
-	Portugal	5	6	6	9	3	8	6	5	8	7	63 (63) →
-	Switzerland	8	7	9	8	3	2	6	1	10	9	63 (60) ↑

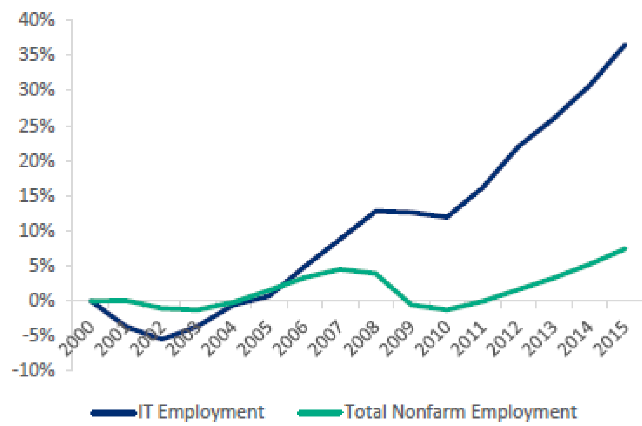
Canada and United States are among top 3 most liberal temporary staffing markets in the world. Regulatory burden on temporary staffing companies in the region is the lowest in terms of sector prohibitions, limits on the length of assignments and limits on the percentage of agency workers allowed. Organization for Economic Co-operation and Development (OECD) has quantified these regulatory restrictions to create a Temporary Workers Regulation Index for several countries which is reproduced in the table below (lower score reflects lesser regulatory burden).

Most attractive staffing markets by level of regulations on Temporary Agency Work		
Rank	**Country**	**Temporary Workers Regulation Index**
1	Canada	0.21
2	Malaysia	0.29
3	United States	0.33
4	United Kingdom	0.54
5	South Africa	0.58
6	New Zealand	0.92
7	Australia	1.04
8	Netherlands	1.17
9	Sweden	1.17
10	Ireland	1.21

Growth Expectations

Further, over the last 15 years, IT employment has grown at a much faster rate than that of overall employment in the US. From 2000 through 2015, total IT employment grew 36.6%, versus growth of just 7.55 in total nonfarm employment. This equates to a CAGR of 2.1% for IT employment compared to 0.48% for overall employment during the period. (*Source: U.S. Bureau of Labor Statistics and SIA*).

Growth in IT employment vs. total nonfarm employment in US, 2000-2015

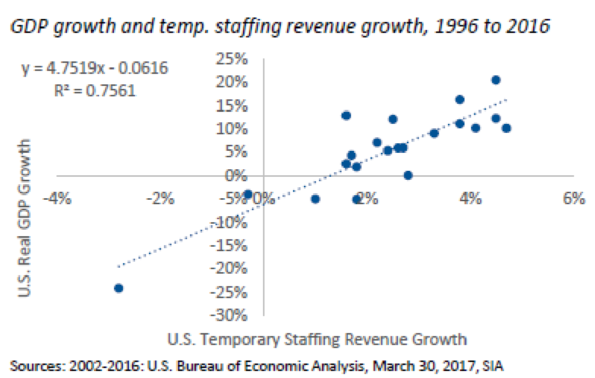


(Source: U.S. Bureau of Labor Statistics and Staffing Industry Analysts)

Outlook for 2017 and 2018

GDP growth is highly correlated with temporary staffing revenue growth (as shown in the below chart) (Source: SIA). With low GDP growth of 1.6% in US in 2016 the IT staffing growth slowed down to 4% compared to 7% in earlier year. The IMF has indicated a recovery in US GDP growth for 2017 and 2018 with the at 2.3% and 2.5% respectively. This is expected to have a positive impact on thje staffing industry growth rate. The same is reflected in SIA projections of 5% and 6% IT staffing revenue growth in 2017 and 2018 respectively.

According to the IMF, Canada's GDP is expected to grow by 1.9% and 2.0% in 2017 and 2018 respectively. The positive GDP outlook in reflected in SIA's forecasts of 4% growth in IT staffing revenue for each of 2017 and 2018 compared to 2% in 2016.



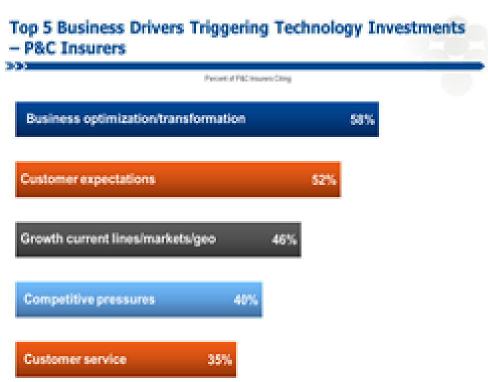
IT Solutions Market Outlook for the P&C Insurance Industry in North America

The Property and Casualty ("**P&C**") insurance industry is focused on providing coverage against risk of loss/damage of assets other than life and health. The industry is characterized by a distinct set of business functions, comprising of policy administration, claims processing, re-insurance, underwriting and product development. These functions requires customized IT solutions, thereby creating a niche sub segment in the broader Information Technology Industry, catering to the specific technology needs of P&C insurers. *(Source: SMA IT Spending Report)*

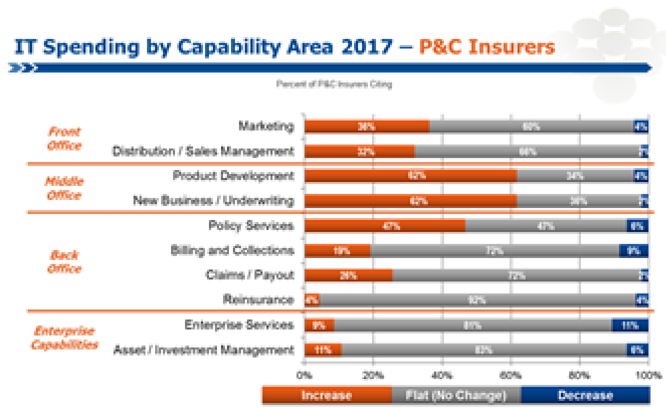
Insurer investments in technology have become increasingly strategic. In earlier phases, the focus of IT was on automation and improving efficiencies. The justification for investment was usually based on headcount reductions or reduced costs for physical supplies and facilities. While these elements are still important today investments have become more strategic and are centered on driving growth and creating market advantages. *(Source: SMA IT Spending Report 2017)*

Key Business Drivers for Investments

IT spending continues to trend upwards for North American insurers. Almost 66% of the insurers in the US are growing and transforming, making significant investments in technology. For insurers of all sizes, business optimization and transformation is the number one factor that is leading to investments in technology. Elevation of customers and agent expectations are other key business drivers. *(Source: SMA IT Spending Report 2017)*

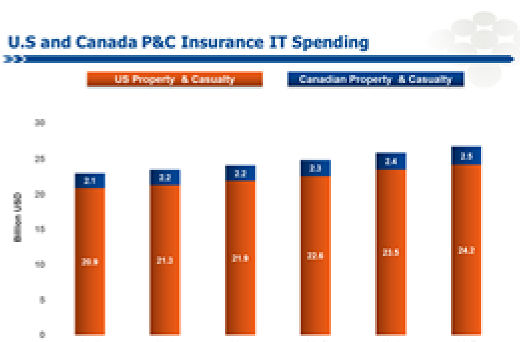


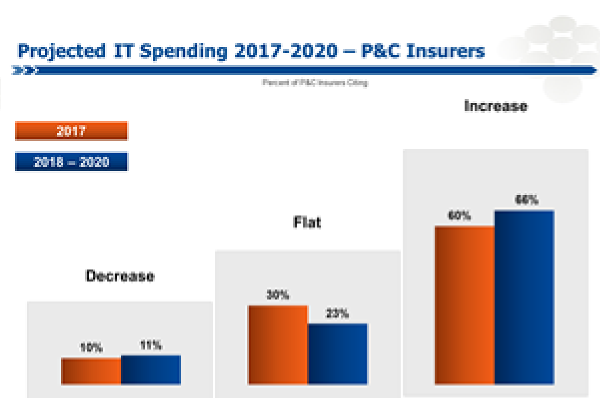
(Source: SMA P&C IT Spending Report 2017)



(Source: SMA IT Spending Report 2017)

Improving economic conditions provide opportunities for premium growth for North American insurers, although the outlook is mixed by sector, and profitability still may be challenged due to the investment environment. On the property and casualty side, more stringent underwriting and lower than normal catastrophe payouts have yielded sub-100 combined ratios for US insurers in the past years. *(Source: SMA IT Spending Report 2017)*





(Source: SMA P&C IT Spending Report 2017)

Professional IT staffing market in Singapore

Singapore is a high income economy with a GDP per capita of US$ 87,100 in 2016. With 2017 witnessing recovery in global trade, the GDP is projected to grow at 2.5% in 2017 and remain steady around 2.5% up to 2020 in view of growth oriented macroeconomic policies. Service sector has been the major contributor to the GDP of the economy with a share of 73.0% of total GDP in 2016. Electronics and information and communication sectors are driving the growth of the services sector in Singapore, along with financial and trade related services and transport and storage services. Service sector is also the largest employer in the country with 83.5% of the labour force working in this sector. The resident workforce in 2016 was at 61.0% of the total employed workforce in Singapore with foreign workers accounting for the remaining 39% of the employed workforce. *(Source: F&S Singapore Report 2017)*

Ministry of Manpower (MOM) are rolling out initiatives such as SkillsFuture and Lean Enterprise Development Scheme (LEDS) to ensure quality job creation, raise workers' adaptability, enhance inclusiveness and complementarity, and to build fair, progressive workplaces. As Singapore's economy stabilizes in 2017 due to ongoing economic restructuring, job creation is expected to increase, especially Information Technology (IT) related jobs, and the country is expected to add around 25,000 to 40,000 jobs annually for the next 3 to 5 years. *(Source: F&S Singapore Report 2017)*

Labour Market Outlook and Trends, 2017

Restructuring towards Innovation-based Economy	• Singapore is restructuring itself into a knowledge-based and innovation-based economy. Service sector, especially healthcare, IT, education, compliance and security are driving job creation.
Talent with Multiple Skillsets	• Rise of IT across sectors in Singapore is driving the demand for talent in digital, Science, Technology, Engineering, and Math (STEM) and analytical skills. Workforce with the right technical skillsets, and armed with soft and social skills will be in high demand in the future.
Focus on Training and Development	• Traditionally Singapore lags in vocational training, internships and apprenticeships. Continuous learning and development is very important for companies to bridge the skills and employment gap. The country is witnessing a steady growth in several professional programs to enhance the career growth.
Workforce Flexibility, Mobility and Diversity	• The labour force is evolving to become more flexible and mobile. Companies are seeing growth in temporary, contract, part-time, contingent, outsourced and freelance workforce that provides the necessary flexibility to companies to manage their talent needs, headcount and costs. Workforce is also expected to become more diverse with increasing age of the workforce and increasing participation from female workforce.

(Source: F&S Singapore Report 2017)

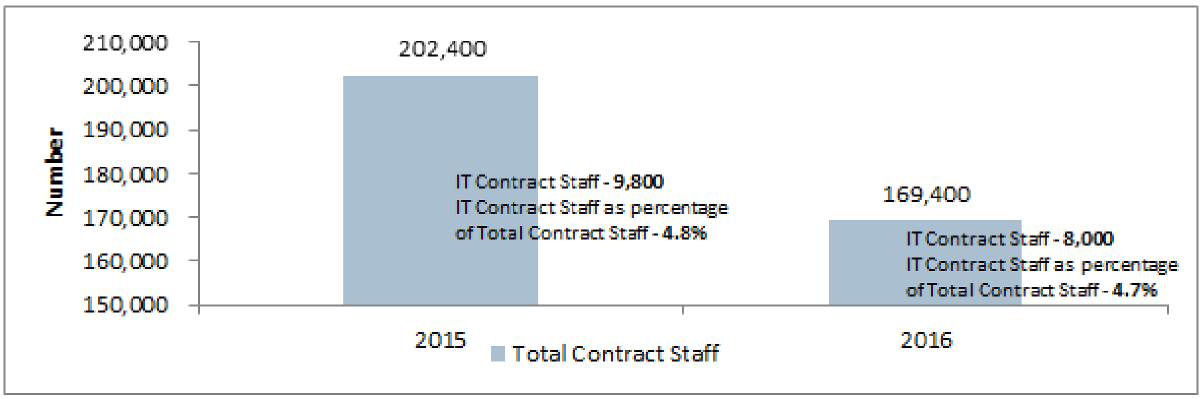
IT Industry in Singapore

Singapore is the major hub of IT industry in the Asia Pacific region, with the country leading the Association of Southeast Asian Nations (ASEAN) region in the adoption of cloud computing due to its business-friendly climate and strong infrastructure setup available to host cloud services. The Infocomm Development Authority (IDA) Singapore has successfully completed the Infocomm 21 and Intelligent Nation 2015 master plans, which have led to the full liberalization of the telecommunications industry and the rollout of a pervasive and reliable ultra-high speed ICT infrastructure – including the all fibre Next Generation Nationwide Broadband Network to over 95% of homes and offices in the country. This led to the country being ranked fourth out of 193 countries in the E-Government Development Index of the United Nations E-Government Survey 2016. *(Source: F&S Singapore Report 2017)*

Market Size

Services sector is the largest employer with around 90.0% of the contract staff employed in this sector. The IT sector is only a small contributor to the contract staffing market with a demand of 8,000 contract staff in 2016, or 4.7% of the total contract staff.

Total and Professional IT Contract Staff (Resident Employees), Singapore, 2015 – 2016



(Source: MOM Labour Report, F&S Singapore Report 2017)

With the economy moving towards digitization, the overall recruitments related to IT industry are expected to increase in the next 5 years. According to a study conducted by Singapore Management University (SMU), ICT industry is expected to see a demand of 15,000 workers in cyber security, data analytics, and application development areas in 2017 and it is expected to increase to 30,000 by 2020. *(Source: F&S Singapore Report 2017)*

Market Drivers

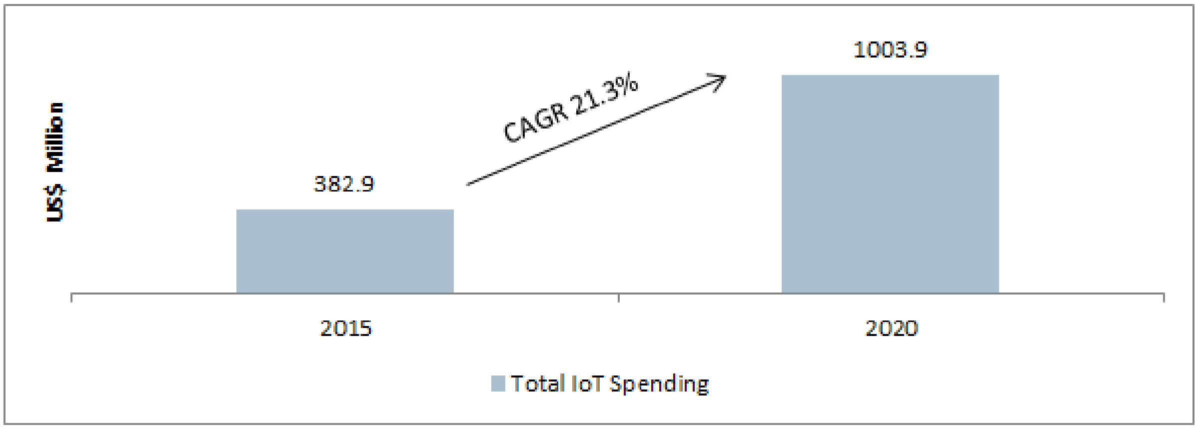
Growth in IT Industry: Singapore is an established IT hub in the region. Government of Singapore has recently launched Smart Nation initiative, a vision of harnessing technology to improve the lives of its citizens and create more opportunities for businesses in the country. To support this initiative the government launched ICT tenders in digital, data and web services, and IT infrastructure worth $2.2 billion in 2015. In addition to this, the Government is also encouraging IT firms to offer cloud computing, data analytics, design, and cyber security among other IT services. The overall IT market is expected to grow by 5.7% by 2018 in the Asia Pacific region. *(Source: F&S Singapore Report 2017)*

Increasing Contract Staffing: The global economic slowdown has impacted the businesses in Singapore which has resulted in companies offering contract staff jobs to fill vacancies at a much lower cost. The employers also benefit by getting to select from a wider pool of potential candidates. The overall contract staffing is expected to increase in areas such as compliance, engineering, finance, technology and insurance. *(Source: F&S Singapore Report 2017)*

Market Outlook

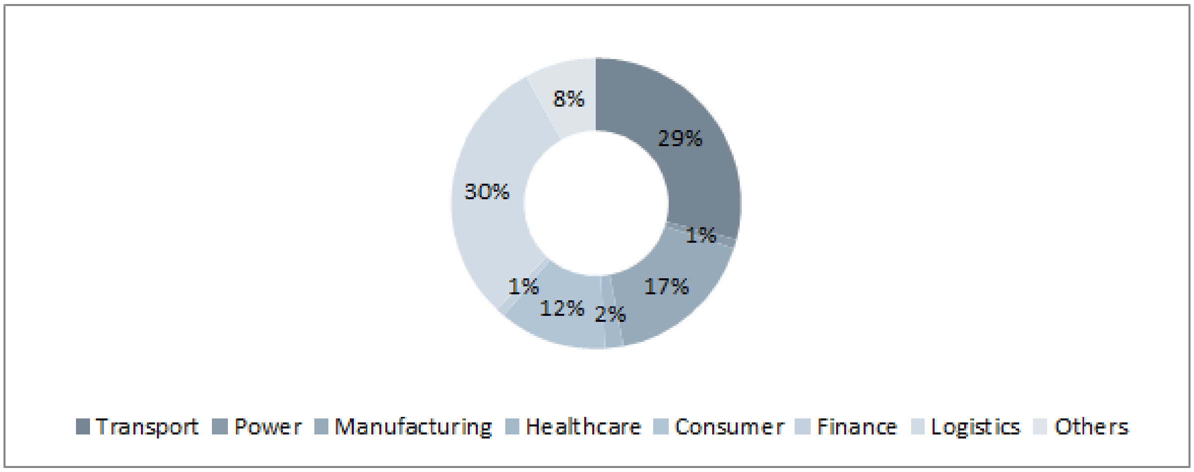
The domestic IT services and infrastructure sectors are expected to play a vital role in supporting the economic growth of the country. Singapore's ICT landscape is growing at the fastest rate within APAC region. Internet of things (IoT) related initiatives are being implemented with the IoT spend in Singapore also expected to increase by a CAGR of 21.3% between 2015 and 2020, during the growth of domestic IT services and infrastructure sector.

Total IoT Spending, Singapore, 2015 – 2020



(Source: F&S Singapore Report 2017)

Total IoT Spending by Verticals, Singapore, 2020



(Source: F&S Singapore Report 2017)

Increased penetration of mobile banking and web-based wealth management services are also driving the demand for IT professionals with technical and entrepreneurial skills. Increasing usage of digital platforms in logistics and food and beverage sectors are also expected to drive the demand for IT professionals.

The demand for IT services is expected to grow with the Government's encouragement through the Smart Nation initiative, providing a boost to the IT services and infrastructure. With IT services gaining momentum, strong hiring activity is expected to be witnessed in the sector especially for user experience and user interface designers, and cyber security professionals. A recent business outlook survey 2017 by Singapore infocomm Technology Federation (SiTF) reveals that the IT industry still faces difficulties in hiring the right talent.

Integrated Facilities Management

Facilities Management

Facilities Management (FM) refers to a coordinated effort involving space and people in order to maintain buildings and properties. FM services can be broadly classified into two types, namely:

- Hard Services: Building repairs, HVAC (Heating Ventilation and Air Conditioning) maintenance, fire safety systems, and other mechanical, electrical & plumbing maintenance.
- Soft Services: Cleaning & Housekeeping, Vending, Pantry & Catering, landscaping & horticulture, pest control, reception & mail room support, guest house management, laundry etc.

The concept of FM is well accepted in the commercial sector and the rate of outsourcing is high compared to the residential sector. FM in residential sector is slowly gaining popularity, particularly among gated residential communities in the urban areas of the country. The market is now shifting from single service contract model with multiple vendors to an integrated model with a single vendor. Indian FM Market was estimated to be ₹ 68,200.0 million in 2014. The market has grown at the rate of 24% between 2010 and 2014.

Market Overview

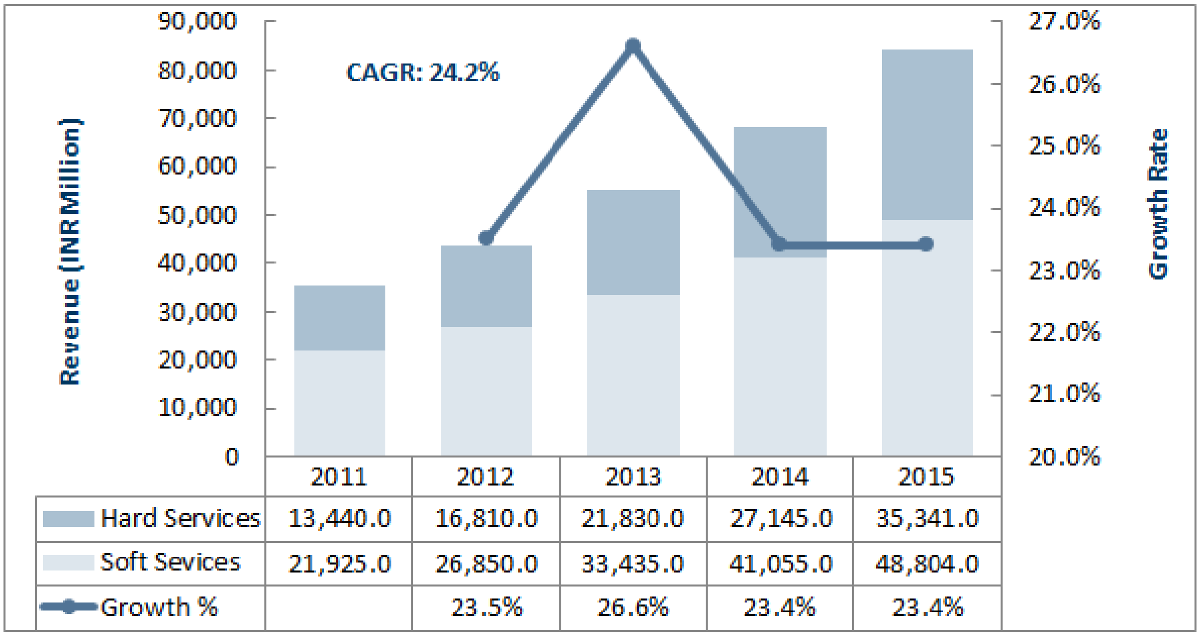
The growth of total building stock in terms of area across different user segments such as retail, hospitality, commercial offices, and residential is estimated to grow by 42,000 million square feet by 2017 and expected to touch about 100,000 million square feet by 2030. Surge in office space and inclusion of integrated facilities and campuses have paved way for FM penetration and created opportunities for organized players.

FM market in India is highly fragmented and unorganized. Small and medium sized market players dominated majority of the market. However, in recent times there have been several mergers and acquisitions indicating a market consolidation driven by the need for an organized approach. This on-going shift is an outcome of increase in customers' awareness of the risks associated with a service provider who is not compliant.

The advent of GST in India is expected to bring in transparency through amplifying the tax base where clients are expected to use formal banking channels to pay for their manpower requirements as opposed to the current method of payments done through cash by the unorganized players. This is expected to trigger the shift of the facilities management industry from unorganized to organized market.

The Indian FM market has grown at the rate of 24.2% between 2011 and 2015. The FM market was estimated to be ₹104,000.0 million in 2016.

Y-O-Y Growth Forecast for Hard and Soft Service Market Revenues in India, 2011 – 2015



	2011	2012	2013	2014	2015
Hard Services	13,440.0	16,810.0	21,830.0	27,145.0	35,341.0
Soft Sevices	21,925.0	26,850.0	33,435.0	41,055.0	48,804.0
Growth %		23.5%	26.6%	23.4%	23.4%

(Source: F&S Report 2017)

Awareness and Market Penetration Levels among Various End-User Segments, India, 2010 and 2016

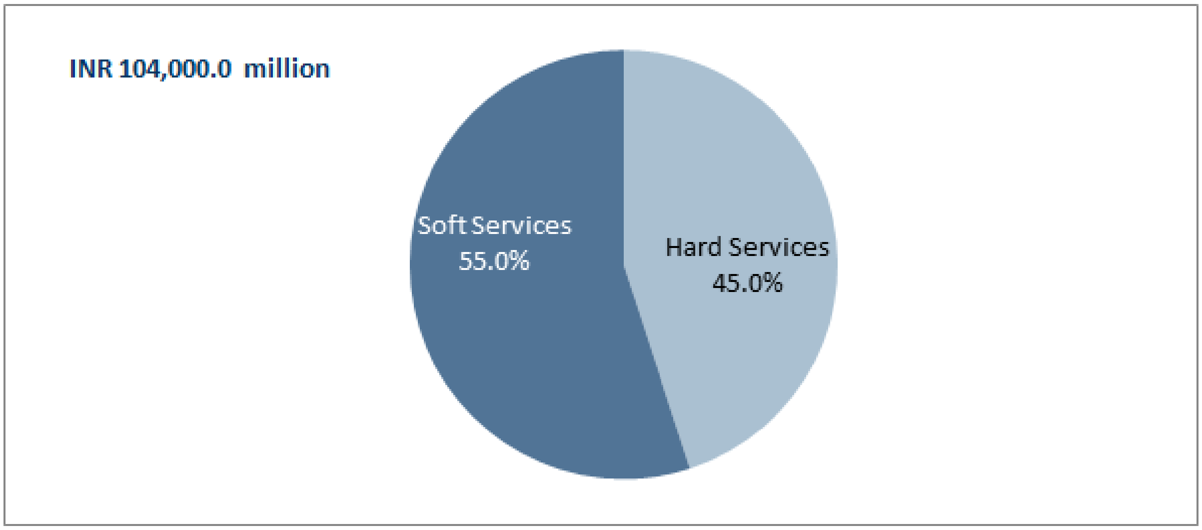
End-user Segment	Awareness Levels		Market Penetration Levels
	2010	2016	% of outsourced FM in 2016
Industrial	Medium	High	60%
Commercial offices	Medium	High	70%
Retail	High	Very High	90%
Healthcare	Low	Medium	40%
Hospitality	Low	Low	20%
Residential	Low	Low	30%
Government	Low	Medium	30%

Awareness: Very High High Medium Low

(Source: Frost & Sullivan Analysis, F&S Report 2017)

Market revenues in 2016 continued to be dominated by the soft services segment mainly due to low awareness about the need for professional hard services. Presence of unorganized segment led to easier adoption of soft services segment, and customer attitude towards hard services as an additional cost led to slow penetration of hard services in the market. However, with increasing need for energy management and usage of Extra-low Voltage (ELV) devices like security, Building Automation Systems (BAS), lighting controllers etc., the market is now becoming organized and as a result, the hard service segment is rapidly penetrating into the market.

FM Market Split by Services, India, 2016



(Source: Frost & Sullivan Analysis, F&S Report 2017)

Market Drivers

Increased awareness: Customers are increasingly aware of the benefits of outsourcing in order to reduce operating costs of the facilities/buildings. Awareness about non-compliances and their quality of service delivery is also gradually picking up among end-users.

Energy conservation and optimum usage of building solutions: Awareness about the benefits of conservation of energy is increasing rapidly leading to increased acceptance of professional FM services for maintenance of energy intensive equipment. FM service providers are expected to play a key role in building sustainability as energy efficiency strategies gain prominence.

Health and safety issues: Increased awareness about indoor air quality, safety aspects related to fire audits, regular maintenance of fire safety systems, electrical equipment, and security devices are driving the need for outsourcing FM services to experts who can deliver them professionally.

Positive outlook on commercial sector: Growth in commercial construction is leading to increased adoption of FM services. Increasing complexity of these commercial buildings is encouraging the involvement of professional maintenance services to increase the life span of the building.

Market Players

Indian FM market is cluttered with more than 500 companies operating across the country. There are about 10 to 12 major FM companies that control about 50 % of the organized market. These companies have country-wide presence and serve almost all the end-user segments and have a vast client base.

The key competitive factors driving the sector includes competitive pricing, good track records (technical, financial and compliance), brand reputation, ability to attract and retain skilled manpower, ability to adopt new technologies etc.

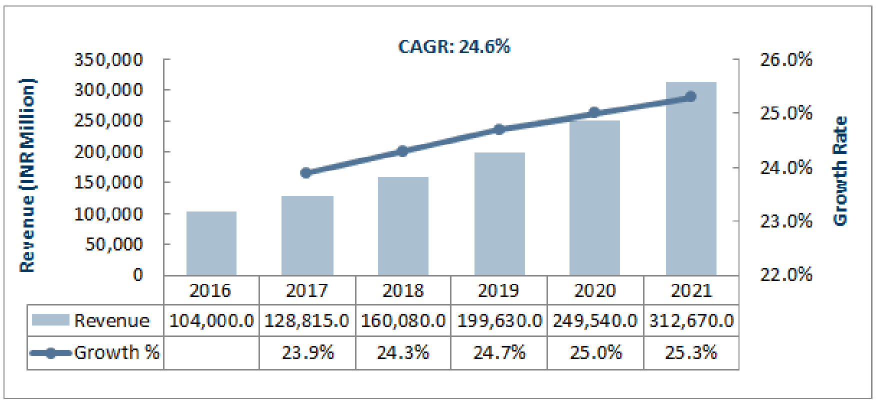
Key players in this space include Avon FM Services, a division of Quess Corp Limited (~250 million sq.ft); Updater Services India Limited (>150 million sq.ft); BVG India Limited (>125 million sq.ft); Dusters Total Solutions Services

Private Limited (120 million sq. ft); Sodexo India On-site Service Solutions Private Limited (>100 million sq.ft); Compass Group India Support Services Private Limited (>70 million sq.ft); ISS Integrated Services Private Limited. There are IFM service providers like Knight Frank, JLL, CBRE etc., who sub-contract FM work to companies like Avon, BVG etc.

Market Outlook

The FM market in India is estimated to grow with a CAGR of 24.6 % between 2016 and 2021. Majority of the growth is expected to be driven by the consistent growth in demand from the commercial sector. In addition, the increasing preference for professional FM in the residential sector coupled with increased incidence of high rise residences that require unique FM solutions is expected to further drive growth.

FM Market Revenue Forecast, India, 2016-2021



(Source: Frost & Sullivan Analysis, F&S Report 2017)

Real Estate Investment Trusts: The introduction of Real Estate Investment Trust (REIT) is a blessing for the FM industry. As the value of REIT fund depends on the income it receives from the underlying assets, the propensity to reduce expenses will be high. REIT may also change the business models of facility management (FM) market, which is intrinsically linked to real estate sector. FM companies maintaining the building will be under pressure to maximize the life of the building and reduce expenses associated with the operations and maintenance. This augurs well for FM companies that have established processes, systems, trained manpower, technologies (CAFM, BIM, IWMS, remote monitoring, energy management), and that have the ability to manage service level agreements (SLAs) efficiently by meeting Key Performance Indicators (KPIs).

Residential: Residential segment contributes around 80% of the real estate sector. In 2014, the housing shortage for the urban area was 18.8 million it could double to 38.0 million units by 2030, indicating a tremendous growth opportunity not only for real estate sector but also for its allied industries.

Office Space: The office market across the top eight cities of India has performed exceedingly well in 2016 despite major challenges such as uncertainty due to Brexit, US elections and slowdown in IT/ ITeS spending by Europe and USA. The year 2016 closed with total transactions of 40.6 million sq. ft., which is marginally lower than 41.1 million sq. ft. of space transacted in 2015. India has more than 300 malls with more than 250 malls coming up in the last decade. New malls are coming up that offer various services and facilities to improve shopping experience. The total stock of mall space is expected to grow from 95 million sq. ft. in 2015 to 106 million sq. ft. by 2017.

Hospitals: India has only 0.7 beds per 1,000 people, far below the global average of 2.6. By 2034, India needs roughly 3.5 million beds to enable universal access to healthcare.

FM market in India is expected to witness significant growth in the next five years. As building standards mature; FM delivery and service quality is also expected to see a quantum shift, away from the current labour centric-model. Few of the key market shifts are listed below:

Energy management: Energy management which till recently was a disparate service is now being included under the purview of FM services with FM companies including energy management in their portfolio to gain first-mover advantage. FM companies with good understanding of the needs of the property being managed are well-positioned to capitalize on the opportunities for energy related services.

Green FM: Indian green building movement has gathered momentum since 2007 onwards. According to Indian Green Building Council, in 2003 there was 20,000 sq. ft. (1,900 square meters) of green built-up area.

Remote Monitoring System: Remote data management of building management systems and data analysis to increase building efficiency are gaining popularity in developed markets and is expected to make its presence felt in India.

Rise of the Residential Segment: Popularity of high-rise residential apartments and community based living spaces are likely to help the growth of outsourced services in residential segment.

Apart from the above mentioned service segments, several technical/service innovations like vibration analysis for HVAC equipment as a part of preventive maintenance are gaining popularity. As the market witnesses more penetration of information and communication technology, buildings are expected to become smarter, intelligent, environment-friendly, and energy efficient. It is imperative for FM companies to understand the intricacies of fully "networked", "converged", and "intelligent" building solutions and identify this business as a niche opportunity beyond hard and soft services. In the future, use of micro-renewables such as building integrated photovoltaic (BIPV), wastewater recycling and waste to energy (W2E) concepts will gain firm footing in the market and make buildings self-sufficient. These undercurrents in the building technologies are expected to have major impact on the FM services market in India.

Corporate Catering Services

Corporate catering refers to services providing food to on-site employees of clients for a specific period of time. It excludes food catering services for weddings, personal and corporate events.

Market Overview

The market for Corporate Catering ("CC") in India was estimated to be ₹ 75,300 million in 2016. The market grew from ₹ 28,000 million in 2010 at CAGR of 17.9%. Economic growth, increasing investments into Services, Manufacturing and Education sector has played a critical role in the growth of this market. Establishment of Industries and Offices on the outskirts or semi urban areas have fuelled the demand for on-site kitchens to serve employees who have to travel long distances to reach office premises.

The CC market is fragmented with around 30% of the market was dominated by smaller and unorganised players. Around 20% of the food services are being contracted locally through off-site kitchens. The leading market participants in the organized sector consist of Sodexo, ISS, Compass and Chef on Wheels (Quess Corp Limited).

Competitive Landscape, India, 2016

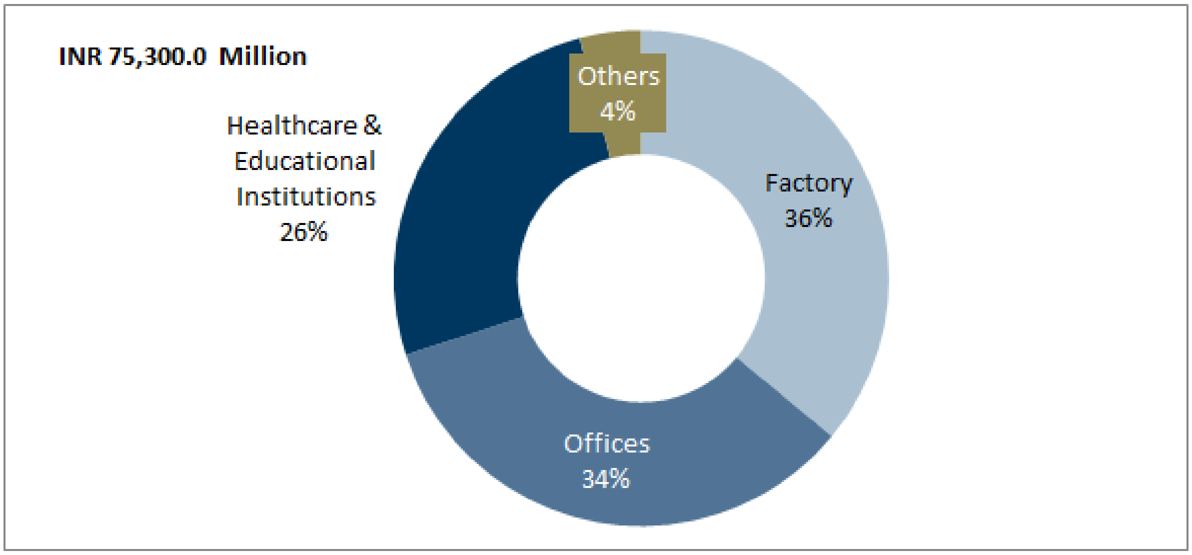
CC Market Competitive Structure, India, 2016	
Number of Companies in the Market	More than 300 companies
Competitive Factors	Price, Quality and Hygiene Food, Kitchen Infrastructure and Distribution Network and Statutory Compliance
Key End-user Groups	Factory, Offices, Educational Institutions and Hospitals
Major Market Participants	Sodexo India On-site Service Solutions Pvt. Ltd; ISS Integrated Services Pvt. Ltd and Compass Group India Support Services Pvt. Ltd; Avon FM Services Pvt Ltd

Other Notable Market Participants	Sindoori Faber; Krystal Gourmet Services; Chef on Wheels (Acquired by Quess Corp Limited); Mazda Hospitality; Food King Catering Services Pvt. Ltd, etc

(Source: Frost & Sullivan Analysis, F&S Report 2017)

The market size for corporate catering services was ₹ 75,300 million in 2016. Factory and Offices comprises of 70% of the annual market demand for corporate catering. Segments like healthcare and educational institutions account for the rest (30%) of the market share.

Market Share by End-user Sectors, Corporate Catering Market, India, 2016

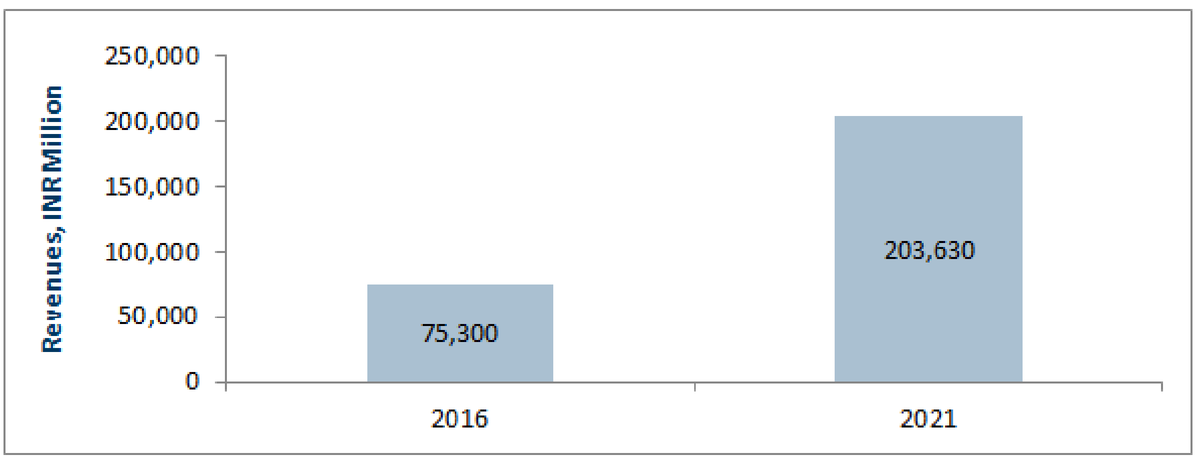


(Source: Frost & Sullivan Analysis, F&S Report 2017)

The CC market is estimated to grow at a CAGR of 22.0 % between 2016 and 2021. Some of the key drivers of growth for CC market include food price inflation, supply chain and sourcing practices, competition, food safety laws etc.

Majority of the growth is envisaged to be driven by increased investments in the industrials sector and continued growth in outsourcing catering services in the educational and healthcare sectors. Further, growth will be driven by escalation in food prices and the increased propensity of outsourcing food service management, due to the inherent complexity involved in managing this operation in-house.

Market Revenue Forecast, Corporate Catering Services Market, India, 2016 & 2021



(Source: Frost & Sullivan Analysis, F&S Report 2017)

Market Outlook

As the corporate catering services market matures, there will be impetus in serving niche, and customized healthy food in compliance to safety norms. Customization of menu and nutritional value will be the key determining factors to win contracts along with traditional factors like price and quality, especially in the healthcare and educational institutions. Increasing emphasis on nutritional value, quality, and hygiene of the food is likely to result in meticulous quality check of food service canteens and the equipment, which augurs well for organized players. Customers are expected to move towards integrated service providers who have good compliance and food safety track record in order to avoid risk of non-compliance. This is expected to benefit the organized segment and drive market penetration.

Industrial Services

Industrial Services refers to Operation & Maintenance (O&M) services which ensure efficiency, effectiveness and sustainability of the industrial assets across end-user segments.

Industrial services include, but is not limited to consultancy services, training & advisory services, plant services (includes diagnostic study & testing, performance testing and pre-commissioning services), operation & maintenance (supply of consumables, spares etc., and provision of requisite manpower), repair & overhaul, renovation & modernization, retrofits/up gradation, shut down maintenance, condition monitoring, supply of products, engineering services, installation & commissioning, production support services, civil works and quality audits.

The in-house maintenance team in industrial plants is nowadays kept lean and restricted to supervisory jobs during breakdown maintenance due to paucity of time and need to avoid a large in-house team for routine maintenance.

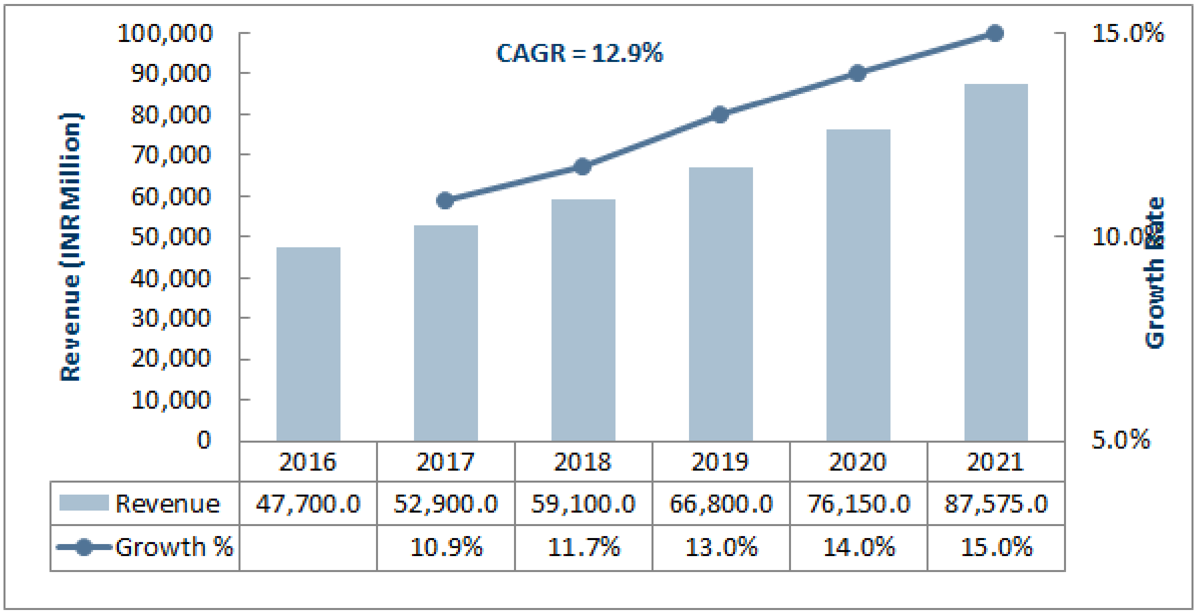
Customers with critical usage/applications prefer to go to OEMs for the actual plant maintenance work with their in-house manpower due to criticality and sensitivity of the asset involved. Further, dealing with OEMs ensures the supply of genuine spares.

Some of the key selection criteria will include preference to partner with the service provider who has mobilisation capabilities, relevant certifications, dedicated office network, geographical presence, safety track record and experience in servicing similar size contracts in the same industry. Generally, the contract period for O&M services ranges from a minimum of 2 years to a maximum of 6 years depending on the scope and size of the project.

Market Overview

The overall market for O&M services in India was estimated to be ₹ 47,700.0 million in 2016. The market had grown at the rate of 8.4 % CAGR over the last 5 years. It is expected that the market will grow at a CAGR of 12.9 % to reach revenue of ₹ 87,575.0 million by 2021.

Forecast of the Industrial Asset Management Market, India, 2016-21



	2016	2017	2018	2019	2020	2021
Revenue	47,700.0	52,900.0	59,100.0	66,800.0	76,150.0	87,575.0
Growth %		10.9%	11.7%	13.0%	14.0%	15.0%

(Source: Frost & Sullivan Analysis, F&S Report 2017)

Market Drivers

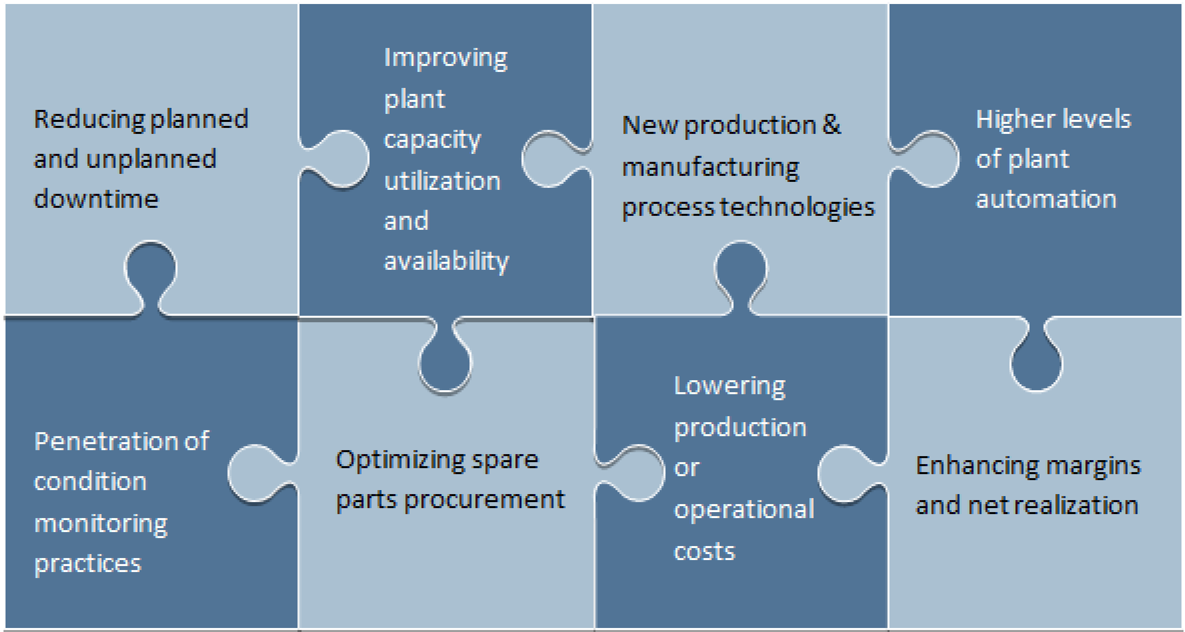
Reduced downtime: Reduced downtime will significantly bring down operational expenditure and increase asset productivity. Although, many OEM service providers have the technical know-how, expertise, and skills to undertake O&M services, the third party service providers, gain competitive edge due to their experience in handling diverse equipments as well as they being brand agnostic.

Reduction of Operating Costs: Clients have been actively looking at outsourcing non-core areas of their operations in order to reduce costs and improve profitability. This is especially true in case of sectors like Power; Refineries (Oil & Gas), Steel and Engineering that have been facing a significant macro-economic headwinds over the past few years.

Safety Standards: Clients prefer service providers with industry specific experience and proven track record of safety. Most of the prominent O&M service providers are ISO (9001, 14001 and 18001) certified in order to match the required quality, environment and health & safety standards of end-user industries.

Resource Mobilization: Resource mobilization becomes a key factor in addition to the prior industry experience. Increasing manpower cost and training expenses have emerged as a challenge for service providers aiming to scale up. Shortage of skilled manpower has led to high attrition rates in the industry. In case of large contracts requiring mobilisation of large qualified workforce, the recruitment capabilities has emerged as a deciding factor for large contracts.

Key Value Drivers in an End User Company for Outsourcing O&M Activities, India, 2016



(Source: Frost & Sullivan Analysis, F&S Report 2017)

Market Players

The industrial services market is highly fragmented with strong price linked competition resulting in margin pressures. The ability of large industrial clients to pass down cost increases adds to the margin pressures. Established players have sought to buck the trend by introducing value added services such as conditioning & monitoring services, critical spare provision, IT support (remote monitoring of facilities) and training. This is expected to result in a positive impact on margin levels and is expected to generate more revenues for organized players.

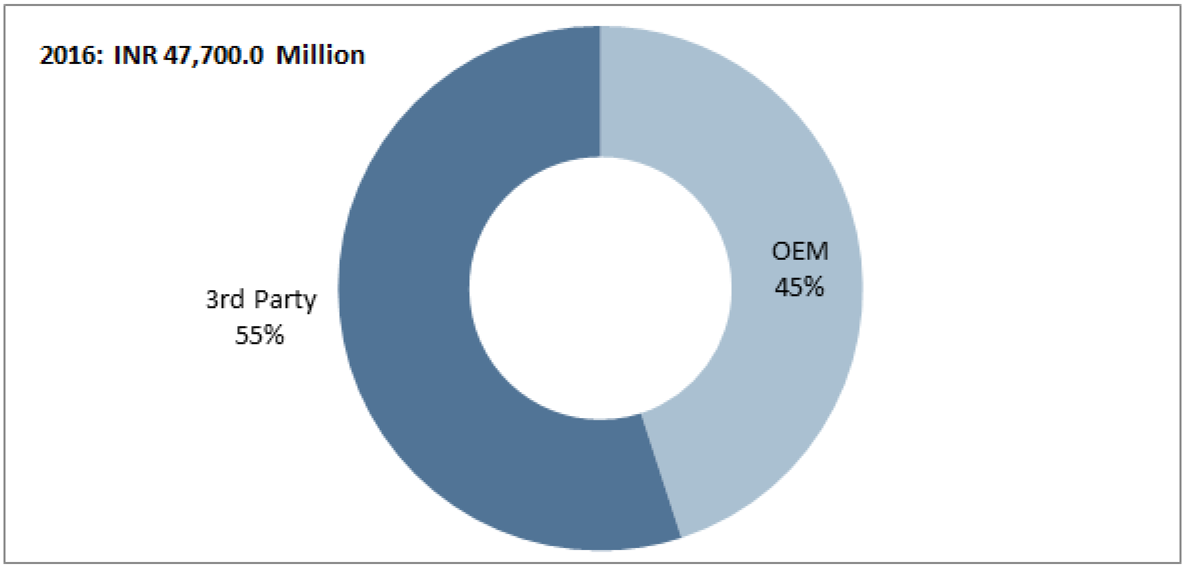
OEMs usually tie-up with 3rd party service provider in order to subcontract O&M services either in part or full. OEMs have inherent first mover advantage vis-à-vis third-party service providers due to their proprietary technical knowledge and access to genuine spare parts. Clients prefer engaging with third-party service providers despite these advantages due to OEMs being perceived as premium service providers.

BHEL, Alstom, Siemens, ABB, Invensys (Schneider), and Thermax are few of the OEM Service Providers, active in India today. OEMs however usually limit themselves to supervisory jobs and technical guidance. In most cases, they outsource dismantling, refurbishing and reassembling work to the 3rd party service providers.

3rd Party Service Providers include companies such as Hofincons Infotech & Industrial Services (a division of Quess Corp Ltd), Voith Industrial Services India Pvt. Ltd, Power Mech Projects Ltd, Predominant Engineers & Contractors Pvt Ltd, Encotec Energy (India) Pvt. Ltd, STEAG Energy Services (India) Pvt. Ltd, Enmas O&M Services, Tata Power O&M, and Power Plant Engineers Limited (PPEL) etc.

Of the overall market, it is estimated that the OEM have a market share of 45% (₹ 21,465.0 million) with the rest (55% - ₹ 26,235.0 million) accounted for by the third-party service providers.

Market Share of OEM vs. Third Party Service Provider, India, 2016



(Source: Frost & Sullivan Analysis, F&S Report 2017)

Market Outlook

The trend of O&M outsourcing to competent third party service providers not only reduces the downtime but also reduce the maintenance expenses by enhancing the lifecycle of the equipment/machines. There are increasing instances where third party service providers are charging based on performance guarantees. The service providers are willing to operate and maintain the plant with the owner only vested with the responsibility of timely provision of fuel, raw materials and power. This allows the owner to convert variable costs to fixed costs per tonne. This trend augurs positive outlook for organized third party service providers in India who employ competent workforce and associated hardware and software to guarantee output levels and efficient working of the plant.

The market provides immense growth opportunities for the third-party service providers who offer comprehensive services with competent manpower and endowed with the ability to have equal focus on different equipment.

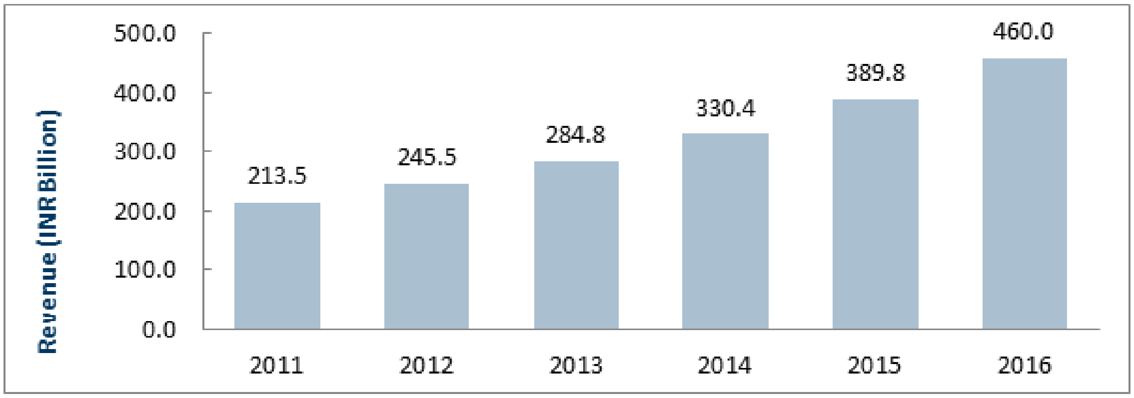
Manner Guarding Services

Market Overview

The private security services or manned guarding services market in India is witnessing high growth due to increasing concerns about crime, terrorism and inadequate public safety measures coupled with an improved economic environment.
The Indian market for security services is driven by opportunities emanating from development of new infrastructure assets and increased preparedness towards both common and unexpected security threats. The need to protect these assets using high-tech surveillance and intrusion detection devices supplemented by competent guards is turning out to be the optimum security solution in India.

The market for security services in India was ₹ 213.5 billion in 2011 and grew at the rate of 16.6% CAGR to reach ₹ 460.0 billion in 2016.

Security Services Market, Revenues (Historic Growth), India, 2011-2016



(Source: Frost & Sullivan Analysis, F&S Report 2017)

According to Ministry of Statistics and Programme Implementation's Statistical Year Book, the service tax paid by Security and Detective Services agencies in India has grown at the rate of 20.1% between 2011 and 2016, indicating strong growth of organized competition. Going forward, manned guarding has the potential to be one of the largest employment generating sectors in India.

Market Drivers

GDP: India's GDP at current prices has grown at CAGR of 10.9% from 2012 to 2016. Manufacturing and services sector contribution to GDP is growing at a CAGR of 8.6% and 15.4% respectively. Security services market in India is dependent on these two fast growing segments.

With increased economic activity, business establishments are increasing their budgets for safety and security. Contribution of security services to India's GDP has consistently increased indicating that the security services market is outpacing the growth of GDP. Positive outlook for GDP will drive the growth of demand for security services.

Annual increase in wages of security guards is also driving the growth of the industry. The government stipulated minimum daily wages grew at a CAGR of 11.9 % during the period 2007 to 2016. The year-on-year wage increase, the overall cost of compliance with PSARA and cost of training needs are expected to go up thereby impacting the billing rate for security services.

Private Security Agency Regulation Act, 2005: The introduction of Private Security Agencies (Regulation) Act has brought all private security agencies under regulatory purview. The central government drafted the law and state governments were responsible for its implementation and enforcement. The Private Security Agency Regulation Act, 2005 has been a key driver favouring organized participants by mandating agencies to undergo certain mandatory training to impart professionalism in the market.

Anti-social elements and terrorist outfits: The growing status of India in global politics has also resulted in increased threats from anti-social elements and terrorist outfits. In the last decade, the country has witnessed several security breaches leading to a consistent fall of ranking for India in Global Peace Index by the Institute for Economics and Peace (IEP). Such threats have influenced the demand for private security agencies to fill the security gaps in both private and government establishments.

Societal perception: India has one of the world's lowest police to population ratio with police and security forces stretched too thin to provide any viable protection to private property and life. The total police strength in India, as per 2015 estimates was about 1.72 million for a population of 1.25 billion. This translates to a ratio of 1 policeman for every 726 people. The ratio is far lower than the government sanctioned ratio of 1 officer for every 547 Indians as well as the United Nation's recommended strength ratio of 1 police officer for every 450 people. Hence, there is a wider opportunity for private security services to supplement the efforts of government forces like police and CISF.

Asset Creation - Real estate growth: The office market across the top six cities of India performed well in 2016 despite the challenges posed by uncertainties such as Brexit, US elections and slowdown in IT/ ITeS spending by Europe and USA. The total office space transacted in 2016 was 40.6 mn sq ft, which is marginally lower than 41.1 mn sq ft of space transacted in 2015. This is mainly due to strong demand from services sector comprising mainly of IT/ITeS, BFSI, e-Commerce, telecom, hospitals and start-ups. The demand for office space in the eight major cities is expected to grow at a CAGR of 11.1% by 2020.

India has more than 300 malls with more than 250 malls coming up in the last decade. As many as 26 malls are scheduled to become operational in 2017 in what will be the highest supply of shopping space in more than five years in the country.

India is estimated to invest close to ₹ 97 trillion in the next 10 years to bridge infrastructure gap. There are about 18-20 metro rail projects in cities like Vijayawada, Noida, Hyderabad, Varanasi etc with an investment commitment to the tune of ₹ 1940 billion. Recently, proposals put up by the ministry of urban development were cleared to launch metro rail across 50 cities with an estimated cost of ₹ 5000 billion. With the government going ahead with its initiative of developing 100 smart cities, the demand for security services could witness significant growth.

Competitive Factors

The market is highly fragmented and consistent growth in demand led to entry and expansion of competition. National operators currently represent about 20% of the market revenues and other regional and local operators constitute the remaining 80%. However, the industry experts believe that with GST being implemented and enforcement of PSARA becoming stricter, the share of national operators is going to improve and other local operators may exit due to increase in cost of compliance. By 2021, national and regional operators are likely to dominate close to 90% of the market in India.

Regulatory Changes Driving the Sector Shift from Unorganised to Organised Sector: With increasing scrutiny on compliance to regulatory norms and minimum wages protocols, by the regulator and the clients, unorganized companies will face cost pressures forcing them to exit or sell-out the business. Implementation of GST also favours the organized companies in the form of enforcing compliance to statutory norms. This will lead to a more organized milieu in the industry, paving way for more reforms in business models.

Quality of service: Quality of service is an important factor determining the competitive advantage of a service provider. Although, security service is commonly considered a homogenous service, there are many areas where the service provider can differentiate themselves and showcase the value and quality of services.

Compliance Assurance: Adherence to labor laws and other statutory norms differentiate organized companies and add credibility to the brand. Organized companies are making inroads into the market mainly due to enforcement and compliance of regulations such as minimum wages, PF, insurance, gratuity etc.

National Network: In recent times, large corporate houses and customers with pan-India presence are increasingly demanding national level contracts that allow the same company to deploy guards at all the locations across the country. This reduces the operational hassles and everything is brought under a single contract.

Experience in Specific Segments: Customer segments like hotels, hospitals and government institutions are expecting prior experience in providing security services in that particular sector. This is to evaluate the ability of the service provider to understand the specific needs in the segment. Large and organized security services companies have vast experience across sectors and hence gain a competitive edge.

Security Services Market: Competition Analysis, India, 2016

Company Name	Revenues (INR billion) FY 16
G4S	23.50
SIS	12.55
Checkmate	4.87

Company Name	Revenues (INR billion) FY 16
BIS	5.41
Securitas	4.25
Nisa	4.01
ISS[1]	4.90
Terrier	2.17
Orion	2.08

1. Revenue ending Dec 2016

Note: Revenue presented relates to total revenues.

(Source: Financial statements of the respective companies available in public domain (ROC, websites etc.) and discussions with industry participants, F&S Report 2017)

Market Outlook

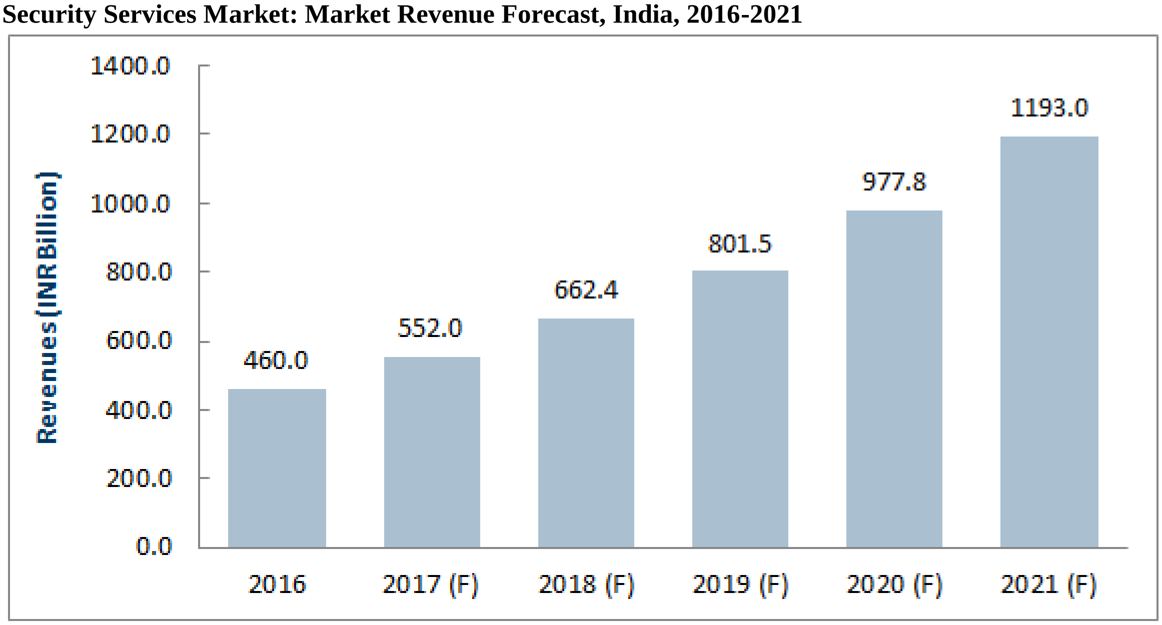
The security services market in India is likely to grow at the rate of 21.0% between 2016 and 2021 and achieve market revenues around ₹ 1193.0 billion. Tier II and Tier III cities are likely to see significant growth on the back of increased economic activity in those regions.

According to Economic Survey 2016-17, the Indian manufacturing sector contributes over 16% of the GDP. The Government of India, under the Make in India initiative, is trying to boost its contribution to 25% of the GDP by 2020. As the industrial sector expands, there will be increased investments in security services for new space added for industrial activities. Increase in retail space mainly driven by consumerism, high disposable incomes, young population, and economic growth will support the growth of demand for manned guarding.

Increasing penetration of security services in B2C and B2G segments will further help in accelerating growth of market revenues as new customers would be added. Initiatives such as smart cities will increase the emphasis on safety and security. Increasing investments in infrastructure segment including new metros commissioned and expansion of airports will have a significant impact on the growth of the security services market.

The Model Shops and Establishment (Regulation of Employment and Condition of Services) Bill 2016 has been cleared by the Cabinet, allowing shops, malls and cinema halls, among other establishments, to operate round the clock, 24×7 policy for retail stores. This is likely to result in a demand for higher number of guards for security in different shifts resulting in an increase in revenues from the retail segment.

Security Services Market: Market Revenue Forecast, India, 2016-2021



(Source: Frost & Sullivan Analysis, F&S Report 2017)

The manned guarding industry is poised to grow at a strong pace going forward with significant economic, regulatory and sectoral tailwinds. Against this backdrop, the industry structure is changing into a more organized and formal set up with the entry of MNC industry participants. This will also lead to consolidation in the market. The cities of the future will have more integrated and interoperable security and safety systems and will have higher requirement for technically skilled, qualified, and specialized man guards.

Going forward, security services companies will have to rework their business models and market approach to partner with other industry sectors (for example, building technologies, security, IT etc.). While Indian cities may still have a long way to go to deploy "safe" and "smart" concepts, solution architectures and technologies, industry participants must understand this market to better adapt their respective roles. This industry, in the future, will no longer be just a guarding market employing hundreds of security guards, retired service personnel from other central and state security forces. On the contrary, it will have to redesign its value creation process to accommodate technological innovation.

OUR BUSINESS

Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read "Forward-Looking Statements" for a discussion of the risks and uncertainties related to such statements and also "Risk Factors" for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.

In this section, unless the context otherwise requires, a reference to "our Company" is a reference to Quess Corp Limited on a standalone basis, while any reference to "we", "us" or "our" refers to Quess Corp Limited, its Subsidiaries, Associates and its Joint Venture, as applicable in the relevant fiscal period, on a consolidated basis.

Our Company's fiscal year ends on March 31 of each year, except that in 2014 our Company aligned its fiscal year end to that of our corporate Promoter TCIL, December 31. However, our Company subsequently reverted to a March 31 year end in Fiscal 2015 as required under the Companies Act. Accordingly, in this Prospectus (i) Fiscal 2015 (15 months) denotes the 15 months ended March 31, 2015; and (ii) the terms Fiscal 2016 and Fiscal 2017 denote the 12 months ended March 31, 2016 and 2017, respectively. Our results of operations in Fiscal 2015 (15 months) are not comparable to the results of operations in other 12-month fiscal years included in this Prospectus.

The industry data used in this section has been derived from the F&S Report 2017, which has been commissioned by the Company from Frost & Sullivan (India) Private Limited. This section also contains certain information that has been derived from the Strategy Meets Action Report –2017 IT Spending and Priorities (Extract) dated July 13, 2017, which has been prepared by Strategy Meets Action ("SMA") at the specific request of the Company.

Transition from Indian GAAP to Ind AS Financial Statements

As a subsidiary of our Corporate Promoter, TCIL (which was required to prepare and present its financial statements in accordance with Ind AS with effect from April 1, 2016), our Company was also required to prepare standalone and consolidated financial statements in accordance with Ind AS for Fiscal 2017 (together with the corresponding standalone and consolidated financial statements under Ind AS for Fiscal 2016). Our historical audited standalone and consolidated financial statements for Fiscal 2015 (15 months) and for Fiscal 2016 were originally prepared in accordance with Indian GAAP. Ind AS varies in many respects from Indian GAAP, and accordingly our Ind AS financial statements for Fiscal 2016 and Fiscal 2017 are not comparable with our historical Indian GAAP financial statements for Fiscal 2015 (15 months) and Fiscal 2016.

In this Prospectus we have therefore included the Indian GAAP Audited Financial Statements and the Ind AS Audited Financial Statements. Our Ind AS Audited Financial Statements also includes reconciliation statements of the effect of transition to Ind AS from Indian GAAP in accordance with Ind AS 101 – First time adoption of Indian Accounting Standards as of April 1, 2015 and March 31, 2016 and Net profit for the year ended March 31, 2016.

Proforma Financial Information on Proposed MIS Acquisition

We have completed various acquisitions in Fiscal 2015 (15 months), Fiscal 2016 and Fiscal 2017. The results of operations of such acquired entities would be reflected in our consolidated financial statements for the relevant fiscal periods only with effect from the effective date of such respective acquisition, and our consolidated financial statements for Fiscal 2015 (15 months), Fiscal 2016 and Fiscal 2017 are also not comparable on account of such acquisitions. On November 28, 2016, we entered into definitive agreements relating to the Proposed MIS Acquisition, involving the demerger of the Target MIS Business into our Company through a scheme of arrangement. The completion of the Proposed MIS Acquisition is subject to various conditions, including the approval of the shareholders and creditors, the sanction of the scheme of arrangement by the National Company Law Tribunal as well as other relevant regulatory approvals. We have included in this Prospectus the MIS Acquisition Proforma Financial Information with respect to the Proposed MIS Acquisition.

The MIS Acquisition Proforma Financial Information has been prepared for illustrative purposes only based on various assumptions stated therein, does not purport to predict our future financial condition, results of operations or cash flows in the event of completion of the Proposed MIS Acquisition, and potential investors should not place undue *reliance on such information in connection with any investment decision. Potential investors should carefully take into account the disclosures above and our Indian GAAP Audited Financial Statements and Ind AS Audited Financial Statements included in this Prospectus in evaluating our business and financial performance and in making any investment decision.*

Overview

We are one of India's leading integrated business services providers *(Source: F&S Report 2017)* focused on emerging as the preferred partner for handling end-to-end business functions of our clients. We offer comprehensive solutions including recruitment, temporary staffing, technology staffing, IT products and solutions, skill development, payroll, compliance management, integrated facility management, manned guarding and industrial asset management services. As of March 31, 2017, our Key Clients included some of the world's largest, reputable organizations, including 23 companies ranked in the 2017 Fortune Global 500 list.

We are among the industry leaders in each of our key business services:

- The largest IT staff augmentation provider in India based on number of employees *(Source: F&S Report 2017)*;
- The largest independent IT staffing company in Singapore based on number of employees *(Source: F&S Report 2017)*
- The second largest general staffing company in India based on number of employees *(Source: F&S Report 2017)*;
- Among the leading industrial asset management service providers in India *(Source: F&S Report 2017)*;
- The second largest integrated facility management service provider in India *(Source: F&S Report 2017)*; and
- Among the largest training and skill development partner for the Ministry of Rural Development based on approved project cost *(Source: F&S Report 2017).*

Our Key Clients include ABB India Limited, Amazon Seller Services Private Limited, Avaya India Private Limited, Bata India Limited, Bayer CropScience Limited, Delhi International Airport Limited, Electronics City Industrial Township Authority, Hinduja Group Limited, Hindustan Field Services Private Limited, India Exposition Mart Limited, Manipur State Power Distribution Company Limited, One97 Communications Limited, PNB Housing Finance Limited, SBI Card and Payments Services Private Limited, SBI General Insurance Company Limited, Smollan India Private Limited, South Bihar Power Distribution Co. Limited, Tata Consultancy Services Limited, The Himalaya Drug Company, Urban Ladder Home Décor Solutions Private Limited, VF Brands India Private Limited and Vodafone India Limited, among others. Our service and product offerings include four broad operational segments: Global Technology Solutions ("**GTS**"), People and Services ("**P&S**"), Integrated Facility Management ("**IFM**") and Industrials, which are offered under various brands as indicated below:

- **Global Technology Solutions.** The GTS segment provides IT staffing, IT product solutions and services in India, North America and Singapore, under our *Magna Infotech*, *Brainhunter*, *Mindwire, MFX* and *Comtel* brands. We own and operate offshore delivery and development centers in Chennai and Bengaluru in India with more than 300 full time employees as of March 31, 2017. Our datacenters at Ridgefield Park, New Jersey and Roanoke, Virginia are SSAE 16 SOC1 Type II compliant facilities, and are strategically located in different regions in the United States to ensure disaster recovery protection and meet applicable regulatory requirements. Our Key Clients in the GTS segment include 11 companies ranked in the 2017 Fortune Global 500 list, as well as large international banks and Indian IT consulting companies.

- **People and Services.** The P&S segment provides comprehensive staffing (excluding IT staffing) services and solutions including general staffing, recruitment and executive search, recruitment process outsourcing, as well as payroll, compliance and background verification services under our *IKYA* and *CoAchieve* brands in India and South East Asia (in Malaysia, Philippines and Sri Lanka). In addition, we provide training and skill development services through 66 centers (as of March 31, 2017) spread across 13 states in India, under our *Excelus* brand in partnership with the Government of India. We are authorized to provide training and skill development programs covering 20 trades/sectors, including ITES sector for technical support, logistics sector for warehouse assistance, and travel and tourism sector for domestic tour operators.

- **Integrated Facility Management.** The IFM segment provides integrated facility management solutions to corporates and various other institutions such as hospitals, schools and airports across India. We provide the entire range of facility management services including janitorial services, electro-mechanical services, pest control as well as food and hospitality services and manned guarding and security solutions. These services are provided under our *Avon* and *Terrier* brands. Significant clients in this segment include leading IT/ITeS companies, large banking and financial institutions, Fortune 500 real estate services companies, hospitals, educational institutions and private airport management companies.

- **Industrials.** The Industrials segment provides industrial operations and maintenance ("**O&M**") services and related asset record maintenance services under our *Hofincons* brand across various industries, including power, energy, oil and gas, chemicals and ferrous and non-ferrous metal industries across India and the Middle East. Further, we provide managed services for utilities (meter reading services) and telecom companies (tower maintenance and network deployment services) under our *Maxeed* brand. We also provide engineering design services to our industrial clients under our *Inticore* brand, with capabilities in aerospace, engineering, defense and oil and gas sectors. Significant clients in this segment include some of India's leading steel, cement and energy companies.

The following table sets forth certain information relating to our results of operations in our principal operational segments in Fiscal 2015 (15 months) and Fiscal 2016 prepared under Indian GAAP:

Segment	Fiscal 2015 (15 months)	Fiscal 2016
	(Indian GAAP)	
	(₹ million, except percentages and numbers)	
Global Technology Solutions		
GTS Revenue from Operations	7,355.98	9,211.25
As % of Total Income	28.57%	26.75%
GTS EBIT	593.35	608.32
Associate Employees[1]	8,748	8,614
Core Employees[2]	668	1,110
People and Services		
P&S Revenue from Operations	14,035.42	19,498.47
As % of Total Income	54.52%	56.62%
P&S EBIT	389.19	630.00
Associate Employees[3]	63,141	83,657
Core Employees[4]	365	1,664
Integrated Facility Management		
IFM Revenue from Operations	3,008.57	3,718.71
As % of Total Income	11.69%	10.80%
IFM EBIT	145.16	174.52
Associate Employees	17,619	19,911
Core Employees	241	186
Industrials		
Industrials Revenue from Operations	1,270.59	1,921.72
As % of Total Income	4.94%	5.58%
Industrials EBIT	153.61	197.30

1. Indicates Associate Employees of our IT staffing business in India.
2. Indicates Core Employees of our IT staffing business in India.
3. Indicates Associate Employees of our general staffing business.
4. Indicates Core Employees of our general staffing business.

The following table sets forth certain information relating to our results of operations in our principal operational segments in Fiscal 2016 and Fiscal 2017 prepared under Ind AS:

Segment	Fiscal 2016	Fiscal 2017
	(Ind AS)	
	(₹ million, except percentages and numbers)	
Global Technology Solutions		
GTS Revenue from Operations	9,211.25	11,829.67
As % of Total Income	26.75%	28.35%
GTS EBIT	604.61	833.68
Associate Employees[1]	8,614	11,708
Core Employees[2]	1,110	1,141
People and Services		
P&S Revenue from Operations	19,498.47	23,454.11

Segment	Fiscal 2016	Fiscal 2017
	(Ind AS)	
As % of Total Income	56.61%	56.21%
P&S EBIT	724.31	1,089.04
Associate Employees[3]	83,657	116,947
Core Employees[4]	1,664	1,823
Integrated Facility Management		
IFM Revenue from Operations	3,718.71	4,046.12
As % of Total Income	10.80%	9.70%
IFM EBIT	171.80	203.06
Associate Employees	19,911	52,369
Core Employees	186	921
Industrials		
Industrials Revenue from Operations	1,921.72	2,243.70
As % of Total Income	5.58%	5.38%
Industrials EBIT	170.54	170.94

1. Indicates Associate Employees of our IT staffing business in India.
2. Indicates Core Employees of our IT staffing business in India.
3. Indicates Associate Employees of our general staffing business.
4. Indicates Core Employees of our general staffing business.

Headquartered in Bengaluru, we have a pan-India presence with 66 offices across 33 cities as of March 31, 2017, as well as operations in North America, the Middle East and South East Asia. As of March 31, 2017, we along with Target MIS Business employed more than 190,000 employees, including over 4,000 Core Employees and over 186,000 Associate Employees. As of March 31, 2017, we had more than 1,500 clients, based on ongoing contracts as of such date.

Recent Developments

Proposed MIS Acquisition

On November 28, 2016, we entered into definitive agreements relating to the Proposed MIS Acquisition, involving the demerger of the Target MIS Business into our Company through a scheme of arrangement. The completion of the Proposed MIS Acquisition is subject to various conditions, including the approval of the shareholders and creditors, the sanction of the scheme of arrangement by the National Company Law Tribunal as well as other relevant regulatory approvals. We have to date paid an aggregate amount of ₹ 2,200 million to acquire certain compulsory convertible preference shares of MIS in accordance with the terms of the relevant definitive agreements and the scheme of arrangement. For further information, see *"Management's Discussion and Analysis of Financial Condition and Results of Operations – Presentation of Financial Information – Pro Forma Financial Information on Proposed MIS Acquisition"*.

Other Proposed Investments

We entered into definitive agreements to subscribe to up to 46.00% of the share capital of Heptagon Technologies, engaged in software development with machine learning and automation technologies. As of June 30, 2017, we held 33.37% of the share capital of Simpliance, a Bengaluru based compliance technology firm. We also entered into a definitive agreement to subscribe to 51.00% shareholding in Comtel Pro Pte. Ltd., an entity focused on general staffing operations in Singapore. For further information, see *"Management's Discussion and Analysis of Financial Condition and Results of Operations – Presentation of Financial Information – Acquisitions and Investments"*.

Announcement of Reviewed Financial Results

Pursuant to a meeting of our Board of Directors on July 21, 2017, we have adopted and filed with the Stock Exchanges, the unaudited standalone and consolidated financial results for the quarter ended June 30, 2017 in accordance with the provisions of Regulation 33 of the SEBI Listing Regulations. For further information, see *"Financial Statements – Consolidated Reviewed Financial Results for the quarter ended June 30, 2017" and "Financial Statements – Standalone Reviewed Financial Results for the quarter ended June 30, 2017"*.

Competitive Strengths

Leading integrated business services provider in diversified business segments, industries and geographies

We are a leading integrated business services provider in India providing comprehensive business solutions to a wide range of industries, including recruitment, temporary staffing, technology staffing, IT products and solutions, skill development, payroll, compliance management, integrated facility management, manned guarding and security solutions and industrial services. We are the largest IT staff augmentation provider and the second largest general staffing company in India. In addition, we are among the leading industrial asset management service providers and among the largest integrated facility management service providers in India *(Source: F&S Report 2017).*

As of March 31, 2017, our operations were spread across India with 66 offices across 33 cities as well as in North America, the Middle East and South East Asia.

The following table sets forth information relating to our revenues from domestic and international operations in Fiscal 2015 (15 months) and Fiscal 2016 under Indian GAAP:

Geography	**Fiscal 2015 (15 months)**		**Fiscal 2016**	
	(Indian GAAP)			
	Revenue from Operations	**% of Total Revenue from Operations**	**Revenue from Operations**	**% of Total Revenue from Operations**
	(₹ million)	**(%)**	**(₹ million)**	**(%)**
India	23,220.95	90.46%	29,441.01	85.71%
International	2,449.62	9.54%	4,909.134	14.29%
Total	**25,670.57**	**100.00%**	**34,350.14**	**100.00%**

The following table sets forth information relating to our revenues from domestic and international operations in Fiscal 2016 and Fiscal 2017 under Ind AS:

Geography	**Fiscal 2016**		**Fiscal 2017**	
	(Ind AS)			
	Revenues from Operations	**% of Total Revenue from Operations**	**Revenues from Operations**	**% of Total Revenue from Operations**
	(₹ million)	**(%)**	**(₹ million)**	**(%)**
India	29,591.09	86.15%	34,151.47	82.15%
International	4,759.05	13.85%	7,422.13	17.85%
Total	**34,350.14**	**100.00%**	**41,573.60**	**100.00%**

In Fiscal 2017, our top 10 clients contributed 31.13% of our total revenue from operations while our largest client contributed 7.82% of our total revenues from operations in such period. Our service offerings across various industries and geographies enable us to ensure diversified revenue streams, stable cash flows and reduce vulnerability to economic cycles and geography-specific risks as well as reduce dependence on any set of significant clients. Our integrated service offerings also provide us with significant operating efficiencies as well as cross-selling opportunities.

Track record of successful inorganic growth with improved financial performance

We have established a track record of successful inorganic growth through strategic acquisitions to supplement our business verticals, diversify our revenue streams, and integrate such acquired businesses to further strengthen our service portfolio. We have historically introduced operating efficiencies, revenue growth and/or increased profitability in our acquired businesses, resulting in increased operating margins. For example, we have significantly grown the business and improved the financial performance of Avon, Magna Infotech, Brainhunter and MFX following their acquisition.

The table below sets forth certain information on the financial performance of Avon, Magna Infotech, Brainhunter and MFX in Fiscal 2015 (15 months) and Fiscal 2016 under Indian GAAP:

Acquired Entity	**Year of acquisition[1]**	**Fiscal 2015 (15 months)**	**Fiscal 2016**
		(Indian GAAP)	
Avon[(2)]			
Total Revenues (₹ million)	116.67	3,008.57	3,176.57
EBIT (₹ million)	(1.48)	126.81	141.14
Magna Infotech [(3)]			
Total Revenues (₹ million)	1,815.84	5,434.95	4,597.40
EBIT (₹ million)	66.02	549.79	548.73
Brainhunter			
Total Revenues (CAD million)	81.11	81.11	74.72
EBIT (CAD million)	(1.49)	(1.49)	(1.50)
MFX			
Total Revenues (USD million)	35.01	-	35.01
EBIT (USD million)	(1.65)	-	(1.65)

1. Year of acquisition denotes the year of completion of first tranche of acquisition. Fiscal 2009 and Fiscal 2011 were the years of acquisitions (first tranche) of Avon and Magna Infotech, respectively. Brainhunter and MFX were acquired in Fiscal 2015 and Fiscal 2016, respectively.

2. Avon was merged with our Company with effect from January 1, 2014. The results of operations reflect audited financial results prior to such merger and reflect standalone IFM segment financial results subsequent to such merger.

3. Magna Infotech was merged with our Company with effect from January 1, 2014. The results operations of Magna Infotech reflect audited financial results prior to such merger and reflect standalone GTS segment financial results subsequent to such merger.

The table below sets forth certain information on the financial performance of Avon, Magna Infotech, Brainhunter and MFX in Fiscal 2016 and Fiscal 2017 under Ind AS:

Acquired Entity	**Year of acquisition[1]**	**Fiscal 2016**	**Fiscal 2017**
		(Ind AS)	
Avon[(2)]			
Total Revenues (₹ million)	116.67	3,176.57	3,386.12
EBIT (₹ million)	(1.48)	133.05	137.72
Magna Infotech [(3)]			
Total Revenues (₹ million)	1,815.84	4,597.40	4,909.46
EBIT (₹ million)	66.02	513.02	612.33
Brainhunter			
Total Revenues (CAD million)	81.11	74.72	68.49
EBIT (CAD million)	(1.49)	(1.50)	0.13
MFX			
Total Revenues (USD million)	35.01	35.01	37.39
EBIT (USD million)	(1.65)	(1.65)	1.16

1. Year of acquisition denotes the year of completion of first tranche of acquisition. Fiscal 2009 and Fiscal 2011 were the years of acquisitions (first tranche) of Avon and Magna Infotech, respectively. Brainhunter and MFX were acquired in Fiscal 2015 and Fiscal 2016, respectively.

2. Avon was merged with our Company with effect from January 1, 2014. The results of operations reflect audited financial results prior to such merger and reflect standalone IFM segment financial results subsequent to such merger.

3. Magna Infotech was merged with our Company with effect from January 1, 2014. The results operations of Magna Infotech reflect audited *financial results prior to such merger and reflect standalone GTS segment financial results subsequent to such merger.*

Track record of growth and improved operating efficiencies and margins through business cycles

We have established a track record of rapid growth as well as improved operating margins in recent years. We believe that our strong performance through economic cycles reflects the inherent essential nature of the business services we provide, our strong value proposition and our management's focus on financial performance.

The table below sets our details of our total revenue, EBITDA, EBITDA margin, EBIT, EBIT margin, profit after tax before minority interest and PAT margin for the periods from Fiscal 2012 to Fiscal 2017:

Particulars	**Indian GAAP**					**Ind AS**	
	Fiscal 2012	**Fiscal 2013**	**Fiscal 2014 (9 Months)**	**Fiscal 2015 (15 Months)**	**Fiscal 2016**	**Fiscal 2016**	**Fiscal 2017**
	(₹ million, except percentages)						
Revenue from operations	6,370.03	10,011.53	10,060.13	25,670.57	34,350.14	34,350.14	41,573.59
EBITDA	267.38	417.09	389.92	1,293.07	1,637.46	1,510.83	2,228.01
EBITDA Margin	4.20%	4.17%	3.88%	5.04%	4.77%	4.40%	5.36%
EBIT	230.51	373.16	347.57	1,191.66	1,477.27	1,366.92	1,963.59
EBIT Margin	3.62%	3.73%	3.45%	4.64%	4.30%	3.98%	4.72%
PAT	67.65	86.02	192.30	688.92	897.16	811.80	1,134.44
PAT Margin	1.06%	0.86%	1.91%	2.68%	2.61%	2.36%	2.73%

We believe that our business model benefits from certain inherent operational efficiencies. Given the fixed nature of our investment in infrastructure and technology in most of our business segments, there is substantial operating leverage benefit to us as the business scales up and as we increase the number of Associate Employees we place. We strive to continuously improve our operating margins through a range of initiatives, including metric-driven improvement in our client service, application of consistent processes, leveraging scale to improve recruitment efficiency. We have also made significant investments in technology infrastructure over the years, including leveraging our domain expertise, implementing SAP across our operations in India, centralizing common administrative functions, developing customized applicant tracking, and automating the Associate Employee life cycle. We also provide certain of our clients with customized dashboards to monitor Associate Employees placed by us. The improving operating efficiencies in our business over the years are reflected in our improving Associate to Core employee ratio over the years as well as significant reduction in days of sales outstanding over the years. Our technology offerings enable us to strengthen client relationships aimed at improved client retention and future business.

Robust recruitment capability, deep domain knowledge and knowledge of labour regulations

We believe that our ability to meet the staffing and other business service requirements of our clients across various jurisdictions and industries in a timely manner provides us a significant competitive advantage. We have over the years developed deep domain knowledge about our client industries as well as knowledge of diverse labour regulations across various states. We have grown a team of industry-specific experienced recruiters and a large proprietary database of staffing candidates. Our management, recruiters and sales force are streamlined to specific business verticals and industry segments, which has enabled us to strengthen client engagement and develop deeper domain knowledge.

Our recruiters have significant experience and expertise that enable us to accurately assess candidates' workplace potential and skills to match them to our clients' requirements, thereby meeting our clients' staffing requirements in a timely, reliable and effective manner. As a result of our expansive operations across India, we are able to rely on our own recruitment team and are not dependent on third party recruitment specialists or referrals, which we believe is a significant competitive advantage, and enables us to maintain consistent quality and delivery standards across locations and clients.

As of March 31, 2017, we employed over 1,000 full-time specialized recruiters across various business segments and industries. We believe we have deep domain knowledge of labour laws and regulations applicable to various industries across different States and Union Territories in India as well as in the other jurisdictions we serve. We believe this enables us to effectively address employment related regulatory issues across our operations that our clients may face.

Established relationship with clients leading to recurring business

We believe we have over the years developed long-term established relationships with our clients leading to recurrent business. Our client retention levels, we believe, reflect our ability to deliver complex business processes across various industries, the value-added nature of our business services and solutions and the quality of our consistent client servicing standards. We strive to clearly understand our clients' business needs and provide solutions that maximize their return on human capital. We believe that optimal placement of employees with appropriate clients enable us to balance the volume, rates, effort and duration of assignments, leading to maximizing the relative interests of our clients, our Associate Employees and our long-term business prospects. We believe this has led to consistent retention rates and long-term client relationships for us, leading to a stable business, which enable us to manage the effect of any adverse economic cycles.

For example, 17 of our top 25 clients have been our customer for over three years, 13 of whom have been our client for a period exceeding five years. We strive to develop a consultative, long-term partnership model of service delivery rather than a transactional client relationship. We believe that such long-term, established client relationships have enabled us to effectively capitalize on our clients' increasing staffing requirements, increase our market share, reduce the revenue and earnings uncertainty associated with the short term nature of most of our client contracts.

Experienced management team and strong equity sponsorship

We are a professionally managed company with a senior management team with significant experience in the staffing and business services industry. Our Chairman and Managing Director and CEO, Ajit Isaac, has extensive experience in this industry and has contributed to our organic and inorganic growth as well as international expansion. Our senior management has a cumulative experience of more than 175 years, with many of them being associated with us since our early business stages. We have also developed our mid-management team and introduced streamlined operating processes and organization structures. Our compensation structure, including incentive compensation, is linked to key performance metrics and is designed to incentivize our management team to target our long-term success.

TCIL, our majority shareholder and corporate Promoter, is a listed company in India with a history of more than 130 years of operations. TCIL is in turn majority owned by Fairbridge Capital (Mauritius) Limited which is a part of Fairfax, a company engaged in the business of property and casualty insurance and reinsurance and investment management through its subsidiaries, and has a successful track record of investments in the service industry. We believe that our relationship with the Fairfax group has enabled us to streamline our business operations to global best practices of corporate governance, internal controls and evaluation of inorganic growth opportunities, as well as enhanced our access to international business opportunities and global capital.

Business Strategies

Supplement service offerings through margin and return accretive M&A strategy

Since Fiscal 2009, we have expanded our service portfolio through a number of acquisitions and successfully integrated these businesses into our operations. Following our initial public offering, in Fiscal 2017, we have announced six acquisitions / investments across businesses including facility management, security services, IT staffing, technology and compliance. We believe that the highly fragmented nature of the industries we operate in will continue to offer consolidation opportunities. We intend to continue our strategic expansion plans through inorganic growth opportunities in underserved markets and geographies that complement our existing operations. Through strategic acquisitions, we intend to increase our market share, enable access to new clients and enter high-growth geographies in a cost effective manner.

We believe that our experience, track record and conservative approach of identifying and implementing our inorganic growth strategy will enable us to acquire and successfully integrate new businesses, both in India and internationally.

In conjunction to our organic growth strategies, we intend to pursue strategic acquisitions by selectively evaluating targets or partners for strategic acquisitions and investments in order to strengthen our range of service offerings and customer portfolio. We continue to pursue opportunities in, among others, telecom infra maintenance, IT staffing, facility management, business process outsourcing, knowledge process outsourcing and public infrastructure operations and maintenance, to offer a comprehensive range of business and managed service offerings to our clients.

Improve margins through operating leverage, higher value added services and shift in favor of higher margin segments

We continue to improve our operating margins through a shift of our service portfolio towards higher margin businesses. We are focusing on further growing our higher margin businesses such as IT staffing, facility management and industrial services, as compared to the relatively low margin general staffing business. We also continue to invest in businesses, industries and geographies that we believe present opportunities to increase our operating margins. We believe that our comprehensive range of business service offerings will enable us to successfully cross sell, thereby increasing operating efficiencies and further improve operating margins.

We believe that our GTS business has significant growth opportunities in India and South East Asia given our market leader position *(Source: F&S Report 2017)* and the low level of IT staffing penetration in India compared to mature IT industry markets such as the United States. We continue to focus on identifying and placing senior level employees and employees with IT skills, to increase our per employee realization. Our recruitment centers in non-metropolitan Tier 2 cities in India such as Tiruchirappalli, that have large pools of qualified engineers, help bring recruitment costs under control. The turnaround of Brainhunter (focused on IT staffing in North America) and MFX (focused on IT products and solutions for property and casualty insurance industry) is in progress with both companies registering positive EBITDA in Fiscal 2017. We believe that our acquisition of Comtel will strengthen our IT staffing in Asia Pacific and also serve as a platform for expansion of our other services such as general staffing, managed services for technology, training and skill development and facility management in Singapore.

In our P&S business, we leverage established client relationships to move up the value chain in terms of nature of services provided. We are moving away from the "personnel and material" billing contracts to SLA based output-linked managed service offerings with higher margin opportunities. In addition, we leverage our robust technology infrastructure to offer customized mobile application based solutions to recruit fresh Associate Employees, monitor their productivity and track their business process efficiencies.

In our IFM business, we continue to focus on high margin markets, and increase our focus on healthcare, education, hospitality and security solutions that provide higher margins. In addition, our comprehensive facility management services portfolio enables us to offer lower costs to customers through vendor consolidation. Our IFM business growth strategy to focus on specialized industries and high margin markets will require investment in certain capital equipment critical to such operations.

In our Industrials business, we continue to focus on shifting from O&M contracts to contracts that serve the complete industrial asset life cycle of erection, commissioning, maintenance and overhaul. We believe this will involve significant investment in capital equipment such as construction and transportation equipment as we believe that ownership of such equipment is critical to win higher margin contracts. We continue to offer customized value-added SLA linked services to utilities distribution companies and telecommunication service providers, which generate higher margins. Our recent acquisition of Inticore helps us provide engineering design services to our industrial clients, with capabilities in aerospace, defense, engineering and oil & gas sectors adding strength to our existing offerings. We also intend to develop further experience in higher margin service offerings such as shut down maintenance, conditioning and monitoring of equipment and provision of technical training to employees. We also continue to pursue higher margin business opportunities internationally, including in the Middle East and in South East Asia, for our Industrials business.

Capitalize on the rapid growth of e-commerce in India

We intend to capitalize on the rapid growth of the e-commerce ecosystem in India. We provide managed services to a number of leading e-commerce players in India including Amazon and Urban Ladder, and as of March 31, 2017, about 9,000 Associate Employees were deployed with e-commerce clients. We continue to move away from "personnel and material" contracts to SLA based contracts, in particular providing last mile delivery services under the *Dependo* brand. As of March 31, 2017 we operated last mile delivery services across 18 cities with average daily shipments in excess of 22,500.

We also continue to leverage our comprehensive IFM service portfolio, in particular hard services such as electrical repair, carpentry, plumbing, cleaning, electronic appliance repair, HVAC repair and manned guarding and security solutions, to identify higher margin B2C opportunities in these services. Given the high demand for, and scarcity of trained and certified service personnel in these areas, we believe that there are significant growth opportunities in the B2C segment.

Leverage digitization to transform business processes and improve customer experience

In Fiscal 2017, we implemented comprehensive digitization initiatives to improve customer experience, support service delivery and realize cost efficiencies. Our digitization initiatives, led by a combination of external technical expertise and internal domain experience, is targeted at introducing significant modification to our existing operations and key business processes such as recruitment, payroll and background verification through increased automation and analytics.

Our investments in Heptagon and Simpliance represent the second leg of our digitization initiatives, as we continue to invest in technologies and platforms that we believe can introduce significant operating and cost efficiencies in our core businesses.

Business Operations

Our operations include four broad business segments: Global Technology Solutions, People and Services, Integrated Facility Management and Industrials.

Global Technology Solutions Business

The GTS segment provides IT staffing and technology solutions and products under the *Magna Infotech*, *Brainhunter*, *Mindwire*, *MFX* and *Comtel* brands. We provide a comprehensive range of IT and ITeS related staff augmentation and consulting services in India, South East Asia and North America. Our datacenters at Ridgefield Park, New Jersey and Roanoke, Virginia are SSAE 16 SOC1 Type II compliant facilities, and are strategically located in different regions in the United States to ensure disaster recovery protection and meet applicable regulatory requirements. Our offshore delivery and development centers in Chennai and Bengaluru with a seating capacity of 350 enable us to render offshore services (including application development and maintenance, testing and IT infrastructure maintenance) for our global clients.

As of March 31, 2017, our GTS business included over 1,000 Core Employees and 11,000 Associate Employees, serving over 250 clients as of March 31, 2017. Our Key Clients in the GTS segment include 11 companies ranked in the 2017 Fortune Global 500 list, as well as large internationals banks as well as large Indian IT consulting and systems integrator companies.

The following table sets forth certain information relating to our GTS segment in Fiscal 2015 (15 months) and Fiscal 2016 under Indian GAAP:

	Fiscal 2015 (15 months)	**Fiscal 2016**
	(Indian GAAP)	
GTS Business	(₹ million, except percentages, employee numbers and ratios)	
Revenue from Operations	7,355.98	9,211.25
As % of Total Income	28.57%	26.75%
EBIT	593.35	608.32
EBIT Margin	8.07%	6.60%
Associate Employees[1]	8,748	8,614
Core Employees[2]	668	1,110
Associate to Core Employee Ratio	13.10	7.76

1. *Indicates Associate Employees of our IT Staffing business*

2. *Indicates Core Employees of our IT staffing business*

The following table sets forth certain information relating to our GTS segment in Fiscal 2016 and Fiscal 2017 under Ind AS:

	Fiscal 2016	Fiscal 2017
	(Ind AS)	
GTS Business	(₹ million, except percentages, employee numbers and ratios)	
Revenue from Operations	9,211.25	11,829.67
As % of Total Income	26.75%	28.35%
EBIT	604.61	833.68
EBIT Margin	6.56%	7.05%
Associate Employees[1]	8,614	11,708
Core Employees[2]	1,110	1,141
Associate to Core Employee Ratio	7.76	10.26

1. *Indicates Associate Employees of our IT staffing business*
2. *Indicates Core Employees of our IT staffing business*

In our GTS business, we focus on the following:

- **IT Staffing (India)**

  We are the largest IT staff augmentation provider in India based on number of employees *(Source: F&S Report 2017).* We provide IT staffing solutions to our clients in India through our team of experienced recruiters. We had over 430 recruiters as of March 31, 2017. We provide the entire range of staff augmentation services across various industries including banking and financial services, automotive and engineering, telecom, healthcare, FMCG and retail. Our IT staffing offerings in India through Magna Infotech has an industry presence of over two decades. As of March 31, 2017, our IT staffing (India) business had over 250 clients and more than 9,500 Associate Employees.

- **IT Staffing (North America)**

  We provide IT staffing services in the largest IT and ITeS market globally, i.e., North America, through our wholly-owned subsidiaries, Brainhunter and Mindwire, which we acquired in Fiscal 2015 (15 months). Brainhunter provides recruitment and IT staff augmentation services and to its clients leveraging technology to manage job postings and candidate submission processes from multiple staffing vendors in a confidential manner. Headquartered in Ottawa, Canada, Mindwire focuses on providing Canadian government departments and agencies with IT services and solutions.

  We have recently commenced providing IT staffing services in the United States, under Brainhunter.

- **IT Staffing (South East Asia)**

  In addition, we offer IT staff augmentation services in South East Asia, particularly in Singapore. As of March 31, 2017, our IT staffing business in South East Asia involved more than 1,400 Associate Employees. Our staffing capabilities in South East Asia have been significantly boosted with our acquisition of majority stake in Comtel, which is Singapore's largest IT staff augmentation provider based on number of employees (*Source: F&S Report 2017*). At Comtel, we provide the IT staff augmentation services across industries including banking and financial services, automotive and engineering, telecom, healthcare and retail. Comtel has an industry presence of over two decades and as of March 31, 2017 had over 250 clients.

- **IT Solutions and Products**

  Our IT Solutions and Products offerings are provided through MFXchange Holdings Inc. ("**MFX**"). MFX has a track record of over 15 years in developing IT solutions, particularly focused on the P&C insurance industry. A global insurance systems integrator, MFX has specialized experience in integrating processing applications, enterprise networks and datacenters. It offers a comprehensive range of IT services in the P&C insurance industry, supported by its offshore delivery centers in Chennai and Bengaluru in India. MFX is a SOC 1 Report and SOC

2 Report certified IT solutions provider and provides customized data–center and infrastructure services, including private cloud services, to various industries through its data centers located in Virginia and in New Jersey in the United States.

Our clients in IT Solutions and Products vertical include:

i. One of the world's largest publicly traded property and casualty insurer providing commercial and personal property and casualty insurance, personal accident and supplemental health insurance, reinsurance and life insurance;

ii. One of the world's top 20 general insurance and reinsurance companies;

iii. One of the largest life and property and casualty insurers in the world;

iv. A leading relocation management company;

v. One of the largest provider of property and casualty reinsurance in the United States;

vi. A startup specialty insurance provider of targeted insurance offerings; and

vii. A startup in the commercial insurance space for small and medium businesses.

People and Services Business

The P&S segment provides comprehensive staffing (excluding IT staffing) services and solutions including general staffing, recruitment and executive search, recruitment process outsourcing, as well as payroll, compliance and background verification services under the *IKYA* and *CoAchieve* brands. In addition, we provide training and skill development services through, as of March 31 2017, 66 centers spread across 13 states in India, under our *Excelus* brand in partnership with the Government of India. We are authorized to provide training and skill development programs covering 20 trades, including technical support (ITES sector), warehouse assistance (logistics sector), and domestic tour operators (travel and tourism sector).

As of March 31, 2017 our P&S business included over 1,800 Core Employees and over 115,000 Associate Employees, and served over 325 clients.

The following table sets forth certain information relating to our P&S segment in Fiscal 2015 (15 months) and Fiscal 2016 under Indian GAAP:

	Fiscal 2015 (15 months)	**Fiscal 2016**
	(Indian GAAP)	
P&S Business	(₹ million, except percentages, employee numbers and ratios)	
Revenue from Operations	14,035.42	19,498.47
As % of Total Income	54.52%	56.62%
EBIT	389.19	630.00
EBIT Margin	2.77%	3.23%
Associate Employees[1]	63,141	83,657
Core Employees[2]	365	1, 664
Associate to Core Employee Ratio	172.99	50.27

1. *Indicates Associate Employees of our general staffing business*
2. *Indicates Core Employees of our general staffing business*

The following table sets forth certain information relating to our P&S segment in Fiscal 2016 and Fiscal 2017 under Ind-AS:

	Fiscal 2016	**Fiscal 2017**
	(Ind AS)	
P&S Business	(₹ million, except percentages, employee numbers and ratios)	

	Fiscal 2016	Fiscal 2017
	(Ind AS)	
Revenue from Operations	19,498.47	23,454.11
As % of Total Income	56.61%	56.21%
EBIT	724.31	1,089.04
EBIT Margin	3.71%	4.64%
Associate Employees[1]	83,657	116,947
Core Employees[2]	1, 664	1,823
Associate to Core Employee Ratio	50.27	64.15

1. *Indicates Associate Employees of our general staffing business*
2. *Indicates Core Employees of our general staffing business*

Our P&S business includes the following:

- **General Staffing**

  We provide temporary staffing solutions across industries, including FMCG, retail and ecommerce, consumer durables, healthcare, BFSI, logistics, media and entertainment, and manufacturing industries. We provide timely and customized temporary staffing solutions to our clients enabling them to optimally manage their workforce requirements. Our pan-India operations, ability to ensure rapid ramp-up, provide value-added services and strong recruitment team (which included 166 recruiters as of March 31, 2017) provide us with a competitive advantage. In addition, we manage the transition, transformation and delivery of on-site, off-site and combination outsourced processes. In particular, we have developed significant expertise in providing staffing support to the retail and e-commerce industry, with a focus on sales personnel, logistics management and last mile delivery. In addition to identifying, assessing, recruiting, training and deploying suitable general staffing candidates in accordance with their relative strengths and fit, our staffing solutions involve various innovative initiatives that enable effective management and optimal utilization of our staffing resources such as geo-tagged attendance and real-time productivity records.

- **Recruitment and Executive Search**

  We provide a range of permanent recruitment and executive search services to our clients across management levels, leveraging our expertise, knowledge and network across industries including IT and ITeS, BFSI, industrial, engineering, resources, consumer services, retail, telecom, pharmaceutical and healthcare industries. Our search business is domain-focused, with industry specialized recruiters focusing on specific verticals. We partner with clients in identifying, screening, assessing and recruiting qualified individuals for board level, senior management and CXO level positions. Our recruitment and executive search business provides customized solutions in talent acquisition, turnkey projects, project based recruitment, outplacements and outsourcing of recruitment processes. As of March 31, 2017 we had a recruitment and executive search team of more than 400 recruiters and search consultants.

- **Retail Solutions**

  Our retail solutions business operating under the *InEDGE* brand provides support to leading brands in supporting their sales and retail strategies. In addition to providing staffing solutions, we also provide visual merchandising, retail audit and sales enhancement support to our clients. Our retail solutions offering are backed by integrated software applications that enable our clients to track daily sales, sales force attendance and sales performance. We believe that such extensive engagement with the sales and marketing teams of our clients strengthens our client relationships and enables us to emerge as the preferred retail solutions partner over a period of time.

- **Payroll and Compliance Management**

  Our pan-India operations enable us to provide a comprehensive and cost effective range of payroll outsourcing services, statutory compliance management solutions and a range of background verification services. We have experienced teams with significant regulatory and industry specific domain knowledge for such engagements. We believe that we are engaged by our clients across industries due to our ability and focus on ensuring compliance with relevant regulations. As of March 31, 2017 we had a compliance team of over 100 employees.

- **Training and Skill Development**

  Our experience in providing staffing solutions across various industries provides us with an understanding of skill sets valued by employers. Accordingly, in collaboration with GoI and State governments and agencies, we provide skill development programs to bridge the skill gap and enhance employability of candidates from underprivileged sections of society. We are amongst the largest training and skill development partner for the Ministry of Rural Development based on approved project cost. *(Source: F&S Report 2017).* We are authorized to deliver programs across 20 trades by the Sectoral Skills Council, and had 66 operational centers across India as of March 31, 2017.

Integrated Facility Management Business

The IFM segment provides integrated facility management solutions to corporates and institutions such as hospitals, airports, schools and higher education institutions across India. We provide the entire range of facility management services including janitorial services, electro-mechanical services, pest control, food and hospitality services and security services. These services are provided under our *Avon* brand and *Terrier* brand. We believe our ability to deliver cost savings to our clients along with our ability to support multiple facility maintenance service requirements has distinguished us from our competitors. Significant clients in this segment include leading IT/ITeS companies, large banking and financial institutions, hospitals, educational institutions, Fortune 500 real estate services companies and airport management companies.

We have also announced the acquisition of the facility management and catering businesses of MIS. In addition to managing the facility management and catering requirements of institutions within the Manipal group, as of March 31, 2017, this business served more than 120 clients with presence in healthcare, education and BFSI sectors and had more than 17,000 employees. The facility management business is conducted under the brand *Golden Star* that provides integrated facility management services to a diverse range of customers. The catering business is operated under the *Chef on Wheels* brand and is ISO 14001:2004, ISO 22000:2005, ISO 9001:2008 and OHSAS 18001:2007 certified.

In Fiscal 2017, the facility management and catering business of MIS recorded revenues from operations of ₹ 4,558.14 million and an EBITDA of ₹ 471.61 million. For further information, see "- *Recent Developments – Proposed MIS Acquisition*" on page 184 and "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Presentation of Financial Information - Proforma Financial Information on Proposed MIS Acquisition*" on page 85.

Our IFM business has received global process quality certification (ISO 22000:2005) and is also a member of ISSA, the global cleaning industry association. As of March 31, 2017, we managed approximately 250 million square feet of space *(Source: F&S Report 2017)* spread across India. As of March 31, 2017 we were spread across more than 4,000 locations in India, and served over 800 clients across a range of industries, including healthcare, BFSI, retail and telecom. As of March 31, 2017, our IFM business included over 900 Core Employees and over 52,000 Associate Employees, including 12,500 Associate Employees in our security services business and 17,000 Associate Employees in MIS.

The following table sets forth certain information relating to our IFM segment in Fiscal 2015 (15 months) and Fiscal 2016 under Indian GAAP:

	Fiscal 2015 (15 months)	**Fiscal 2016**
	(Indian GAAP)	
IFM Business	(₹ million, except percentages, employee numbers and ratios)	
Revenue from Operations	3,008.57	3,718.71
As % of Total Income	11.69%	10.80%
EBIT	145.16	174.52
EBIT Margin	4.82%	4.69%
Associate Employees	17,619	19,911
Core Employees	241	186
Associate to Core Employee Ratio	73.11	107.05

The following table sets forth certain information relating to our IFM segment in Fiscal 2016 and Fiscal 2017 under

Ind-AS:

	Fiscal 2016	Fiscal 2017
	(Ind AS)	
IFM Business	(₹ million, except percentages, employee numbers and ratios)	
Revenue from Operations	3,718.71	4,046.12
As % of Total Income	10.80%	9.70%
EBIT	171.80	203.06
EBIT Margin	4.62%	5.02%
Associate Employees	19,911	52,369
Core Employees	186	921
Associate to Core Employee Ratio	107.05	56.86

In our IFM business, we focus on the following sub-verticals:

- **Facility Management – Soft, Hard and Pest Control Services**

  Soft Services

  Our soft services business, operated under the *Avon* brand, has a track record of more than 22 years. We provide customized soft services including housekeeping, janitorial services, mailroom management, lawn and garden care, facade cleaning and pantry management. In addition, we also focus on specialized maintenance of healthcare, guesthouses and hospitality facilities.

  Hard Services

  We provide a range of hard services including electro-mechanical services, diesel generator set operations, plumbing, water supply management, carpentry, painting, HVAC and handyman services.

  Pest Control Services

  We provide a range of pest control services, including bird control and termite treatment services.

  Security Services

  With our acquisition of 49.00% equity shareholding in Terrier, we have entered the security services space providing manned guarding services and electronic security solutions to clients.

- **Food and Hospitality Services**

  We own and operate a central kitchen in Bengaluru with an aggregate capacity to serve over 3.5 million meals per month. We provide onsite and offsite catering and hospitality solutions to corporate clients. In addition to being ISO 22000:2005 certified, we have received a certificate of commendation from the CII for our strong commitment to excel in food safety in 2014.

Industrials

The Industrials segment provides industrial O&M services under the *Hofincons* brand across various industries, including power, energy, oil and gas, chemicals and ferrous and non-ferrous metal industries across India. In addition, we also provide technology and consultation services to industrial clients. Further, we provide managed services for utilities (meter reading services) and telecom companies (tower maintenance and network deployment services) under the *Maxeed* brand. Significant clients in this segment include some of India's leading steel, cement and energy companies. Our recent acquisition of Inticore helps us provide engineering design services to our industrial clients, with capabilities in aerospace, defense, engineering and oil and gas sectors adding strength to our existing offerings.

We have received ISO 9001:2008, ISO 14001:2004 and OHSAS 18001:2007 certifications for our Industrials business.

The following table sets forth certain information relating to our Industrials segment in in Fiscal 2015 (15 months) and Fiscal 2016 under Indian GAAP:

	Fiscal 2015 (15 months)	Fiscal 2016
	(Indian GAAP)	
Industrials Business	(₹ million, except percentages, employee numbers and ratios)	
Revenue from Operations	1,270.59	1,921.72
As % of Total Income	4.94%	5.58%
EBIT	153.61	197.30
EBIT Margin	12.09%	10.27%

The following table sets forth certain information relating to our Industrials segment in in Fiscal 2016 and Fiscal 2017 under Ind AS:

	Fiscal 2016	Fiscal 2017
	(Ind AS)	
Industrials Business	(₹ million, except percentages, employee numbers and ratios)	
Revenue from Operations	1,921.72	2,243.70
As % of Total Income	5.58%	5.38%
EBIT	170.54	170.94
EBIT Margin	8.87%	7.62%

Our Industrials business includes the following service offerings:

- **Industrial Operations and Maintenance Services**

  We provide solution-driven maintenance services in the areas of preventive maintenance, condition maintenance, shut down services, break down repair and asset life extension services. These services are aimed at reducing operational and maintenance costs, increasing operational efficiencies and optimizing plant availability by reducing downtime. We intend to expand our operations in South East Asia to provide these services and have entered into a joint venture for the same.

- **Technology and Consulting Services**

  We provide clients with integrated asset management services, providing comprehensive ERP data solutions for our industrial clients. We specialize in managing asset master data and providing improved information management and asset performance.

- **Managed Services**

  We offer a comprehensive range of value added services currently focused primarily on the telecom and utilities sectors. Our managed services are SLA driven arrangements, reducing clients' management efforts. We currently provide our managed services under the *Maxeed* brand. In particular, we are specialized in network deployment and have also assisted a telecom service provider in the roll-out of its 4G services across India. In the utilities segment, we are involved in providing solutions for metering and billing activities of power distribution companies. We provide effective electronic data transfer systems for meter readings to a centralized bill processing unit, thereby minimizing revenue leakage for our utility clients.

Human Resources

As of March 31, 2017, we along with Target MIS Business employed more than 190,000 employees across our operations, including over 4,000 full time Core Employees and over 186,000 Associate Employees who are placed with our clients. Further, we also hire contract employees and as of March 31, 2017 we hired 150 contract employees in compliance with the Contract Labour (Regulations & Abolition) Act, 1970 and rules made thereunder. The following table sets forth certain information on approximate numbers of our and the Target MIS Business' Core Employees and Associate Employees across various business segments as of March 31, 2017:

Segment	Core Employees	Associate Employees	Total
GTS	1,141	11,708	12,849
P&S	1,823	116,947	118,770
IFM	921	52,369	53,290
Industrials	194	6,933	7,127

Our employees are from various backgrounds with diverse skill sets as we are required to meet client requirements across a wide range of industries. We have implemented group level policies introducing good governance, including whistleblower policies and anti-sexual harassment policies. In addition, each business segment has implemented specific operational policies to meet the specific requirements of the relevant business segments. We are focused on developing strong leadership across each business segment. We hire experienced management graduates from premier business schools who work directly with our business heads and provide them growth opportunities. As part of our group management programs, we employ fresh management graduates at functional management roles, who undergo a business rotation program for a year. In addition, we hire fresh graduates based on the requirements of each business segment through campus placements.

We do not have any trade unions or collective bargaining agreements with our employees. Given our pan-India operations and the fact that our Associate Employees typically work at client locations, we have provided a phone helpline to address employee issues, and our human resource teams visit employees onsite resolve any issues. Our employee assistance programs include support on personal and work related issues such as workplace conflict, substance abuse and addictions, depression, stress, health issues and medical support for employees and their family members.

We provide extensive learning and development training for both Core Employees as well as our Associate Employees. We provide both on-boarding training and refresher courses in association with professional training agencies. We also provide skill enhancing courses for our Associate Employees based on our client or contract requirements. Our training programs are designed keeping in mind specific employee requirements. In addition, training requirements are assessed as part of the appraisal process.

Since our recruitment team plays a critical role in our business, we conduct extensive training and refresher programs for our recruiters across business segments and industries. Our focus on developing specialized domain knowledge for various industries and verticalisation of our recruitment team across business segments and industries enables our recruiters to better anticipate and meet client requirements. In addition, we have developed an effective recruitment process including significant market intelligence, job description clarity calls, validation of recruitment assumptions and coordinated walk-in events. The recruitment process is supported by our proprietary application tracking system. We intend to further enhance our delivery capabilities through innovative use of technology platforms to integrate social media and crowd sourcing process with our extensive candidate database.

Sales and Marketing

Our focus on understanding our clients' business requirements, combined with our delivery capabilities, is critical for ensuring continued client engagement and satisfaction. We believe that our process driven sales and account management structure, with a focus on increasing engagement with existing clients and acquiring new clients through our sales teams, is important to our business success. Our account origination team has a dedicated delivery channel to focus on relationship with new clients and nurture it to a critical level before transitioning to the respective business segment teams. Our sales and marketing teams are supported by an effective IT infrastructure including client relationship management tools customized to our operations across various industries.

As of March 31, 2017, we had over 80 sales and marketing personnel located across India, including in Bengaluru, NCR, Mumbai, Pune and Hyderabad. We also have sales and marketing teams in certain international locations including Manila (Philippines), Kuala Lumpur (Malaysia), Dubai (UAE), New Jersey (USA), Singapore, Colombo (Sri Lanka) and Toronto and Calgary (Canada). We encourage our sales personnel to market our integrated offerings across our various business segments, and intend to further expand our reach by increasing the strength of our sales and marketing team and developing dedicated sales team to focus on cross selling opportunities.

Service and Contract Management

The nature of service contracts we enter into vary depending on the business segment and sub-vertical, the specific requirements of the client, as well relevant industry practice. Our service contracts include variations of cost plus contracts, fixed price contracts and/or SLA linked contracts.

Cost-plus contracts are contracts where the price is variable based upon our actual costs incurred for personnel and materials, if applicable. Any margin on cost plus contracts may be a fixed amount or a percentage mark-up applied to costs incurred or a combination of both. Fixed price contracts often include cost escalation terms that enable increase in price should certain events occur or conditions change. Change orders on fixed priced contracts are routinely approved as work scope changes resulting in adjustments to our fixed price.

We have over the years strategically tried to move away from "personnel and materials" contracts to SLA linked contracts, i.e. contracts where specific aspects of the service including scope, service quality and responsibilities are agreed between us and our clients. The price charged is linked to the satisfactory delivery of agreed upon service levels. Although such contracts involve relatively higher risk than "personnel and materials" contracts due to the service delivery linked pricing, margins associated with such SLA linked contracts are generally higher as clients typically factor in a premium for ensuring certain agreed upon service quality and service delivery levels.

Fixed price contracts and SLA linked contracts require effective cost estimation models, and we prefer to commence operations with a particular client or in a new industry or business vertical on the basis of cost plus "personnel and materials" contracts and move to fixed price or SLA linked contracts only after gaining significant service experience with the relevant client or in the relevant industry.

Risk Management

Our business involves placing our Associate Employees at client locations. Our Associate Employees are subject to all regulatory requirements applicable to the relevant industry or client they are placed in. We seek to maintain a safe, healthy and environmentally friendly workplace for all of our Associate Employees and Core Employees. Certain of our business services are provided in high risk locations and, as a result we may incur substantial costs to maintain the safety and security of our Associate Employees.

We have also established background verification processes to reduce risk of misconduct by our Associate Employees at the client site. We seek to limit such risk through effective Associate Employee training and avoid high-risk assignments. Risk management is an integral part of our project management approach and our project execution process, and we have implemented stringent quality assurance/control, risk management, workplace safety and related processes.

We ensure information security in our operations through stringent information security procedures that enable planned implementation and controls to prevent unauthorized users from accessing internal systems. These controls include information security policies and procedures, security monitoring software, encryption policies, access policies, password policies, physical access limitations, and fraud detection efforts. In addition to third party security audits, we have implemented regular internal audits to proactively identify and manage potential operational, reputational and compliance risk issues.

We maintain insurance cover for professional liability and claims involving personal injury for our Core Employees as well as for damage to property. Our Associate Employees are typically covered by insurance cover obtained by us as well as our clients with whom such Associate Employees are placed. In addition, a significant number of our Associate Employees are also covered under the Employees' State Insurance Corporation scheme. These insurance policies provide coverage subject to their terms, conditions, limits of liability, and deductibles, for certain liabilities that may arise from operations or the operations of our clients. We believe the current limits of insurance coverage for our Associate Employees and related deductibles, and reserves are consistent with industry standards and adequate in view of the nature of our business and the operations undertaken by us and our clients. However, in the event of any accident affecting our Associate Employees, there is a risk that legal proceedings may be filed against us and/or our clients which could result in damages and other costs that our or our clients' insurance may be inadequate to cover.

Also see *"Risk Factors - We face significant employee related regulatory risks and any significant disputes with our employees and/or concerned regulators may adversely affect our business prospects, results of operations and financial condition."*

Competition

As an integrated business services company providing a wide range of business services ranging from staffing solutions to asset and facility management services, we compete with a range of organized and unorganized competitors depending on the nature, location of services provided and the relevant industry. We believe that our ability to offer a comprehensive business services portfolio provides a competitive advantage by increasing operating efficiencies and providing cross-sell opportunities. However, unlike many of our competitors, we have a portfolio of businesses and must allocate resources across these businesses while competing against players focused on one or more of these businesses or service lines. As a result, our competitors may have greater financial, technical and marketing resources available to them than our businesses that compete against them. Industry consolidation also may affect competition by creating larger, more homogeneous and potentially stronger competitors in the markets in which we compete.

In our GTS business, competition is based primarily on the ability to source and recruit relevant IT talent within the specified period and price. Competitors in this business include general IT services firms, temporary staffing and personnel placement companies, and specialized IT staffing solution providers. We believe that our ability to provide comprehensive technology solutions is a competitive advantage. Manpower, Collabera, Artech, SourceOne, and Datamatics are some of our major competitors in the GTS business *(Source: F&S Report 2017).*

In our P&S business, we operate in highly competitive and fragmented markets with limited barriers to entry. Some of our competitors who may be smaller than us may have an advantage in specific geographic markets because of their stronger local presence. Other competitors may enjoy greater marketing and financial resources than us. Price competition in the staffing industry is significant. We expect the level of competition to remain high in the future, and competitive pricing pressures may have an adverse effect on our operating margins. In particular, we believe that our focus on compliance provides us with a competitive advantage in this business. Competitors for our P&S business include TeamLease Services Limited, Adecco Personnel Pte. Ltd., Randstad Holding, Genius Consultants, Manpower Group, Global Innovsource Solutions, etc. Some of the players engaged in skill development include IL&FS, Datapro Computers Private Limited, IIJT, etc. *(Source: F&S Report 2017)*

In our IFM business, competition is based primarily on price and service quality. The low cost of entry in the IFM business results in an extremely competitive market. We experience competition from a large number of mostly regional and local competitors, who may have better understanding of local markets and access to lower cost personnel and lower administrative costs, thereby providing them with a competitive advantage. Our major competitors in the facilities management business are Sodexo India On-site Service Solutions Private Limited, ISS Integrated Services Private Limited, Compass Group India Support Services Private Limited, BVG India Limited and Updater Services India Limited. Our major competitors in the security services business are SIS, G4S, ISS, Checkmate and Securitas. *(Source: F&S Report 2017)* We believe that our comprehensive IFM service portfolio comprising of hard services, soft services, catering and security services, provides a competitive advantage as clients move towards cost efficiencies and vendor consolidation.

The Industrials business is highly competitive and requires substantial resources and highly skilled and experienced technical personnel. Most contracts in the Industrials business are decided on the basis of competitive bids; however, an invitation to bid is often conditioned upon prior experience, industry expertise and financial strength. We face competition from established OEMs who offer O&M services as a package along with the primary asset. We believe that our strong brand and extensive track record over three decades in the Industrials business enable us to compete effectively. As part of our managed services business, we offer a comprehensive range of value added services focused primarily on the telecom and utilities sectors. In the managed services vertical, we compete with local unorganized players as well as large IT companies. There are a large number of companies engaged in this market including Power Mech Projects Limited, Encotec Energy (India) Private Limited and Tata Power O&M in India *(Source: F&S Report 2017).*

Our continued success depends on our ability to compete effectively against our existing and future competitors. With the potential influx of new competitors, our ability to retain our existing clients and to attract new clients is critical to our continued success. As a result, there can be no assurance that we will not encounter increased competition in the future. Nor can there be any assurance that we will, in light of competitive pressures, be able to effectively compete with our competition in the various business segments we operate in, whether on the basis of pricing, quality or range of services or otherwise, and we may be unable to retain existing clients or attract new clients, which could have a material adverse effect on our business, results of operations and financial condition.

Intellectual Property

We have developed or otherwise have the right to license leading technologies, including technologies held under license from third parties. Our Company has registered the term "Quess" and , , and logos in relation to the services provided by our Company. Further, our Subsidiaries have registered the trademarks "ClaimsAssure", "Corporate Shield", "GlobalAssist", "ManagedSolutions", "MFX", "Moving At The Speed Of Opportunity", "ProcessSure", "RISKVAULT", "SecureSource", "RecordStore", "ServiceAssist", "Brainhunter", "vital images" , "Brainhunter.com", Talentflow , , "Trekspace", , and in relation to services provided by the Subsidiaries. We believe that several of these trade names have significant brand recognition in their respective industries and have contributed to our business growth.

Our Company has registered our logo under classes 41 and 45 for educational services and security services. Our Company has also applied for registration of our logo under various other classes for various services provided by the Company including, software programs, advertising and business services.

Our Company has also applied for registration of certain other logos and trademarks, including , , , , , etc. under various classes for software programs, staffing services, recruitment services, executive search services, management of retail outlets, compliance services, property management of retail outlets, facility management services, pest control and extermination services, repair and installation services, education and training services, security services and provision for food outlets. Certain trademarks that we have applied for under certain classes have been opposed. For further information, see "*Risk Factors - We have applied for registration of several trademarks including our logo that are currently pending before the concerned authorities. Registrations of some of our trademarks have been challenged by third parties. Failure to obtain the registration of such trademarks may have adverse effect on our business and goodwill.*"

Corporate Social Initiatives

In compliance with Section 135 of the Companies Act, 2013 and rules made thereunder, and as part of our corporate social responsibility initiatives, we are engaged in various activities including conducting education programs and organizing health camps. We work closely with Careworks Foundation, a non-profit initiative which aims to actively contribute to the community and create a positive impact in the lives of people, especially in the areas of health and education. Careworks Foundation has adopted several government schools and supported their development in terms of infrastructure and teaching media, to enhance quality of education and provide a safe and hygienic environment for students.

Property

We are headquartered in Bengaluru, with our operations spread across 66 offices across India as well as operations in South East Asia, Middle East and North America. On a consolidated basis, we paid an aggregate amount of ₹ 368.96 million during Fiscal 2017 as rent. Out of the above, we paid an amount of ₹ 30.01 million to Net Resources, one of our Promoter Group members, as rent. We believe in an asset light model of operation with deployment of capital towards growth. Hence, all premises used for our corporate, administrative and other operations, including corporate and registered offices, are leased.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL

Board of Directors

The Company's Articles of Association provide that the minimum number of Directors shall be three and the maximum number of Directors shall be 15. As of the date of this Prospectus, the Company has eight Directors. The Company's Directors are not required to hold any Equity Shares to qualify to be a Director.

The following table provides information about the Company's current Directors as of the date of this Prospectus:

Sr. No.	Name, DIN, Term and Nationality	Age (Years)	Designation
1.	**Ajit Isaac** **DIN**: 00087168 **Term**: May 14, 2013 to May 13, 2018 **Nationality**: Indian	50	Chairman and Managing Director and CEO
2.	**Chandran Ratnaswami** **DIN**: 00109215 **Term**: Liable to retire by rotation **Nationality**: Canadian	68	Non Executive Director
3.	**Madhavan Karunakaran Menon** **DIN**: 00008542 **Term**: Liable to retire by rotation **Nationality**: Indian	62	Non Executive Director
4.	**Pratip Chaudhuri** **DIN**: 00915201 **Term**: Five (5) consecutive years upto the conclusion of AGM to be held in 2020 **Nationality**: Indian	63	Non Executive, Independent Director
5.	**Pravir Kumar Vohra** **DIN**: 00082545 **Term**: Five (5) consecutive years upto the conclusion of AGM to be held in 2020 **Nationality**: Indian	63	Non Executive, Independent Director
6.	**Revathy Ashok** **DIN**: 00057539 **Term**: Five (5) consecutive years upto the conclusion of AGM to be held in 2020 **Nationality**: Indian	58	Non Executive, Independent Director
7.	**Sanjay Anandaram** **DIN**: 00579785 **Term**: Five (5) consecutive years upto the conclusion of AGM to be held in 2020 **Nationality**: Indian	53	Non Executive, Independent Director

Sr. No.	Name, DIN, Term and Nationality	Age (Years)	Designation
8.	**Subrata Kumar Nag** **DIN**: 02234000 **Term**: July 29, 2013 to July 29, 2018 **Nationality**: Indian	54	Executive and wholetime Director and Chief Financial Officer

Brief Profile of the Directors

Ajit Isaac is the Chairman and Managing Director and CEO of our Company. He holds a masters degree in Arts in Social Work from the University of Madras and has completed the Managers for Leadership Course from the University of Leeds, United Kingdom. He is responsible for the daily operations and takes strategic decisions for our Company. He was nominated for the EY Entreprenuer of the Year 2016 India Award, Forbes India Leadership Awards, 2011 under the category of "Outstanding Startup" and for the CII Regional Emerging Entrepreneur Awards, 2011. He has 26 years of experience in the field of human resources and corporate management. Prior to joining our Company, he was the country manager for India and Middle East of Adecco Peopleone India Limited. He has been a director of our Company since April 2009 and Chairman and Managing Director since May 2013.

Chandran Ratnaswami is a non executive Director of our Company. He holds a masters degree in Business Administration from Rotman School of Management, University of Toronto, Canada. He has 23 years of experience in the field of investment management. He has been a director of our Company since January 2016.

Madhavan Karunakaran Menon is a non executive Director of our Company. He holds a bachelors and a masters degree in business administration from George Washington University, USA. He is the chairman and managing director of TCIL. He has over 34 years of experience in the fields of banking, finance and foreign exchange management. He has been a director of our Company since May 2013.

Pratip Chaudhuri is a non executive and independent Director of our Company. He holds a bachelors degree in science from the University of Delhi, a masters degree in business administration from the 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. He has also served as the chairman of SBI Global Factors Limited, State Bank of Mysore, State Bank of Bikaner & Jaipur, State Bank of Patialia, State Bank of Travancore and State Bank of Hyderabad. He has also served as the managing director of the State Bank of Saurashtra. He has been a director of our Company since July 2015.

Pravir Kumar Vohra is a non executive and independent Director of our Company. He holds a masters degree in Arts (Economics) from University of Delhi and is a certified associate of the Indian Institute of Bankers. He has over 38 years of experience in the field of banking and information technology. He was previously the president and chief technology officer at ICICI Bank Limited. He has held various positions with State Bank of India, both in India and abroad. He has been a director of our Company since July 2015.

Revathy Ashok is a non executive and independent Director of our Company. She holds a bachelors degree in science from the Bangalore University and a post graduate diploma in management from the Indian Institute of Management, Bangalore. She has also been awarded the faculty medal from the Indian Institute of Management, Bangalore. She has over 30 years of experience in the field of finance, strategy and general management. She is an angel investor and runs her independent consulting practice advising start-ups. She was previously the director – finance and administration of TSI Ventures, managing director, head-finance of Tishman Speyer India Private Limited and the chief financial officer of Syntel Inc. She was nominated as one of the women achievers by the CII for southern India in 2011. She has been a director of our Company since July 2015.

Sanjay Anandaram is a non executive and independent Director of our Company. He holds a bachelors degree in electrical engineering from Jadavpur University, Kolkata and a post graduate diploma in management from the Indian Institute of Management, Bangalore. He has over 25 years of experience as an investor, corporate executive and advisor-mentor. He has been a director of our Company since December 2015.

Subrata Kumar Nag is the executive and wholetime Director and Chief Financial Officer of our Company. He holds a masters degree in Business Management from the University of Calcutta. He is also a member of the ICWAI, ICSI and also an AICPA. He is responsible for the overall finance and accounts functions of our Company. He has 28 years of experience in the field of finance. Prior to joining our Company, he was the vice president – finance and company secretary of Ilantus Technologies Private Limited. He has been a director of our Company since July 2013.

Borrowing Powers of the Board

Pursuant to a special resolution of our shareholders passed at the extraordinary general meeting held on December 23, 2015, our Board has been authorized to borrow, from time to time, such sums of money as our Board may deem fit for the purpose of the business of our Company, whether secured or unsecured, notwithstanding that the monies to be borrowed, together with the monies already borrowed by our Company (apart from temporary loans obtained or to be obtained from our Company's bankers in the ordinary course of business), would exceed the aggregate of the paid-up capital and free reserves of our Company provided that the total amount which may be borrowed by our Board, and outstanding at any time, shall not exceed ₹1,000 million over and above the aggregate of the paid up share capital and free reserves as prevailing from time to time, exclusive of interest and other charges.

Shareholding of Directors

The following table sets forth the number of Equity Shares held by the Directors as of August 4, 2017:

Name	Number of Equity Shares	Percentage (%)
Ajit Isaac	18,585,960	14.66
Subrata Kumar Nag	12,102	0.01

Except for Subrata Kumar Nag, none of our Directors have been granted employee stock options under ESOP 2009.

Compensation of the Directors

Executive Directors

Ajit Isaac

Ajit Isaac was appointed as an additonal Director pursuant to a resolution of the Board of Directors dated April 6, 2009. He was subsequently redesignated as the Managing Director pursuant to a resolution of the Board of Directors dated April 14, 2009. He was appointed as Chairman and Managing Director of our Company with effect from May 14, 2013 for a period of five years pursuant to a resolution passed by our Shareholders on May 14, 2013. He was redesignated as the Chairman and Managing Director and CEO of our Company pursuant to a resolution of the Board of Directors dated December 22, 2015.

Ajit Isaac's remuneration was last revised pursuant to the resolutions of the Board of Directors dated July 29, 2016 and June 9, 2017 and Shareholders' resolution dated July 21, 2017. The following are some of the principal terms of remuneration of Ajit Isaac as specified in the employment agreement dated May 14, 2013 as amended by way of an addendum dated July 24, 2015 between our Company and Ajit Isaac and letter dated July 21, 2017 from our Company:

Particulars	Remuneration
Fixed Annual Remuneration	₹11.65 million p.a. with effect from April 1, 2016 and ₹13.05 million p.a. with effect from April 1, 2017
Annual Performance Linked Bonus	50% of the revised fixed annual remuneration subject to maximum payable in a financial year in which adequate profits are earned
Other Allowance and Benefits	Entitled to Company maintained car and other benefits

In addition to the above, the Board of Directors and the Shareholders of our Company pursuant to resolutions dated December 22, 2015 and December 23, 2015, respectively have amended Ajit Isaac's terms of remuneration to the extent that he shall not be eligible for employee stock options of our Company.

Subrata Kumar Nag

Subrata Kumar Nag was appointed as an additional Director with effect from July 29, 2013. He was appointed as a wholetime and nominee Director of our Company effect from July 29, 2013 for a period of five years pursuant to a resolution passed by our Shareholders on September 4, 2013. He was appointed as the Chief Financial Officer of our Company pursuant to the TCIL SHA. For the purpose of compliance with the Companies Act, 2013, he was redesignated as the wholetime Director and Chief Financial Officer of our Company pursuant to a resolution of the Board of Directors dated December 22, 2015. Therafter, he ceased to be a nominee of our individual Promoter, Ajit Isaac, on the Board and was redesignated as the executive and wholetime Director and Chief Financial Officer of our Company pursuant to a resolution of the Board of Directors dated May 17, 2016. Subrata Kumar Nag was subsequently redesignated as the executive and wholetime Director of our Company with effect from January 23, 2017. Pursuant to a resolution of the Board of Directors dated April 4, 2017, Subrata Kumar Nag was appointed as the Chief Financial Officer with effect from April 5, 2017. Subrata Kumar Nag is currently the executive and wholetime Director and Chief Financial Officer of our Company.

Subrata Kumar Nag's remuneration was last revised pursuant to the resolutions of the Board of Directors dated July 29, 2016 and June 9, 2017 and Shareholders' resolution dated July 21, 2017. The following are some of the principal terms of remuneration of Subrata Kumar Nag as specified in the employment agreement dated July 29, 2013 as amended by way of an addendum dated July 24, 2015 between our Company and Subrata Kumar Nag and letter dated July 21, 2017 from our Company:

Particulars	Remuneration
Fixed Annual Remuneration	₹7.28 million p.a. with effect from Apirl 1, 2016 and ₹8.37 million p.a. with effect from April 1, 2017
Annual Performance Linked Bonus	50% of the revised fixed annual remuneration subject to maximum payable in a financial year in which adequate profits are earned

Our Executive Directors are not entitled to receive any sitting fees for attending meetings of our Board or any of its committees. The details of remuneration paid to our executive Directors in Fiscal 2015 (15 months), Fiscal 2016 (12 months) and Fiscal 2017 (12 months) are as follows:

(₹ in million)

Sl. No.	Name of the Director	Fiscal 2017 (12 months)	Fiscal 2016 (12 months)	Fiscal 2015 (15 months)
1.	Ajit Isaac	16.77	14.52	14.90
2.	Subrata Kumar Nag	10.48	9.08	8.90

Non-Executive Directors

Each Non-Executive Director, other than Chandran Ratnaswami and Madhavan Karunakaran Menon, our Non-Executive Non-Independent Directors, is entitled to receive sitting fees pursuant to a resolution of the Board of Directors dated April 28, 2014 for attending meetings of our Board or any of its committees within the limits prescribed under the Companies Act, 2013 and the rules made thereunder. Further, pursuant to a resolution of the Board of Directors and the Shareholders dated December 22, 2015 and December 23, 2015, respectively, the Independent Directors are entitled to receive profit related commission limited to 1% of the net profits of our Company subject to a maximum of ₹0.5 million per annum for each Independent Director in accordance with the terms of their respective appointment letters and the Companies Act, 2013. The details of the sitting fees and other payments paid, including commission, to the non-executive Directors during the Fiscal 2014 (9 months), Fiscal 2015 (15 months) and Fiscal 2016 (12 months) are as follows:

(₹ in million)

Sl. No.	Name of Director	Fiscal 2017 (12 months)	Fiscal 2016 (12 months)	Fiscal 2015 (15 months)
1.	Marcel Raymond Parker*	-	0.12	0.11

Sl. No.	Name of Director	Fiscal 2017 (12 months)	Fiscal 2016 (12 months)	Fiscal 2015 (15 months)
2.	Mahendra Kumar Sharma*	-	0.03	1.31
3.	Madhavan Karunakaran Menon	-	-	-
4.	Harsha Raghavan*	-	-	-
5.	Revathy Ashok**	0.77	0.48	-
6.	Pratip Chaudhuri**	0.72	0.49	-
7.	Pravir Kumar Vohra**	0.75	0.49	-
8.	Sanjay Anandaram***	0.60	0.16	-
9.	Chandran Ratnaswami****	-	-	-

* *Mahendra Kumar Sharma, Marcel Raymond Parker and Harsha Raghavan resigned as directors with effect from June 30, 2015, November 30, 2015 and January 8, 2016, respectively*

** *Appointed with effect from July 24, 2015*

*** *Appointed with effect from December 22, 2015*

**** *Appointed with effect from January 18, 2016*

Interest of Directors

All Directors may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of our Board or a Committee thereof as well as to the extent of other remuneration, reimbursement of expenses payable to them.

All our Directors may also be deemed to be interested to the extent of Equity Shares, if any, already held by them or their relatives in our Company, or that may be subscribed for and allotted to them, out of the present Issue in terms of this Prospectus and also to the extent of any dividend payable to them and other distributions in respect of such Equity Shares.

Our Company's Registered & Corporate Office has been given on lease to us until July 31, 2023 by Net Resources, which is a Promoter Group entity. Our Chairman and Managing Director and CEO, Ajit Isaac is a director of Net Resources and holds 1,259,900 equity shares of face value ₹10 each constituting 99.99% of the issued and paid up equity share capital of Net Resources.

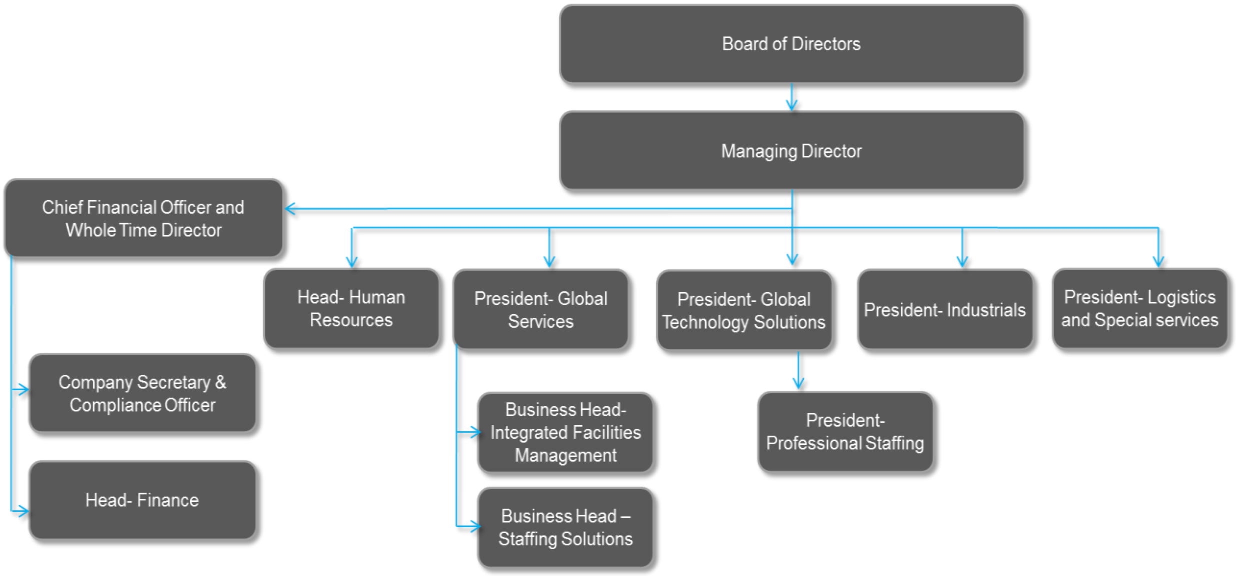
Except as stated above, our Directors have no interest in any property acquired by our Company within two years from the date of this Prospectus or proposed to be acquired by our Company as of the date of this Prospectus. One of our Directors, Ajit Isaac is also a Promoter of our Company.

Except as stated in "*Financial Statements*" on page 266 and in this Prospectus, our Directors do not have any other interest in our business. Except as stated in "*Financial Statements*" on page 266 and in this Prospectus, none of our Directors have any interest in the promotion of our Company, other than in the ordinary course of business.

No amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of our Directors, except the normal remuneration for services rendered as Directors.

No loans have been availed by our Directors from our Company.

Organisation Structure



Senior Management Personnel

The details of the Senior Management Personnel, in addition to Ajit Isaac, our Chairman and Managing Director and CEO and Subrata Kumar Nag, our executive and wholetime Director and Chief Financial Officer, as of the date of this Prospectus are as follows:

Guruprasad S is the President – Shared Services & Logistics of our Company and has been associated with us since October 27, 2007. He holds a bachelors degree in Commerce from Bangalore University and a masters degree in Business Administration from the Karnataka State Open University. He has completed the Stanford Ignite certificate program from Stanford University Graduate School of Business. He has over 19 years of experience in healthcare and services industry. He heads our People and Services business. Prior to joining our Company, he worked with Adecco Flexione Workforce Solutions Limited as GM – Payroll & Services.

Vikram Gulati is the President – Global Technology Solutions of our Company and has been associated with us since November 1, 2014. He holds a bachelors degree in Electrical Engineering and a masters degree in Business Administration from University of Bombay. Prior to joining our Company, he was the chief executive officer and co-founder of Happiest Minds, prior to that he was the chief executive officer for Intelligroup and has had multiple roles at Wipro. He has over 26 years of experience in the IT services industry and heads our global technology solutions business.

Sudershan Pallap is the Vice President and Company Secretary of our Company and has been associated with us since November 2, 2016 and was appointed as a Company Secretary of our Company on November 28, 2016. He holds a bachelors degree in commerce and bachelors degree in law from Osmania University, Hyderabad. He also holds a masters degree in law from Osmania University, Hyderabad. He is an associate member of the Institute of Company Secretaries of India. He has several years of experience in the field of legal, secretarial and corporate compliance matters. Prior to joining our Company, he worked with Bharat Financial Inclusion Limited. He also has prior experience with Arasmeta Captive Power Company Private Limited, Bharat Heavy Electricals Limited and Divi’s Laboratories Limited.

Amitabh Jaipuria is the President & CEO – Global Services of our Company and has been associated with us since January 9, 2017. He holds a bachelors degree in Science from University of Bombay and a post-graduate diploma in business management from XLRI, Jamshedpur. He has over 27 years of experience in business management. Prior to joining our Company he was the head - fixed business at Reliance Jio Infocomm Limited. He also has prior experience with AGS Transact Technologies Limited, Monsanto India Limited, Pepsico India Holdings Private Limited and GE Lighting India (P) Limited.

Satyakam Basu is the President - Industrials of our Company and has been associated with us since October 14, 2016. He holds a bachelors degree in metallurgical engineering from Jadavpur University and post-graduate certificate in general management from Indian Institute of Management, Calcutta. He has several years of experience in the field of production, marketing and industrial business. In the past he has worked with LNM Holdings N.V., Tata Iron and Steel Company Limited and Essar Steel.

All our Senior Management Personnel are permanent employees of our Company.

Shareholding of Senior Management Personnel

Except as disclosed below, none of the Senior Management Personnel hold any Equity Shares as on August 4, 2017:

Sl. No.	Name of the Senior Management Personnel	Number of Equity Shares Held	% of Pre-Issue Share Capital
1.	Ajit Isaac	18,585,960	14.66
2.	Guruprasad S	124,170	0.10
3.	Subrata Kumar Nag	12,102	0.01
4.	Amitabh Jaipuria	200	0.00
5.	Sudershan Pallap	1	0.00
	Total	**18,723,382**	**14.77**

Except as disclosed below none of our Senior Management Personnel have been granted employee stock options under ESOP 2009 as on August 4, 2017:

Sl. No.	Name of the Senior Management Personnel	Number of Outstanding Options
1.	Guruprasad S	140,700
2.	Subrata Kumar Nag	249,078
	Total	**389,778**

Interests of Senior Management Personnel

The Senior Management Personnel of our Company do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled as per their terms of appointment, reimbursement of expenses incurred by them during the ordinary course of business and the employee stock options or Equity Shares held, if any. The Senior Management Personnel may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of such Equity Shares, if any.

Except as disclosed, none of the Senior Management Personnel has been paid any consideration of any nature from our Company, other than their remuneration.

Other than as disclosed in "*Financial Statements*" on page 266, none of the beneficiaries of loans and advances and sundry debtors are related to our Directors.

Corporate Governance

Our Company is in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations, in respect of corporate governance including constitution of the Board of Directors and committees thereof.

The Board of Directors presently consists of eight Directors. In compliance with the requirements of the SEBI Listing Regulations and the Companies Act 2013, the Board of Directors consists of four Independent Directors and one woman Director.

The corporate governance framework is based on an effective independent Board of Directors, separation of the supervisory role of the Board of Directors from the executive management team and proper constitution of committees of the Board of Directors. The Board of Directors functions either as a full Board or through various committees constituted to oversee specific operational areas.

Committees of the Board of Directors

As of the date of this Prospectus, there are seven Board level committees in the Company, which have been constituted and which function in accordance with the relevant provisions of the Companies Act and the SEBI Listing Regulations: (i) Audit Committee; (ii) Nomination and Remuneration Committee; (iii) Stakeholder's Relationship Committee; (iv) Corporate Social Responsibility Committee (v) Administration Committee; (vi) Capital Raising Committee; and (vii) Scheme Implementation Committee.

The members of the aforesaid committees as of the date of this Prospectus are:

Committee	Members
Audit Committee	Pratip Chaudhuri (Chairman), Chandran Ratnaswami, Revathy Ashok, Pravir Kumar Vohra and Sanjay Anandaram
Nomination and Remuneration Committee	Pravir Kumar Vohra (Chairman), Chandran Ratnaswami and Pratip Chaudhuri
Stakeholders' Relationship Committee	Madhavan Karunakaran Menon (Chairman), Ajit Isaac and Revathy Ashok
Corporate Social Responsibility Committee	Revathy Ashok (Chairman), Ajit Isaac and Pravir Kumar Vohra
Administration Committee	Ajit Isaac (Chairman) and Subrata Kumar Nag
Capital Raising Committee	Ajit Isaac (Chairman), Revathy Ashok, Sanjay Anandaram and Subrata Kumar Nag
Scheme Implementation Committee	Ajit Isaac (Chairman), Subrata Kumar Nag, Abhinandan R and Sudershan Pallap

PRINCIPAL SHAREHOLDERS

Ajit Isaac and TCIL are the Promoters of our Company.

The shareholding pattern of the Company as of June 30, 2017 is as indicated in the table below:

I. The following table sets forth the details regarding the shareholding pattern of our Company, as on June 30, 2017:

Category of shareholder	Nos. of shareholders	No. of fully paid up Equity Shares held	Total nos. Equity Shares held	Shareholding as a % of total no. of Equity Shares (calculated as per SCRR, 1957)As a % of (A+B+C2)	Number of locked-in Equity Shares		Number of equity shares held in dematerialized form
					No (a)	As a % of total Equity Shares held (b)	
(A) Promoter & Promoter Group	3	112,775,280	112,775,280	88.95	112,775,280	100.00	112,775,280
(B) Public	19,488	14,015,681	14,015,681	11.05	559,776	3.99	13,995,576
(C1) Shares underlying DRs	-	-	-	-			-
(C2) Shares held by Employee Trust	-	-	-	-			-
(C) Non Promoter-Non Public	-	-	-	-			-
Grand Total	**19,491**	**126,790,961**	**126,790,961**	**100.00**	**113,335,056**	**89.39**	**126,770,856**

II. The following table sets forth the details regarding the shareholding of the Promoter and Promoter Group as on June 30, 2017:

Category of shareholder	Nos. of shareholders	No. of fully paid up Equity Shares held	Total nos. Equity Shares held	Shareholding as a % of total no. of Equity Shares (calculated as per SCRR, 1957)As a % of (A+B+C2)	Number of locked-in Equity Shares		Number of equity shares held in dematerialized form
					No (a)	As a % of total Equity Shares held (b)	
A1) Indian							
Individuals/Hindu undivided Family	1	18,585,960	18,585,960	14.66	18,585,960	100.00	18,585,960
Ajit Isaac	1	18,585,960	18,585,960	14.66	18,585,960	100.00	18,585,960
Any other (specify)	2	94,189,320	94,189,320	74.29	94,189,320	100.00	94,189,320
Thomas Cook (India) Limited	1	78,823,496	78,823,496	62.17	78,823,496	100.00	78,823,496
Net Resources	1	15,365,824	15,365,824	12.12	15,365,824	100.00	15,365,824

Category of shareholder	Nos. of shareholders	No. of fully paid up Equity Shares held	Total nos. Equity Shares held	Shareholding as a % of total no. of Equity Shares (calculated as per SCRR, 1957)As a % of (A+B+C2)	Number of locked-in Equity Shares		Number of equity shares held in dematerialized form
					No (a)	As a % of total Equity Shares held (b)	
Investments Private Limited							
Sub Total (A1)	3	112,775,280	112,775,280	88.95	112,775,280	100.00	112,775,280
A2) Foreign	-	-	-	-			-
A = A1 + A2	**3**	**112,775,280**	**112,775,280**	**88.95**	**112,775,280**	**100.00**	**112,775,280**

III. The following table sets forth the details regarding the shareholding of persons belonging to the category "Public" as on June 30, 2017:

Category & name of the shareholders	No. of shareholder	No. of fully paid up equity shares held	Total no. Equity Shares held	Shareholding % calculated as per SCRR, 1957 as a % of (a+b+c2)	No of voting rights	Total as a % of total voting right	Number of locked-in Equity Shares		Number of equity shares held in dematerialized form(not applicable)
							No (a)	As a % of total Equity Shares held (b)	
B1) Institutions									
Mutual Funds/	14	2,821,467	2,821,467	2.23	2,821,467	2.23	-	-	2,821,467
Axis Mutual Fund Trustee Limited A/C Axis Mutual Fund A/C Axis Long Term Equity Fund	1	2,077,295	2,077,295	1.64	2,077,295	1.64	-	-	2,077,295
Foreign Portfolio Investors	19	4,460,536	4,460,536	3.52	4,460,536	3.52	-	-	4,460,536
Financial Institutions/ Banks	4	73,703	73,703	0.06	73,703	0.06	-	-	73,703
Sub Total B1	**37**	**7,355,706**	**7,355,706**	**5.80**	**7,355,706**	**5.80**	**-**	**-**	**7,355,706**
B2) Central Government/ State Government (s) / President of India	-	-	-	-	-	-	-	-	-
B3) Non-Institutions	-	-	-	-	-	-	-	-	-
Individual	17,664	4,473,594	4,473,594	3.53	4,473,594	3.53	-	-	4,473,589

Category & name of the shareholders	No. of shareholder	No. of fully paid up equity shares held	Total no. Equity Shares held	Shareholding % calculated as per SCRR, 1957 as a % of (a+b+c2)	No of voting rights	Total as a % of total voting right	Number of locked-in Equity Shares		Number of equity shares held in dematerialized form(not applicable)
							No (a)	As a % of total Equity Shares held (b)	
share capital upto ₹2 Lacs									
Individual share capital in excess of ₹2 Lacs	14	771,113	771,113	0.61	771,113	0.61	559,776	72.59	751,013
Any Other (specify)	**1,773**	**1,415,268**	**1,415,268**	**1.12**	**1,415,268**	**1.12**	**-**	**-**	**1,415,268**
Trusts	3	8,060	8,060	0.01	8,060	0.01	-	-	8,060
HUF	673	177,974	177,974	0.14	177,974	0.14	-	-	177,974
NRI – Non Repat	126	113,187	113,187	0.09	113,187	0.09	-	-	113,187
NRI – Repat	327	180,274	180,274	0.14	180,274	0.14	-	-	180,274
Clearing Members	182	192,021	192,021	0.15	192,021	0.15	-	-	192,021
Bodies Corporate	462	743,752	743,752	0.59	743,752	0.59	-	-	743,752
Sub Total B3	**19,451**	**6,659,975**	**6,659,975**	**5.25**	**6,659,975**	**5.25**	**559,776**	**8.41**	**6,639,870**
B=B1+B2+B3	**19,488**	**14,015,681**	**14,015,681**	**11.05**	**14,015,681**	**11.05**	**559,776**	**3.99**	**13,995,576**

IV. Statement showing shareholding pattern of the non-promoter- non-public shareholders as on June 30, 2017: NIL

V. Details of disclosure made by the Trading Members holding 1% or more of the Total no. of Equity Shares of the Company: NIL

ISSUE PROCEDURE

The following is a summary intended to present a general outline of the procedure relating to the application, payment, Allocation and Allotment of the Equity Shares offered in the Issue. The Company and the members of the Syndicate do not accept any responsibility for the completeness and accuracy of the information stated in this section, and are not liable for any amendment, modification or change in applicable laws or regulations, which may occur after the date of this Prospectus. This section applies to all Applicants. The Applicants are advised to inform themselves of any restrictions or limitations that may be applicable to them. Please see – "Selling Restrictions" and "Purchaser Representations and Transfer Restrictions" on pages 233 and 242 respectively. Applicants are advised to make their independent investigations and ensure that their applications do not exceed the Issue Size or the investment limits or maximum number of Equity Shares that can be held by them under applicable laws.

Authority for the Issue

The Issue was authorised and approved by the Board of Directors through a resolution dated May 16, 2017, by the shareholders of the Company through a special resolution dated July 21, 2017.

The Company has applied for and received in-principle approval from the BSE and the NSE on August 7, 2017 under Regulation 28 of the SEBI Listing Regulations for listing of the Equity Shares offered in the Issue on the Stock Exchanges. The Company has also filed a copy of the Red Herring Prospectus with the RoC, SEBI and the Stock Exchanges. The Company has registered a copy of this Prospectus with the RoC in terms of the relevant provisions of the Companies Act.

Prohibition by SEBI or Other Governmental Authorities

The Company, the Promoters, the members of the Promoter Group, the Directors and the persons in control of the Company have not been debarred from accessing the capital market under any order or direction by SEBI or any other authority.

The companies with which the Promoters, the Directors or the persons in control of the Company are or were associated as promoter, directors or persons in control have not been debarred from accessing the capital market under any order or direction passed by SEBI or any other authority.

Restrictions on Issue Size

Under Regulation 91I of the SEBI Regulations, the aggregate of all tranches of the IPP undertaken by the Company cannot result in an increase in the public shareholding in the Company by more than 10% or such lesser percentage as may be required for the Company to achieve the required minimum public shareholding. Based on the Issue Size of 10,924,029 Equity Shares[#], the increase in public shareholding of the Company shall be 7.06%[#].

[#]*Subject to finalization of Basis of Allocation. The exact number of Equity Shares to be issued pursuant to the Issue may be required to be adjusted depending on, inter alia, the actual number of Equity Shares Allotted upon finalization of the Basis of Allocation.*

Who can Apply

This Issue is being made only to QIBs.

Only the following categories of QIBs are eligible to invest in this Issue:

- mutual funds, venture capital funds, AIFs and foreign venture capital investor registered with SEBI;
- FPIs other than category III FPI registered with SEBI;

- public financial institutions, as defined in Section 4A of the Companies Act, 1956;
- scheduled commercial banks;
- multilateral and bilateral development financial institution;
- state industrial development corporations;
- insurance companies registered with the Insurance Regulatory and Development Authority;
- provident funds with minimum corpus of ₹250 million;
- pension funds with minimum corpus of ₹250 million;
- National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the GoI published in the Gazette of India;
- insurance funds set up and managed by army, navy or air force of the Union of India;
- insurance funds set up and managed by the Department of Posts, India; and
- systemically important non-banking financial companies (being a non-banking financial company registered with the RBI and having a net worth of more than ₹5,000 million as per the last audited financial statements)

In terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

The existing individual and aggregate investment limits for FPIs in our Company are 10% and 74% of the total paid-up Equity Share capital of our Company, respectively.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

No Allotment shall be made pursuant to the Issue, either directly or indirectly, to any QIB being a Promoter or any person related to the Promoters. QIBs which have all or any of the following rights shall be deemed to be persons related to promoter(s):

a) rights under a shareholders' agreement or voting agreement entered into with our Promoters or persons related to our Promoters;

b) veto rights; or

c) right to appoint any nominee director on the Board.

Provided that a QIB which does not hold any Equity Shares and which has acquired the said rights in the capacity of a lender shall not be deemed to be a person related to our Promoter.

Applicants are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Applicants are advised to ensure that the number of Equity Shares for which they have provided ASBA Applications in the Issue does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Red Herring Prospectus and this

Prospectus. Further, Applicants are required to satisfy themselves that their ASBA Applications would not result in triggering a tender offer under the Takeover Regulations.

A minimum of 25% of the aggregate number of Equity Shares to be Allotted in the Issue shall be Allocated and Allotted to Mutual Funds and Insurance Companies, subject to receipt of valid ASBA Applications at or above the Issue Price, provided that if this portion or any part thereof to be Allocated and Allotted to Mutual Funds and Insurance Companies remains unsubscribed, such minimum portion or part thereof may be Allotted to other QIBs. For further details, please see "– ***Basis of Allocation*****".**

Allotments made to FVCIs, VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to them, including in relation to lock-in requirements.

Affiliates or associates of the Book Running Lead Managers who are QIBs may participate in the Issue in compliance with applicable laws.

No person connected with the Issue shall offer any incentive, direct or indirect, in any manner, whether in cash, kind, services or otherwise, to any Applicant for making an ASBA Application.

Number of Allottees

The Equity Shares offered in the Issue will not be Allotted to less than 10 Allottees.

As provided in the SEBI Regulations, no single Allottee shall be Allotted more than 25% of the offer size in terms of Regulation 91H of the SEBI Regulations.

Provided further that QIBs belonging to the same group or those who are under common control shall be deemed to be a single Allottee for the purpose of the foregoing.

i. The expression 'belong to the same group' shall have the same meaning as 'companies under the same group' as provided in sub-section (11) of Section 372 of the Companies Act, 1956:

   <u>Section 372(11) of the Companies Act, 1956</u> - "*For the purposes of this section, a body corporate shall be deemed to be in the same group as the investing company-*

   a. if the body corporate is the managing agent of the investing company; or

   b. *if the body corporate and the investing company should, in virtue of subsection (1B) of section 370, be deemed to be under the same management*."

Under Section 370(1B) of the Companies Act, 1956 two bodies corporate are deemed to be under the same management if any of the following conditions are satisfied:

(a) The managing agent, secretaries and treasurers, managing director or manager of one body corporate is the managing agent, secretary or treasurer, managing director or manager of the other body corporate or a partner in a firm acting as the managing agents or secretaries and treasurers of the other body corporate or a director of a private company acting as managing agent or secretaries and treasurers of the other body corporate;

(b) A majority of the directors of the one body corporate constitute or at any time within the immediately preceding six months have constituted a majority of the directors on the board of the other body corporate;

(c) Not less than one-third of the total voting power with respect to any matter relating to each of the two bodies corporate is exercised or controlled by the same individual or body corporate;

(d) The holding company of one body corporate is under the same management as the other body corporate within the meaning of (a), (b) or (c) above; and

(e) One or more directors of one body corporate hold, either by themselves or together with their relatives, the majority of the shares in the other body corporate.

ii. The expression 'control' shall have the same meaning as is assigned to it under Regulation 2(1)(e) of the Takeover Regulations:

Regulation 2(1)(e) of the Takeover Regulations – *""control" includes the right to appoint majority of the directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner:*

Provided that a director or officer of a target company shall not be considered to be in control over such target company, merely by virtue of holding such position."

Minimum Application Size

Each ASBA Application is required to be for such number of Equity Shares and at such price per Equity Share that the minimum Application Amount exceeds ₹200,000.

Information for the Applicants

(a) Only ASBA mode of payment can be used by QIBs to participate in this Issue.

(b) The Company, in consultation with the BRLMs, will decide the Floor Price or the Price Band for the Issue and the same shall be announced at least one day prior to the Issue Opening Date.

(c) The Company will publish the Issue Opening Date and the Issue Closing Date in the Floor Price/ Price Band Announcement. The Issue Period shall be for a minimum of one Working Day and shall not exceed two Working Days.

(d) The Company filed the Red Herring Prospectus with the RoC at least three days before the Issue Opening Date.

(e) Once a duly filled in ASBA Application is submitted by an Applicant, such ASBA Application constitutes an irrevocable offer and cannot be withdrawn. In addition, the price per Equity Share and/or the number of Equity Shares applied for in an ASBA Application cannot be revised downwards.

(f) The Company shall open the Public Issue Account with the Public Issue Account Bank in terms of Section 40(3) of the Companies Act, 2013 to receive monies on the Designated Date from the ASBA Accounts.

(g) Upon the receipt of the ASBA Applications, the Company, after the closure of the Issue, shall determine the Issue Price for the Equity Shares offered in the Issue and the number of Equity Shares to be issued at the Issue Price, in consultation with the Book Running Lead Managers and in accordance with the Allotment Criteria. Upon finalisation of the Basis of Allocation, the Company will issue CANs to the successful Applicants. The dispatch of the CANs shall be deemed a valid, binding and irrevocable agreement on the part of the Applicant to subscribe to such number of Equity Shares as mentioned in their respective CANs at the Issue Price indicated in such CAN. The CAN shall contain details such as the number of Equity Shares Allocated to the Applicant and the Issue Price.

(h) The Company shall take all steps to ensure that listing and commencement of trading of the Equity Shares Allotted in the Issue at the Stock Exchanges is within six Working Days of the Issue Closing Date.

(i) The Company or the Book Running Lead Managers shall not be responsible for any delay or non-receipt of the communication of the final listing and trading permissions from the Stock Exchanges or any loss arising from such delay or non-receipt. Final listing and trading approvals granted by the Stock Exchanges are also placed on their respective websites. Applicants are advised to apprise themselves of the status of the receipt of the listing and trading approvals from the Stock Exchanges or the Company.

(j) The Company will issue a statutory advertisement after the filing of this Prospectus with the RoC in terms of Regulation 66 of the SEBI Regulations, in an English national newspaper, a Hindi national newspaper and a Kannada newspaper, each with wide circulation.

(k) In case of a Mutual Fund, a separate ASBA Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such ASBA Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple ASBA Applications, provided that the ASBA Applications clearly indicate the scheme concerned for which it has been made. No Mutual Fund scheme can invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No Mutual Fund under all its schemes should own more than 10% of any Company's paid-up share capital carrying voting rights. Further, no single Mutual Fund shall be Allocated and Allotted more than 25% of the offer size in terms of Regulation 91H of the SEBI Regulations.

Pre-Issue Advertisement

Subject to Section 30 of the Companies Act, 2013 the Company shall, after registering the Red Herring Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in an English national newspaper, a Hindi national newspaper and a Kannada newspaper, each with wide circulation.

ASBA Application and Revision Form

The ASBA Application and the Revision Form shall be in the form prescribed by SEBI pursuant to the circular dated January 1, 2016, to the extent applicable to the Issue.

By making an application for the Equity Shares offered in the Issue through an ASBA Application, an Applicant will be deemed to have made the representations, warranties and agreements made under "*Representations by Investors*", "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 4, 233 and 242 respectively.

No selling commission is payable in respect of ASBA Applications procured in the Issue.

Method and Process of Bidding

(a) ASBA Applications will be available with the SCSBs, the members of the Syndicate (only in the Specified Locations) and at the Registered Office of the Company. Electronic ASBA Applications will be available on the website of the Stock Exchanges and the Designated Branches of the SCSBs.

(b) Any eligible Applicant may obtain a copy of the Red Herring Prospectus and the ASBA Applications from the Registered Office of the Company.

(c) Applicants should approach the Designated Branches of the SCSBs or the members of the Syndicate (only in the Specified Locations) to submit their ASBA Applications.

(d) Applicants may submit their ASBA Applications, and / or the Revision Forms, during the Issue Period to (i) the members of the Syndicate in the Specified Locations; (ii) the Designated Branches of the SCSBs where the ASBA Account is maintained; or (iii) in electronic form to the SCSBs with whom the ASBA Account is maintained. For details, the Applicants should contact the SCSBs where the ASBA Account is maintained. The SCSBs may provide the electronic mode of bidding either through an internet enabled bidding and banking facility or through any secured, electronically enabled mechanism for bidding and blocking funds in the ASBA Account.

(e) ASBA Applications submitted directly to the SCSBs should bear the stamp of the SCSBs and the ASBA Application submitted to the members of the Syndicate in the Specified Locations should bear the stamp of the member of the Syndicate. Applicants also have an option to submit the ASBA Application in electronic form or submit ASBA Applications through the members of the Syndicate in the Specified Locations.

(f) For ASBA Applications submitted to the members of the Syndicate in the Specified Locations, the members of the Syndicate shall upload the details of the ASBA Application onto the electronic bidding system of the Stock Exchanges and deposit a schedule (containing certain information including the ASBA Application number and the Application Amount) along with the ASBA Application with the relevant branch of the SCSB, designated by such SCSB to accept such ASBA Applications from the members of the Syndicate in such Specified Location. (A list of such branches is available at http://www.sebi.gov.in/sebiweb/home/HomeAction.do?doListingAll=yes&cid=22). The relevant branch of the SCSB shall block an amount equal to the Application Amount specified in the ASBA Application in the ASBA Account. For ASBA Applications submitted directly to the SCSBs, the relevant SCSB shall block an amount equal to the Application Amount specified in the ASBA Application in the ASBA Account, before entering the required details of the ASBA Application into the electronic bidding system.

(g) The Applicant should mention its PAN allotted under the I.T. Act in the ASBA Application. Any ASBA Application without the PAN is liable to be rejected. Applicants should not submit the GIR number instead of the PAN as the ASBA Application is liable to be rejected on this ground.

(h) The Registrar to the Issue shall validate the details of the ASBA Application uploaded on the electronic bidding system of the Stock Exchanges with the Depository records and the complete reconciliation of the final certificates received from the SCSBs with the electronic details of the ASBA Applications.

Applicants should note that in case the DP ID, Client ID and PAN mentioned in the ASBA Application and entered into the electronic bidding system of the Stock Exchanges by the Syndicate/ SCSBs do not match with the DP ID, Client ID and PAN available in the database of Depositories, the ASBA Application is liable to be rejected.

(i) Each ASBA Application will give the Applicant the option to indicate up to three prices within the Price Band or at or above the Floor Price, as the case may be, and specify the demand (i.e., the number of Equity Shares applied for at each such price). The number of Equity Shares applied for by an Applicant at or above the Floor Price or within the Price Band, as the case may be, will be considered for Allocation and Allotment in accordance with the Basis of Allocation. The highest value indicated by the Applicant in the ASBA Application to subscribe for the Equity Shares applied for in the ASBA Application shall be blocked in the ASBA Account of such Applicant. After determination of the Issue Price, the maximum number of Equity Shares applied for by an Applicant at or above the Issue Price will be considered for Allocation and the rest of the options will become automatically invalid.

(j) The Applicant cannot submit another ASBA Application after one ASBA Application has been submitted to the SCSBs or any member of the Syndicate. Submission of a second ASBA Application to either the same or to another SCSBs or any member of the Syndicate will be treated as multiple ASBA Applications and is liable to be rejected either before entering the required details of the ASBA Application into the electronic bidding system, or at any point of time prior to the Allotment of the Equity Shares offered in this Issue. However, the Applicant can revise upwards the price per Equity Share or the number of Equity Shares applied for through the Revision Form, the procedure for which is detailed under the paragraph titled "- *Revision of ASBA Applications*".

(k) Upon receipt of an ASBA Application from the Applicant, in physical mode, the Designated Branches of the SCSBs shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the ASBA Application, prior to uploading details of the ASBA Application on the electronic bidding system of the Stock Exchanges.

(l) If sufficient funds are not available in the ASBA Account, the Designated Branches of the SCSBs shall reject such ASBA Application and shall not upload the details of the ASBA Application on the electronic bidding system of the Stock Exchanges.

(m) If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the ASBA Application and will enter the details of the ASBA Application into the electronic bidding system and generate a TRS for each price and demand option. It is the Applicant's responsibility to obtain the TRS from the members of the Syndicate or the Designated Branches of the

SCSBs. Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

(n) SCSBs making ASBA Applications on their own account using the ASBA facility are required to have a separate account using the ASBA facility and are required to have a separate account in their own name with any other SEBI registered SCSB. Such account should be used solely for the purpose of making applications in public issues and clear demarcated funds should be available in such account for ASBA Applications/

(o) The Application Amount shall remain blocked in the ASBA Account until the finalisation of the Basis of Allocation, the dispatch of the CAN and consequent transfer of the Application Amount for the Allotted Equity Shares to the Public Issue Account from the ASBA Accounts, or alternatively, until the withdrawal of the Issue or the rejection of the ASBA Application, as the case may be. Once the Basis of Allocation is finalised and the CAN is dispatched, the Registrar to the Issue shall send an appropriate request to the SCSBs to unblock the relevant ASBA Accounts and to transfer the amount due on the Equity Shares to be Allotted to the successful Applicants to the Public Issue Account on the Designated Date.

(p) In case the Company withdraws or cancels the Issue, the Registrar to the Issue shall give instructions to the SCSBs to unblock the Application Amounts in the relevant ASBA Accounts of the Applicants within one day of receipt of such instruction. The Company shall also inform the Stock Exchanges of such cancellation or withdrawal.

Electronic Registration of ASBA Applications

(a) The members of the Syndicate and the SCSBs will register the ASBA Applications received, using the electronic bidding system of the Stock Exchanges.

(b) The members of the Syndicate and the SCSBs may undertake modification of selected fields in the details under the ASBA Application already uploaded within one Working Day from the Issue Closing Date.

(c) Neither the Company nor the Registrar to the Issue shall be responsible for any acts, mistakes or errors or omission and commissions in relation to (i) the ASBA Applications accepted by the members of the Syndicate or the SCSBs, (ii) the details under the ASBA Applications uploaded by the members of the Syndicate or the SCSBs, or (iii) the ASBA Applications accepted but not uploaded by the members of the Syndicate or the SCSBs.

(d) The SCSBs shall be responsible for any acts, mistakes, errors or omissions and commissions in relation to (i) the ASBA Applications accepted by them, (ii) the details under the ASBA Applications uploaded by them, (iii) the ASBA Applications accepted but details not uploaded by them, and (iv) the ASBA Applications accepted and details uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for ASBA Applications uploaded by the SCSBs, the full Application Amount has been blocked in the relevant ASBA Account and can be transferred to the Public Issue Account on the Designated Date.

(e) The Stock Exchanges will offer an electronic facility for registering details under the ASBA Applications for the Issue. This facility will be available with the Syndicate and their authorised agents and the SCSBs during the Issue Period. The members of the Syndicate and the Designated Branches of the SCSBs can also set up facilities for off-line electronic registration of details under the ASBA Applications, subject to the condition that they will subsequently upload the off-line data file into the electronic facilities offered by the Stock Exchanges. The members of the Syndicate and the SCSBs will register the ASBA Applications received, using the electronic bidding system of the Stock Exchanges. On the Issue Closing Date, the members of the Syndicate and the Designated Branches of the SCSBs shall upload the details under the ASBA Applications on the electronic bidding system of the Stock Exchanges till such time as may be permitted by the Stock Exchanges.

(f) The permission given by the Stock Exchanges to use its network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by the Company, the members of the Syndicate or the SCSBs are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of the Company or any scheme or project of the Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Prospectus; nor does it warrant that the Equity Shares offered in the Issue will be listed or will continue to be listed on the Stock Exchanges.

(g) The aggregate demand in relation to the ASBA Applications registered shall be displayed by Stock Exchanges without disclosing the price.

(h) With respect to details under the ASBA Applications submitted to the SCSBs, the SCSBs shall enter the following details in the electronic bidding system of the Stock Exchanges:

- ASBA Application number;
- PAN;
- DP ID and Client ID number of the beneficiary account of the Applicant;
- Application Amount;
- ASBA Account number;
- Category of the Applicant;
- Numbers of Equity Shares applied for; and
- Price per Equity Share.

(i) With respect to details under the ASBA Applications submitted to the members of Syndicate at the Specified Locations, the members of Syndicate shall enter the following details in the electronic bidding system of the Stock Exchanges:

- ASBA Application number;
- PAN;
- DP ID and Client ID number of the beneficiary account of the Applicant;
- Application Amount;
- ASBA Account number (not compulsory);
- Category of the Applicant;
- Numbers of Equity Shares applied for;
- Price per Equity Share;
- Bank code for the SCSB where the ASBA Account is maintained; and
- Name of the Specified Location.

(j) Each ASBA Application will give the Applicant the choice to apply for up to three optional prices at or above the Floor Price or within the Price Band, as the case may be, and to specify the demand (i.e., the number of Equity Shares applied for) at each such price.

(k) TRS will be generated when the ASBA Application is registered for each price and demand option. The registration of the ASBA Application by the member of the Syndicate or the Designated Branches of the SCSBs does not guarantee that the Equity Shares shall be Allocated/Allotted either by the members of the Syndicate or the Company.

(l) Only those ASBA Applications details of which are uploaded on the electronic bidding system of the Stock Exchanges shall be considered for the Allocation and Allotment. Members of the Syndicate and the SCSBs will be given up to one Working Day after the Issue Closing Date to verify the DP ID and Client ID uploaded on the electronic bidding system of the Stock Exchanges during the Issue Period, after which the Registrar to the Issue will receive this data from the Stock Exchanges and will reconcile and validate the details of the ASBA Application uploaded on the electronic bidding system of the Stock Exchanges with the Depositories records. In case no corresponding record is available with the Depositories, which matches the three parameters, namely, DP ID, Client ID and PAN, then such ASBA Applications are liable to be rejected.

(m) The details of the ASBA Applications uploaded on the electronic bidding system of the Stock Exchanges shall be considered as final and Allocation and Allotment will be based on such details.

Revision of ASBA Applications

(a) During the Issue Period, any Applicant who has submitted an ASBA Application subscribing to a specific number of Equity Shares at a particular price level may revise upwards the number of Equity Shares applied for and/or the price per Equity Shares within the Price Band or at or above the Floor Price, as the case may be, using the printed Revision Form, which is a part of the ASBA Application. **An ASBA Application cannot be withdrawn and the price per Equity Share and/or the number of Equity Shares applied for cannot be revised downwards**.

(b) Upward revisions can be made in both the desired number of Equity Shares and the price per Equity Share by using the Revision Form. The members of the Syndicate and the Designated Branches of the SCSBs will not accept incomplete or inaccurate Revision Forms.

(c) The Applicant can make this upward revision any number of times during the Issue Period. However, for any revision(s) in the ASBA Application, the Applicants will have to use the services of the same member of the Syndicate or the SCSB through whom such Applicant had placed the original ASBA Application. Applicants are advised to retain copies of the blank Revision Form and any revision in the ASBA Application must be made only in such Revision Form or copies thereof.

(d) Apart from mentioning the revised options in the Revision Form, the Applicant must also mention the details of all the options in his or her ASBA Application or earlier Revision Form. For example, if an Applicant has applied for three options in the ASBA Application and such Applicant is changing only one of the options in the Revision Form, the Applicant must still fill the details of the other two options that are not being revised, in the Revision Form. The Syndicate and the Designated Branches of the SCSBs will not accept incomplete or inaccurate Revision Forms.

(e) In case of upward revision of the number of Equity Shares and/or the price per Equity Share, the relevant SCSB shall block the additional Application Amount in the ASBA Account of such Applicant. The Registrar to the Issue will reconcile the ASBA Application data and consider the revised ASBA Application data for preparing the Basis of Allocation.

(f) When an Applicant revises its ASBA Application, it should surrender the earlier TRS and request for a revised TRS from the members of the Syndicate or the SCSB as proof of it having revised the previous ASBA Application.

Allocation

(a) Allocation to FPIs / FVCIs, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.

(b) A minimum of 25% of the aggregate number of Equity Shares to be Allotted in the Issue shall be Allocated and Allotted to Mutual Funds and Insurance Companies, subject to valid ASBA Applications being received at or above the Issue Price, provided that if this portion or any part thereof to be Allotted to Mutual Funds and Insurance Companies remains unsubscribed, such minimum portion or part thereof may be Allotted to other QIBs.

(c) The Equity Shares will be Allotted to at least 10 Allottees under the Issue. However, no single Allottee shall be Allotted more than 25% of the offer size in terms of Regulation 91H of the SEBI Regulations. See "– *Number of Allottees*".

Price Discovery

(a) Based on the demand for the Equity Shares offered in the Issue generated at various price levels, the Company, in consultation with the BRLMs, shall finalise the Issue Price.

(b) The Issue Price shall be the price at or above the Floor Price, or within the Price Band, as the case may be. The Equity Shares offered in the Issue shall be Allocated and Allotted at the Issue Price.

Allotment Criteria

The Equity Shares offered in the Issue will be Allocated and Allotted to successful Applicants as per the proportionate method.

Basis of Allocation

- ASBA Applications received at or above the Issue Price shall be grouped together to determine the total demand for the Equity Shares offered in the Issue. The Allocation and Allotment to all successful Applicants will be made at the Issue Price finalised by our Company, in consultation with the Book Running Lead Managers, in terms of Regulation 91H of the SEBI Regulations.

- The Allocation shall be undertaken in the following manner:

  (a) In the first instance, Allocation shall be made to Mutual Funds and Insurance Companies for up to 25% of the aggregate number of Equity Shares to be Allotted in the Issue as follows:

    - In the event that the aggregate demand from Mutual Funds and Insurance Companies exceeds 25% of the aggregate number of Equity Shares to be Allotted in the Issue, then subject to valid ASBA Applications received at or above the Issue Price, Allocation to Mutual Funds and Insurance Companies shall be made on a proportionate basis at the Issue Price for 25% of the aggregate number of Equity Shares to be Allotted in the Issue. For the method of proportionate Basis of Allocation, see "***– Proportionate Method***" below.

    - In the event that the aggregate demand from Mutual Funds and Insurance Companies is equal to or less than 25% of the aggregate number of Equity Shares to be Allotted in the Issue, then all Mutual Funds and Insurance Companies shall get full Allocation at the Issue Price to the extent of valid ASBA Applications received at or above the Issue Price.

    - In the event that the aggregate demand from Mutual Funds and Insurance Companies exceeds 25% of the aggregate number of Equity Shares to be Allotted in the Issue, then the additional demand from Mutual Funds and Insurance Companies after Allocation of 25% of the aggregate number of Equity Shares to be Allotted in the Issue, shall be aggregated with the demand from other QIBs applying in the Issue.

    - In the event subscription from Mutual Funds and Insurance Companies is below 25% of the aggregate number of Equity Shares to be Allotted in the Issue and if any Equity Shares offered in the Issue that are available for the Allocation in the Mutual Funds and Insurance Company category remain unsubscribed, such Equity Shares shall be available for Allocation to other QIBs as set out in paragraph (b) below.

  (b) In the second instance, Allocation to the remaining Applicants shall be determined as follows:

    - All Applicants who have submitted valid ASBA Applications at or above the Issue Price shall be Allocated Equity Shares offered in the Issue at the Issue Price on a proportionate basis, until the Equity Shares offered in the Issue representing up to 75% of the Issue Size or such number of Equity Shares offered in the Issue as may remain after Allocation to Mutual Funds and Insurance Companies are exhausted. For the method of proportionate Basis of Allocation, see "***– Proportionate Method***" below.

    - Mutual Funds and Insurance Companies, who have received Allocation as per paragraph (a) above, for less than the number of Equity Shares applied for by them, are eligible to receive Equity Shares on a proportionate basis along with the other QIBs. For the purpose of Allocation to Mutual Funds and Insurance Companies in this category, quantity of Equity Shares applied for in the Issue less the Equity Shares Allocated as per (a) above shall be considered for Allocation.

- In the event subscription from Mutual Funds and Insurance Companies pursuant to paragraph (a) above is below 25% of the aggregate number of Equity Shares to be Allotted in the Issue, such portion which remains unsubscribed would be included for Allocation along with the other QIBs on a proportionate basis.

Proportionate Method

The Allocation and Allotment shall be made on a proportionate basis as explained below:

(a) The number of Equity Shares applied for in the Issue at or above the Issue Price shall first be aggregated.

(b) The number of Equity Shares to be Allocated to the successful Applicants will be calculated on a proportionate basis, which is total number of Equity Shares applied for by each Applicant (subject to the maximum limit of 25% of the offer size in terms of Regulation 91H of the SEBI Regulations) multiplied by the inverse of the over-subscription ratio, where over-subscription ratio means the ratio of the total number of Equity Shares applied for in the Issue and the remaining number of Equity Shares offered in the Issue that are available for Allocation.

(c) If the determination of proportionate Allocation to an Applicant is not a multiple of one (which is the marketable lot), the decimal would be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5, it would be rounded off to the lower whole number. Allocation and Allotment to all Applicants would be arrived at after such rounding off.

THE DECISION OF THE COMPANY AND THE BOOK RUNNING LEAD MANAGERS IN RESPECT OF ALLOCATION AND ALLOTMENT SHALL BE BINDING ON ALL APPLICANTS.

Issuance of the CAN

(a) Upon approval of the Basis of Allocation by the Stock Exchanges and the dispatch of the CAN, the Registrar to the Issue shall send to the Book Running Lead Managers a list of the Applicants who would be Allotted Equity Shares in the Issue.

(b) The Company will then issue a CAN to the Applicants who have been Allocated Equity Shares in the Issue.

(c) The dispatch of the CAN shall be deemed a valid, binding and irrevocable agreement on part of the Applicant to subscribe to the Equity Shares Allocated to such Applicant at the Issue Price.

(d) On the basis of the approved Basis of Allocation, the Company shall pass necessary corporate action for Allotment of Equity Shares in the Issue.

RoC Filing

The Company will update and deliver a copy of the updated Red Herring Prospectus for registration to the RoC in accordance with the applicable law, which then would be termed as the 'Prospectus'. This Prospectus contains details of the Issue and is complete in all material respects. The Company has registered a copy of this Prospectus with the RoC in terms of relevant provisions of the Companies Act.

Advertisement under Regulation 66 of the SEBI Regulations

The Company will issue a statutory advertisement after the filing of this Prospectus with the RoC in terms of Regulation 66 of the SEBI Regulations, in an English national newspaper, a Hindi national newspaper and a Kannada newspaper, each with wide circulation. Any material updates between the date of the Red Herring Prospectus and the date of this Prospectus will be included in such statutory advertisement.

Designated Date and Allotment of Equity Shares offered in the Issue

(a) The Company will ensure that (i) the Allotment of Equity Shares offered in the Issue; and (ii) credit to the successful Applicant's depositary account will be completed within six Working Days of the Issue Closing Date. After the funds blocked by the SCSBs are transferred from the ASBA Accounts to the Public Issue Account on the Designated Date, the Company will ensure that the credit of the Equity Shares to the successful Applicant's depository account is completed within two Working Days from the date of Allotment.

(b) In accordance with the SEBI Regulations, Equity Shares offered in the Issue will be issued and Allotment shall be made only in the dematerialised form to the Allottees.

(c) Allottees will have the option to re-materialise the Equity Shares so Allotted in the Issue as per the provisions of the Companies Act and the Depositories Act.

(d) The Equity Shares will be Allotted to at least 10 Allottees under the Issue. As provided in the SEBI Regulations, no single Allottee shall be Allotted more than 25% of the offer size in terms of Regulation 91H of the SEBI Regulations. See "– ***Number of Allottees***".

Applicants are advised to instruct their Depository Participant to accept the Equity Shares that may be Allotted to them pursuant to this Issue.

GENERAL INSTRUCTIONS

(a) Check if you are eligible to apply;

(b) Ensure that the price per Equity Share you have included in the ASBA Applications is a price per Equity Share at or above the Floor Price or within the Price Band, as the case may be;

(c) Do not apply for or revise the prices indicated in the ASBA Application to a price higher than the Cap Price, if applicable;

(d) Ensure that the details about the Depository Participant and the beneficiary account are correct as Allotment of Equity Shares in the Issue will be in the dematerialised form only;

(e) Ensure that the ASBA Applications are submitted either to the members of the Syndicate (only in Specified Locations) or at a Designated Branch of the SCSB where the Applicant or the person whose ASBA Account will be utilised by the Applicant for bidding has an ASBA Account;

(f) Ensure that the ASBA Application is signed by the account holder(s) or an authorised signatory on behalf of the account holder, in case the Applicant is not the account holder in accordance with the instructions contained in the ASBA Applications. Ensure that you have mentioned the correct ASBA Account number in the ASBA Application;

(g) Ensure that the ASBA Application is completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the ASBA Application or in the Revision Form. Applicants should note that the members of the Syndicate and / or the SCSBs, as appropriate, will not be liable for errors in data entry due to incomplete or illegible ASBA Applications or Revision Forms;

(h) If you are an SCSB and are applying for Allotment of the Equity Shares, ensure that you use an ASBA Account for your ASBA Application which is maintained in your own name with a different SEBI registered SCSB, which ASBA Account is used solely for the purpose of subscribing in public issues, having clear, demarcated funds.

(i) Ensure that you request for and receive a TRS for each of the options applied for in the ASBA Application;

(j) Ensure that you have funds equal at least to the Application Amount in your ASBA Account maintained with the SCSB before submitting the ASBA Application to the respective Designated Branch of the SCSB or the member of the Syndicate in Specified Locations;

(k) Submit revised ASBA Applications to the same member of the Syndicate/SCSB through whom the original ASBA Application was placed and obtain a revised TRS;

(l) Ensure that the Demographic Details (as defined herein below) are updated, true and correct in all respects;

(m) Ensure that the name given in the ASBA Application is exactly the same as the name in which the beneficiary account is held with the Depository Participant;

(n) Ensure that the DP ID, the Client ID and the PAN mentioned in the ASBA Application and entered into the electronic bidding system of the Stock Exchanges by the members of the Syndicate match with the DP ID, Client ID and PAN available in the Depository database;

(o) Ensure that you use the ASBA Application bearing the stamp of the relevant SCSB and/or the Designated Branch of the SCSB and/or the member of the Syndicate (except in case of electronic forms);

(p) Applicants bidding through Syndicate should ensure that the ASBA Application is submitted to a member of the Syndicate only in the Specified Locations and that the SCSB where the ASBA Account, as specified in the ASBA Application, is maintained has named at least one branch in the Specified Locations for the members of the Syndicate to deposit the ASBA Applications;

(q) Ensure that in case of ASBA Applications made under power of attorney, relevant documents are submitted;

(r) Ensure that ASBA Applications submitted by QIBs resident outside India should be in compliance with applicable foreign and Indian laws;

(s) Ensure that you have correctly signed the authorisation/undertaking box in the ASBA Application, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Amount mentioned in the ASBA Application;

(t) ASBA Applications made on a repatriation basis shall be in the name of FPIs / FVCIs;

(u) Do not fill up the ASBA Application such that the number of Equity Shares applied for exceeds the investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations; and

(v) Information provided by the Applicants will be uploaded on the electronic bidding system of the Stock Exchanges by the members of the Syndicate and the SCSBs, as the case may be, and the electronic data will be used to make Allocation and Allotment. Please ensure that the details are correct and legible.

Applicant's PAN, Depository Account and ASBA Account Details

Applicants should note that on the basis of PAN of the Applicants, DP ID and Client ID entered into the electronic bidding system of the Stock Exchanges by the members of the Syndicate or SCSBs, the Registrar to the Issue will obtain from the Depository the demographic details including address, Applicants' ASBA Account details, and PAN registered with the Depository (the "Demographic Details"). These Demographic Details would be used for processing, including identifying ASBA Applications to be rejected on technical grounds and unblocking of ASBA Account. Hence, Applicants are advised to immediately update their Demographic Details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in unblocking of the ASBA Account at the Applicants sole risk and none of the BRLMs, Syndicate Member, the Registrar to the Issue, the SCSBs or the Company shall have any responsibility and undertake any liability for the same. Hence, Applicants should carefully fill in their Depository Account details in the ASBA Application.

The Demographic Details would be used for all correspondence with the Applicants including mailing of the CANs. The Demographic Details given by Applicants in the ASBA Application would not be used for any other purpose by the Registrar to the Issue.

By signing the ASBA Application, the Applicant would be deemed to have authorised the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

The CAN will be mailed at the address of the Applicant as per the Demographic Details received from the

Depositories or the email address provided by the Applicant in the ASBA Application. Applicants may note that delivery of the CAN may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. Please note that any such delay shall be at such Applicant's sole risk and none of the Company, BRLMs, Syndicate Member or the Registrar to the Issue shall be liable to compensate the Applicant for any losses caused to the Applicant due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories, which matches the parameters, namely, PAN of the Applicant, the DP ID and Client ID, then such ASBA Application is liable to be rejected.

ASBA Applications made under Power of Attorney

In case of ASBA Applications made pursuant to a power of attorney or by FPIs, Mutual Funds, VCFs, FVCIs, AIFs, Insurance Companies and provident funds with a minimum corpus of ₹250 million (subject to applicable law) and pension funds with a minimum corpus of ₹250 million, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the ASBA Application.

In addition to the above, certain additional documents are required to be submitted by the following entities:

(a) With respect to ASBA Applications by FPIs, AIFs, VCFs, FVCIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the ASBA Application.

(b) With respect to ASBA Applications by Insurance Companies, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged along with the ASBA Application.

(c) With respect to ASBA Applications made by provident funds with a minimum corpus of ₹250 million and in accordance with their constitutional documents and pension funds (subject to applicable law) with a minimum corpus of ₹250 million, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the ASBA Application.

PAYMENT INSTRUCTIONS

Payment mechanism for Applicants

The Applicants shall specify the ASBA Account number in the ASBA Application. The SCSB shall block an amount equivalent to the Application Amount in the ASBA Account specified in the ASBA Application and each Applicant or the account holder shall be deemed to have agreed to block such amount. In case of upward revision of the number of Equity Shares applied for or the price per Equity Share, the SCSB shall block additional Application Amount in the ASBA Account of such Applicant and the Applicants or the account holder shall be deemed to have agreed to block such amount.

The Application Amount shall remain blocked in the ASBA Account until finalisation of the Basis of Allocation in the Issue, dispatch of the CAN and consequent transfer of the Application Amount to the Public Issue Account, until rejection of the ASBA Applications or until withdrawal of the Issue, as the case may be. In the event of rejection of the ASBA Application or for unsuccessful or partially successful ASBA Applications, the Registrar to the Issue shall give instructions to the SCSB to unblock the application money in the relevant ASBA Account and the same shall be acted upon by the SCSB concerned within one Working Day of receipt of such instruction.

OTHER INSTRUCTIONS

Multiple Applications

An Applicant should submit only one (and not more than one) ASBA Application.

In case of a Mutual Fund, a separate ASBA Application may be made in respect of each scheme of the Mutual Fund and such ASBA Applications in respect of over one scheme of the Mutual Fund will not be treated as multiple ASBA Applications provided that the ASBA Applications clearly indicate the scheme concerned for which the ASBA

Application has been made.

After submitting an ASBA Application, an Applicant cannot submit another ASBA Application, to either the same or another Designated Branch of the SCSB or member of the Syndicate. Submission of a second ASBA Application in such manner will be deemed a multiple ASBA Application and would be rejected. However, the Applicants may revise their ASBA Application through the Revision Form, the procedure for which is described in "- ***Revision of ASBA Applications***" above.

Copies of ASBA Applications with the same PAN details shall be treated as multiple ASBA Applications and are liable to be rejected.

The Company, in consultation with the BRLMs, reserves the right to reject, in its absolute discretion, all or all except one of such multiple ASBA Application(s) in any or all categories.

1. All ASBA Applications will be checked for common PAN as per the records of Depository. For Applicants other than Mutual Funds and FPIs, ASBA Applications bearing the same PAN will be treated as multiple ASBA Applications and will be rejected.

2. For ASBA Applications from Mutual Funds and FPIs which were submitted under the same PAN, the ASBA Applications will be scrutinised for DP ID and Client ID. In case applications bear the same DP ID and Client ID, these will be treated as multiple applications.

The Registrar to the Issue will obtain, from the depositories, details of the Applicant's address based on the DP ID and Client ID provided in the ASBA Applications.

REJECTION OF ASBA APPLICATIONS

The Company has a right to reject the ASBA Applications based on technical grounds. The Designated Branches of the SCSBs shall have the right to reject ASBA Applications if at the time of blocking the Application Amount in the Applicant's ASBA Account, the respective Designated Branch of the SCSB ascertains that sufficient funds are not available in the Applicant's ASBA Account maintained with the SCSB.

Grounds for Technical Rejections

Applicants are advised to note that ASBA Applications are liable to be rejected *inter alia* on the following technical grounds and for any other reasons after assigning reason for such rejection in writing:

(a) ASBA Applications other than by QIBs.

(b) Incomplete ASBA Application. For instance, ASBA Application not having details of the ASBA Account to be blocked or not containing the authorisations for blocking the Application Amount in the ASBA Account specified in the ASBA Application;

(c) The amount mentioned in ASBA Application does not tally with the amount payable for the value of the Equity Shares applied for;

(d) PAN not mentioned in the ASBA Application;

(e) ASBA Applications made at a price per Equity Share less than the Floor Price or not within the Price Band, as the case may be;

(f) ASBA Application by Applicants whose demat account have been "suspended for credit" pursuant to the circular issued by SEBI on July 29, 2010 bearing number CIR/MRD/DP/22/2010;

(g) Multiple ASBA Applications as explained in the Red Herring Prospectus. See "– ***Other Instructions – Multiple Applications***";

(h) ASBA Applications are not delivered by the Applicants within the time prescribed as per the ASBA

Applications, the Floor Price / Price Band Announcement and the Red Herring Prospectus and as per the instructions in the Red Herring Prospectus and the ASBA Applications;

(i) In case no matching or corresponding record is available with the Depositories that matches the DP ID and the Client ID;

(j) Inadequate funds in the ASBA Account to block the Application Amount specified in the ASBA Application at the time of blocking such Application Amount in the ASBA Account;

(k) ASBA Application submitted by Applicants to a member of the Syndicate at locations other than the Specified Locations;

(l) In case of SCSBs applying for Allotment of Equity Shares, if the ASBA Account is not maintained in the name of such SCSB with a different SEBI registered SCSB;

(m) ASBA Applications by persons in the United States – other than qualified institutional buyers as defined in Rule 144A of the U.S. Securities Act;

(n) ASBA Applications, details of which are not uploaded on the electronic bidding system of the Stock Exchanges;

(o) ASBA Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority; and

(p) ASBA Application does not have details of the Applicant's Depository account.

EQUITY SHARES IN DEMATERIALISED FORM WITH NSDL OR CDSL

The Allotment of Equity Shares in this Issue shall be only in a dematerialised form, (*i.e.*, not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode).

Applicants can seek Allotment only in dematerialised mode. ASBA Applications from any Applicant without relevant details of its depository account are liable to be rejected.

(a) An Applicant applying for Equity Shares in the Issue must have at least one beneficiary account with a Depository Participant of either NSDL or CDSL prior to making the ASBA Application.

(b) Allotment to a successful Applicant will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Applicant as provided in the ASBA Application.

(c) Names in the ASBA Application or Revision Form should be identical to those appearing in the account details in the Depository.

(d) The Applicant is responsible for the correctness of its Demographic Details given in the ASBA Application vis-à-vis those with its Depository Participant.

(e) The trading of the Equity Shares issued pursuant to the Issue of the Company would be in dematerialised form only for all Applicants in the demat segment of the Stock Exchanges.

(f) Non transferable CAN will be directly sent to the Applicants.

The Company or the members of the Syndicate will not be responsible or liable for the delay in the credit of the Equity Shares Allotted in the Issue due to errors in the ASBA Application or otherwise on part of the Applicants.

Communications

All future communications in connection with ASBA Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the Applicant, ASBA Application number, the Applicants' Depository

Account details, number of Equity Shares applied for, date of the ASBA Application, name and address of the member of the Syndicate or the Designated Branch of the SCSBs where the ASBA Application was submitted and ASBA Account number in which the amount equivalent to the Application Amount was blocked.

Applicants can contact the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of the CAN, credit of Allotted Equity Shares in the respective beneficiary accounts etc. In case of ASBA Applications submitted with the Designated Branches of the SCSBs, Applicants can contact the Designated Branches of the SCSBs.

UNBLOCKING THE FUNDS

The Registrar to the Issue shall instruct the relevant SCSBs to unblock the funds in the relevant ASBA Accounts to the extent of the Application Amount specified in the ASBA Applications for rejected or unsuccessful or partially successful ASBA Applications within six Working Days of the Issue Closing Date and the same shall be acted upon by the SCSBs within one Working Day of receipt of such instruction.

DISPOSAL OF ASBA APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY

The Company shall take all steps to ensure that listing and commencement of trading of the Equity Shares Allotted in the Issue at the Stock Exchanges is within six Working Days of the Issue Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI Regulations, the Company further undertakes that:

(a) Allotment of Equity Shares in the Issue shall be made only in dematerialised form within six Working Days of the Issue Closing Date;

(b) Instructions for unblocking of the Applicant's ASBA Account shall be made within six Working Days from the Issue Closing Date; and

(c) The Company shall pay interest at 15% per annum for any delay, if Allotment is not made, funds in the relevant ASBA Accounts to the extent of the Application Amount specified in the ASBA Applications for rejected or unsuccessful or partially successful ASBA Applications are not unblocked and/or demat credits are not made to investors within the six Working Days from the Issue Closing Date.

IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013, which is reproduced below:

"*Any person who:*

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

***(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.*"**

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

Issue Programme

Details of the Issue programme shall be disclosed in the Floor Price/ Price Band Announcement. Investors should refer to the pre-Issue advertisement and the Floor Price / Price Band Announcement for further details.

ASBA Applications and any revision in the ASBA Applications shall be accepted and uploaded only between 10 a.m. (Indian Standard Time, "**IST**") and 5 p.m. IST during the Issue Period as mentioned above by the members of the Syndicate at the Syndicate ASBA Bidding Centers and the Designated Branches of SCSBs as mentioned on the ASBA Application.

Withdrawal of the Issue

The Company reserves the right to withdraw the Issue at any stage prior to Allotment. In such an event, the Company would issue a public notice in the newspapers in which the pre-Issue advertisements were published. The Registrar to the Issue, shall issue instructions to the SCSBs to unblock the ASBA Accounts of the Applicants within one day of receipt of such instructions. The Company shall also inform the Stock Exchanges of such withdrawal.

PLACEMENT

Issue and Placement Agreement

The Book Running Lead Managers have entered into the Issue and Placement Agreement with the Company, pursuant to which the Book Running Lead Managers have agreed to manage the Issue and use reasonable efforts to procure subscription for Equity Shares to be placed with the QIBs, pursuant to Chapter VIII-A of the SEBI Regulations.

The Issue and Placement Agreement contains customary representations and warranties, as well as indemnities from the Company and is subject to termination in accordance with the terms contained therein.

The Company has received in-principle approvals from the Stock Exchanges under Regulation 28 of the SEBI Listing Regulations to list the Equity Shares being offered in the Issue on the Stock Exchanges. After Allotment of the Equity Shares pursuant to the Issue, applications shall be made to list the Equity Shares and admit them to trading on the Stock Exchanges. The Issue is subject to obtaining (i) the final approval of the RoC after this Prospectus is filed with the RoC; and (ii) final listing and trading approvals of the Stock Exchanges, which the Company shall apply for after the Allotment.

In connection with the Issue, the Book Running Lead Managers (or their respective affiliates) may, for their own accounts, enter into asset swaps, credit derivatives or other derivative transactions relating to the Equity Shares at the same time as the offer and issuance of the Equity Shares, or in secondary market transactions. As a result of such transactions, the Book Running Lead Managers may hold long or short positions in such Equity Shares. These transactions may comprise a substantial portion of the Issue and no specific disclosure will be made of such positions. Affiliates of the Book Running Lead Managers may purchase Equity Shares and be Allotted Equity Shares for proprietary purposes and not with a view to distribution or in connection with the issuance of P-Notes. See – "*Offshore Derivative Instruments*".

From time to time, the Book Running Lead Managers and certain of their affiliates have provided and continue to provide commercial and investment banking services to us or our affiliates for which they have received and may in the future receive compensation.

For instance, Axis Capital Limited, ICICI Securities Limited and IIFL Holdings Limited, Book Running Lead Managers to this Issue, also acted as book running lead managers for the initial public offering of our Equity Shares in June 2016.

Inter-se Allocation of Responsibilities of the BRLMs

The following table sets forth the *inter se* allocation of responsibilities for various activities among the BRLMs for the Issue:

Sr. No	Activities	Responsibility	Coordination
1.	Due diligence of our Company's operations/ management/ business plans/ legal. Drafting and design of the Red Herring Prospectus and Prospectus. The LMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalisation of Prospectus	Axis, I-Sec, IIFL,	Axis
2.	Capital structuring with the relative components and formalities	Axis, I-Sec	Axis
3.	Appointment of Banker(s) to the Issue and Printer	Axis, I-Sec	Axis
4.	Appointment of Advertising Agency and Registrar	Axis, I-Sec	I-Sec

Sr. No	Activities	Responsibility	Coordination
5.	Drafting and approval of all publicity material other than statutory advertisement as mentioned in (1) above including corporate advertisement, brochure	Axis, I-Sec	I-Sec
6.	International institutional marketing including; allocation of investors for meetings and finalize roadshow schedules	Axis, I-Sec, IIFL	IIFL
7.	Domestic institutional marketing including banks/ mutual funds and allocation of investors for meetings and finalising road show schedules	Axis, I-Sec, IIFL	Axis
8.	Preparation and finalisation of the road-show presentation	Axis, I-Sec, IIFL	I-Sec
9.	Coordination with Stock Exchanges for book building process including software, bidding terminals.	Axis, I-Sec	I-Sec
10.	Pricing and managing the book	Axis, I-Sec	Axis
11.	Post-issue activities, which shall involve essential follow-up steps including follow-up with bankers to the issue and SCSBs to get quick estimates of collection and advising the issuer about the closure of the issue, based on correct figures, finalisation of the basis of allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds and coordination with various agencies connected with the post-issue activity such as registrars to the issue, bankers to the issue, SCSBs including responsibility for underwriting arrangements, as applicable.	Axis, I-Sec	I-Sec

SELLING RESTRICTIONS

The distribution of this Prospectus and the offer, sale or delivery of the Equity Shares is restricted by law in certain jurisdictions. Persons who come into possession of this Prospectus are advised to take legal advice with regard to any restrictions that may be applicable to them and to observe such restrictions. This Prospectus may not be used for the purpose of an offer or sale in any circumstances in which such offer or sale is not authorised or permitted.

GENERAL

No action has been taken or will be taken that would permit a public offering of the Equity Shares to occur in any jurisdiction, other than India or the possession, circulation or distribution of this Prospectus or any other material relating to the Company or the Equity Shares in any jurisdiction where action for such purpose is required.

Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Prospectus nor any offering materials or advertisements in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. The Issue will be made in compliance with the applicable SEBI Regulations. Each purchaser of the Equity Shares in the Issue will be required to make, or be deemed to have made, as applicable, the acknowledgments and agreements as described under "*Purchaser Representations and Transfer Restrictions*." on page 242.

Bahrain

This Prospectus has been prepared for private information purposes of intended investors only. This Prospectus is intended to be read by the addressee only. No invitation has been made in or from the Kingdom of Bahrain and there will be no marketing or offering of the Equity Shares to any potential investor in Bahrain. All marketing and offering is made and will be made outside of the Kingdom of Bahrain. The Central Bank of Bahrain or any other regulatory authority in Bahrain has not reviewed, nor has it approved, this offering document or the marketing of the Equity Shares and takes no responsibility for the accuracy of the statements and information contained in this Prospectus, nor shall it have any liability to any person for any loss or damage resulting from reliance on any statements or information contained herein.

Australia

This Prospectus and the offer of Equity Shares are only made available in Australia to persons to whom a disclosure document is not required to be given under Chapter 6D of the Australian Corporations Act 2001 (the "**Australian Corporations Act**") and has not been and will not be lodged or registered with the Australian Securities & Investments Commission or any other regulatory body or agency in Australia. This Prospectus is not a prospectus, product disclosure statement or any other form of formal "disclosure document" for the purposes of the Australian Corporations Act and is not required to, and does not, contain all the information which would be required in a disclosure document under the Australian Corporations Act. (i) The offer of the Equity Shares under this Prospectus is only made to persons to whom it is lawful to offer the Equity Shares without a disclosure document such as a professional investor or sophisticated investor for the purposes of Chapter 6D of the Australian Corporations Act; (ii) this Prospectus is made available in Australia to persons as set forth in clause (i) above; and (iii) by accepting this offer, the offeree represents that the offeree is such a person as set forth in clause (ii) above and agrees not to sell or offer for sale within Australia any Equity Shares sold to the offeree within 12 months after their transfer to the offeree under this Prospectus.

Belgium

The Equity Shares may not be distributed in Belgium by way of an offer of securities to the public, as defined in Article 3 §1 of the Belgian Law of June 16, 2006 on public offerings of investment W-28 instruments and the admission of investment instruments to trading on regulated markets (the "**Prospectus Law**"), save in those circumstances set out in Article 3 §2 of the Prospectus Law.

This offering is exclusively conducted under applicable private placement exemptions and therefore it has not been and will not be notified to, and this Prospectus or any other offering material relating to the Equity Shares has not been and will not be approved by, the Belgian Banking, Finance and Insurance Commission ("**Commission bancaire, financière et des assurances/Commissie voor het Bank-, Financie- en Assurantiewezen**").

Accordingly, this offering may not be advertised and each of the Book Running Lead Managers has represented, warranted and agreed that it has not offered, sold or resold, transferred or delivered, and will not offer, sell, resell, transfer or deliver, the Equity Shares, and that it has not distributed, and will not distribute, any memorandum, information circular, brochure or any similar documents, directly or indirectly, to any individual or legal entity in Belgium other than:

1. qualified investors, as defined in Article 10 of the Prospectus Law;

2. investors required to invest a minimum of €50,000 (per investor and per transaction); and

3. in any other circumstances set out in Article 3 §2 of the Prospectus Law.

This Prospectus has been issued only for the personal use of the above qualified investors and exclusively for the purpose of this offering. Accordingly, the information contained herein may not be used for any other purpose nor disclosed to any other person in Belgium.

Cayman Islands

This Prospectus does not constitute an invitation or offer to the public in the Cayman Islands of the Equity Shares, whether by way of sale or subscription. The Equity Shares are not offered or sold, and will not be offered or sold, directly or indirectly, to the public in the Cayman Islands.

Denmark

The Equity Shares have not been offered or sold and will not be offered, sold or delivered directly or indirectly in Denmark by way of a public offering, unless in compliance with the Danish Securities Trading Act, Consolidation Act No. 843 of September 7, 2005, as amended from time to time, and any orders issued thereunder.

Dubai International Financial Centre / United Arab Emirates

The Equity Shares have not been, and are not being, publicly offered, sold, promoted or advertised in the United Arab Emirates (including the Dubai International Financial Centre) other than in compliance with the laws of the United Arab Emirates (and the Dubai International Financial Centre) governing the issue, offering and sale of securities. Further, this Prospectus does not constitute a public offer of securities in the United Arab Emirates (including the Dubai International Financial Centre) and is not intended to be a public offer. This Prospectus has not been approved by or filed with the Central Bank of the United Arab Emirates, the Securities and Commodities Authority or the Dubai Financial Services Authority.

European Economic Area

In relation to each member state of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), each of the Book Running Lead Managers has severally and not jointly, or jointly and severally, represented and warranted that it has not made and will not make an offer to the public of any Equity Shares which are the subject of the issue of Equity Shares contemplated by this Prospectus in that Relevant Member State, except that the Equity Shares may be offered to the public in that Member State at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

1. to any legal entity which is a qualified investor, as defined in the Prospectus Directive (as defined below);

2. to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive or supplement a prospectus pursuant to Article 16 at the Prospectus Directive), subject to obtaining

the prior consent of the relevant Book Running Lead Managers nominated by the Company for any such offer; or

3. at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of the Equity Shares shall result in a requirement for the publication by the Company or any Book Running Lead Managers of a prospectus or the initial purchaser of a prospectus pursuant to Article 3 of the Prospectus Directive and each person who initially acquires any Equity Shares or to whom any offer is made will be deemed to have represented, acknowledged and agreed with the Book Running Lead Managers and the Company that it is a qualified investor within the meaning of the law of the Relevant Member State implementing Article 2(1)I of the Prospectus Directive or any measure implementing the Prospectus Directive in any Relevant Member State.

For the purposes of this provision, the expression "an offer to the public" in relation to any securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any securities to be offered so as to enable an investor to decide to purchase any securities, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression "Prospectus Directive" means Directive 2003/71/EC (as amended, including by Directive 2003/71/EC), and includes any relevant implementing measure in the Relevant Member State.

France

This Prospectus has not been prepared in the context of a public offering of financial securities in France within the meaning of Article L. 411-1 of the French Code *monétaire et financier* and Title I of Book II of the *Règlement Général of the Autorité des Marchés Financiers* (the "AMF") and, therefore, has not been approved by, registered or filed with the AMF and does not require a prospectus to be submitted for approval to the AMF. Consequently, each of the Book Running Lead Managers has represented and agreed that it has not offered or sold and will not offer or sell, directly or indirectly, any Equity Shares to the public in France and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, this Prospectus or any other offering material relating to the Equity Shares and such offers, sales and distributions have been and will be made in France only to (i) persons providing investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers)* and/or (ii) to qualified investors (*investisseurs qualifiés)* acting on their own account, as defined in, and in accordance with, Articles L.411-2, D.411-1, D. 734-1, D. 744-1, D. 754-1 and D. 764-1 of the French Code monétaire et financier. No re-transfer, directly or indirectly, of the Equity Shares in France, other than in compliance with applicable laws and regulations and in particular those relating to a public offering (which are, in particular, embodied in articles L. 411-1, L. 411-2, L. 412-1 and L. 621-8 and seq. of the French Code *monétaire et financier)* shall be made.

Germany

This Prospectus has not been prepared in accordance with the requirements for a sales prospectus under the German Securities Prospectus Act (*Wertpapierprospektgesetz),* the German Sales Prospectus Act (*Verkaufsprospektgesetz),* or the German Investment Act (*Investmentgesetz).* Neither the German Federal Financial Services Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht - BaFin)* nor any other German authority has been notified of the intention to distribute the Equity Shares in Germany. The Equity Shares may therefore not be distributed in the Federal Republic of Germany by way of public offering, public advertising or in a similar manner. The Equity Shares are being offered and sold in Germany only to (i) qualified investors in the meaning of Section 3, paragraph 2 no. 1, in connection with Section 2, no. 6, of the German Securities Prospectus Act, or (ii) a limited number of individualised, unqualified investors that are being preselected and specifically addressed. This Prospectus is strictly for use of the person who has received it. It may not be forwarded to other persons or published in Germany.

Hong Kong

This Prospectus has not been approved by the Securities and Futures Commission in Hong Kong and, accordingly, (i) the Equity Shares have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document, other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**") and any rules made under that SFO; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding up and Miscellaneous Provisions) Ordinance (Cap. 32) (the "**CWUMPO**") of Hong Kong or which do not constitute an offer to the public within the meaning of the CWUMPO; and (ii) each of the Book Running Lead Managers has not issued or had in its possession for the purposes of the issue of Equity Shares whether in Hong Kong or elsewhere any advertisement, invitation or document relating to the Equity Shares, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong), other than with respect to Equity Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

Ireland

The Equity Shares may be publicly offered and sold in Ireland only in accordance with the European Communities (Transferable Securities and Stock Exchange) Regulations 1992, if applicable, the Investment Intermediaries Act 1995, as amended, the Companies Acts 1963 to 2003 and all other applicable Irish laws and regulations. This Prospectus does not constitute an offer to the public in Ireland by virtue of the fact that it shall only be made to persons in Ireland whose ordinary business is to buy or sell shares or debentures (whether as principal or agent) and, accordingly, has not been registered with the Registrar for Companies in Ireland. By accepting delivery of this Prospectus, the addressee in Ireland warrants that it is a person whose ordinary business, whether as principal or agent, is to buy and sell shares and debentures. This Prospectus does not and shall not be deemed to constitute an invitation to individuals (*i.e.,* natural persons) in Ireland to purchase Equity Shares. There will be no offering to the public in Ireland of the Equity Shares and this Prospectus does not constitute a prospectus within the meaning of the Irish Companies Acts 1963 to 2003.

Italy

The offering of the Equity Shares has not been registered with the *Commissione Nazionale per le Società e la Borsa* ("**CONSOB**") pursuant to Italian securities legislation and, accordingly, each Lead Manager has represented and agreed that it has not offered, sold or distributed, and will not offer, sell or distribute any Equity Shares or any copy of this Prospectus or any other offer document in the Republic of Italy ("**Italy**") except:

1. to qualified investors (*investitori qualificati),* pursuant to Article 100 of Legislative Decree no. 58 of February 24, 1998 (the "Consolidated Financial Services Act" and Article 34-ter, paragraph 1, letter (b) of CONSOB regulation No. 11971 of May 14, 1999 (the "**CONSOB Regulation**"), all as amended; or

2. in any other circumstances where an express exemption from compliance with the restrictions on offers to the public applies, as provided under Article 100 of the Consolidated Financial Services Act and Article 34-ter of the CONSOB Regulation;

3. moreover, and subject to the foregoing, any offer, sale or delivery of the Equity Shares or distribution of copies of this Prospectus or any other document relating to the Equity Shares in Italy under (1) or (2) above must be:

   (a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in Italy in accordance with the Consolidated Financial Services Act, Legislative Decree No. 385 of September 1, 1993 (the "Banking Act"), CONSOB Regulation No. 16190 of October 29, 2007, all as amended;

   (b) in compliance with Article 129 of the Banking Act and the implementing guidelines, pursuant to which the Bank of Italy may request information on the offering or issue of securities in Italy; and

   (c) in compliance with any securities, tax, exchange control and any other applicable laws and regulations, including any limitation or requirement which may be imposed from time to time, inter alia, by CONSOB or the Bank of Italy.

Any investor purchasing the Equity Shares in the Issue is solely responsible for ensuring that any offer or resale of the Equity Shares it purchased in the Issue occurs in compliance with applicable laws and regulations. This Prospectus and the information contained herein are intended only for the use of its recipient and are not to be distributed to any third-party resident or located in Italy for any reason. No person resident or located in Italy other than the original recipients of this document may rely on it or its contents.

Japan

The Equity Shares have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Act No. 25 of 1948, as amended; the "**FIEA**") The Book Running Lead Managers have represented and agreed that they will not offer or sell any Equity Shares, directly or indirectly, in Japan or to, or for the benefit of, any resident in Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for reoffering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Jordan

The Equity Shares are being offered in Jordan on a cross border basis based on one-on-one contacts to no more than thirty potential investors and accordingly the Equity Shares will not be registered with the Jordanian Securities Commission and a local prospectus is not required.

Kuwait

The issue of Equity Shares has not been approved by the Kuwait Central Bank or the Kuwait Ministry of Commerce and Industry, nor has the Company received authorization or licensing from the Kuwait Central Bank or the Kuwait Ministry of Commerce and Industry to market or sell the Equity Shares within Kuwait. Therefore, no services relating to the offering, including the receipt of applications and/or the allotment of Equity Shares, may be rendered within Kuwait by the Company or persons representing the Company.

Luxembourg

The Equity Shares offered in this Prospectus may not be offered, sold or delivered to the public within the Grand Duchy of Luxembourg. This document is only intended for institutional investors. It is personal to each offeree and does not constitute an offer to any other person or to the public generally in Luxembourg to subscribe for or otherwise acquire the Equity Shares. Distribution of this Prospectus to any person other than the offeree and those persons, if any, retained to advise such offeree with respect thereto is unauthorized and any disclosure of any of its contents, without prior written consent of the Company, is prohibited.

Malaysia

No prospectus or other offering material or document in connection with the offer and sale of the Equity Shares has been or will be registered with the Securities Commission of Malaysia pursuant to the Securities Commission Act, 1993 as the offer for purchase of, or invitation to purchase the Equity Shares is meant to qualify as an "excluded offer or excluded invitation" within the meaning of Section 38 of the Securities Commission Act, 1993. Each Lead Manager has severally represented, warranted or agreed that the Equity Shares will not be offered, sold, transferred or otherwise disposed, directly or indirectly, nor any document or other material in connection therewith distributed, in Malaysia, other than to persons falling within any one of the categories or person specified in Schedule 2 and/or Schedule 3 of the Securities Commission Act, 1993 who are also persons to whom any offer or invitation to purchase or sell would be an excluded offer or invitation within the meaning of Section 38 of the Securities Commission Act, 1993.

Mauritius

The Equity Shares are not being offered to the public in Mauritius and nothing in this Prospectus or any information contained herein may be treated as a prospectus for the purposes of the Securities Act 2005 of Mauritius. The Mauritius Financial Services Commission (FSC) has neither reviewed nor approved this Prospectus and the Company does not hold any licence issued by the FSC. Accordingly, this Prospectus has not been registered with the FSC. Equity Shares are being offered by way of private placement only to the person to whom such offer has been made. Only persons licensed by the FSC as, investment dealers, investment advisers or investment bankers conducting activities as an investment dealer or investment adviser may market and carry out any form of solicitation in Mauritius in respect to the offer, distribution or sale of the Equity Shares. Where solicitation does not exist, a licensee as distributors of financial products may distribute the Equity Shares. The Equity Shares may not be offered, distributed or sold, directly or indirectly, in Mauritius, except as permitted by applicable Mauritius law, including but not limited to Securities Act 2005 of Mauritius. The Company has not been authorized (or recognized) and does not intend to seek authorization (or recognition) with the FSC, and the FSC expresses no opinion as to the matters contained in this Prospectus and as to the merits of an investment in the Company. There is no statutory compensation scheme in Mauritius in the event of the Company's failure.

New Zealand

This Prospectus is not a prospectus. It has not been prepared or registered in accordance with the Securities Act 1978 of New Zealand (the "**New Zealand Securities Act**"). This Prospectus is being distributed in New Zealand only to persons whose principal business is the investment of money or who, in the course of and for the purposes of their business, habitually invest money, within the meaning of section 3(2)(a)(ii) of the New Zealand Securities Act ("**Habitual Investors**"). By accepting this Prospectus, each investor represents and warrants that if they receive this Prospectus in New Zealand they are a Habitual Investor and you will not disclose this Prospectus to any person who is not also a Habitual Investor.

Norway

This Prospectus has not been approved by or registered with any Norwegian securities regulators pursuant to the Norwegian Securities Trading Act 1997. Accordingly, neither this Prospectus nor any other offering material relating to the Equity Shares constitutes, or shall be deemed to constitute, an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act 1997 and is only made to qualified professional investors pursuant to the Norwegian Regulation of December 9, 2005 regarding exemption from the obligation to publish a prospectus or otherwise only in circumstances where an exemption from the obligation to publish a prospectus under the Norwegian Securities Trading Act 1997 is available.

Oman

By receiving this Prospectus, the person or entity to whom it has been issued understands, acknowledges and agrees that this Placement Document has not been approved by the Capital Market Authority of Oman (the "**CMA**") or any other regulatory body or authority in the Sultanate of Oman ("**Oman**"), nor have the Book Running Lead Managers or any placement agent acting on their behalf received authorisation, licensing or approval from the CMA or any other regulatory authority in Oman, to market, offer, sell, or distribute interests in the Equity Shares within Oman. No marketing, offering, selling or distribution of any interests in the Equity Shares has been or will be made from within Oman and no subscription for any interests in the Equity Shares may or will be consummated within Oman. Neither the Book Running Lead Managers nor any placement agent acting on their behalf is a company licensed by the CMA to provide investment advisory, brokerage, or portfolio management services in Oman, nor a bank licensed by the Central Bank of Oman to provide investment banking services in Oman. Neither the Book Running Lead Manager nor any placement agent acting on their behalf advise persons or entities resident or based in Oman as to the appropriateness of investing in or purchasing or selling securities or other financial products.

Nothing contained in this Prospectus is intended to constitute Omani investment, legal, tax, accounting or other professional advice. This Prospectus is for your information only, and nothing herein is intended to endorse or recommend a particular course of action. You should consult with an appropriate professional for specific advice on the basis of your situation.

Qatar

This document does not, and is not intended to, constitute an invitation or an offer of securities in the State of Qatar (including the Qatar Financial Centre) and accordingly should not be construed as such. The Equity Shares have not been, and shall not be, offered, sold or delivered at any time, directly or indirectly, in the State of Qatar. Any offering of the Equity Shares shall not constitute a public offer of securities in the State of Qatar.

By receiving this document, the person or entity to whom it has been provided to understands, acknowledges and agrees that: (i) neither this Prospectus nor the Equity Shares have been registered, considered, authorized or approved by the Qatar Central Bank, the Qatar Financial Markets Authority, the Qatar Financial Centre Regulatory Authority or any other authority or agency in the State of Qatar; (ii) neither the Company nor persons representing the Company are authorized or licensed by the Qatar Central Bank, the Qatar Financial Markets Authority, the Qatar Financial Centre Regulatory Authority, or any other authority or agency in the State of Qatar, to market or sell the Equity Shares within the State of Qatar; (iii) this Prospectus may not be provided to any person other than the original recipient and is not for general circulation in the State of Qatar; and (iv) no agreement relating to the sale of the Equity Shares shall be consummated within the State of Qatar.

No marketing of the Equity Shares has been or will be made from within the State of Qatar and no subscription to the Equity Shares may or will be consummated within the State of Qatar. Any applications to invest in the Equity Shares shall be received from outside of Qatar. This document shall not form the basis of, or be relied on in connection with, any contract in Qatar. Neither the Company nor persons representing the Company are, by distributing this document, advising individuals resident in the State of Qatar as to the appropriateness of investing in or purchasing or selling securities or other financial products. Nothing contained in this document is intended to constitute investment, legal, tax, accounting or other professional advice in, or in respect of, the State of Qatar.

Republic of Korea

The Equity Shares have not been and will not be registered under the Financial Investment Business and Capital Markets Act of Korea and none of the Equity Shares may be offered or sold, directly or indirectly, in Korea or to any resident of Korea or to any persons for reoffering or resale, directly or indirectly, in Korea or to any resident of Korea (as defined under the Foreign Exchange Transaction Act of Korea and its Enforcement Decree) except pursuant to an exemption from the registration requirements of the Financial Investment Business and Capital Markets Act of Korea available thereunder and/or in compliance with applicable laws and regulations of Korea.

Saudi Arabia

Any investor in the Kingdom of Saudi Arabia or who is a Saudi person (a "**Saudi Investor**") who acquires Equity Shares pursuant to the Issue should note that the offer of Equity Shares is an offer to "Sophisticated Investors" (as defined in Article 11 of the "Offer of Securities Regulations" as issued by the Board of the Capital Market Authority resolution number 2-11-2004 dated October 4, 2004 and amended by the Board of the Capital Market Authority resolution number 1-28-2008 dated August 18, 2008 (the "**KSA Regulations**")) for the purposes of Article 9 of the KSA Regulations. Each Lead Manager has represented, warranted and agreed that the offer of the Equity Shares will only be directed at Sophisticated Investors.

The offer of Equity Shares shall not therefore constitute a "public offer" pursuant to the KSA Regulations, but is subject to the restrictions on secondary market activity under Article 17 of the KSA Regulations. Any Saudi Investor who has acquired Equity Shares as a Sophisticated Investor may not offer or sell those Equity Shares to any person unless the offer or sale is made through an authorised person appropriately licensed by the Saudi Arabian Capital Market Authority and (i) the Equity Shares are offered or sold to a Sophisticated Investor; (ii) the price to be paid for the Equity Shares in any one transaction is equal to or exceeds Saudi Arabian Riyal 1 million or an equivalent amount; or (iii) the offer or sale is otherwise in compliance with Article 17 of the KSA Regulations.

Singapore

This Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore under the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**"). Accordingly, the Equity Shares may not be offered or sold or made the subject of an invitation for subscription or purchase nor may this Prospectus or any other document or material in connection with the offer or sale or invitation for subscription or purchase of any Equity Shares be circulated or distributed, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor as defined in Section 4A of the SFA pursuant to Section 274 of the SFA, (b) to a relevant person as defined in Section 4A of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Each of the following relevant persons specified in Section 275 of the SFA who has subscribed for or purchased shares, namely a person who is:

1. a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

2. a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor,

should note that shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest in that trust shall not be transferable for six months after that corporation or that trust has acquired the shares under Section 275 of the SFA except:

(a) to an institutional investor under Section 274 of the SFA or to a relevant person or to any person pursuant to Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(b) where no consideration is or will be given for the transfer;

(c) where the transfer is by operation of law;

(d) pursuant to Section 276(7) of the SFA; or

(e) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulation 2005 of Singapore.

Spain

This Prospectus has not been registered with the Spanish Securities Market National Commission (*Comision Nacional del Mercado de Valores).* The Equity Shares may not be listed, offered or sold in Spain except in accordance with the requirements of the Spanish Security Market Act (*Ley 24/1988, de 28 de julio, del Mercado de Valores),* as amended, and as supplemented by Royal Decree 1310/2005 *(Real Decreto Ley 24/1988, de 28 de Julio, del Mercado de Valores, en materia de admission a negociación de valores en mercados secundarios oficilaes, de ofertas públicas or subscripción y del folleto exigible a tales efectos),* (the "Royal Decree 1310/2005"), and any other applicable provisions. The Equity Shares may not be listed, sold, offered or distributed to persons in Spain except in compliance with the above-mentioned provisions and, particularly, pursuant to Sections 26 to 38 to 41 of Royal Decree 1320/2005, as amended.

Switzerland

The Equity Shares may be offered in Switzerland on the basis of a private placement, not as a public offering. The Equity Shares will neither be listed on the six Swiss Exchange nor are they subject to Swiss law. This Prospectus does not constitute a prospectus within the meaning of Art. 1156 of the Swiss Federal Code of Obligations or Arts. 32 *et seq.* of the Listing Rules of the six Swiss Exchange, and does not comply with the Directive for Equity Shares of Foreign Borrowers of the Swiss Bankers Association. We will not apply for a listing of the Equity Shares on any Swiss stock exchange or other Swiss regulated market and this Prospectus may not comply with the information required under the relevant listing rules. The Equity Shares have not and will not be registered with the Swiss Federal Banking Commission or any other Swiss authority for any purpose, whatsoever.

The Netherlands

The Equity Shares are not and may not be offered in the Netherlands other than to persons or entities who or which are qualified investors as defined in Section 1:1 Dutch Financial Supervision Act (*Wet op het financieel toezicht)* (which incorporates the term "qualified investors" as used in the Prospectus Directive).

United Kingdom

Each of the Book Running Lead Managers has represented, warranted and undertaken that:

1. it has only communicated or caused to be communicated and will only communicate or cause to be communicated in the United Kingdom any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 ("**FSMA**") received by it in connection with the issue or sale of any Equity Shares in circumstances in which section 21(1) of FSMA does not apply to the Company; and

2. it has complied and will comply with all applicable provisions of FSMA with respect to anything done by it in relation to the Equity Shares in, from or otherwise involving the United Kingdom.

United States of America

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in accordance with any applicable U.S. state securities laws. The Equity Shares are being offered and sold only (1) in the United States to persons who are U.S. QIBs, and (2) outside the United States in offshore transactions in reliance on Regulation S and the applicable laws of each jurisdiction where such offers and sales occur. Each purchaser of the Equity Shares offered by this Prospectus will be deemed to have made the representations, agreements and acknowledgements as described under "***Purchaser Representations and Transfer Restrictions***" in this Prospectus.

PURCHASER REPRESENTATIONS AND TRANSFER RESTRICTIONS

Due to the following restrictions, investors are advised to consult legal counsel prior to purchasing Equity Shares or making any resale, pledge or transfer of the Equity Shares.

Purchasers are not permitted to sell the Equity Shares Allotted pursuant to the Issue, for a period of one year from the date of Allotment, except on the BSE or the NSE. Allotments made to FVCIs, VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to them, including in relation to lock-in requirements. Additional transfer restrictions applicable to the Equity Shares are listed below.

U.S. Issue Purchaser Representations and Transfer Restrictions

The Equity Shares have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. If you purchase the Equity Shares offered in the United States in reliance on Rule 144A or another available exemption from the registration requirements of the U.S. Securities Act, by accepting delivery of this Prospectus, submitting a bid to purchase Equity Shares and/or accepting delivery of any Equity Shares, you will be deemed to have represented and agreed to us and the Book Running Lead Managers as follows:

- You (A) are a "qualified institutional buyer" (as defined in Rule 144A), (B) are aware that the sale of the Equity Shares to you is being made in reliance on Rule 144A or another available exemption from the registration requirements of the U.S. Securities Act and (C) are acquiring such Equity Shares for its own account or for the account of a "qualified institutional buyer";

- You understand and agree (or if you are a broker-dealer acting on behalf of a customer, your customer has confirmed to you that such customer understands and agrees) that the Equity Shares are being offered in a transaction not involving any public offering within the meaning of the U.S. Securities Act, have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and may not be reoffered, resold, pledged or otherwise transferred except (A)(i) in the United States to a person who the seller reasonably believes is a "qualified institutional buyer" in a transaction meeting the requirements of Rule 144A, (ii) in an offshore transaction in reliance on Regulation S, as applicable, (iii) pursuant to an exemption from registration under the U.S. Securities Act provided by Rule 144 under the U.S. Securities Act (if available), (iv) pursuant to another available exemption from the registration requirements of the U.S. Securities Act, or (v) pursuant to an effective registration statement under the U.S. Securities Act, and (B) in each case, in accordance with all applicable securities laws of the states of the United States and any other jurisdiction in which such offers or sales are made;

- It agrees (or if it is a broker-dealer acting on behalf of a customer, its customer has confirmed to it that such customer agrees) that neither it, nor any of its affiliates, nor any person acting on its behalf, will make any "directed selling efforts" as defined in Regulation S, with respect to the Equity Shares. It acknowledges and agrees that it is not purchasing any Equity Shares as a result of any directed selling efforts;

- The Equity Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act and no representation is made as to the availability of the exemption provided by Rule 144 for re-sales of any Equity Shares;

- You will not deposit or cause to be deposited such Equity Shares into any depositary receipt facility established or maintained by a depositary bank other than a Rule 144A restricted depositary receipt facility, so long as such Equity Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act;

- You will base your investment decision on a copy of this Prospectus. You acknowledge that neither the Company nor any of its affiliates nor any other person (including the Book Running Lead Managers) or any of their respective affiliates has made or will make any representations, express or implied, to you with respect to the Company, the Issue, the Equity Shares or the accuracy, completeness or adequacy of any financial or other information concerning the Company, the Issue or the Equity Shares, other than (in the case of the Company only) the information contained in this Prospectus, as it may be supplemented; and

- You are a sophisticated investor and has such knowledge and experience in financial, business and investments as to be capable of evaluating the merits and risks of the investment in the Equity Shares. You are experienced in investing in private placement transactions of securities of companies in similar jurisdictions. You and any accounts for you are subscribing to the Equity Shares for (i) are each able to bear the economic risk of the investment in the Equity Shares, (ii) will not look to the Company or any of the Book Running Lead Managers or any of their respective shareholders, directors, officers, employees, counsels, advisors, representatives, agents or affiliates for all or part of any such loss or losses that may be suffered, (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) have no need for liquidity with respect to the investment in the Equity Shares, and (v) have no reason to anticipate any change in its or their circumstances, financial or otherwise, which may cause or require any sale or distribution by it or them of all or any part of the Equity Shares. You acknowledge that an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment. You are seeking to subscribe to the Equity Shares in this Issue for your own investment and not with a view to distribution.

- You will notify any transferee to whom you subsequently offer, sell, pledge or otherwise transfer and the executing broker and any other agent involved in any resale of the Equity Shares of the foregoing restrictions applicable to the Equity Shares and instruct such transferee, broker or agent to abide by such restrictions.

- You acknowledge that if at any time its representations cease to be true, you agree to resell the Equity Shares at the Company's request.

- You have been provided access to the Red Herring Prospectus and this Prospectus which you have read in its entirety.

- You acknowledge and agree (or if you are a broker-dealer acting on behalf of a customer, your customer has confirmed to you that such customer acknowledges and agrees) that we, the Book Running Lead Managers, their affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements and agree that, if any of such acknowledgements, representations or agreements are no longer accurate you will promptly notify us; and if you are acquiring any of the Equity Shares as a fiduciary or agent for one or more accounts, you represent that you have sole investment discretion with respect to each such account and that you have full power to make, and do make, the foregoing acknowledgements, representations and agreements on behalf of each such account.

Any offer, resale, pledge or other transfer of the Equity Shares made other than in compliance with the above-stated restrictions will not be recognized by us.

Global Issue Purchaser Representations and Transfer Restrictions

By accepting delivery of this Prospectus, submitting a bid to purchase Equity Shares and/or accepting delivery of my Equity Shares, you will be deemed to have represented and agreed as follows:

- You will comply with all laws, regulations and restrictions (including the selling restrictions contained in the Red Herring Prospectus and this Prospectus) which may be applicable in your jurisdiction and you have obtained or will obtain any consent, approval or authorization required for you to purchase and accept delivery of Equity Shares, and you acknowledge and agree that none of us or the Book Running Lead Managers and their respective affiliates shall have any responsibility in this regard;

- You certify that you are, or at the time the Equity Shares are purchased will be, (a) the beneficial owner of the Equity Shares, you are located outside the United States of America (within the meaning of Regulation S), and you have not purchased the Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Equity Shares or an economic interest therein to any person in the United States; or (b) you are a broker-dealer acting on behalf of a customer and you customer has confirmed to you that (i) such customer is, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares, (ii) such customer is located outside the United States of America (within the meaning of Regulation S), and (iii) such customer has not purchased the Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Equity Shares or an economic interest therein to any person in the United States;

- You understand and agree (or if you are a broker-dealer acting on behalf of a customer, your customer has confirmed to you that such customer understands and agrees) that the Equity Shares are being offered in a transaction not involving any public offering within the meaning of the U.S. Securities Act, have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and may not be reoffered, resold, pledged or otherwise transferred except (A)(i) in the United States to a person who the seller reasonably believes is a "qualified institutional buyer" in a transaction meeting the requirements of Rule 144A, (ii) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S, as applicable, (iii) pursuant to an exemption from registration under the U.S. Securities Act provided by Rule 144 under the U.S. Securities Act (if available), (iv) pursuant to another available exemption from the registration requirements of the U.S. Securities Act, or (v) pursuant to an effective registration statement under the U.S. Securities Act, and (B) in each case, in accordance with all applicable securities laws of the states of the United States and any other jurisdiction;

- You agree (or if you are a broker-dealer acting on behalf of a customer, your customer has confirmed to you that such customer agrees) that neither you, nor any of your affiliates, nor any person acting on your behalf, will make any "directed selling efforts" as defined in Regulation S. You acknowledge and agree that you are not purchasing any Equity Shares as a result of any directed selling efforts.

- You will base your investment decision on a copy of the Red Herring Prospectus and this Prospectus. You acknowledge that neither the Company nor any of its affiliates nor any other person (including the Book Running Lead Managers) or any of their respective affiliates has made or will make any representations, express or implied, to you with respect to the Company, the Issue, the Equity Shares or the accuracy, completeness or adequacy of any financial or other information concerning the Company, the Issue or the Equity Shares, other than (in the case of the Company) the information contained in the Red Herring Prospectus and this Prospectus, as may be supplemented.

- You acknowledge and agree (or if you're a broker-dealer acting on behalf of a customer, your customer has confirmed to you that such customer acknowledges and agrees) that we, the Book Running Lead Managers, your affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements and agree that, if any of such acknowledgments, representations or agreements are no longer accurate, you will promptly notify us; and if you are acquiring any of the Equity Shares as a fiduciary or agent for one or more accounts, you represent that you have sole investment discretion with respect to each such account and that you have full power to make, and do make, the foregoing acknowledgments, representations and agreements on behalf of each such account.

Any offer, resale, pledge or other transfer of the Equity Shares made other than in compliance with the above-stated restrictions, will not be recognized by us.

THE SECURITIES MARKET OF INDIA

The information in this section has been extracted from documents available on the website of SEBI and the Stock Exchanges and has not been prepared or independently verified by our Company or the Syndicate or any of their respective affiliates or advisors.

India has a long history of organized securities trading. In 1875, the first stock exchange was established in Mumbai.

Indian Stock Exchanges

Indian stock exchanges are regulated primarily by SEBI, as well as by the Government acting through the Ministry of Finance, Capital Markets Division, under the SCRA and the SCRR. On June 20, 2012, SEBI, in exercise of its powers under the SCRA and the SEBI Act, notified the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 (the "**SCR (SECC) Rules**"), which regulate *inter alia* the recognition, ownership and internal governance of stock exchanges and clearing corporations in India together with providing for minimum capitalisation requirements for stock exchanges. The SCRA, the SCRR and the SCR (SECC) Rules along with various rules, bye-laws and regulations of the respective stock exchanges, regulate the recognition of stock exchanges, the qualifications for membership thereof and the manner, in which contracts are entered into, settled and enforced between members of the stock exchanges.

The SEBI Act empowers SEBI to regulate the Indian securities markets, including stock exchanges and intermediaries in the capital markets, promote and monitor self-regulatory organisations and prohibit fraudulent and unfair trade practices. Regulations concerning minimum disclosure requirements by public companies, rules and regulations concerning investor protection, insider trading, substantial acquisitions of shares and takeover of companies, buy-backs of securities, employee stock option schemes, stockbrokers, merchant bankers, underwriters, mutual funds, foreign institutional investors, foreign portfolio investors, credit rating agencies and other capital market participants have been notified by the relevant regulatory authority.

Listing of Securities

The listing of securities on a recognised Indian stock exchange is regulated by the applicable Indian laws including the Companies Act, the SCRA, the SCRR, the SEBI Act and various guidelines and regulations issued by SEBI and the SEBI Listing Regulations. The SCRA empowers the governing body of each recognised stock exchange to suspend trading of or withdraw admission to dealings in a listed security for breach of or non-compliance with any conditions or breach of a company's obligations under the SEBI Listing Regulations or for any reason, subject to the issuer receiving prior written notice of the intent of the exchange and upon granting of a hearing in the matter. SEBI also has the power to amend the SEBI Listing Regulations and bye-laws of the stock exchanges in India, to overrule a stock exchange's governing body and withdraw recognition of a recognised stock exchange.

Disclosures under the SEBI Listing Regulations

Public listed companies are required under the SEBI Listing Regulations to prepare and circulate to their shareholders audited annual accounts which comply with the disclosure requirements and regulations governing their manner of presentation and which include sections relating to corporate governance, related party transactions and management's discussion and analysis as required under the SEBI Listing Regulations. In addition, a listed company is subject to continuing disclosure requirements pursuant to the terms of the SEBI Listing Regulations.

Minimum Level of Public Shareholding

All listed companies are required to ensure a minimum public shareholding at 25%. Further, where the public shareholding in a listed company falls below 25% at any time, such company is required to bring the public shareholding to 25% within a maximum period of 12 months from the date of such fall. Consequently, a listed company may be delisted from the stock exchanges for not complying with the above-mentioned requirement.

Delisting

SEBI has notified the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 in relation to the voluntary and compulsory delisting of equity shares from the stock exchanges. In addition, certain amendments to the SCRR have also been notified in relation to delisting.

Index-Based Market-Wide Circuit Breaker System

In order to restrict abnormal price volatility in any particular stock, the SEBI has instructed stock exchanges to apply daily circuit breakers which do not allow transactions beyond a certain level of price volatility. The index-based market-wide circuit breaker system (equity and equity derivatives) applies at three stages of the index movement, at 10%, 15% and 20%. These circuit breakers, when triggered, bring about a co-ordinated trading halt in all equity and equity derivative markets nationwide. The market-wide circuit breakers are triggered by movement of either the S&P BSE SENSEX of the BSE or the CNX NIFTY of the NSE, whichever is breached earlier.

With effect from October 1, 2013, the Stock Exchanges, shall on a daily basis translate the 10 per cent, 15 per cent and 20 per cent circuit breaker limits of market wide index variation based on the previous days' closing level of the index.

In addition to the market-wide index-based circuit breakers, there are currently in place individual scrip-wise price bands of 20% movements either up or down. However, no price bands are applicable on scrips on which derivative products are available or scrips included in indices on which derivative products are available.

The stock exchanges in India can also exercise the power to suspend trading. Margin requirements are imposed by stock exchanges that are required to be paid by the stockbrokers.

BSE

Established in 1875, it is the oldest stock exchange in India. On August 31, 1957, it became the first stock exchange in India to obtain permanent recognition from the Government under the SCRA.

NSE

The NSE was established by institutions to provide nationwide screen-based trading facilities with national reach and electronic clearing and settlement fully automated. The NSE was recognised as a stock exchange under the SCRA in April 1993 and commenced operations in the wholesale debt market segment in June 1994. The capital market (equities) segment commenced operations in November 1994 and operations in the derivatives segment commenced in June 2000. NSE launched the NSE 50 Index, now known as CNX NIFTY, on April 22, 1996.

Internet-based Securities Trading and Services

The SEBI approved internet trading in January 2000. Internet trading takes place through order routing systems, which route client orders to exchange trading systems for execution. Stockbrokers interested in providing this service are required to apply for permission to the relevant stock exchange and also have to comply with certain minimum conditions stipulated by SEBI. The NSE became the first exchange to grant approval to its members for providing internet-based trading services. Internet trading is possible on both the "equities" as well as the "derivatives" segments of the NSE.

Trading Hours

Trading on both the NSE and the BSE occurs from Monday to Friday, between 9:15 a.m. and 3:30 p.m. IST (excluding the 15 minutes pre-open session from 9:00 a.m. to 9:15 a.m). The BSE and the NSE are closed on public holidays. The recognised stock exchanges have been permitted to set their own trading hours (in the cash and derivatives segments) subject to the condition that (i) the trading hours are between 9.00 a.m. and 5.00 p.m.; and (ii) the stock exchange has in place a risk management system and infrastructure commensurate to the trading hours.

Trading Procedure

In order to facilitate smooth transactions, the BSE replaced its open outcry system with BSE On-line Trading (or "**BOLT**") facility in 1995. This totally automated screen based trading in securities was put into practice nation-wide. This has enhanced transparency in dealings and has assisted considerably in smoothening settlement cycles and improving efficiency in back-office work.

The NSE has introduced a fully automated trading system called National Exchange for Automated Trading (or "**NEAT**"), which operates on strict time/price priority besides enabling efficient trade. NEAT has provided depth in the market by enabling large number of members all over India to trade simultaneously, narrowing the spreads.

Takeover Regulations

Disclosure and mandatory bid obligations for listed Indian companies under Indian law are governed by the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended ("**Takeover Regulations**"), which provides specific regulations in relation to substantial acquisition of shares and takeover. Once the equity shares of a company are listed on a stock exchange in India, the provisions of the Takeover Regulations will apply to any acquisition of the company's shares/voting rights/control. The Takeover Regulations prescribe certain thresholds or trigger points in the shareholding a person or entity has in the listed Indian company, which give rise to certain obligations on part of the acquirer. Acquisitions up to a certain threshold prescribed under the Takeover Regulations mandate specific disclosure requirements, while acquisitions crossing particular thresholds may result in the acquirer having to make an open offer of the shares of the target company. The Takeover Regulations also provides for the possibility of indirect acquisitions, imposing specific obligations on the acquirer in case of such indirect acquisition.

Insider Trading Regulations

The SEBI (Prohibition of Insider Trading) Regulations, 2015 have been notified by SEBI to prohibit and penalise insider trading in India. An insider is, among other things, prohibited from dealing either on his own behalf or on behalf of any other person, in the securities of a listed company or a company proposed to be listed when in possession of unpublished price sensitive information.

The Insider Trading Regulations also provide disclosure obligations for shareholders holding more than a predefined percentage, and directors and officers, with respect to their shareholding in the company, and the changes therein. The definition of "insider" includes any person who has received or has had access to unpublished price sensitive information in relation to securities of a company or any person who has a connection with the company that is expected to put him in possession of unpublished price sensitive information.

Depositories

The Depositories Act provides a legal framework for the establishment of depositories to record ownership details and effect transfer in book-entry form. Further, SEBI framed regulations in relation inter-alia to the registration of such depositories, the registration of participants as well as the rights and obligations of the depositories, participants, companies and beneficial owners. The depository system has significantly improved the operation of the Indian securities markets.

Derivatives (Futures and Options)

Trading in derivatives is governed by the SCRA, the SCRR and the SEBI Act. The SCRA was amended in February 2000 and derivatives contracts were included within the term "securities", as defined by the SCRA. Trading in derivatives in India takes place either on separate and independent derivatives exchanges or on a separate segment of an existing stock exchange. The derivatives exchange or derivatives segment of a stock exchange functions as a self-regulatory organisation under the supervision of the SEBI.

DESCRIPTION OF THE EQUITY SHARES

The following is information relating to the Equity Shares including a brief summary of the MoA and AoA and the Companies Act. Prospective investors are urged to read the MoA and AoA carefully, and consult with their advisers, as the MoA and AoA and applicable Indian law, and not this summary, govern the rights attached to the Equity Shares.

General

The authorised share capital of our Company is ₹2,000,000,000 consisting of 200,000,000 Equity Shares of ₹10 each

Dividends

Under Indian law, a company pays dividends upon a recommendation by its board of directors and approval by a majority of the shareholders at the AGM held each fiscal year. Under the Companies Act, unless the board of directors of a company recommends the payment of a dividend, the shareholders at a general meeting have no power to declare any dividend. Subject to certain conditions laid down by Section 123 of the Companies Act, 2013 no dividend can be declared or paid by a company for any fiscal year except out of the profits of the company for that year, calculated in accordance with the provisions of the Companies Act or out of the profits of the company for any previous fiscal year(s) arrived at as laid down by the Companies Act. According to the Articles of Association, the amount of dividends shall not exceed the amount recommended by the Board of Directors. However, our Company may declare a smaller dividend in the general meeting. In addition, as is permitted by the Articles of Association, the Board of Directors may pay interim dividend as may appear justified by the position of our Company, subject to the requirements of the Companies Act.

The Equity Shares issued pursuant to the Red Herring Prospectus and this Prospectus shall rank *pari passu* with the existing Equity Shares in all respects including entitlements to any dividends that may be declared by our Company.

Subject to the provisions of the Act, no shareholder shall be entitled to receive payment of any interest or dividends in respect of his share(s), whilst any money may be due or owing from him to our Company in respect of such share(s) either above or jointly with any other person and the Board may deduct from the interest or dividend payable to any such Shareholder all sums of money so due from him to our Company. Unless otherwise directed, dividend may be paid by cash (including by cheque or warrant) or in electronic mode to the Shareholder or person entitled or in case of joint-holders to the joint-holder first named in the register of members. Our Company is not liable for any cheque or warrant lost in transmission, or for any dividend lost due to a forged endorsement of any cheque or warrant.

Subject to applicable provisions of the FEMA, all dividends and other distributions declared and payable on the Equity Shares may be paid by our Company to the Shareholder in Rupees and may be converted into foreign currency and freely transferred out of the Republic of India without the necessity of obtaining any governmental or regulatory authorisation or approval in the Republic of India or any political subdivision or taxing authority thereof.

Capitalisation of Reserves and Issue of Bonus Shares

In addition to permitting dividends to be paid out of current or retained earnings as described above, the Companies Act permits the board of directors, if so approved by the shareholders in a general meeting, to distribute an amount transferred in the free reserves, the securities premium account or the capital redemption reserve account to its shareholders, in the form of fully paid up bonus ordinary shares, which are similar to stock dividend. However, bonus shares shall not be issued in lieu of dividends. These bonus ordinary shares must be distributed to shareholders in proportion to the number of ordinary shares owned by them as recommended by the board of directors. No issue of bonus shares may be made by capitalizing reserves created by revaluation of assets. Further, any issue of bonus shares would be subject to SEBI Regulations.

As per the Articles of Association, upon resolution in the general meeting, on recommendation of the Board of Directors, our Company may capitalise and distribute amongst the shareholders any amount standing to the credit of Company’s reserve accounts and to the credit of the profit and loss account or otherwise, available for distribution. However, aforesaid distribution shall not be made in cash.

Pre-emptive Rights and Alteration of Share Capital

Subject to the provisions of the Companies Act, our Company may increase its share capital by issuing new shares on such terms and with such rights as it, by action of its shareholders in a general meeting may determine. According to Section 62 of the Companies Act, 2013 such new shares shall be offered to existing shareholders in proportion to the amount paid up on those shares as on the date of the offer. The offer shall be made by notice specifying the number of shares offered and the date (being not less than 15 days and not exceeding 30 days from the date of the offer) within which the offer, if not accepted, will be deemed to have been declined. After such date, as on receipt of earlier intimation from persons to whom such notice is given that they decline to accept the shares offered, the Board may dispose of the shares offered in respect of which no acceptance has been received which shall not be disadvantageous to the shareholders of our Company and our Company. The offer is deemed to include a right exercisable by the person concerned to renounce the shares offered to him in favour of any other person.

Under the provisions of Section 62(1)(c) of the Companies Act, 2013 and the Companies (Share Capital and Debenture) Rules 2014, new shares may be offered to any persons whether or not those persons include existing shareholders or employees to whom shares have been allotted under a scheme of employee stock option, either for cash of for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed, if a special resolution to that effect is passed by our Company's shareholders in a general meeting.

The Articles of Association authorise the Company to increase its authorised capital by issuing new shares consisting of equity, as our Company may determine in a general meeting.

The Articles of Association provide that our Company, by ordinary resolution passed at the general meeting, from time to time, may consolidate or sub-divide its share capital. The Articles of Association also provide that our Company may issue shares with differential rights as to dividend, voting or otherwise, subject to the compliance with requirements under the Companies Act and the rules thereto, or any other applicable law in force.

General meetings of shareholders

There are two types of general meetings of the shareholders:

(i) AGM; and

(ii) EGM.

Our Company must hold its AGM within six months after the expiry of each fiscal year provided that not more than 15 months shall elapse between the AGM and next one, unless extended by the RoC at its request for any special reason for a period not exceeding three months. The Board of Directors may convene an EGM when necessary or at the request of a shareholder or shareholders holding in the aggregate not less than one tenth of our Company's issued paid up share capital (carrying a right to vote in respect of the relevant matter on the date of receipt of the requisition).

Notices, either in writing or through electronic mode, convening a meeting setting out the date, day, hour, place and agenda of the meeting must be given to members at least 21 clear days prior to the date of the proposed meeting. A general meeting may be called after giving shorter notice if consent is received, in writing or electronic mode, from not less than 95% of the shareholders entitled to vote. Unless, the Articles of Association provide for a larger number, (i) five shareholders present in person, if the number of shareholders as on the date of meeting is not more than 1,000; (ii) 15 shareholders present in person, if the number of shareholders as on the date of the meeting is more than 1,000 but up to 5,000; and (iii) 30 shareholders present in person, if the number of shareholders as on the date of meeting exceeds 5,000, shall constitute a quorum for a general meeting of our Company, whether AGM or EGM. The quorum requirements applicable to shareholder meetings under the Companies Act have to be physically complied with.

A company intending to pass a resolution relating to matters such as, but not limited to, amendment in the objects clause of the Memorandum, the issuing of shares with different voting or dividend rights, a variation of the rights attached to a class of shares or debentures or other securities, buy-back of shares, giving loans or extending guarantees in excess of limits prescribed in Section 186(3) of the Companies Act, is required to obtain the resolution passed by means of a postal ballot instead of transacting the business in our Company's general meeting. A notice to all the shareholders shall be sent along with a draft resolution explaining the reasons therefore and requesting them to send their assent or dissent in writing on a postal ballot within a period of 30 days from the date of dispatch of the notice. The shareholders may exercise their right to vote at general meetings or through postal ballot by voting through e-voting facilities in accordance with the circular dated April 17, 2014 issued by the SEBI.

Voting rights

At a general meeting, upon a show of hands, every member holding shares and entitled to vote and present in person has one vote. Upon a poll, the voting rights of each shareholder entitled to vote and present in person or by proxy is in the same proportion as the capital paid up on each share held by such holder bears to our Company's total paid up capital. Voting is by a show of hands, unless a poll is ordered by the Chairman of the meeting. In the case of equal votes, the Chairman of the meeting has a casting vote, in addition to the vote or votes to which he may be entitled as a Shareholder.

Ordinary resolutions may be passed by simple majority of those present and voting and those voting electronically. Special resolutions require that the votes cast in favour of the resolution must be at least three times the votes cast against the resolution.

A shareholder may exercise his voting rights by proxy to be given in the form required by the Articles of Association. The instrument appointing a proxy is required to be lodged with our Company at least 48 hours before the time of the meeting. A proxy may not vote except on a poll and does not have a right to speak at meetings.

Convertible securities/warrants

Our Company may issue debt instruments from time to time that are partly or fully convertible into Equity Shares and/or warrants to purchase Equity Shares.

Transfer of shares

Shares held through depositories are transferred in the form of book entries or in electronic form in accordance with the regulations laid down by SEBI. These regulations provide the regime for the functioning of the depositories and the participants and set out the manner in which the records are to be kept and maintained and the safeguards to be followed in this system. Transfers of beneficial ownership of shares held through a depository are subject to STT (levied on and collected by the stock exchanges on which such equity shares are sold), however are exempt from stamp duty. Our Company has entered into an agreement for such depository services with the NSDL and the CDSL. SEBI requires that our Company's shares for trading and settlement purposes be in book-entry form for all investors, except for transactions that are not made on a stock exchange and transactions that are not required to be reported to the stock exchange. Our Company shall keep a book in which every transfer or transmission of shares will be entered.

Pursuant to the SEBI Listing Regulations, in the event our Company has not affected the transfer of shares within 15 days or where our Company has failed to communicate to the transferee any valid objection to the transfer within the stipulated time period of 15 days, it is required to compensate the aggrieved party for the opportunity loss caused during the period of the delay. The Equity Shares shall be freely transferable, subject to applicable laws.

Liquidation rights

Subject to the rights of creditors, of employees and of the holders of any other shares entitled by their terms of issue to preferential repayment over the shares, in the event of a winding-up of our Company, the holders of the Equity Shares are entitled to be repaid the amounts of capital paid up or credited as paid up on such shares or in case of a shortfall, proportionately. All surplus assets after payments due to employees, the holders of any preference shares and other creditors belong to the holders of the ordinary shares in proportion to the amount paid up or credited as paid up on such shares, respectively, at the commencement of the winding-up.

TAXATION

Independent Auditors' Certificate on Statement of possible Special Income Tax benefits available to Quess Corp Limited and its shareholders under the applicable Income Tax laws in India

The Board of Directors
Quess Corp Limited
3/3/2, Bellandur Gate,
Sarjapur Main Road,
Bengaluru – 560103
Karnataka, India

Dear Sirs

Independent Auditors' Certificate on the Statement of possible Special Income Tax benefits ('the Statement') available to Quess Corp Limited ('the Company') and its shareholders under the applicable Income Tax laws in India prepared in accordance with the requirements under Schedule XVIII - Clause 18 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended (the 'Regulations')

This Certificate is issued in accordance with the terms of our engagement letter dated 3 August 2017.

We understand that Quess Corp Limited ('the Company') in connection with the requirements of the Regulations is required to place a certificate on the Statement for possible Special Income Tax benefits available to the Company and its shareholders which is required for Proposed offering of equity shares of face value of Rs. 10 each by the Company under Institutional Placement Programme (IPP) and to be to use in the Red Herring Prospectus and the Prospectus (together referred to herein as the "Offering Memorandum").

Management's Responsibility

The preparation of the accompanying Statement is the responsibility of the Company's management including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation and making estimates that are reasonable in the circumstances.

The Company's management is also responsible for ensuring that the Company is in compliance with the requirements of the Regulations and for providing all relevant information to us in this regard.

Auditors' Responsibility

Pursuant to the requirement of the Regulations, our responsibility is to express reasonable assurance in the form of an opinion based examination of tax computations and the Income Tax Returns filed by the Company and as per information, explanations and representations obtained from the Company.

We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) ('Guidance Note') issued by the ICAI. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) I, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

Based on our examination of documents made available to us including the Income Tax Returns filed by the Company for the preceding three financial years 31 March 2016, 2015 and 2014 and on the basis of information and explanation and representation given to us by the management, we are of the opinion that the enclosed Statement prepared by the Company states the possible Special Income Tax benefits available to the Company and its shareholders under the current income tax laws in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the ability of the Company or its shareholders to derive the income tax benefits is dependent upon fulfilling such conditions.

The benefits discussed in the Statement cover only Special Income Tax benefits available to the Company in a general and summary manner and does not purport to be a complete analysis or listing of all the provisions or possible income tax consequences of the subscription, purchase, ownership or disposal etc. This statement does not cover any general income tax benefits available to the Company. Further, the preparation of the enclosed statement is the responsibility of the management of the Company. We were informed that this statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the income tax consequences and the changing income tax laws, each investor is advised to consult their own tax consultant with respect to the specific income tax implications arising out of their participation in the issue.

We do not express any opinion or provide any assurance whether:

- the Company or its shareholders will continue to obtain these benefits in future; or

- the conditions prescribed for availing the benefits have been or would be met with.

Our views expressed herein are based on the facts and assumptions indicated to us. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. We will not be liable to any other person in respect of this statement.

Restriction on Use

The enclosed Statement is intended solely for your information and for inclusion in the Offering Memorandum or any other issue relating material in connection with the Institutional Placement Programme and is not to be used, referred to or distributed for any other purpose without our prior written consent.

for **B S R & Associates LLP**
Chartered Accountants
Firm Registration No. 116231 W/W-100024

Vipin Lodha
Partner
Membership No. 076806
Bengaluru
4 August 2017

<u>ANNEXURE TO THE STATEMENT OF POSSIBLE INCOME TAX BENEFITS AVAILABLE TO QUESS CORP LIMITED AND ITS SHAREHOLDERS UNDER THE APPLICABLE INCOME TAX LAWS IN INDIA</u>

Outlined below are the possible Special Income Tax benefits available to Quess Corp Limited ("the Company") and its shareholders under the direct tax laws in force in India. These benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant income tax laws. Hence, the ability of the Company or its shareholders to derive the Special Income Tax benefits is dependent upon fulfilling such conditions, which based on business imperatives it faces in the future, it may not choose to fulfill.

I. <u>Special tax benefits available to the Company</u>

There are no Special Income Tax benefits available to the Company.

II. <u>Special tax benefits available to the Shareholders of the Company</u>

There are no Special Income Tax benefits available to the shareholders of the Company.

Notes:

All the above benefits are as per the current laws and any change or amendment in the law/regulation, which implemented would impact the same.

LEGAL PROCEEDINGS

Our Company and its Subsidiaries are, subject to various legal proceedings from time to time, mostly arising in the ordinary course of their business including criminal proceedings, civil proceedings, tax proceedings and labour related disputes. Our Company believes that the number of proceedings and disputes in which our Company and our Subsidiaries are involved is not unusual for a company of its size in the context of doing business in India and in international markets. For the purpose of this Issue, we have disclosed litigation involving our Company, our Directors, our Subsidiaries and our individual Promoter, Ajit Isaac: (i) which are criminal proceedings; (ii) which are to the extent quantifiable and exceed ₹10.00 million individually; or (iii) which our Company believes could have a material adverse effect on the business, financial condition, profitability or results of operations of our Company on a consolidated basis.

Our corporate Promoter, TCIL, is subject to various legal proceedings from time to time, including criminal proceedings, civil proceedings and tax proceedings. Since these legal proceedings vary in their potential impact and mostly arise in the ordinary course of TCIL's businesses, TCIL has adopted a policy on criteria for determining materiality of events and information for the purpose of disclosure to the Stock Exchanges. As per the said policy, briefly described hereunder, there are no material legal proceedings involving TCIL which are currently pending.

As per TCIL's policy on criteria for determining materiality of events/ information, following event/information will be deemed to be material for the purpose of making disclosures;
(a) have an impact of 10% or more on consolidated turnover as per the last consolidated accounts of TCIL; or
(b) in the TCIL's management's assessment likely to have an impact of drop of 10% or more on consolidated net profits (excluding exceptional or extraordinary items) of TCIL, as compared to the consolidated net profits for the immediately preceding financial year of TCIL;
(c) the omission of an event or information is likely to result in significant market reaction if the said omission came to light at a later date;
(d) any other event/information which is treated as being material in the opinion of the board of directors of TCIL;
(e) the event or information is in any manner unpublished price sensitive information; and
(f) the omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly.

Further, we have disclosed all criminal proceedings against TCIL in this Prospectus.

Litigation involving our Company

Criminal litigation

By our Company

(i) Hofincons, which merged with our Company on July 1, 2014, filed a complaint on January 21, 2015 under Section 200 of the Code of Criminal Procedure, 1973 ("**CrPC**") before the Fast Track III Metropolitan Magistrate, Saidapet, Chennai against SBQ Steels Limited and others alleging dishonour of a cheque for an amount of ₹2.50 million under Sections 138, 141 and 142 of the Negotiable Instruments Act, 1881 ("**NI Act**"). The matter was thereafter transferred to Metropolitan Magistrate Court, FTC-I, Egmore.The matter is currently pending.

Civil and other litigations

Against our Company

(i) Inter IKEA Systems BV ("**IKEA**") filed a petition on July 18, 2012 before the Court of District Judge, Saket, New Delhi against our Company alleging passing off and infringement of its registered trademarks and trade name. Our Company contested the allegation raised on the grounds that it holds a registered trademark and operates in different areas of business. Further, IKEA obtained an ex-parte ad-interim injunction dated January 11, 2013 restraining our Company from use of its trademark until further orders. Our Company filed an appeal against the interim order before the Additional District Judge, Saket and the interim order was vacated in favour of our Company through order dated August 3, 2015. Thereafter, IKEA challenged the vacation of the interim order before the High Court of Delhi. The High Court passed an order dated November 4, 2015 directing the trial court to rehear the application for injunction and that pending the hearing before the trial court, the interim order dated January 11, 2013 shall continue to operate. The Additional District Judge, Saket, New Delhi through its order dated January 6, 2016, has subsequently vacated the interim order dated January 11, 2013 in favour of our Company. IKEA filed an appeal against the order dated January 6, 2016 on April 5, 2016 before the High Court of Delhi and the matter is currently pending.

(ii) An official liquidator ("**OL**") was appointed by the Madras High Court, pursuant to an order dated July 3, 2014, to take charge of all properties of Zylog Systems Limited ("**Zylog**"), a company under liquidation. The Company received a letter dated November 13, 2014 from the OL alleging that the acquisition of shares of Zylog Systems (Canada) Limited (now known as Brainhunter Systems Ltd.) by our Company was unlawful and void *ab initio* since the transfer took place without obtaining the permission of the Madras High Court. Our Company replied to the OL's letter on November 28, 2014 denying the OL's allegations.

By our Company

(i) Hofincons filed a winding up petition before the Fast Track III Metropolitan Magistrate, Saidapet, Chennai against SBQ Steels Limited under Companies Act, 1956 due to their inability to pay the debt of ₹20.51 million for the services rendered by Hofincons. The matter ws thereafter transferred to National Company Law Tribunal, Chennai bench and the matter is currently pending. Further the cheques issued by SBQ Steels Limited in favour of Hofincons were dishonoured. For details of the complaint filed by Hofincons Fast Track III Metropolitan Magistrate, Saidapet, Chennai against SBQ Steels in relation to the dishonour of cheques see "- Litigations involving our Company – Criminal Litigation – by our Company" on page 254.

(ii) Our Company filed a petition before the City Civil Judge, Bengaluru against Priti Ashish Sawant, former chief executive officer of Magna Infotech Private Limited for refund of the bonus paid at the time of her resignation aggregating to ₹26.50 million and payment of additional ₹20.00 million as damages for violation of the non-compete clause in the employment letter dated February 20, 2013. The matter is currently pending.

Actions taken by statutory / regulatory authorities

(i) The Assistant Provident Fund Commissioner, Employees Provident Fund Organisation, Chennai ("**APFC**") issued a show cause notice on September 22, 2011 alleging that there has been subterfuge of wages on employees provident fund contribution. Pursuant to an enquiry in relation to the same, the Assistant Provident Fund Commissioner passed an order dated June 12, 2012 determining a sum of ₹42.89 million as contribution payable by Hofincons for the period from April 2008 to February 2012. Hofincons filed an appeal before the Employees Provident Fund Appellate Tribunal, New Delhi against the order of the APFC and the matter is currently pending.

Tax proceedings against our Company

(i) Assistant Commissioner of Commercial Taxes, LVO-16, Bengaluru issued an order dated May 20, 2017 against our Company under section 38(2) of the VAT Act, 2003 read with section 35, 72(2) and 36(1) of the KVAT Act, 2003 along with a demand notice for payment of ₹34.15 million along with interest and penalty due to cancellation of Avon's registration as a composite dealer under the KVAT Act, 2003 and consequent shortfall in VAT paid by our Company for the period January 2016 to January 2017. Our Company is in the process of filing its appeal.

(ii) Assistant Commissioner of Income-Tax, Circle 5(1)(1), Bengaluru issued an assessment order dated December 30, 2016 against our Company under section 143(3) of the Income Tax Act, 1961 for payment of ₹30.09 million as income tax for the assessment year 2014-2015. Our Company also received a show cause notice dated December 30, 2016 under section 274 of the Income Tax Act, 1961 read with Section 271 of the Income Tax Act, 1961 for concealment of the particulars of our income or furnishing of inaccurate particulars of such income requesting our Company to give reasons why penalty should not be imposed for the same. Our Company filed an application dated January 10, 2017 to the Assistant Commissioner of Income Tax, Circle 5(1)(1), Bengaluru for rectification of mistakes in the assessment order dated December 30, 2016. The matter is currently pending.

Litigation involving our Subsidiaries

Tax proceedings against Aravon

(i) The Income Tax Officer, 6(1)-3, Mumbai issued an assessment order dated December 30, 2011 along with a demand order for payment of ₹15.73 million as income tax for th assessment year 2009-2010. The Income Tax Officer, 6(1)-3, Mumbai also imposed a penalty of ₹5.57 million under section 271(1)(c) of the Income Tax Act, 1961 through its order dated March 27, 2014. Aravon, our Subsidiary, filed an appeal against the assessment order and the penalty order before the Commissioner of Income Tax (Appeals), Mumbai. The appeal against the penalty order is currently pending before the Commissioner of Income Tax (Appeals), Mumbai. The Commissioner of Income Tax (Appeals), Mumbai through its orders dated February 22, 2013. Thereafter, Aravon filed an appeal before the Income Tax Appellate Tribunal, Mumbai which was dismissed on May 1, 2015. Subsequently Aravon filed a miscellaneous application before the Income Tax Appellate Tribunal, Mumbai against the order of the Income Tax Appellate Tribunal, Mumbai dated May 1, 2015 which is currently pending.

(ii) Aravon, our Subsidiary, received four show cause notices from the Office of the Commissioner of Service Tax, Mumbai dated October 16, 2012, April 29, 2014, July 6, 2015 and March 2, 2016 and one show cause notice from the Office of the Deputy/Assistant Commissioner , Division -1, Service Tax – V, Mumbai dated April 12, 2017 in relation to various issues such as wrongful availment of abatement, non-payment of service tax, wrongly claiming taxable services rendered to EOU as exempted services, not obtaining service tax registration within the prescribed limit, etc and a demand for payment of an aggregate amount of 161.75 million. Aravon has filed its response to the four show cause notices from the Office of the Commissioner of Service Tax, Mumbai and is in the process of filing their response to the show cause notice from the Office of the Deputy/Assistant Commissioner, Division -1, Service Tax – V, Mumbai. The matter is currently pending.

Litigation involving our Promoters

Criminal proceedings against TCIL

(i) The Enforcement Directorate, Ministry of Finance, Government of India ("**ED**") issued three show cause notices dated June 12, 1987 against TCIL and its directors alleging violations under the Foreign Exchange Regulation Act, 1973 ("**FERA**"). The ED alleged unauthorized transfer of funds amounting to GBP 0.17 million, CAD 1,000 and USD 0.91 million outside India through TCIL. The ED further alleged that during period between August, 1947 to October, 1978 various remittances had been made without proper verification of passports and currency declaration forms of the purported remitters and also that remittances were not reported to the RBI. TCIL replied to these show cause notices denying the allegations. Adjudication proceedings are currently ongoing.

(ii) The ED issued two show cause notices, both dated April 4, 1995 to TCIL. In the first notice it was alleged that TCIL and its employees had engaged in transactions not in conformity with the terms of its authorization as accorded by the RBI. In the second show cause notice it was alleged that TCIL had abetted with ANZ Grindlays Bank for crediting certain amounts in contravention to the provisions of FERA. In relation to the first show cause notice, the ED through an order dated June 28, 1996 directed TCIL to pay a penalty of ₹1.00 million and imposed a penalty of ₹0.40 million on the two of TCIL's employees in view of contravention of the provisions of FERA. However, in relation to the second show cause notice, the charges of abetment against TCIL and its employees were dropped.

Pending adjudication of both the notices, the ED issued two notices, both dated February 29, 1996 with the same allegations as mentioned in the aforesaid show cause notices. Subsequently, TCIL filed a writ petition against the ED before the Bombay High Court. The writ petition was disposed off by the High Court on March 20, 2009.

TCIL filed an appeal before FERA Appellate Board, New Delhi challenging the ED's order dated June 28, 1996. However, the appeal was subsequently rejected by FERA Appellate Board, New Delhi on December 21, 2010. TCIL filed an appeal before the Bombay High Court challenging the order of the FERA Appellate Board. The penalty imposed has not been remitted by TCIL as the appeal before the Bombay High Court is currently pending.

Litigation involving our Directors

Criminal litigation

Against Chandran Ratnaswami

(i) KC Palanisamy filed a FIR on September 24, 2012 before the Crime Branch, Coimbatore against Chandran Ratnaswami and others challenging the execution of a search warrant on his property and characterised the search as trespass into his property. Chandran Ratnaswami appealed before the Madras High Court against the order for reopening the matter and the court through an order dated December 28, 2012 granted stay on the investigations under the FIR registered. The matter is currently pending.

(ii) KC Palanisamy filed a FIR on December 31, 2012 before the Crime Branch, Thirupur against Chandran Ratnaswami and others challenging the legality of the power of attorney executed by Chandran Ratnaswami and others, in their capacity as directors of Cheran Enterprises Private Limited ("**CEPL**"). Chandran Ratnaswami filed a petition before the Madras High Court on the grounds that the power of attorney was legally executed at the board meeting of CEPL and that the complaint of KC Palanisamy was without merit. The Madras High Court through its order dated May 23, 2013 granted a stay on the investigations under the FIR. The matter is currently pending.

INDEPENDENT ACCOUNTANTS

BSR & Associates LLP, the Statutory Auditor of our Company have audited the Financial Statements of our Company as of and for the fiscal years ended March 31, 2017, 2016 and 2015 (15 months). BSR & Associates LLP, are independent auditors with respect to the Company as required by the Companies Act and in accordance with the guidelines issued by the ICAI.

GENERAL INFORMATION

1. Our Company was incorporated as IRIS Human Capital Solutions Private Limited on September 19, 2007 at Bengaluru, Karnataka as a private limited company under the Companies Act, 1956. Pursuant to a special resolution of our Shareholders dated October 12, 2007, our Company's name was changed to IKYA Human Capital Solutions Private Limited and a fresh certificate of incorporation consequent upon the change of name was issued by the RoC on October 15, 2007. Subsequently, pursuant to a special resolution of our Shareholders dated May 14, 2013, our Company was converted into a public limited company and the name of our Company was changed to IKYA Human Capital Solutions Limited. A fresh certificate of incorporation consequent upon conversion to a public limited company was issued by the RoC on July 2, 2013. Thereafter, pursuant to a special resolution of our Shareholders dated December 4, 2014, our Company's name was changed to Quess Corp Limited. A fresh certificate of incorporation consequent upon the change of name was issued by the RoC on January 2, 2015.

2. The Issue is being made to QIBs in reliance upon Chapter VIII-A of the SEBI Regulations.

3. The Issue has been authorised and approved by the Board of Directors through a resolution dated May 16, 2017, and by the Company's shareholders through a special resolution dated July 21, 2017.

4. The Company has received in-principle approvals under Regulation 28 of the SEBI Listing Regulations to list the Equity Shares being offered in the Issue on the BSE and the NSE on August 7, 2017.

5. The Company has obtained necessary consents, approvals and authorisations required in connection with the Issue.

6. Except as disclosed in this Prospectus, there has been no material change in the Company's financial condition since March 31, 2017, the date of its latest audited financial statements, prepared in accordance with Ind AS, included herein.

7. Except as disclosed in this Prospectus, there are no legal or arbitration proceedings against or affecting the Company or its assets or revenues, nor is the Company aware of any pending or threatened legal or arbitration proceedings, which are, or might be, material in the context of the Issue.

8. Our Statutory Auditor, BSR & Associates LLP, Chartered Accountants has audited the financial statements of our Company as of and for the fiscal years ended March 31, 2017, 2016 and 2015. The Statutory Auditor of our Company indicated in Section "*Independent Accountants*" on page 258 have consented to include in this Prospectus, their audit reports in relation to the respective financial statements referred above.

9. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law. The Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

10. Consents in writing of: (a) the Directors and the legal advisors; and (d) the BRLMs, the Public Issue Account Bank, the Syndicate Member and the Registrar to the Issue to act in their respective capacities, have been obtained and filed along with a copy of this Prospectus with the RoC and such consent has not been withdrawn up to the time of delivery of this Prospectus for registration with the RoC.

11. The Company has received written consent from BSR & Associates LLP, Chartered Accountants to use the Financial Statements and the statement of possible special income tax benefit and the certificate dated August 4, 2017 in this Prospectus and to the references to BSR & Associates LLP, Chartered Accountants as "Statutory Auditors" in the sections "Definitions and Abbreviations", "General Information", "Independent Accountants" and other sections in this Prospectus. BSR & Associates LLP, Chartered Accountants has also consented to be named as an "expert" as defined under Section 2(38) of the Companies Act, 2013, read with Section 26(1)(a)(v) of the Companies Act , 2013, in relation to the Financial Statements and the statement of possible special income tax benefit included in this Prospectus. The aforementioned consent has not been withdrawn up to the time of delivery of this Prospectus for registration with the RoC.

12. Our Company has received the written consent from Sriramulu Naidu & Co, Chartered Accountants to include its name as an "expert" (as described under the provisions of Section 26 of the Companies Act, 2013) in relation to the proforma financial information on the Proposed MIS Acquisition in this Prospectus and such consent has not been withdrawn up to the time of delivery of this Prospectus for registration with the RoC.

13. Frost & Sullivan through their consent letter dated July 21, 2017 has granted their consent to the Company for using excerpt of the publications titled "Assessment of Outsourced Services Market in India, Frost & Sullivan, July, 2017" and "Assessment of IT Staffing Market in Singapore, Frost & Sullivan, July, 2017".

14. Strategy Meets Action through their consent letter dated July 14, 2017 has granted their consent to the Company for using excerpt of the publication titled SMA Research: 2017 IT Spending and Priorities (Extract) dated 13 July, 2017.

15. **Company Secretary and Compliance Officer**

The Company Secretary and Compliance Officer of the Company is Sudershan Pallap. His contact details are as follows:

3/3/2, Bellandur Gate
Sarjapur Main Road
Bengaluru 560 103
Karnataka, India
Tel: +91 80 6105 6000
Fax: +91 80 6105 6406
Email: sudershan.p@quesscorp.com
Website : www.quesscorp.com

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre or post-Issue related problems related to Allotment, credit of Allotted Equity Shares in the respective beneficiary account or unblocking of funds in the ASBA Accounts.

16. **Price Information of Past Issues handled by BRLMs in the last three years**

1. *Price information of past issues(during current financial year and two financial years preceding the current financial year) handled by Axis Capital Limited*

Sr. No.	Issue name	Issue size (₹ millions)	Issue price(₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1	Security and Intelligence Services (India) Limited	7,795.80	815	10-Aug-17	879.80	-	-	-
2	Central Depository Services (India) Limited	5,239.91	149	30-Jun-17	250.00	+127.92%,[5.84%]	-	-
3	Eris Lifesciences Limited	17,404.86	603[1]	29-Jun-17	611.00	+0.87%,[+5.37%]	-	-
4	Tejas Networks Limited	7,766.88	257	27-Jun-17	257.00	+28.04%,[+5.35%]	-	-
5	S Chand And Company Limited	7,286	670.00	09-May-17	700.00	-17.37%,[+3.59%]	-8.89%,[+4.07%]	-
6	Avenue Supermarts Limited	18,700	299	21-Mar-17	600.00	+145.08%, [-0.20%]	+166.35%,[+5.88%]	-
7	BSE Limited	12,434.32	806	03-Feb-17	1085.00	+17.52%,[+2.55%]	+24.41%,[+6.53%]	+34.43%,[+15.72%]
8	Varun Beverages Limited	11,250.00	445	08-Nov-16	430.00	-7.72%,[-5.17%]	-9.36%,[+3.01%]	+10.60%,[+9.02%]
9	Endurance Technologies Limited	11,617.35	472	19-Oct-16	572.00	+16.06%,[-6.69%]	+ 23.78%,[-2.84%]	+73.98%,[+5.55%]
10	RBL Bank Limited	12,129.67	225	31-Aug-16	274.20	+27.07%,[-2.22%]	+56.98%,[-7.50%]	+107.91%,[+1.26%]

Source: www.nseindia.com
[1]*Price for eligible employees was ₹543.00 per equity share*

Notes:
a. *The CNX NIFTY is considered as the Benchmark Index.*

b. Price on NSE is considered for all of the above calculations.
c. In case 30th/90th/180th day is not a trading day, closing price on NSE of the next trading day has been considered.
d. Since 30 calendar days, 90 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.

Summary statement of price information of past issues(during current financial year and two financial years preceding the current financial year) handled by Axis Capital Limited

Financial Year	Total no. of IPOs	Total funds raised (₹ in Millions)	Nos. of IPOs trading at discount on as on 30th calendar days from listing date			Nos. of IPOs trading at premium on as on 30th calendar days from listing date			Nos. of IPOs trading at discount as on 180th calendar days from listing date			Nos. of IPOs trading at premium as on 180th calendar days from listing date		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2017-2018*	5	45,493.45	-	-	1	1	1	1	-	-	-	-	-	-
2016-2017	10	1,11,377.80	-	-	1	4	2	3	-	-	-	6	1	2
2015-2016	8	60,375.66	0	0	3	0	4	1	0	0	3	1	2	2

** The information is as on the date of the document*
The information for each of the financial years is based on issues listed during such financial year.

Note: Since 30 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.

2. *Price information of past issues(during current financial year and two financial years preceding the current financial year) handled by I-Sec*

	Issue Name	Issue size (₹ in million)	Issue price (₹)	Listing date	Opening price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	Advanced Enzyme Technologies Limited	4,114.88	896.00 (1)	01-Aug-16	1,210.00	+56.24%, [+1.24%]	+148.91%, [-0.13%]	+101.14%, [+0.05%]
2.	RBL Bank Limited	12,129.67	225.00	31-Aug-16	274.20	+27.07%, [-2.22%]	+56.98%, [-7.50%]	+107.91%, [+1.26%]
3.	ICICI Prudential Life Insurance Company Limited	60,567.91	334.00	29-Sep-16	330.00	-7.60%, [+0.54%]	-11.54%, [-6.50%]	+12.31%, [+5.28%]
4.	HPL Electric & Power Limited	3,610.00	202.00	04-Oct-16	190.00	-14.75%, [-2.91%]	-51.19%, [-6.72%]	-37.77%, [+5.34%]
5.	Sheela Foam Limited	5,100.00	730.00	09-Dec-16	860.00	+30.23%, [-0.31%]	+48.39%, [+8.02%]	+86.65%, [+16.65%]
6.	Music Broadcast Limited	4,885.29	333.00	17-Mar-17	413.00	+4.58%, [-0.23%]	+4.19%, [+5.00%]	-
7.	Avenue Supermarts Limited	18,700.00	299.00	21-Mar-17	600.00	+145.08%, [-0.20%]	+166.35%, [+5.88%]	-

	Issue Name	Issue size (₹ in million)	Issue price (₹)	Listing date	Opening price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
8.	Housing and Urban Development Corporation Limited	12,095.70	60.00(2)	19-May-17	73.00	+13.17%, [+2.44%]	+34.67%, [+4.98%]	-
9.	AU Small Finance Bank Limited	19,125.14	358.00	10-Jul-17	530.00	+58.76%, [+2.12%]	-	-
10.	Security and Intelligence Services (India) Limited	7,795.80	815.00	10-Aug-17	879.80	-	-	-

(1) Discount of ₹86 per equity share offered to Eligible Employees. All calculations are based on Issue Price of ₹896.00 per equity share.

(2) Discount of ₹2 per equity share offered to retail investors and to Eligible Employees. All calculations are based on Issue Price of ₹60.00 per equity share.

Notes:

1. *All data sourced from www.nseindia.com*
2. *Benchmark index considered is NIFTY*
3. *30th, 90th, 180th calendar day from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30th, 90th, 180th calendar day is a holiday, in which case we have considered the closing data of the next trading day*

Summary statement of price information of past issues (during current financial year and two financial years preceding the current financial year) handled by I-Sec

Financial Year	Total No. of IPOs	Total Funds Raised (₹ in million)	No. of IPOs trading at discount as on 30th calendar day from listing day			No. of IPOs trading at premium as on 30th calendar day from listing day			No. of IPOs trading at discount as on 180th calendar day from listing day			No. of IPOs trading at premium as on 180th calendar day from listing day		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2017-2018	3	39,016.64	1	-	1	-	-	-	-	-	-	-	-	-
2016-2017	12	160,855.45	-	-	3	4	4	1	-	1	1	6	2	-
2015-2016	6	27,229.06	-	1	1	1	-	3	-	-	2	2	2	-

3. *Price information of past issues(during current financial year and two financial years preceding the current financial year) handled by IIFL*

	Issue Name	Issue size (₹ in million)	Issue price (₹)	Listing date	Opening price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1	Manpasand Beverages Limited	4,000.00	320.00	July 9, 2015	300.00	+23.2%, [+2.4%]	+31.5%, [-2.2%]	+58.6%, [-6.9%]
2	Power Mech Projects Limited	2,732.16	640.00	August 26, 2015	600.00	-9.4%, [-0.2%]	-2.8%, [-0.6%]	-10.6%, [-8.2%]
3	Precision Camshafts Limited	4,101.90	186.00	February 8, 2016	165.00	-15.0%, [+0.6%]	-20.8%, [+3.3%]	-20.1%, [+15.9%]
4	Healthcare Global Enterprises Limited	6,496.40	218.00	March 30, 2016	210.20	-15.9%, [+3.3%]	-17.4%, [+7.0%]	-1.3%, [+14.8%]
5	Ujjivan Financial Services Limited	8,824.96	210.00	May 10, 2016	231.90	+74.1%, [+4.3%]	+115.4%, [+10.7%]	+98.3%, [+7.2%]
6	Quess Corp Limited	4,000.00	317.00	July 12, 2016	500.00	+67.9%, [+1.5%]	+94.6%, [+2.8%]	+110.8%, [-2.6%]
7	Dilip Buildcon Limited	6,539.77	219.00	August 11, 2016	240.00	+5.1%, [3.4%]	-3.9%, [-1.7%]	+20.3%, [+2.3%]
8	RBL Bank Limited	12,129.67	225.00	August 31, 2016	274.20	+29.4%, [-1.5%]	59.8%, [-6.9%]	+107.9%, [+1.7%]
9	ICICI Prudential Life Insurance Company Limited	60,567.91	334.00	September 29, 2016	333.00	-7.6%, [-1.2%]	-11.6%, [-8.1%]	+11.3%, [+4.1%]
10	Security and Intelligence Services (India) Limited	7,795.80	815.00	August 10, 2017	879.00	*NA*	*NA*	*NA*

Source: www.nseindia.com

Note: Benchmark Index taken as CNX NIFTY. Price on NSE is considered for all of the above calculations. The 30th, 90th and 180th calendar day from listed day have been taken as listing day plus 30, 90 and 180 calendar days, except wherever 30th /90th / 180th calendar day from listing day is a holiday, the closing data of the previous trading day has been considered. % change taken against the Issue Price in case of the Issuer. % change taken against closing CNX NIFTY Index a day prior to the listing date. NA means Not Applicable.

Summary statement of price information of past issues (during current financial year and two financial years preceding the current financial year) handled by IIFL

Financial Year	Total No. of IPOs	Total Funds Raised (₹ in million)	No. of IPOs trading at discount as on 30th calendar day from listing day			No. of IPOs trading at premium as on 30th calendar day from listing day			No. of IPOs trading at discount as on 180th calendar day from listing day			No. of IPOs trading at premium as on 180th calendar day from listing day		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2017-2018	1	7,795.80	-	-	-	-	-	-	-	-	-	-	-	-
2016-2017	5	92,062.31	-	-	1	2	1	1	-	-	-	3	1	1
2015-2016	4	17,330.46	-	-	3	-	-	1	-	-	3	1	-	-
2014-2015	NA	NA	-	-	-	-	-	-	-	-	-	-	-	-

Source: www.nseindia.com

Note: Data for number of IPOs trading at premium/discount taken at closing price on NSE on the respective date. In case any of the days falls on a non-trading day, the closing price on the previous trading day has been considered.

Track record of past issues handled by BRLMs

For details regarding the track record of the BRLMs, as specified in Circular (CIR/MIRSD/1/2012) dated January 10, 2012 issued by the SEBI, see the websites of the BRLMs, as set forth in the table below:

Sr. No.	Name of BRLM	Website
1.	Axis	http://www.axiscapital.co.in
2.	I-Sec	http://www.icicisecurities.com
3.	IIFL	http://www.iiflcap.com

FINANCIAL STATEMENTS

Limited Review Report on Quarterly Consolidated Financial Results of Quess Corp Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To The Board of Directors of Quess Corp Limited

We have reviewed the accompanying statement of unaudited consolidated financial results ("the Statement") of Quess Corp Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (collectively referred to as "the Group"), its associates and joint venture as listed in Note 1 to the Statement for the quarter ended 30 June 2017 attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This Statement is the responsibility of the Holding Company's Management and has been approved by the Board of Directors in their meeting held on 21 July 2017. Our responsibility is to issue a report on this Statement based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, '*Review of Interim Financial Information Performed by the Independent Auditors of the Entity*' issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance about whether the Statement is free of material misstatements. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

a. We did not review the financial results of eight subsidiaries incorporated outside India whose financial results reflect total revenues (including other income) of INR 24,437 lakhs for the quarter ended on 30 June 2017, as considered in this Statement. The financial results of these subsidiaries have been prepared in accordance with the accounting principles generally accepted in their respective countries ('the local GAAP') and the Company's Management has converted the financial results of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. This has been done on the basis of a reporting package prepared by the Holding Company which covers accounting requirements applicable to the Statement under the generally accepted accounting principles in India. The reporting packages made for this purpose have been reviewed by the other auditors and reports for consolidation purposes of those other auditors have been furnished to us. Our opinion on the Statement, in so far as it relates to the financial results of such subsidiaries located outside India is based solely on the aforesaid review reports of the other auditors.

b. We did not review the financial results of thirteen subsidiaries, whose financial results reflect total revenues (including other income) of INR 4,211 lakhs for the quarter ended on 30 June 2017, as considered in this Statement. The Statement also include the Group's share of total comprehensive income (including other comprehensive income) of INR 57.63 lakhs for the quarter ended on 30 June 2017, as considered in this Statement, in respect of three associates and a joint venture whose financial results have not been reviewed by us. These financial results are unaudited and have been furnished to us by the Management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associates and joint venture, is based solely on such unaudited financial results. In our opinion and according to the information and explanations given to us by the Management, these financial results are not material to the Group.

Our opinion on the Statement is not modified in respect of the above matters with respect to the reports of the other auditors and the financial results certified by the Management.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable accounting standards i.e. Ind AS prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

for **B S R & Associates LLP**
Chartered Accountants
Firm registration number: 116231W/W-100024

Vipin Lodha
Partner
Membership No.: 076806
Place: Bangalore
Date: 21 July 2017

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

(Rupees in lakhs except per share data)

Part I Statement of unaudited consolidated financial results for the quarter ended 30 June 2017

Sl. No.	Particulars	Consolidated			
		Quarter ended			Year ended
		30 June 2017	31 March 2017	30 June 2016	31 March 2017
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
1	**Income from operations**				
	a) Revenue from operations	118,810.68	112,209.37	99,095.98	415,735.95
	b) Other income	340.34	285.58	69.72	1,525.20
	Total income (a + b)	**119,151.02**	**112,494.95**	**99,165.70**	**417,261.15**
2	**Expenses**				
	a) Cost of material and stores and spare parts consumed	1,114.72	977.36	1,243.48	4,687.77
	b) Employee benefit expense	102,214.79	95,669.24	84,407.92	354,350.85
	c) Finance costs	1,606.33	1,533.98	920.75	4,653.28
	d) Depreciation and amortisation expense	669.37	654.10	600.23	2,644.20
	e) Other expenses	9,132.86	9,698.17	8,169.71	34,417.22
	Total expenses (a + b + c + d + e)	**114,738.07**	**108,532.85**	**95,342.09**	**400,753.32**
3	**Profit before share of profit of equity accounted investees, exceptional items and tax (1 - 2)**	**4,412.95**	**3,962.10**	**3,823.61**	**16,507.83**
4	Share of profit/ (loss) of equity accounted investees (net of income tax)	55.09	(34.01)	-	12.46
5	**Profit before exceptional items and tax (3 + 4)**	**4,468.04**	**3,928.09**	**3,823.61**	**16,520.29**
6	Exceptional items	-	-	-	-
7	**Profit before tax (5 + 6)**	**4,468.04**	**3,928.09**	**3,823.61**	**16,520.29**
8	**Tax expense**				
	a) Current tax	974.88	1,414.37	1,210.15	3,720.74
	b) Deferred tax	180.08	(250.35)	144.02	1,455.11
	Total tax expense	**1,154.96**	**1,164.02**	**1,354.17**	**5,175.85**
9	**Profit for the period (7 - 8)**	**3,313.08**	**2,764.07**	**2,469.44**	**11,344.44**
10	**Other comprehensive income**				
	(i) Items that will not be reclassified subsequently to profit or loss				
	Remeasurement of defined benefit plans	(78.86)	(77.04)	(119.85)	(340.47)
	Share of other comprehensive income of equity accounted investees (net of income tax)	2.54	54.44	-	54.44
	Income tax relating to items that will not be reclassified to profit or loss	27.29	15.56	41.48	106.72
	(ii) Items that will be classified to profit or loss				
	Exchange differences in translating financial statements of foreign operations	51.90	(333.91)	-	(333.91)
	Income tax relating to items that will be reclassified to profit or loss	-	-	-	-
	Other comprehensive income for the period, net of taxes	**2.87**	**(340.95)**	**(78.37)**	**(513.22)**
11	**Total comprehensive income (9 + 10)**	**3,315.95**	**2,423.12**	**2,391.07**	**10,831.22**
12	**Profit attributable to:**				
	Owners of the Company	3,313.61	2,768.22	2,469.44	11,346.07
	Non-controlling interests	(0.53)	(4.15)	-	(1.63)
13	**Other comprehensive income attributable to:**				
	Owners of the Company	2.87	(340.95)	(78.37)	(513.22)
	Non-controlling interests	-	-	-	-
14	**Total comprehensive income attributable to:**				
	Owners of the Company	3,316.48	2,427.27	2,391.07	10,832.85
	Non-controlling interests	(0.53)	(4.15)	-	(1.63)
15	Paid-up equity share capital (Face value of Rs 10 per share)	12,679.10	12,679.10	11,333.51	12,679.10
16	Reserves i.e. Other equity				70,938.29
17	Earning Per Share (EPS)	(not annualised)	(not annualised)	(not annualised)	(annualised)
	(a) Basic (Rs)	2.61	2.18	2.18	9.24
	(b) Diluted (Rs)	2.58	2.15	2.13	9.10

See accompanying notes to the financial results

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

(Rupees in lakhs)

Statement of consolidated segment wise revenue, results, assets and liabilities for the quarter ended 30 June 2017

Sl. No.	Particulars	Consolidated			
		For the quarter ended			For the year ended
		30 June 2017	31 March 2017	30 June 2016	31 March 2017
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
1	**Segment revenue**				
	a) People and services	61,936.91	60,801.98	56,715.78	234,541.08
	b) Global technology solutions	38,971.43	34,959.22	27,469.30	118,296.65
	c) Integrated facility management	11,852.38	10,760.98	9,612.94	40,461.18
	d) Industrials	6,049.96	5,687.19	5,297.96	22,437.04
	Total Income from operations	**118,810.68**	**112,209.37**	**99,095.98**	**415,735.95**
2	**Segment results**				
	a) People and services	3,066.22	2,980.30	2,508.09	10,890.38
	b) Global technology solutions	2,632.50	2,299.35	1,956.58	8,336.78
	c) Integrated facility management	725.88	647.56	350.36	2,030.63
	d) Industrials	273.60	271.28	550.89	1,709.41
	Total	**6,698.20**	**6,198.49**	**5,365.92**	**22,967.20**
	Less: (i) Unallocated corporate expenses	1,019.26	987.99	691.28	3,331.29
	Less: (ii) Finance costs	1,606.33	1,533.98	920.75	4,653.28
	Add: (iii) Other income	340.34	285.58	69.72	1,525.20
	Add: (iv) Share of profit/ (loss) of equity accounted investees (net of income tax)	55.09	(34.01)	-	12.46
	Total profit before tax	**4,468.04**	**3,928.09**	**3,823.61**	**16,520.29**
3	**Segment assets**				
	a) People and services	41,586.04	35,202.16	39,079.84	35,202.16
	b) Global technology solutions	74,400.44	71,687.50	50,960.69	71,687.50
	c) Integrated facility management	19,105.81	13,866.23	14,062.03	13,866.23
	d) Industrials	13,101.60	10,570.10	11,693.53	10,570.10
	e) Unallocated	83,761.21	96,708.06	25,286.18	96,708.06
	Total	**231,955.10**	**228,034.05**	**141,082.27**	**228,034.05**
4	**Segment liabilities**				
	a) People and services	20,729.83	23,241.85	16,899.11	23,241.85
	b) Global technology solutions	19,077.10	16,252.91	16,469.82	16,252.91
	c) Integrated facility management	8,714.42	7,085.10	5,680.56	7,085.10
	d) Industrials	4,162.76	3,792.01	3,775.38	3,792.01
	e) Unallocated	92,249.97	93,956.59	58,121.54	93,956.59
	Total	**144,934.08**	**144,328.46**	**100,946.41**	**144,328.46**

See accompanying notes to the financial results

Quess Corp Limited
Registered Office: Quess House, 3/3/2, Bellandur Gate, Sarjapur Road, Bengaluru 560 103;
CIN No. L74140KA2007PLC043909
Unaudited consolidated financial results for the quarter ended 30 June 2017

Notes :

1 The above results of Quess Corp Limited (the 'Company') including its subsidiaries (collectively known as the 'Group'), its associates and its joint venture 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 subsidiary 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, MFXchange Holdings Inc., MFXchange (Ireland) Limited, MFXchange US Inc., Quessglobal (Malaysia) Sdn. Bhd, Quesscorp Lanka (Private) Limited, CentreQ Business Services Private Limited, Dependo Logistics Solutions Private Limited, Excelus Learning Solutions Private Limited, Inticore VJP Advance Systems Private Limited and Comtel Solutions Pte Limited and results of the associates namely Terrier Security Services (India) Private Limited, Simpliance Technologies Private Limited and Heptagon Technologies Private Limited and its joint venture Himmer Industrial Services (M) Sdn. Bhd.

2 The statement of unaudited consolidated financial results (the 'Statement') of the Group, its associates and its joint venture for the quarter ended 30 June 2017 has been reviewed by the Audit Committee and thereafter approved by the Board of Directors in the meeting held on 21 July 2017.

3 The figures for the quarter ended 30 June 2017 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.quesscorp.com.

4 These financial results 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 issued thereunder and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

5 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.quesscorp.com and also on the website of BSE (www.bseindia.com) and NSE (www.nseindia.com).

6 During the previous year ended 31 March 2017, 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 issue expenses).
Details of utilisation of IPO proceeds are as follows:

(Rupees in lakhs)

Particulars	**Objects of the issue as per the prospectus**	**Utilised upto 30 June 2017**	**Unutilised amount as on 30 June 2017**
Repayment of debt availed by the Company	5,000.00	5,000.00	-
Meeting capital expenditure requirement of the Company and Subsidiary MFX US	7,171.70	2,004.55	5,167.15
Funding incremental working capital requirement of our Company	15,790.10	9,500.00	6,290.10
Acquisitions and strategic initiatives	8,000.00	8,000.00	-
General corporate purpose	1,076.67	1,076.67	-
Total	**37,038.47**	**25,581.22**	**11,457.25**

Unutilised amounts of the issue as at 30 June 2017 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 amounting to 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.

7 The Company has entered into a Share Subscription Agreement dated 21 June 2017 with Heptagon Technologies Private Limited ("Heptagon") to subscribe 46% of shares for a consideration of Rs 977 lakhs. During the quarter, the Company has acquired 43.81% stake for a consideration of Rs 894.04 lakhs and accordingly Heptagon has become an associate of the Company.

8 During the previous year, the Company had entered into definitive agreement with Manipal Integrated Services Private Limited ("MIS") dated 28 November 2016 to demerge the Facility Management Business and Catering Business (together means "Identified Business") of MIS through the Scheme of Arrangement ("the Scheme") into the Company. The Board vide its meeting dated 28 November 2016 had approved the draft Scheme of arrangement and filed the Scheme with BSE and NSE. The Company in the previous year had received the approval from BSE and NSE dated 23 March 2017 and 27 March 2017 respectively and has filed the Scheme with National Company Law Tribunal ('NCLT') dated 26 April 2017 and awaiting the approval. In pursuance of the Scheme, the Company has invested Rs 22,000 lakhs by subscribing to Compulsory Convertible Preference Shares of MIS as part of the purchase consideration.
The Scheme requires the Company to account for the acquisition, on and from 1 December 2016, i.e. appointed date. In accordance with Indian Accounting Standard 103, Business Combinations, (Ind AS 103), the accounting for the acquisition has to be done on and from the "Acquisition date". As per paragraph 9 of Ind AS 103, the acquisition date is the date on which the acquirer obtains control of the acquiree and is generally the date on which the acquirer legally transfers the consideration, acquires the assets and assumes the liabilities of the acquiree the closing date. The appointed date (1 December 2016) as per the Scheme is not the same as the acquisition date, as defined under Ind AS 103. The accounting from the appointed date as mentioned in the Scheme is subject to regulatory approval.

9 During the previous year, the Company had entered into Share Purchase Agreement ('SPA') with Terrier Security Solutions Private Limited ("Terrier") and its shareholders dated 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. Pending approval of FIPB, the Company in the previous year had acquired 49% stake on 9 December 2016 for a consideration of Rs 7,200 lakhs and accordingly Terrier has become an associate of the Company.

10 During the year ended 31 March 2015, the Company acquired 100% interest in Brainhunter Systems (Canada) Limited ("BSL") from ICICI Bank India. Prior to acquisition of BSL by the Company, equity shares of BSL were originally owned by Zylog Systems Limited ("ZSL") and were pledged in favour of ICICI Bank as security for loans availed by ZSL from ICICI Bank. ZSL defaulted on loan repayments and ICICI Bank invoked the pledge and sold the shares to the Company.

During the year ended 31 March 2015, the Company had received a notice from the official liquidator of Zylog, alleging that the acquisition of the equity shares of BSL by the Company was not in accordance with law and therefore void-ab-initio, as such sale and transfer of the equity shares of BSL had taken place subsequent to an order passed by the Honorable Madras High Court appointing the official liquidator for ZSL liquidation. Further, the Company had also received letter from the RBI stating its inability to take on record the transfer of the equity shares of BSL until the winding up proceedings of ZSL have been completed and resolved. The Company is of the view, that they have a strong case and had taken a legal opinion.

The legal opinion reiterates that the case does not have merit and the sale is bonafide on the basis of the following:

a. There is adequate precedent that upholds the principle that a secured creditor can independently exercise his rights outside winding up proceedings.

b. ICICI Bank has enforced its security to realise its rights as a secured creditor and the sale is in compliance with Canadian law

c. That the sale of equity shares of Brainhunter is not prejudicial to the parties and that the same has been undertaken in accordance with the provisions of the law

The Company in the earlier years had also obtained legal opinion from Canadian law firm which has confirmed that the acquisition is appropriate from a Canadian jurisdiction perspective.

Based on the legal opinions taken by the Company in the earlier years, the management believes that the acquisition of BSL is appropriate.

11 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. People and Services, Global Technology Solutions, Integrated Facility Management and Industrials. 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 the Board of Directors of
Quess Corp Limited

Ajit Isaac
Chairman & Managing Director & CEO
Place: Bengaluru
Date: 21 July 2017

Limited Review Report On Quarterly Standalone Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of Quess Corp Limited

We have reviewed the accompanying statement of unaudited standalone financial results ("Statement") of Quess Corp Limited ('the Company') for the quarter ended 30 June 2017 attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors in the meeting held on 21 July, 2017. Our responsibility is to issue a report on this statement based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, *Review of Interim Financial Information Performed by the Independent Auditors of the Entity*' issued by the Institute of Chartered Accountants of India. This standards require that we plan and perform the review to obtain moderate assurance about whether the Statement is free of material misstatements. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that accompanying Statement prepared in accordance with applicable accounting standard i.e. Ind AS prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

for **B S R & Associates LLP**
Chartered Accountants
Firm registration number: 116231W/W-100024

Vipin Lodha
Partner
Membership No.: 076806
Place: Bangalore
Date: 21 July 2017

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

(Rupees in lakhs except per share data)

Part I Statement of unaudited standalone financial results for the quarter ended 30 June 2017

Sl. No.	Particulars	Standalone			
		Quarter ended			Year ended
		30 June 2017	31 March 2017	30 June 2016	31 March 2017
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
1	**Income from operations**				
	a) Revenue from operations	89,685.94	87,819.50	81,041.80	336,072.21
	b) Other income	390.94	366.82	85.57	1,612.10
	Total income (a + b)	**90,076.88**	**88,186.32**	**81,127.37**	**337,684.31**
2	**Expenses**				
	a) Cost of material and stores and spare parts consumed	824.31	655.92	1,020.07	3,604.22
	b) Employee benefit expense	78,702.45	76,815.31	70,594.48	293,630.38
	c) Finance costs	1,220.45	1,337.25	768.74	3,890.30
	d) Depreciation and amortisation expense	445.77	438.97	394.10	1,702.15
	e) Other expenses	5,471.76	6,011.86	4,949.11	21,020.78
	Total expenses (a + b + c + d + e)	**86,664.74**	**85,259.31**	**77,726.50**	**323,847.83**
3	**Profit before tax and exceptional items (1 - 2)**	**3,412.14**	**2,927.01**	**3,400.87**	**13,836.48**
4	Exceptional items	-	-	-	-
5	**Profit before tax (3 + 4)**	**3,412.14**	**2,927.01**	**3,400.87**	**13,836.48**
6	**Tax expense**				
	a) Current tax	750.18	1,105.28	1,195.52	3,327.42
	b) Deferred tax	131.43	(67.17)	72.62	1,488.05
	Total tax expense	**881.61**	**1,038.11**	**1,268.14**	**4,815.47**
7	**Profit for the period (5 - 6)**	**2,530.53**	**1,888.90**	**2,132.73**	**9,021.01**
8	**Other comprehensive income**				
	Items that will not be reclassified subsequently to profit or loss				
	Remeasurement of defined benefit plans	(78.86)	(45.62)	(119.85)	(309.29)
	Income tax relating to items that will not be reclassed to profit or loss	27.29	15.79	41.48	107.20
	Other comprehensive income for the period, net of taxes	**(51.57)**	**(29.83)**	**(78.37)**	**(202.09)**
9	**Total comprehensive income for the period (7 + 8)**	**2,478.96**	**1,859.07**	**2,054.36**	**8,818.92**
10	Paid-up equity share capital (Face value of Rs 10 per share)	12,679.10	12,679.10	11,333.51	12,679.10
11	Reserves i.e. Other equity				66,564.47
12	Earning Per Share (EPS)	(not annualised)	(not annualised)	(not annualised)	(annualised)
	(a) Basic (Rs)	2.00	1.49	1.88	7.34
	(b) Diluted (Rs)	1.97	1.47	1.84	7.23

See accompanying notes to the financial results

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

Unaudited financial results for the quarter ended 30 June 2017

Notes :

1 The Statement of unaudited standalone financial results ('the Statement') of Quess Corp Limited ('the Company') for the quarter ended 30 June 2017 has been reviewed by the Audit Committee and thereafter approved by the Board of Directors in the meeting held on 21 July 2017.

2 The figures for the quarter ended 30 June, 2017 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.quesscorp.com.

3 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.

4 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.quesscorp.com and also on the website of BSE (www.bseindia.com) and NSE (www.nseindia.com).

5 During the previous year ended 31 March 2017, 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 issue expenses).

Details of utilisation of IPO proceeds are as follows:

(Rupees in lakhs)

Particulars	**Objects of the issue as per the prospectus**	**Utilised upto 30 June 2017**	**Unutilised amount as on 30 June 2017**
Repayment of debt availed by the Company	5,000.00	5,000.00	-
Meeting capital expenditure requirement of the Company and Subsidiary MFX US	7,171.70	2,004.55	5,167.15
Funding incremental working capital requirement of our Company	15,790.10	9,500.00	6,290.10
Acquisitions and strategic initiatives	8,000.00	8,000.00	-
General corporate purpose	1,076.67	1,076.67	-
Total	**37,038.47**	**25,581.22**	**11,457.25**

Unutilised amounts of the issue as at 30 June 2017 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 amounting to 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.

6 The Company has entered into a Share Subscription Agreement dated 21 June 2017 with Heptagon Technologies Private Limited ("Heptagon") to subscribe 46% of shares for a consideration of Rs 977 lakhs. During the quarter, the Company has acquired 43.81% stake for a consideration of Rs 894.04 lakhs and accordingly Heptagon has become an associate of the Company.

7 During the previous year, the Company had entered into definitive agreement with Manipal Integrated Services Private Limited ("MIS") dated 28 November 2016 to demerge the Facility Management Business and Catering Business (together means “Identified Business”) of MIS through the Scheme of Arrangement ("the Scheme") into the Company. The Board vide its meeting dated 28 November 2016 had approved the draft Scheme of arrangement and filed the Scheme with BSE and NSE. The Company in the previous year had received the approval from BSE and NSE dated 23 March 2017 and 27 March 2017 respectively and has filed the Scheme with National Company Law Tribunal (NCLT) dated 26 April 2017 and awaiting the approval. In pursuance of the Scheme, the Company has invested Rs 22,000 lakhs by subscribing to Compulsory Convertible Preference Share of MIS as part of the purchase consideration.

The Scheme requires the Company to account for the acquisition, on and from 1 December 2016, i.e. appointed date. In accordance with Indian Accounting Standard 103, Business Combinations, (Ind AS 103), the accounting for the acquisition has to be done on and from the “Acquisition date”. As per paragraph 9 of Ind AS 103, the acquisition date is the date on which the acquirer obtains control of the acquiree and is generally the date on which the acquirer legally transfers the consideration, acquires the assets and assumes the liabilities of the acquiree the closing date. The appointed date (1 December 2016) as per the Scheme is not the same as the acquisition date, as defined under Ind AS 103. The accounting from the appointed date as mentioned in the Scheme is subject to regulatory approval.

8 During the previous year, the Company had entered into Share Purchase Agreement (SPA) with Terrier Security Solutions Private Limited ("Terrier") and its shareholders dated 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. Pending approval of FIPB, the Company in the previous year had acquired 49% stake on 9 December 2016 for a consideration of Rs 7,200 lakhs and accordingly Terrier has become an associate of the Company.

9 During the year ended 31 March 2015, the Company acquired 100% interest in Brainhunter Systems (Canada) Limited ("BSL") from ICICI Bank India. Prior to acquisition of BSL by the Company, equity shares of BSL were originally owned by Zylog Systems Limited ("ZSL") and were pledged in favour of ICICI Bank as security for loans availed by ZSL from ICICI Bank. ZSL defaulted on loan repayments and ICICI Bank invoked the pledge and sold the shares to the Company.

During the year ended 31 March 2015, the Company had received a notice from the official liquidator of Zylog, alleging that the acquisition of the equity shares of BSL by the Company was not in accordance with law and therefore void-ab-initio, as such sale and transfer of the equity shares of BSL had taken place subsequent to an order passed by the Honorable Madras High Court appointing the official liquidator for ZSL liquidation. Further, the Company had also received letter from the RBI stating its inability to take on record the transfer of the equity shares of BSL until the winding up proceedings of ZSL have been completed and resolved. The Company is of the view, that they have a strong case and had taken a legal opinion.

The legal opinion reiterates that the case does not have merit and the sale is bonafide on the basis of the following:

a. There is adequate precedent that upholds the principle that a secured creditor can independently exercise his rights outside winding up proceedings.

b. ICICI Bank has enforced its security to realise its rights as a secured creditor and the sale is in compliance with Canadian law

c. That the sale of equity shares of Brainhunter is not prejudicial to the parties and that the same has been undertaken in accordance with the provisions of the law

The Company in the earlier years had also obtained legal opinion from Canadian law firm which has confirmed that the acquisition is appropriate from a Canadian jurisdiction perspective.

Based on the legal opinions taken by the Company in the earlier years, the management believes that the acquisition of BSL is appropriate.

10 In accordance with Ind AS 108, Operating segments, segment information has been provided in the unaudited consolidated financial results of the Company and therefore no separate disclosure on segment information is given in these standalone financial results.

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

Ajit Isaac
Chairman & Managing Director & CEO
Place: Bangalore
Date: 21 July 2017

Independent Auditor's Report

To The Members of Quess Corp Limited

(formerly known as IKYA HUMAN CAPITAL SOLUTIONS LIMITED)

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Quess Corp Limited *(formerly known as IKYA HUMAN CAPITAL SOLUTIONS LIMITED)* ("the Holding Company"), its subsidiaries (collectively referred to as "the Company" or "the Group"), its associates and joint venture (as listed in note 45 to the consolidated Ind AS financial statements) which comprise the Consolidated Balance Sheet as at 31 March 2017, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Cash flow, the Consolidated Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these consolidated Ind AS financial statements that give a true and fair view of the consolidated state of affairs (financial position), consolidated profit or loss (financial performance including other comprehensive income), consolidated cash flows and consolidated changes in equity of the Group including its associates and joint venture in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with relevant rules issued thereunder.

The respective Board of Directors of the companies included in the Group and of its associates and joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and its associates and joint venture and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the 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 Ind AS financial statements by the directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the Audit Report under the provisions of the Act and the Rules made thereunder.

Independent Auditors' Report (continued)

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the Auditor's judgement, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the Auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

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 Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

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 other auditors on separate financial statements and on the other financial information of the subsidiaries, associates and joint venture, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the consolidated financial position of the Group, its associates and joint venture as at 31 March 2017 and their consolidated financial performance including other comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Other matters

We did not audit the financial statements/ financial information of twenty subsidiaries, whose financial statements/ financial information reflect total assets of INR 64,576 lakhs and net assets of INR 6,414 lakhs as at 31 March 2017, total revenues of INR 78,336 lakhs and net cash inflows amounting to INR 1,431 lakhs for the year ended on that date, as considered in these consolidated Ind AS financial statements. The consolidated Ind AS financial statements also include the Group's share of net profit of INR 67 lakhs for the year ended 31 March 2017, as considered in these consolidated Ind AS financial statements, in respect of two associates and a joint venture, whose financial statements/ financial information have not been audited by us. These financial statements/ financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associates and joint venture, and our report in terms of Section 143(3) of the Act, in so far as it relates to the aforesaid subsidiaries, associates and joint venture, is based solely on the reports of the other auditors.

Seven of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. This has been done on the basis of a reporting package prepared by the Company which covers accounting and disclosure requirements applicable to the consolidated Ind AS financial statements under the generally accepted accounting principles in India. The reporting packages made for this purpose have been audited by the other auditors and reports for consolidation purposes of those other auditors have been furnished to us. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the financial statements/ financial information of such subsidiaries located outside India, is based solely on the aforesaid audit reports of these other auditors.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to the reports of the other auditors.

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 report of the other auditors on separate financial statements and other financial information of subsidiaries, associates and joint venture as noted in the 'Other matters' paragraph, 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 Ind AS financial statements;

(b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and 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 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 Ind AS financial statements;

(d) in our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder;

(e) on the basis of the written representations received from the directors of the Holding Company as on 31 March 2017, taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and associate 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 2017 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 Holding Company, its subsidiary companies and associate companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A"; and

(g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements and other financial information of the subsidiaries, associates and joint venture as noted in the 'Other matters' paragraph:

Independent Auditors' Report (continued)

i. the consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and joint venture. Refer note 24 and note 41 to the consolidated Ind AS financial statements;

ii. the Group, its associates and joint venture did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. there were no amounts during the year which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiary companies and associate companies incorporated in India; and

iv. the Holding Company has provided requisite disclosures in its consolidated Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016 of the Group companiesss, which are incorporated in India, as applicable and these are in accordance with the books of accounts maintained by the Group companies as applicable. Based on the audit procedures and relying on the management representation we report that the disclosure is in accordance with the books of accounts maintained by the Holding and Group companies and as produced by the management. Refer note 52 to the consolidated Ind AS financial statements.

for **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No.: 116231W/W-100024

Vineet Dhawan
Partner
Membership No.: 092084

Place: Bengaluru
Date: 16 May 2017

Independent Auditors' Report (continued)

Annexure - A to the Independent Auditor's Report

Report on the Internal Financial Controls 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 Ind AS financial statements of Quess Corp Limited *(formerly known as IKYA HUMAN CAPITAL SOLUTIONS LIMITED)* ("the Holding Company"), its subsidiaries (collectively referred to as "the Company" or "the Group"), its associates and joint venture as of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting of Quess Corp Limited *(formerly known as IKYA HUMAN CAPITAL SOLUTIONS LIMITED)*, its subsidiary companies and its associate companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary companies and its associate companies, 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 Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('Guidance Note') 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 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company, its subsidiary companies and associate companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. 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 incorporated in India, in terms of their report 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 Holding Company, its subsidiary companies and associate 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 consolidated

Independent Auditors' Report (continued)

Ind AS 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 consolidated Ind AS 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 consolidated Ind AS 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 and based on the consideration of the reports of the other auditors referred to in the 'Other Matters' paragraph below, the Holding Company, its subsidiary companies and associate 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 2017, 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 issued by the ICAI.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to seven subsidiary companies and two associate companies, incorporated in India, is based solely on the corresponding reports of the auditors of such subsidiary companies and associate companies incorporated in India.

Our opinion sis not modified in respect of the above matters.

for **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No.: 116231W/W-100024

Vineet Dhawan
Partner
Membership No.: 092084

Place: Bengaluru
Date: 16 May 2017

Quess Corp Limited

Consolidated Balance Sheet as at	Note	31 March 2017	31 March 2016	1 April 2015
ASSETS				
Non-current assets				
Property, plant and equipment	3	5,043.56	4,443.92	1,458.55
Goodwill	4	37,875.28	20,197.56	11,042.19
Other intangible assets	5	790.38	575.84	283.67
Intangible assets under development	5	771.68	239.07	-
Financial assets				
(i) Investments	6	29,763.82	365.50	-
(ii) Non-current loans	7	1,433.41	408.90	394.58
(iii) Other non-current financial assets	8	131.13	217.40	43.30
Deferred tax assets (net)	9	4,799.58	6,138.72	3,964.89
Income tax assets (net)	9	11,780.15	7,309.47	7,231.43
Other non-current assets	10	563.30	613.66	428.17
Total non-current assets		**92,952.29**	**40,510.04**	**24,846.78**
Current assets				
Inventories	11	572.74	182.77	52.82
Financial assets				
(i) Trade receivables	12	44,684.60	40,527.69	23,801.61
(ii) Cash and cash equivalents	13	30,127.19	10,664.22	7,602.77
(iii) Bank balances other than cash and cash equivalents above	14	15,833.46	271.08	579.72
(iv) Current loans	15	2,302.32	1,738.87	1,005.88
(v) Other current financial assets	16	259.86	23.77	16.73
(vi) Unbilled revenue	17	38,682.58	28,732.80	15,019.97
Other current assets	18	2,619.01	2,353.42	696.98
Total current assets		**1,35,081.76**	**84,494.62**	**48,776.48**
Total Assets		**2,28,034.05**	**1,25,004.66**	**73,623.26**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	19	12,679.10	11,333.51	2,577.38
Other equity	20	70,938.29	24,328.77	24,329.49
Total equity attributable to equity holders of the Company		**83,617.39**	**35,662.28**	**26,906.87**
Non-controlling interests	21	88.20	-	-
Total equity		**83,705.59**	**35,662.28**	**26,906.87**
Liabilities				
Non-current liabilities				
Financial liabilities				
(i) Non-current borrowings	22	27,444.87	3,548.14	-
(ii) Other non-current financial liabilities	23	13,279.03	2,918.31	66.67
Non-current provisions	24	2,254.62	1,417.83	851.14
Total non-current liabilities		**42,978.52**	**7,884.28**	**917.81**
Current liabilities				
Financial liabilities				
(i) Bank overdraft	13	34.22	385.66	-
(ii) Current borrowings	25	45,565.52	33,900.11	22,042.67
(iii) Trade payables	26	6,314.45	6,737.45	4,172.75
(iv) Other current financial liabilities	27	28,638.61	26,295.05	9,973.39
Income tax liabilities (net)	9	823.72	-	-
Current provisions	28	2,272.23	1,969.09	620.50
Other current liabilities	29	17,701.19	12,170.74	8,989.27
Total current liabilities		**1,01,349.94**	**81,458.10**	**45,798.58**
Total Liabilities		**1,44,328.46**	**89,342.38**	**46,716.39**
Total Equity and Liabilities		**2,28,034.05**	**1,25,004.66**	**73,623.26**

The notes referred to above form an integral part of the consolidated financial statements.

As per our report of even date attached
for **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No.: 116231 W/W-100024

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

Vineet Dhawan
Partner
Membership No.: 092084

Place: Bengaluru
Date: 16 May 2017

Ajit Isaac
Chairman &
Managing Director & CEO
DIN: 00087168

Place: Bengaluru
Date: 16 May 2017

Subrata Kumar Nag
Executive, Whole-time Director &
CFO
DIN: 02234000

Sudershan Pallap
Company Secretary
Membership No.: A14076

Quess Corp Limited

(Amount in INR lakhs except per share data)

Consolidated Statement of Profit and Loss

For the year ended	**Note**	**31 March 2017**	**31 March 2016**
Income			
Revenue from operations	30	4,15,735.95	3,43,501.42
Other income	31	1,525.20	905.16
Total income		**4,17,261.15**	**3,44,406.58**
Expenses			
Cost of material and stores and spare parts consumed	32	4,687.77	4,814.04
Employee benefit expenses	33	3,54,350.85	3,00,692.06
Finance costs	34	4,653.28	3,104.27
Depreciation and amortisation expenses	35	2,644.20	1,439.01
Other expenses	36	34,417.22	22,887.07
Total expenses		**4,00,753.32**	**3,32,936.45**
Profit before share of profit of equity accounted investees and income tax		**16,507.83**	**11,470.13**
Share of profit/ (loss) of equity accounted investees (net of income tax)	6	12.46	-
Profit before tax		**16,520.29**	**11,470.13**
Tax expense			
Current tax	9	(3,720.74)	(6,245.80)
Excess provision of tax relating to earlier years	9	-	645.64
Deferred tax	9	(1,455.11)	2,248.03
Total tax expenses		**(5,175.85)**	**(3,352.13)**
Profit for the year		**11,344.44**	**8,118.00**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of the net defined benefit liability/ asset	47	(340.47)	632.19
Income tax relating to items that will not be reclassified to profit or loss	9	106.72	(225.38)
Share of other comprehensive income of equity accounted investees (net of income tax)	6	54.44	-
Items that will be reclassified to profit or loss			
Exchange differences in translating financial statements of foreign operations		(333.91)	(25.41)
Income tax relating to items that will be reclassified to profit or loss		-	-
Total other comprehensive income, net of tax		**(513.22)**	**381.40**
Total comprehensive income for the year		**10,831.22**	**8,499.40**
Profit attributable to:			
Owners of the Company		11,346.07	8,118.00
Non-controlling interests		(1.63)	-
Total profit for the year		**11,344.44**	**8,118.00**
Other comprehensive income attributable to:			
Owners of the Company		(513.22)	381.40
Non-controlling interests		-	-
Total other comprehensive income		**(513.22)**	**381.40**
Total comprehensive income attributable to:			
Owners of the Company		10,832.85	8,499.40
Non-controlling interests		(1.63)	-
Total comprehensive income		**10,831.22**	**8,499.40**
Earnings per equity share (face value of Rs 10 each)			
Basic (in Rs)	42	9.24	7.17
Diluted (in Rs)	42	9.10	7.03

The notes referred to above form an integral part of the consolidated financial statements.

As per our report of even date attached
for **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No.: 116231 W/W-100024

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

Vineet Dhawan
Partner
Membership No.: 092084

Place: Bengaluru
Date: 16 May 2017

Ajit Isaac
Chairman &
Managing Director & CEO
DIN: 00087168

Subrata Kumar Nag
Executive, Whole-time Director &
CFO
DIN: 02234000

Place: Bengaluru
Date: 16 May 2017

Sudershan Pallap
Company Secretary
Membership No.: A14076

Quess Corp Limited
Consolidated Statement of Changes in Equity for the year ended 31 March 2017

(A) Equity share capital

(Amount in INR lakhs)

Particulars	Note	31 March 2017	31 March 2016
Opening balance	19	11,333.51	2,577.38
Changes in equity share capital	19	1,345.59	8,756.13
Closing balance		**12,679.10**	**11,333.51**

(B) Other equity

(Amount in INR lakhs)

Particulars	Note	Reserves and surplus					Other comprehensive income		Total attributable to equity holders of the Company	Attributable to non-controlling interests	Total
		Securities premium	Retained earnings	General reserve	Stock options outstanding account	Debenture redemption reserve	Foreign currency translation reserve	Remeasurement of the net defined benefit liability/ asset			
Balance as of 1 April 2015		**12,583.29**	**11,170.95**	**-**	**561.37**	**-**	**13.88**	**-**	**24,329.49**	**-**	**24,329.49**
Less: Amount utilized for issue of bonus shares	19.1(iii)	(8,500.13)	-	-	-	-	-	-	(8,500.13)	-	(8,500.13)
Add: Profit for the year		-	8,118.00	-	-	-	-		8,118.00	-	8,118.00
Less: Transfer to general reserve on forfeiture of stock options	48	-	-	126.56	(126.56)	-	-	-	-	-	-
Add: Exchange differences on translation of foreign operations		-	-	-	-	-	(25.41)	-	(25.41)	-	(25.41)
Add: Other comprehensive income (net of tax)		-	-	-	-	-	-	406.81	406.81	-	406.81
Balance as of 31 March 2016		**4,083.16**	**19,288.95**	**126.56**	**434.81**	**-**	**(11.53)**	**406.81**	**24,328.77**	**-**	**24,328.77**
Balance as of 1 April 2016		**4,083.16**	**19,288.95**	**126.56**	**434.81**	**-**	**(11.53)**	**406.81**	**24,328.77**	**-**	**24,328.77**
Add: Premium received on issue of equity shares	19	38,738.18	-	-	-	-	-	-	38,738.18	-	38,738.18
Less: Share issue expenses	20	(2,961.53)	-	-	-	-	-	-	(2,961.53)	-	(2,961.53)
Add: Acquisition of subsidiary with non-controlling interests	21	-	-	-	-	-	-	-	-	89.83	89.83
Add: Profit for the year		-	11,346.07	-	-	-	-	-	11,346.07	(1.63)	11,344.44
Less: Premium on allotment of ESOP	48	345.79	-	-	(345.79)	-	-	-	-	-	-
Add: Exchange differences on translation of foreign operations		-	-	-	-	-	(333.91)	-	(333.91)	-	(333.91)
Add: Share of other comprehensive income in equity accounted investees (net of tax)	6	-	-	-	-	-	-	54.44	54.44	-	54.44
Add: Other comprehensive income (net of tax)		-	-	-	-	-	-	(233.75)	(233.75)	-	(233.75)
Add: Transfer to debenture redemption reserve	20	-	(187.50)	-	-	187.50	-	-	-	-	-
Balance as of 31 March 2017		**40,205.60**	**30,447.55**	**126.56**	**89.02**	**187.50**	**(345.44)**	**227.50**	**70,938.29**	**88.20**	**71,026.49**

The notes referred to above form an integral part of the consolidated financial statements.

As per our report of even date attached
for **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No.: 116231 W/W-100024

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

Vineet Dhawan
Partner
Membership No.: 092084

Place: Bengaluru
Date: 16 May 2017

Ajit Isaac
Chairman &
Managing Director & CEO
DIN: 00087168
Place: Bengaluru
Date: 16 May 2017

Subrata Kumar Nag
Executive, Whole-time Director
& CFO
DIN: 02234000

Sudershan Pallap
Company Secretary
Membership No.: A14076

Quess Corp Limited

Consolidated Statement of Cash Flows *(Amount in INR Lakhs)*

For the year ended	31 March 2017	31 March 2016
Cash flow from operating activities		
Profit before tax	16,520.29	11,470.13
Adjustments for:		
Depreciation and amortisation expenses	2,644.20	1,439.01
Dividend income on mutual fund units	(166.26)	-
Bad debts written off	710.59	-
Deposits/ advances written off	-	136.98
Liabilities no longer required written back	(32.40)	(161.31)
Impairment loss on financial assets	(85.25)	788.85
Interest income	(1,244.39)	(700.05)
Finance costs	4,653.28	3,104.27
Change in fair value of contingent consideration	(44.69)	-
Loss/ (Profit) on sale of property, plant and equipment and intangible assets, net	15.16	(0.95)
Unrealised forex exchange loss	9.77	13.05
Share of profit of equity accounted investees	(12.46)	-
Operating cash flows before working capital changes	**22,967.84**	**16,089.98**
Changes in		
Inventory	(372.48)	(100.84)
Trade receivables and security deposits	1,218.09	(16,099.95)
Other current, non-current, unbilled revenue and financial assets	(8,278.33)	(14,884.04)
Trade payables and other financial liabilities	(3,981.27)	15,880.59
Other liabilities and provisions	3,828.95	(1,015.96)
Cash generated from operating activities	**15,382.80**	**(130.22)**
Income taxes paid (net)	(8,022.43)	(4,822.26)
Net cash provided by/ (used in) operating activities (A)	**7,360.37**	**(4,952.48)**
Cash flows from investing activities		
Acquisition of property, plant and equipment and intangibles	(3,791.69)	(2,255.17)
Acqusition of shares in subsidiaries net of acquisition date cash and cash equivalents	(9,330.36)	1,144.07
Acquisition of shares in equity accounted investees	(7,320.42)	-
Investment in preference shares	(22,000.00)	-
Dividend received on mutual fund units	166.26	-
Bank deposits (having original maturity of more than three months), net	(15,448.83)	150.41
Interest received on term deposits	892.27	63.42
Loan given to related parties, net of repayments	(692.11)	-
Interest received on loans given to related parties	11.80	-
Payment to erstwhile minority shareholders	(66.67)	(66.67)
Net cash used in investing activities (B)	**(57,579.75)**	**(963.94)**
Cash flows from financing activities		
Borrowings - vehicle loan taken	78.31	25.17
Borrowings - vehicle loan repaid	(29.99)	(16.23)
Current borrowings, net of repayments	11,704.24	8,741.58
Proceeds from issue of debentures, net of issue expenses	14,833.13	-
Proceeds from issue of equity shares, net of issue expenses	37,038.47	256.00
Proceeds from exercise of share options	83.76	-
Proceeds from term loan	10,724.94	2,049.20
Repayment of term loan	(314.72)	-
Proceeds/ (repayment) under finance leases, net	335.27	401.09
Proceeds from loans taken from related parties	35.19	209.23
Repayment of loans to related parties	(106.79)	(41.30)
Interest paid	(4,300.20)	(3,040.05)
Net cash provided by financing activities (C)	**70,081.61**	**8,584.69**
Net increase in cash and cash equivalents (A+B+C)	**19,862.23**	**2,668.27**
Cash and cash equivalents at the beginning of the year	10,278.56	7,602.77
Effect of exchange rate fluctuations on cash and cash equivalents	(47.82)	7.52
Cash and cash equivalents at the end of the year (refer note 13)	**30,092.97**	**10,278.56**

The notes referred to above form an integral part of the consolidated financial statements.

As per our report of even date attached
for **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No.: 116231 W/W-100024

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

Vineet Dhawan
Partner
Membership No. 092084

Place: Bengaluru
Date: 16 May 2017

Ajit Isaac
Chairman &
Managing Director & CEO
DIN: 00087168

Subrata Kumar Nag
Executive, Whole-time Dir
CFO
DIN: 02234000

Sudershan Pallap
Company Secretary
Membership No.: A14076

Place: Bengaluru
Date: 16 May 2017

Company overview and Significant accounting policies

1 Company overview

Quess Corp Limited (formerly known as IKYA HUMAN CAPITAL SOLUTIONS LIMITED) ("the Company") together with its subsidiaries, collectively referred to as the "Group", is a public limited company incorporated and domiciled in India. The registered office of the Company is located at Bengaluru, Karnataka, India. These consolidated Ind AS financial statements comprise 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 global technology solutions, people and services, integrated facility management and industrials segments.

The Company changed its name to Quess Corp Limited effective from 2 January 2015. The Company undertook an initial public offer of equity shares and subsequently got its shares listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) effective 12 July 2016.

With effect from 14 May 2013, Thomas Cook (India) Limited ("TCIL") has become the parent company and Fairfax Financial Holdings Limited ("FFHL") has become the ultimate holding company of the Company.

2 Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated Ind AS financial statements. 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.

2.1 Basis of accounting and preparation of consolidated Ind AS financial statements

Statement of compliance:

These consolidated Ind AS financial statements are prepared in accordance with Indian Accounting Standards ("Ind AS") and the provisions of the Companies Act, 2013 ("Act") and the relevant rules thereunder. The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The Group's consolidated financial statements up to and for the year ended 31 March 2016 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006 notified under Section 133 of the Act and other provisions of the Act ("Indian GAAP" or "Previous GAAP").

The Group has adopted all the relevant Ind AS standards and the first time adoption was carried out in accordance with Ind AS 101, First time adoption of Indian Accounting Standards. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 ("IGAAP"), which was the Previous GAAP and an explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Group is provided in Note 55.

The Group's consolidated Ind AS financial statements are approved for issue by the Company's Board of Directors on 16 May 2017.

These consolidated Ind AS 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 lakhs, otherwise stated.

2.2 Basis of measurement

The consolidated Ind AS financial statements have been prepared on a historical cost convention and on an accrual 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. Share based payment transactions measured at fair value;

iii. 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

iv. Contingent consideration in business combination measured at fair value

2.3 Use of estimates and judgement

The preparation of the consolidated Ind AS financial statements in conformity with Ind AS requires management to make judgements, 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.

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. In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated Ind AS financial statements is included in the following notes:

i. ***Contingent liabilities:*** Contingent liabilities are not recognised in the financial statements but are disclosed in the notes. They are assessed continually to determine whether an outflow of resources embodying economic benefits has become probable. If it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability, a provision is recognised in the financial statements of the period in which the change in probability occurs (except, in the extremely rare circumstances where no reliable estimate can be made).

ii. ***Income taxes:*** Significant judgements are involved in determining the provision for income taxes, including the amount expected to be paid or recovered in connection with uncertain tax positions.

iii. ***Recognition of deferred tax assets:*** Availability of future taxable profit against which tax losses carried forward can be used.

iv. ***Measurement of defined benefit obligations:*** Key actuarial assumptions used for actuarial valuation.

v. ***Impairment of financial assets:*** The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments.

vi. ***Property, plant and equipment:*** Useful life of asset.

vii. ***Investment in preference shares:*** Estimation of fair value of unlisted preference shares.

viii. ***Business combinations and intangible assets:*** Business combinations are accounted for using Ind AS 103, Business Combinations. 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.

ix. ***Other estimates:*** The preparation of financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses for the reporting period. Specifically, the Group estimates the probability of collection of accounts receivable by analyzing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

2.4 Measurement of fair values

Some of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:
- 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 (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

2.5 Basis of consolidation

a) Business combinations

As part of its transition to Ind AS, the Group has elected to apply the relevant Ind AS viz. Ind AS 103, Business Combinations, on the business combinations accounted on or after 1 April 2015. For the business combinations occurred on or after 1 April 2015, in accordance with Ind AS 103, the Group accounts for these business combinations using the acquisition method when control is transferred to the Group. The consideration transferred for the business combination is generally measured at fair value as at the date the control is acquired (acquisition date). Any goodwill that arises is tested annually for impairment. Transaction costs are expensed as incurred, except to the extent related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationship with the acquiree. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. Contingent consideration is re-measured at fair value at each reporting date and changes in the fair value of the contingent consideration are recognised in profit or loss.

If a business combination is achieved in stages, any previously held equity interest in the acquiree is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as the case may be.

b) Goodwill

Goodwill represents the cost of business acquisition in excess of the Group's interest in the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. When the net fair value of the identifiable assets, liabilities and contingent liabilities ("net assets") acquired exceeds the cost of business acquisition, the excess of net assets over cost of business acquisition is recognised immediately in capital reserve. Goodwill is measured at cost less accumulated impairment losses.

In respect of such business combinations that occurred prior to 1 April 2015, goodwill is included on the basis of its deemed cost, which represents the amount recorded under the Group's Previous GAAP or Indian GAAP.

c) Intangible assets

Intangible assets acquired in a business combination are measured at fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The amortisation of an intangible asset with a finite useful life reflects the manner in which the economic benefit is expected to be generated and is included in depreciation and amortisation expenses in the consolidated statements of profit and loss. The estimated useful life of amortisable intangibles are reviewed and where appropriate are adjusted, annually.

d) Subsidiaries

Subsidiaries are the entities controlled by the Group. The consolidated Ind AS financial statements comprise the financial statements of the Company and its subsidiaries as disclosed in note 45. Control exists when the parent has power over an investee, exposure or rights to variable returns from its involvement with the investee and the 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 the Group companies are consolidated on a line-by-line basis and intra-group balances and transactions including unrealized 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 interests (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 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.

e) 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.

2.6 Functional and presentation currency

Items included in the consolidated Ind AS financial statements of each of the Group subsidiaries are measured using the currency of the primary economic environment in which these entities operate (i.e. the "functional currency"). The financial statements are presented in Indian Rupees ("INR"), which is also the Group's functional currency.

2.7 Property, plant and equipment:

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment, if any.

Cost of an item of property, plant and equipment comprises its purchase price including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the items to its working condition for its intended use and estimated cost of dismantling and removing the item and restoring the site on which it is located. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management.

Subsequent expenditures relating to property, plant and equipment is capitalized 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. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognised in the statement of profit and loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2015, measured as per the Previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated on cost of the items of property, plant and equipment less their estimated residual values over their estimated useful lives using the Straight Line Method ('SLM'), and is recognised in the statement of profit and loss. Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives. The Management believes that the useful lives as given below best represent the period over which management expects to use these assets based on an internal assessment and technical evaluation where necessary. 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. Depreciation for assets purchased/ sold during the year is proportionately charged. The Group estimated the useful lives for items of property, plant and equipment as follows:

Asset category	Estimated useful life
Leasehold improvements	Lease term or estimated useful life, whichever is lower
Leasehold computer equipment	Lease term or estimated useful life, whichever is lower
Buildings	20 years
Plant and machinery	3 years
Computer equipment	3 years
Furniture and Fixtures	4 - 7 years
Office equipment	4 - 5 years
Vehicles	3 years
Computer (data server)	7 years

The assets residual values, useful lives and depreciation method are reviewed and adjusted if appropriate, at each financial year end. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/ (losses).

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in progress'.

2.8 Goodwill and other intangible assets

(i) Goodwill

For measurement of goodwill that arises on a business combination refer note 2.5. Subsequent measurement of goodwill that arises on business combination is at carrying cost less any accumulated impairment losses.

In respect of such business combinations that occurred prior to 1 April 2015, goodwill is included on the basis of its deemed cost, which represents the amount recorded under the Group's Previous GAAP.

(ii) Other intangible assets

Internally generated: Research and development

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the software so that it will be available for use
- Management intends to complete the software and use or sell it
- It can be demonstrated how the software will generate probable future economic benefits
- Adequate technical, financial and other resources to complete the development and to use or sell the software are available; and
- The expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalized as part of the software includes employee costs and an appropriate portion of relevant overheads. Capitalized development costs are recorded as intangible assets and amortised from the point at which the asset is available for use.

Others

Other intangible assets including those acquired by the Group in a business combination are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

(iii) Subsequent expenditure

Subsequent expenditure is capitalized 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 goodwill and brands, is recognised in profit and loss as and when incurred.

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its intangible assets recognised as at 1 April 2015, measured as per the Previous GAAP, and use that carrying value as the deemed cost of such intangible assets .

(iv) Amortisation

Goodwill is not amortised and is tested for impairment annually.

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method, and is included in depreciation and amortisation expenses in statement of profit and loss.

The estimated useful lives of intangibles are as follows:

Asset category	Estimated useful life
Software (leasehold)	Lease term or estimated useful life of, whichever is lower
Software (owned)	3 years
Copyright and trademarks	3 years

The asset residual value and useful life are reviewed and adjusted if appropriate at the end of each reporting period.

2.9 Impairment of intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment 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 CGU to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognised in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount.

The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

2.10 Leases

Leases of property, plant and equipment that transfer to the Group substantially all the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to similar owned assets.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are generally charged to profit or loss on a straight-line basis over the period of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Minimum lease payments made under finance leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

2.11 Inventories

Inventories (Raw materials and stores and spares) which comprise of food consumables, operating supplies and cleaning consumables are valued at the lower of cost and net realizable value. Cost of inventories comprises purchase price, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In determining the cost, weighted average cost method is used. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs to sell. The comparison of cost and net realizable value is made on an item-by-item basis.

Inventories are stated net of write down or allowances on account of obsolete, damaged or slow moving items. The Group assess the obsolescence of inventory on a quarterly basis.

2.12 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits associated with the transaction will flow to the entity and revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Group has concluded that it is the principal in all of its revenue arrangements since it is exposed to the significant risks and rewards associated with rendering of services.

When the outcome of the contract cannot be measured reliably, revenue is recognised only to the extent that expenses incurred are eligible to be recovered. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration.

When services are performed by an indeterminate number of acts over a specified period of time, revenue is recognised on a straight-line basis over the specified period unless there is evidence that some other method better represents the stage of completion.

Deferred revenue included in other current liabilities represents amounts billed in excess of revenue earned. Unbilled revenue represents revenue earned in excess of amounts billed.

a) People and services:

Revenue related to staffing services i.e. salary and incidental expenses of temporary associates along with the service charges are recognised in accordance with the agreed terms and recognised as the related services are performed.

Revenue related to recruitment services are recognised at the time the candidate begins full time employment.

Revenue related to executive research and trainings are recognised upon rendering of the service.

Revenue from training services is recognised prorated over the period of training.

b) Global technology solutions:

Revenue related to staffing services i.e. salary and incidental expenses of employees of Information Technology/ Information Technology Enabled Services along with the service charges are recognised in accordance with the agreed terms and recognised as the related services are performed.

c) Integrated facility management:

Revenue from Integrated facility management and food services are at a fixed rate and are recognised as per the terms of the arrangement with the customers.

d) Industrials:

Revenue from operation and maintenance services are primarily earned on a fixed rate basis and are recognised as per the terms of the arrangement with the customer. Certain arrangements are on time and material basis and are recognised as the services are performed as per the terms of the arrangement with the customer.

e) Software and solutions business:

Revenue from information technology primarily includes co-location, which includes the licensing of cabinet space and power, interconnection offerings; managed infrastructure services and application management services. Revenue is recognised ratably in accordance with the agreed terms of the contract with the customers.

2.13 Other income

Other income is comprised primarily of interest income, dividend income and exchange gain/ loss on translation of foreign currency assets and liabilities.

Interest income or expense is recognised using effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instruments to:

- the gross carrying amount of the financial assets; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit impaired) or to the amortised cost of the liability. However, for financial assets that have become credit impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

2.14 Foreign currency transactions and balances

Foreign currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the balance sheet date. Non-monetary assets and non-monetary 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 non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss and are generally recognised in profit and loss, except exchange differences arising from the translation of the following items which are recognised in OCI:

- equity investments at fair value through OCI (FVOCI)
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- qualifying cash flow hedges to the extent that the hedges are effective.

Foreign currency transactions are translated into the functional currency using the exchange rates in effect on the dates of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in 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 Company, 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 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.

2.15 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.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

b) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at
- amortised cost;
- Fair Value through other comprehensive income (FVOCI) - debt investment;
- Fair Value through other comprehensive income (FVOCI) - equity investment; or
- Fair value through profit and loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both the following conditions and is not designated as at FVTPL:
- 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 specified dates to cash flows that are solely payments of principal and interest on the principal amounts outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:
- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amounts outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI - equity investment). This election is made on an investment-to-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or 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 profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or 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 profit or loss.

c) Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 38 details how the Group determines whether there has been a significant increase in credit risk.

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 receivable. 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 entity reverts to recognizing impairment loss allowance based on 12 month ECL

d) **Derecognition of financial assets**

The Group derecognizes a financial asset when the
- contractual rights to the cash flows from the financial asset expires, or
- it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or
- Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

Where the Group 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 Group 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. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Financial liabilities

a) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit and loss (FVTPL) or amortised cost.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

b) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separate embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at FVTPL are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI. These gains/ losses are not subsequently transferred to statement of profit and loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Group has not designated any financial liability as at FVTPL.

Amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate ("EIR") method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified party fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability 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 recognised less cumulative amortisation.

c) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

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 them on a net basis or to realize the asset and settle the liability simultaneously.

2.16 Employee benefits

(a) Defined benefit plans

The Group's gratuity plan is a defined benefit plan. The present value of gratuity obligation under such defined benefit plans is determined based on actuarial valuations carried out by an independent actuary using the Projected Unit Credit Method. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations.

Actuarial gains or losses are recognised in other comprehensive income. Further, the profit or loss does not include an expected return on plan assets. Instead net interest recognised in profit or 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.

Remeasurement of the net defined benefit liability/ asset (excluding amounts included in net interest on the net defined benefit liability) are not reclassified to profit or loss in subsequent periods.

(b) Short-term benefit plans

Short term employee benefits are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g. short term cash bonus, if the Group has a present legal or constructive obligation to pay this amount as a result of past services provided by the employees, and the amount of obligation can be estimated reliably.

(c) Compensated absences

The employees of the Group are entitled to compensated absences. The employees can carry forward a portion of the unutilized accumulating compensated absences and utilize 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 measured on the basis of an independent actuarial valuation using the Projected Unit Credit Method as at the reporting date.

(d) Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Group makes specified monthly contributions towards employee provident fund to Government administered provident fund scheme which is a defined contribution plan. The Group's contribution is recognised as an expense in the statement of profit and loss during the period in which the employee renders the related service.

(e) Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognizes cost for restructuring. If the benefits are not expected to be settled wholly within 12 months of reporting date, then they are discounted.

2.17 Share based payments

Employees of the Group receive remuneration in the form of equity settled instruments of the Company, for rendering services over a defined vesting period. Equity instruments granted 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 to the share based payment reserve, a component of equity. 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.

2.18 Taxes

Income tax expense comprises current and deferred tax. It is recognised in the statement of profit and loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

Current 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 as on the balance sheet date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet 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 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 financial statements except for the cases mentioned below.

Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits or loss at the time of the transaction.
- temporary investments related to investment in subsidiaries , associates and joint arrangements to the extent that the Group is able to control the timing of reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary difference arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of history of recent losses, the Group recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profits will be available against which such deferred tax can be realized. 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 realized.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

2.19 Provisions (other than employee benefits)

A provision is recognised if, as a result of a past event, the Group has a present 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. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre -tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of discount is recognised as finance cost. Expected future operating losses are not provided for.

(i) Onerous contract

A contract is considered to be onerous when the expected economic benefit to be derived by the Group from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Group recognizes any impairment loss on the assets associated with the contract.

2.20 Contingent liability

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are disclosed in the financial statements if an inflow of economic benefits is probable.

2.21 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

2.22 Cash flow statement

Cash flows are reported using the indirect method, whereby profit/ loss 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.

2.23 Earnings per share

The basic earnings per share is computed by dividing the net profit/ (loss) attributable to owners of the Group for the year by the weighted average number of equity shares outstanding during reporting period.

The number of shares used in computing diluted earnings/ (loss) per share comprises the weighted average shares considered for deriving basic earnings/ (loss) per share and also the weighted average number of equity shares which could have been issued on the 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. In computing diluted earnings per share, only potential equity shares that are dilutive and which either reduces earnings per share or increase loss per share are included.

2.24 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. People and Services, Integrated Facility Management, Global Technology Solutions and Industrials.

2.25 Impairment

(a) Financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 38 details how the Group determines whether there has been a significant increase in credit risk.

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognitionof impairment loss. The Group follows ‘simplified approach’ for recognition of impairment loss allowance on tradereceivables. The application of simplified approach does not require the Group to track changes in credit risk, rather itrecognizes 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 entity reverts to recognizing impairment loss allowance based on 12-month ECL.

(b) Non-financial assets

Goodwill

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. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the Group's cash generating units (CGU) or groups of CGU's expected to benefit from the synergies arising from the business combination. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. Impairment occurs when the carrying amount of a CGU including the goodwill, exceeds the estimated recoverable amount of the CGU. The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. Value-in-use is the present value of future cash flows expected to be derived from the CGU.

Total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU. An impairment loss on goodwill is recognised in net profit in the statement of profit and loss and is not reversed in the subsequent period.

2.26 Contributed equity

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.27 New Recent accounting pronouncements

(a) Standards issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows', Ind AS 102, 'Share-based payment' and Ind AS 115, 'Revenue from contracts with customers'. These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows', IFRS 2, 'Share-based payment,' and IFRS 15,' Revenue from contracts with customer' respectively. The amendments are applicable to the company from 1 April 2017.

Amendment to Ind AS 7

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. This amendment is applicable to the group from 1 April 2017.

The Group is evaluating the requirements of the amendment and the effect on the consolidated Ind AS financial statements is being evaluated.

Amendment to Ind AS 102:

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.

It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Market-based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that include a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement.

The impact of the above stated amendment to Group is Nil as the same is not applicable to Group.

Ind AS 115 Revenue from Contracts with Customers

Ind AS 115, Revenue from Contracts with Customers was initially notified under the Companies (Indian Accounting Standards) Rules, 2015.

The standard applies to contracts with customers. The core principle of the new standard is that an entity should recognize revenue to depict transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, timing and uncertainty of revenues and cash flows arising from the entity's contracts with customers. The new standard offers a range of transition options. An entity can choose to apply the new standard to its historical transactions - and retrospectively adjust each comparative period. Alternatively, an entity can recognize the cumulative effect of applying the new standard at the date of initial application and make no adjustments to its comparative information. The chosen transition option can have a significant effect on revenue trends in the financial statements. A change in the timing of revenue recognition may require a corresponding change in the timing of recognition of related costs.

The standard has been currently deferred. The Group is currently evaluating the requirements of Ind AS 115, and has not yet determined the impact on the financial statements.

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Quess Corp Limited

Notes to the consolidated financial statements for the year ended 31 March 2017

3 Property, plant and equipment

(Amount in INR lakhs)

Particulars	**Buildings**	**Leasehold improvements**	**Furniture and fixtures**	**Vehicles**	**Office equipment**	**Plant and machinery**	**Computer equipment**	**Computer equipment - leased**	**Total Property, plant and equipment**	**Capital work-in-progress**	**Total Property, plant and equipment and capital work-in-progress**
Gross carrying amount											
Deemed cost as at 1 April 2015*	**-**	**132.52**	**233.86**	**18.48**	**408.48**	**297.61**	**367.60**	**-**	**1,458.55**	**-**	**1,458.55**
Additions through business combination	-	1,956.46	283.61	58.78	596.61	200.88	62.86	3,156.02	6,315.22	-	6,315.22
Additions during the year	-	100.22	135.39	34.22	322.97	108.92	501.70	530.31	1,733.73	-	1,733.73
Disposals for the year	-	138.55	27.21	19.28	17.16	29.97	6.09	-	238.26	-	238.26
Translation differences#	-	(13.85)	0.19	0.03	(12.70)	-	(30.55)	2.70	(54.18)	-	(54.18)
Balance as at 31 March 2016	**-**	**2,036.80**	**625.84**	**92.23**	**1,298.20**	**577.44**	**895.52**	**3,689.03**	**9,215.06**	**-**	**9,215.06**
Additions through business combination	-	-	1.51	-	7.28	-	12.74	-	21.53	150.92	172.45
Additions during the year	127.58	294.43	130.06	141.61	316.22	475.04	307.87	1,041.30	2,834.11	6.75	2,840.86
Disposals for the year	-	142.88	0.06	36.02	59.03	0.04	0.07	-	238.10	-	238.10
Capitalised during the year	-	-	-	-	-	-	-	-	-	(150.92)	(150.92)
Translation differences#	-	(18.74)	(3.19)	0.43	(13.10)	-	(30.10)	(49.83)	(114.53)	-	(114.53)
Balance as at 31 March 2017	**127.58**	**2,169.61**	**754.16**	**198.25**	**1,549.57**	**1,052.44**	**1,185.96**	**4,680.50**	**11,718.07**	**6.75**	**11,724.82**
Accumulated depreciation*											
Additions through business combination	-	1,303.92	279.61	43.95	498.15	115.04	36.06	1,512.56	3,789.29	-	3,789.29
Depreciation for the year	-	156.52	70.18	27.78	178.86	255.39	279.15	259.84	1,227.72	-	1,227.72
Accumulated depreciation on deletions	-	138.55	27.21	12.44	17.16	20.76	6.07	-	222.19	-	222.19
Translation differences#	-	(12.71)	0.20	0.03	(11.42)	-	4.13	(3.91)	(23.68)	-	(23.68)
Balance as at 31 March 2016	**-**	**1,309.18**	**322.78**	**59.32**	**648.43**	**349.67**	**313.27**	**1,768.49**	**4,771.14**	**-**	**4,771.14**
Additions through business combination	-	-	1.36	-	3.18	-	9.85	-	14.39	-	14.39
Depreciation for the year	0.56	233.03	89.31	39.58	235.04	221.99	360.07	984.33	2,163.91	-	2,163.91
Accumulated depreciation on deletions	-	128.21	0.03	36.02	58.45	0.04	0.01	-	222.76	-	222.76
Translation differences#	-	(8.91)	(0.45)	0.43	(8.58)	-	(27.86)	(0.05)	(45.42)	-	(45.42)
Balance as at 31 March 2017	**0.56**	**1,405.09**	**412.97**	**63.31**	**819.62**	**571.62**	**655.32**	**2,752.77**	**6,681.26**	**-**	**6,681.26**
Net carrying amount											
As at 31 March 2017	**127.02**	**764.52**	**341.19**	**134.94**	**729.95**	**480.82**	**530.64**	**1,927.73**	**5,036.81**	**6.75**	**5,043.56**
As at 31 March 2016	**-**	**727.62**	**303.06**	**32.91**	**649.77**	**227.77**	**582.25**	**1,920.54**	**4,443.92**	**-**	**4,443.92**
As at 1 April 2015	**-**	**132.52**	**233.86**	**18.48**	**408.48**	**297.61**	**367.60**	**-**	**1,458.55**	**-**	**1,458.55**

*Refer note 55(A)(iii)

#Represents translation of tangible assets of foreign operations into Indian Rupees.

There has been no impairment losses recognised during the year or previous year.

4 Goodwill

(Amount in INR lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Carrying value at the beginning of the year	**20,197.56**	**11,042.19**	**11,042.19**
Additions:			
Goodwill on Aravon Services Private Limited [refer note (a)]	-	72.97	-
Goodwill on MFXchange Holdings Inc. [refer note (b)]	-	8,979.90	-
Goodwill on Quess Corp Lanka (Private) Limited [refer note (c)]	99.08	-	-
Goodwill on Inticore VJP Advance Systems Private Limited [refer note (d)]	94.89	-	-
Goodwill on Comtel Solutions Pte Limited [refer note (e)]	18,106.14	-	-
Translation differences	(622.39)	102.50	-
Carrying value at the end of the year	**37,875.28**	**20,197.56**	**11,042.19**

Goodwill represents the excess of purchase consideration over net asset value of acquired subsidiaries on the date of such acquisition. Such goodwill is tested for impairment annually or more frequently, if there are indicators for impairment. An amount of Rs 37,875.28 lakhs (31 March 2016: Rs 20,197.56 lakhs) has been recognised as Goodwill as per the requirements of Ind AS 103, Business Combinations.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the cash generating units (CGU) or groups of CGU's, which benefit from the synergies of the acquisition. The chief operating decision maker reviews the goodwill for any impairment at the operating segment level, which is represented through groups of CGU's.

The goodwill on acquisition of entities has been allocated to operating segments as follows:

Entity acquired	Allocated operating segment
Aravon Services Private Limited	Integrated facility management
MFXchange Holdings Inc.	Global technology solutions
Quess Corp Lanka (Private) Limited	People and services
Inticore VJP Advance Systems Private Limited	Industrials
Comtel Solutions Pte Limited	Global technology solutions

The carrying value of goodwill, net of translation differences, as on 1 April 2015 is as follows:

(Amount in INR lakhs)

Entity acquired	Allocated operating segment	As at 1 April 2015
Avon Facility Management Services#	Integrated facility management	716.32
Magna Infotech#	Global technology solutions	6,520.33
Hofincons Infotech and Industrial Services#	Industrials	1,010.54
Coachieve Solutions Private Limited	People and services	58.10
Brainhunter Systems Limited	Global technology solutions	2,736.90
Total Carrying value as at 1 April 2015		**11,042.19**

Divisions of the parent entity, Quess Corp Limited

The recoverable amount of a cash generating unit is the higher of its fair value less costs of disposal and its value in use. For the purpose of impairment test, fair value of a CGU is determined based on the market capitalization and the value in use is determined based on specific calculations. The recoverable amount of all CGU's has been determined based on value in use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a five-year period and an average of the range of each of the assumptions are mentioned below:

Particulars	As of 31 March 2017	As of 31 March 2016	As of 1 April 2015
Discount rate*	12% - 15%	12% - 15%	12% - 15%
Terminal growth rate **	2% - 4%	2% - 4%	2% - 4%
Operating margins	5% - 15%	5% - 15%	5% - 15%

*These discount rate(s) are based on the Weighted Average Cost of Capital (WACC) of the Company. These estimates are likely to differ from future actual results of operations and cash flows.

** The cash flow projections include specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate has been determined based on management's estimates of the long-term compound annual EBITDA growth rate, consistent with the assumptions that a market participant would make.

As of 31 March 2017, the estimated recoverable amount of each of the CGU's exceeded its carrying amount, hence impairment is not triggered. The carrying amount of the CGU was computed by allocating the net assets to operating segments for the purpose of impairment testing.

(a) Acquisition of Aravon Services Private Limited

During the previous year, the Company has acquired 100% of equity interest in Aravon Services Private Limited ("ASPL"). The acquisition was effected through a Share Purchase Agreement ("SPA") dated 12 February 2015, among Quess Corp Limited and erstwhile shareholders (Aramark India Holdings LLC and Aramark Senior Notes Company) for a consideration of Rs 100. The date of acquisition determined was 1 April 2015 (end of business hours). ASPL is engaged in rendering integrated food and facility management service to corporate customers in India, predominantly in the areas of housekeeping services and guest house management services.

The fair value of net liabilities acquired on the acquisition date as a part of the transaction amounted to Rs 72.97 lakhs. The purchase consideration paid and the fair value of net liabilities acquired has been attributed to goodwill. Results from this acquisition and goodwill are grouped under integrated facility management segment.

The purchase price has been allocated based on the report of a valuer which is as follows:

(Amount in INR lakhs)

Particulars	Acquiree's carrying amount	Fair value adjustments	Purchase price allocated
Property, plant and equipment	202.23	-	202.23
Intangible assets	19.43	(19.43)	-
Net liabilities (excluding above)#	(1.13)	(425.25)	(426.38)
Deferred tax assets	-	151.18	151.18
Total			**(72.97)**
Purchase consideration paid*			(0.00)
Goodwill			**72.97**

 # A liability at a fair value of Rs 425.25 lakhs was recognised at the acquisition date arising from a claim from service tax department.

** Purchase consideration paid is Rs 100*

(b) Acquisition of MFXchange Holdings Inc.

On 3 November 2014, Quess Corp Limited, through its wholly owned subsidiary Quess Corp (USA) Inc. ("QCI") entered into a Share Purchase Agreement ("SPA") with Fairfax Financial Holdings Limited ("FFHL") to acquire MFXchange Holdings Inc. ("MFX"). As per the terms of the SPA, QCI acquired 49% of the common shares for USD 49 on 3 November 2014. Further, it was also agreed that Quesscorp Holdings Pte Ltd ("QHPL") (wholly owned subsidiary of Quess Corp Limited, would acquire remaining 51% of common shares for USD 51 by 1 January 2016 and to pay FFHL an additional consideration at 40% of the net income of MFX for each of the calendar years ending on 31 December 2015, 31 December 2016, 31 December 2017, 31 December 2018 and 31 December 2019 respectively ("Additional Consideration"). Based on the same, QHPL acquired remaining 51% of shares on 1 January 2016 and MFX became wholly owned subsidiary during the previous year.

MFX provides customized datacentre and infrastructure services including private cloud offerings across various industries. MFX also provides end-to-end commercial technology applications and business process outsourcing solutions to the property and casualty insurance industry.

The fair value of net liabilities acquired on the acquisition date as a part of the transaction amounted to Rs 6,089.60 lakhs. The purchase consideration paid and the fair value of net liabilities acquired has been attributed to goodwill aggregating to Rs 8,979.90 lakhs. Results from this acquisition and goodwill are grouped under Global technology solutions segment.

The fair value of purchase consideration of Rs 2,890.30 lakhs comprised upfront cash consideration of Rs 0.03 lakhs and contingent consideration of Rs 2,890.27 lakhs. The details are as follows:

(Amount in INR lakhs)

Nature of consideration and terms of payment	Amount	Fair Value
1. Upfront cash consideration	0.03	0.03
2. Contingent consideration; payable in five instalments on each calendar year ending 31 December 2015, 31 December 2016, 31 December 2017, 31 December 2018 and 31 December 2019	3,221.15	2,890.27
Total purchase consideration	**3,221.18**	**2,890.30**

Contingent consideration recognized on the acquisition date is determined based on management approved forecast of likely earn outs to be paid to the erstwhile owners of MFX. The fair value of the contingent consideration has been arrived by computing the present value of estimated cash outflows at a discount rate of 3.5% which approximates the prime lending rate at United States of America.

The purchase price has been allocated based on the report of a valuer which is as follows:

(Amount in INR lakhs)

Particulars	Acquiree's carrying amount	Fair value adjustments	Purchase price allocated
Property, plant and equipment	2,323.70	-	2,323.70
Intangible assets	200.90	-	200.90
Net liabilities (excluding above)	(8,614.20)	-	(8,614.20)
Total			**(6,089.60)**
Purchase consideration paid			2,890.30
Goodwill			**8,979.90**

(c) Acquisition of Quess Corp Lanka (Private) Limited

On 26 April 2016, Quess Corp Limited acquired 100% equity interest in Quess Corp Lanka (Private) Limited [formerly known as Randstad Lanka (Private) Limited] through its wholly owned subsidiary Quess Corp Holdings Pte Ltd for a consideration of Rs 387.16 lakhs. The business acquisition was effected by entering into a Share Purchase Agreement ("SPA") dated 14 October 2015 with Randstad India (Private) Limited. Accordingly, during the year Quess Corp Lanka (Private) Limited became the wholly owned subsidiary of Quess Corp Limited.

The fair value of net assets acquired on the acquisition date as a part of the transaction amounted to Rs 288.08 lakhs. The excess of purchase consideration over the fair value of net assets acquired has been attributed towards goodwill aggregating to Rs 99.08 lakhs. Results from this acquisition and goodwill are grouped under People and services segment.

The purchase price has been allocated based on the report of a valuer which is as follows:

(Amount in INR lakhs)

Particulars	Acquiree's carrying amount	Fair value adjustments	Purchase price allocated
Property, plant and equipment	2.93	-	2.93
Net assets (excluding above)	277.94	-	277.94
Deferred tax assets	7.21	-	7.21
Total			**288.08**
Purchase consideration paid			387.16
Goodwill			**99.08**

(d) Acquisition of Inticore VJP Advance Systems Private Limited

On 1 December 2016, Quess Corp Limited acquired 73.95% equity interest in Inticore VJP Advance Systems Private Limited ("IASPL") for a consideration of Rs 349.89 lakhs. The business combination was effected by entering into a Share Subscription Agreement ("SSA") dated 28 November 2016 with IASPL and promoters of IASPL. IASPL offers engineering solutions to clients including component design solutions, development engineering and sourcing management.

The fair value of net assets acquired on the acquisition date as a part of the transaction amounted to Rs 344.83 lakhs. The excess of purchase consideration over the fair value of net assets acquired has been attributed towards goodwill aggregating to Rs 94.89 lakhs. Results from this acquisition and goodwill are grouped under Industrials segment.

The purchase price has been allocated based on the report of a valuer which is as follows:

(Amount in INR lakhs)

Particulars	Acquiree's carrying amount	Fair value adjustments	Purchase price allocated
Property, plant and equipment	4.22	-	4.22
Net assets (excluding above)	338.56	-	338.56
Deferred tax assets	2.05	-	2.05
Total			**344.83**
Share of the Group at 73.95%			**255.00**
Purchase consideration paid			349.89
Goodwill			**94.89**

(e) Acquisition of Comtel Solutions Pte Limited

On 14 February 2017, Quess Corp Limited through its wholly owned subsidiary Quesscorp Holdings Pte Ltd ("QHPL") acquired 100% equity interest in Comtel Solutions Pte Limited ("CSPL") for a consideration of Rs 25,094.49 lakhs. The business combination was effected by entering into a Share Purchase Agreement ("SPA") dated 14 February 2017 with promoter-shareholder of CSPL Mr. Gopal Vasudev ("GV") whereby the parties agreed that QHPL would purchase, and GV would sell, 100% shareholding in Comtel in four tranches. CSPL is one of Singapore's independent staffing companies with services offered across staffing solutions, managed services solutions, and recruitment and search services.

As CSPL acquisition has been completed towards end of the financial year, the management has decided to avail the one year measurement period available as per Ind AS 103 for completing the purchase price allocation exercise. Accordingly, for the year ended 31 March 2017, the group has provisionally allocated the purchase consideration.

The fair value of net assets acquired on the acquisition date as a part of the transaction amounted to Rs 6,988.35 lakhs. The excess of purchase consideration over the fair value of net assets acquired has been attributed towards goodwill aggregating to Rs 18,106.14 lakhs.

The fair value of purchase consideration is Rs 25,094.49 lakhs. The details are as follows:

(Amount in INR lakhs)

Nature of consideration and terms of payment	Amount	Fair Value
1. Upfront cash consideration [refer note (i) below]	12,657.01	12,657.01
2. Additional consideration [refer note (i) below]	1,169.08	1,169.08
3. Financial liability [refer note (ii) below]	4,459.48	4,235.83
4. Financial liability towards put option [refer note (iii) below]	8,066.85	7,032.57
Total purchase consideration	**26,352.42**	**25,094.49**

(i) As per the SPA, QHPL has acquired 64% equity shares of Comtel by paying an upfront cash consideration of SGD 268.49 lakhs and an additional consideration of SGD 24.80 lakhs. The additional consideration has been computed as per the predefined calculation based on the EBIDTA of CSPL for the financial year ending 31 March 2017 and will be paid on or before 30 June 2017 to GV.

(ii) As per the SPA, GV is committed to sell to QHPL equity shares of 22% (11% each of CSPL in March 2018 and March 2019 respectively). Accordingly, minimum agreed payout during these two tranches of equity share acquisition has been recorded as financial liability as on the date of SPA.

(iii) As per the SPA, QHPL has written a put option to acquire balance equity shares of 14% of CSPL during 1 April 2019 to 31 March 2022. QHPL has adopted anticipated acquisition method for accounting such put option. Under the anticipated acquisition method the interest subject to the put option is deemed to have been acquired at the date of acquisition.

The purchase price has been allocated based on Management's estimates of fair values as follows:

(Amount in INR lakhs)

Particulars	Acquiree's carrying amount	Fair value adjustments	Purchase price allocated
Net assets	6,988.35	-	6,988.35
Total			**6,988.35**
Purchase consideration paid			25,094.49
Goodwill			**18,106.14**

5 Other intangible assets and intangible assets under development

(Amount in INR lakhs)

Particulars	Other intangible assets					Intangible assets under development (refer note 5.2)
	Goodwill (refer note 5.1)	Computer software	Computer software - leased	Copyright and trademarks (refer note 5.1)	Total	
Deemed cost as at 1 April 2015*	**-**	**283.67**	**-**	**-**	**283.67**	**-**
Additions through business combination	-	424.65	204.34	-	628.99	-
Additions during the year	-	301.96	-	-	301.96	239.07
Translation differences#	-	0.36	0.18	-	0.54	-
Balance as at 31 March 2016	**-**	**1,010.64**	**204.52**	**-**	**1,215.16**	**239.07**
Additions during the year	45.20	381.84	268.17	4.80	700.01	532.61
Disposals for the year	-	4.75	-	-	4.75	-
Translation differences#	-	(1.62)	(7.14)	-	(8.76)	-
Balance as at 31 March 2017	**45.20**	**1,386.11**	**465.55**	**4.80**	**1,901.66**	**771.68**
Accumulated amortisation*						
Additions through business combination	-	375.21	52.88	-	428.09	-
Amortisation for the year	-	193.96	17.33	-	211.29	-
Translation differences#	-	0.18	(0.24)	-	(0.06)	-
Balance as at 31 March 2016	**-**	**569.35**	**69.97**	**-**	**639.32**	**-**
Amortisation for the year	-	336.00	143.49	0.80	480.29	-
Accumulated amortisation on deletions	-	4.75	-	-	4.75	-
Translation differences#	-	-	(3.58)	-	(3.58)	-
Balance as at 31 March 2017	**-**	**900.60**	**209.88**	**0.80**	**1,111.28**	**-**
Net carrying amount						
As at 31 March 2017	**45.20**	**485.51**	**255.67**	**4.00**	**790.38**	**771.68**
As at 31 March 2016	**-**	**441.29**	**134.55**	**-**	**575.84**	**239.07**
As at 1 April 2015	**-**	**283.67**	**-**	**-**	**283.67**	**-**

*Refer note 55(A)(iii)

#Represents translation of intangible assets of foreign operations into Indian Rupees.

There has been no impairment losses recognised during the year or previous year.

5.1 During the year, the Group has entered into an Asset Transfer Agreement with CAARPUS Technology Services Limited ("Transferor") and its founder Mr. L Bharani Raj dated 30 September 2016 and has purchased the business asset (copyright and trademarks for using E-catalogue software and other intangibles). The transferor is engaged in the business of providing technology based solutions for material management, coding, catalogue, inventory management, etc. The total consideration paid is Rs 50.00 lakhs.

In accordance with Ind AS 103, the consideration paid requires to be allocated across identifiable assets acquired, at their respective fair values. Accordingly, the Company has recognised intangible assets aggregating to Rs 4.80 lakhs and remaining amount aggregating to Rs 45.20 lakhs is accounted as goodwill.

5.2 The Group has entered into an agreement with MFX Infotech Private Limited for development of its payroll management system and other applications. The contract is entered on a time and material basis at cost plus agreed markup. The estimated cost for these software development is Rs 1,048.67 lakhs out of which cost incurred by MFX Infotech Private Limited is Rs 711.37 lakhs. Since, the transaction is within the Group companies, for the purpose of consolidated Ind AS financial statements, inter-company markup has been eliminated from the profit recognised in the books of MFX Infotech Private Limited and corresponding reduction has been made in the carrying amount of the intangible assets under development in the books of the Group.

6 Non-current investments

(Amount in INR lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Unquoted - Trade			
Investments carried at fair value through other comprehensive income			
Investments in equity, preference and other instruments (refer note A below)	22,365.50	365.50	-
Investments in equity accounted investees (refer note A below)	7,398.32	-	-
	29,763.82	**365.50**	**-**

(Amount in INR lakhs)

A Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Unquoted - Trade			
Investments carried at fair value through other comprehensive income			
Investments in equity instruments			
200,000 (31 March 2016: 200,000) fully paid up equity shares of par value of Rs 10 each of KMG Infotech Limited (refer note 6.1)	165.50	165.50	-
Investments in preference shares			
4,036,697 (31 March 2016: Nil) fully paid up compulsorily convertible preference shares having face value of Rs 10 each at a premium of Rs 535 each of Manipal Integrated Services Private Limited (refer note 6.2)	22,000.00	-	-
Other non-current investments			
Investment in Styracorp Management Services (refer note 6.3)	132.24	132.24	-
Investment in IME Consultancy (refer note 6.3)	67.76	67.76	-
	22,365.50	**365.50**	**-**
Investments in equity accounted investees			
Investments in associates			
Investments in equity instruments			
245,000 (31 March 2016: Nil) fully paid up equity shares of par value of Rs 10 each at a premium of Rs 2,929 each of Terrier Security Services (India) Private Ltd (refer note 6.4)*	7,291.33	-	-
4,068 (31 March 2016: Nil) fully paid up equity shares of par value of Rs 10 each at a premium of Rs 2,768 each of Simpliance Technologies Private Limited (refer note 6.5 and 6.7)	105.56	-	-
Investments in joint venture			
49,000 (31 March 2016: Nil) fully paid up equity shares of par value of 1 RM each of Himmer Industrial Services (M) SDN BHD (refer note 6.6 and 6.7)	1.43	-	-
Total investments in equity accounted investees	**7,398.32**	**-**	**-**
	29,763.82	**365.50**	**-**
Aggregate amount of unquoted investments	**29,763.82**	**365.50**	**-**
Aggregate amount of impairment in value of investments	**-**	**-**	**-**

* Investments include interest on corporate guarantee given to associate amounting to Rs 11 lakhs (31 March 2016: Nil)

6.1 Investments in KMG Infotech Ltd has been acquired through the acquisition of MFXchange Holdings Inc. during the previous year.

6.2 Quess Corp Limited has entered into definitive agreement with Manipal Integrated Services Private Limited ("MIS") dated 28 November 2016 to demerge the Facility Management Business and Catering Business (together means Identified Business) of MIS through the Scheme of Arrangement ("the Scheme") into the Group. The Board vide its meeting dated 28 November 2016 has approved the draft scheme of arrangement and filed the Scheme with BSE and NSE. The Group has received the approval from BSE and NSE dated 23 March 2017 and 27 March 2017 respectively and has further filed it with National Company Law Tribunal ("NCLT"), subsequent to the balance sheet date. In pursuance of the Scheme, Group has invested Rs 22,000.00 lakhs by subscribing to Compulsorily Convertible Preference Shares of MIS as part of the purchase consideration. The Scheme requires the Group to account for the acquisition, on and from 1 December 2016, i.e. appointed date. In accordance with Indian Accounting Standard 103, Business combinations, ("Ind AS 103"), the accounting for the acquisition has to be done on and from the acquisition date. As per paragraph 9 of Ind AS 103, the acquisition date is the date on which the acquirer obtains control of the acquiree and is generally the date on which the acquirer legally transfers the consideration, acquires the assets and assumes the liabilities of the acquiree the closing date. The appointed date (1 December 2016) as per the Scheme is not the same as the acquisition date, as defined under Ind AS 103. The accounting from the appointed date as mentioned in the Scheme is subject to regulatory approval.

6.3 Styra Corp Management Services (“Styra”) and IME Consultancy (“IME”) are sole proprietorship establishments incorporated in Dubai, United Arab Emirates. Both these entities are registered in the name of Mr. Ajit Isaac and Mr. Mohamed Mazarooki has been appointed as local service agent. The Group, based on a legal advice received from an external lawyer of Dubai, has not consolidated these entities as the Management believe that these entities will continue to operate as sole establishments under the registered ownership of and professional licenses held by Mr. Ajit Isaac, in accordance with applicable laws of United Arab Emirates. The Group only holds the beneficial rights, title and interests and benefits derived therefrom assets and business of such entities, and does not directly or indirectly hold any voting power in these entities.

6.4 The Group has entered into Share Purchase Agreement ("SPA") with Terrier Security Services (India) 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. The Group has currently acquired 49% stake on 9 December 2016 for a consideration of Rs 7,200 lakhs and accordingly Terrier has become an associate of the Group.

The following table summarizes the financial information of Terrier as included in its own financial statements. The table also reconciles the summarized financial information to the carrying amount of the Group's interest in Terrier.

(Amount in INR lakhs)

Particulars	**As at 31 March 2017**	**As at 31 March 2016**	**As at 1 April 2015**
Percentage ownership interest	**49.00%**	-	-
Non-current assets	1,260.55	-	-
Current assets	8,141.84	-	-
Non-current liabilities	(79.03)	-	-
Current liabilities	(6,813.81)	-	-
Net assets before corporate guarantee adjustment	**2,509.55**	**-**	**-**
Less: Corporate guarantee issued by Quess Corp Limited	(11.00)	-	-
Net assets	**2,498.55**	**-**	**-**
Group's share of net assets	1,224.29	-	-
Goodwill	6,056.04	-	-
Carrying amount of interest in associates	**7,280.33**	-	-
Add: Corporate guarantee issued by Quess Corp Limited	11.00	-	-
Value of investment	**7,291.33**	-	-

(Amount in INR lakhs)

Particulars	**For the period from 9 December 2016 to 31 March 2017**
Revenue	10,440.16
Profit after tax	52.84
Other comprehensive income	111.10
Total comprehensive income	163.94
Group's share of profit (49%)	**25.89**
Group's share of other comprehensive income (49%)	**54.44**
Group's share of total comprehensive income	**80.33**

6.5 The Group has entered into Share Subscription Agreement ("SSA") dated 19 October 2016 with Simpliance Technologies Private Limited ("Simpliance") and its shareholders to acquire equity stake upto 45% in Simpliance for a consideration of Rs 250 lakhs. The Group has currently acquired 27% equity stake for a consideration of Rs 113 lakhs and accordingly Simpliance has become an associate of the Group.

6.6 The Group has entered into an agreement with CPI Engineering Services SDN. BHD ("CPI") and incorporated Himmer Industrial Services (M) SDN. BHD ("Himmer") in which the group has 49% equity stake. Considering provisions of the agreement, the Group has classified investment in Himmer as joint venture as per Ind AS 111, Joint Arrangements.

6.7 The following table analyses the Group's interests in individually immaterial associate (refer note 6.5) and joint venture (refer note 6.6) in the carrying amount and share of profit and other comprehensive income.

Associate

(Amount in INR lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Group's share of net assets	8.36	-	-
Goodwill	97.20	-	-
Carrying amount of interests in associate	**105.56**	**-**	**-**
Share in loss	7.44	-	-
Share in other comprehensive income	-	-	-
Share in total comprehensive income	**7.44**	**-**	**-**

Joint venture

(Amount in INR lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Group's share of net assets	1.43	-	-
Goodwill	-	-	-
Carrying amount of interests in joint venture	**1.43**	**-**	**-**
Share in loss	5.99	-	-
Share in other comprehensive income	-	-	-
Share in total comprehensive income	**5.99**	**-**	**-**

7 Non-current loans

(Amount in INR lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Unsecured, considered good			
Security deposits	1,433.41	408.90	394.58
	1,433.41	**408.90**	**394.58**

8 Other non-current financial assets

(Amount in INR lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Bank deposits (due to mature after 12 months from the reporting date)	131.13	217.40	43.30
	131.13	**217.40**	**43.30**

9 Taxes

A Amount recognised in profit or loss

(Amount in INR lakhs)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Current tax:		
In respect of the current period	(3,720.74)	(6,245.80)
Excess provision related to prior years (refer note (i) below)	-	645.64
Deferred tax:		
Attributable to:		
Origination and reversal of temporary differences	(1,455.11)	2,242.96
Increase/ reduction of tax rate	-	5.07
Income tax expense reported in the Statement of Profit and Loss	**(5,175.85)**	**(3,352.13)**

(i) During the previous year ended 31 March 2016, the Group has performed the reconciliations of tax provision created as per books of accounts with the income tax provision filed in its return of income for the completed assessment years and written back additional provision aggregating to Rs 645.64 lakhs.

B Income tax recognised in other comprehensive income

(Amount in INR lakhs)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Remeasurement of the net defined benefit liability/ asset		
Before tax	(340.47)	632.19
Tax (expense)/ benefit	106.72	(225.38)
Net of tax	**(233.75)**	**406.81**

C Reconciliation of effective tax rate

(Amount in INR lakhs)

Particulars	For the year ended			
	31 March 2017		31 March 2016	
Profit before tax		16,520.29		11,470.13
Tax using the Company's domestic tax rate	34.61%	5,717.34	34.61%	3,969.58
Effect of:				
Tax exempt income	(1.21)% - (1.88)%	(160.10)	0.00% - (0.73)%	7.38
Non-deductible expenses	(35.00)% - 47.86%	280.52	(39.60)% - 2.89%	125.65
Unrecognised tax losses	(5.97)% - 33.06%	(289.54)	(39.60)% - 33.06%	(217.92)
Deferred tax credit for earlier periods	(5.99)% - (42.00)%	(226.17)	-	-
Difference in enacted tax rate	(18.15)% - 0.39%	(146.20)	(8.61)% - 4.99%	113.08
Effective tax rate	**31.33%**	**5,175.85**	**34.85%**	**3,997.77**
Less: Excess provision related to prior years	-	-	5.63%	645.64
Income tax expense reported in the statement of profit and loss	**31.33%**	**5,175.85**	**29.22%**	**3,352.13**

D The following tables provides the details of income tax assets and income tax liabilities as of 31 March 2017, 31 March 2016 and 1 April 2015

Non-current tax assets (net)

(Amount in INR lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Income tax assets	27,847.46	19,852.66	13,569.81
Income tax liabilities	(16,067.31)	(12,543.19)	(6,338.38)
Net income tax assets at the end of the year	**11,780.15**	**7,309.47**	**7,231.43**

Current tax liabilities (net)*

(Amount in INR lakhs)

Particulars	31 March 2017	31 March 2016	1 April 2015
Income tax assets	-	-	-
Income tax liabilities	823.72	-	-
Net income tax liabilities at the end of the year	**823.72**	**-**	**-**

*For current tax liabilities above, there is no legally enforceable right to set off against the non-current tax assets and accordingly disclosed separately.

E Deferred tax assets, net

(Amount in INR lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Deferred tax asset and liabilities are attributable to the following:			
Deferred tax assets:			
Impairment loss allowance on financial assets	1,189.46	1,130.41	641.49
Provision on employee benefits	1,186.58	826.60	374.86
Provision for disputed claims	72.63	78.31	76.91
Provision for rent escalation	18.60	16.60	6.74
Others	564.87	1,929.83	29.77
Excess of depreciation provided for in the books over the depreciation allowed under the Income tax laws	1,767.44	2,156.97	2,835.12
Net deferred tax assets	**4,799.58**	**6,138.72**	**3,964.89**

The movement of deferred tax aggregating to Rs 1,348.39 lakhs (excluding additions through business combination) for the year ended 31 March 2017 (31 March 2016: Rs. 2,022.65 lakhs) comprises of Rs (1,455.11) lakhs (31 March 2016: Rs 2,248.03 lakhs) charged to profit and loss account and Rs 106.72 lakhs (31 March 2016: Rs (225.38) lakhs) charged to other comprehensive income.

F Recognised deferred tax assets and liabilities

Movement of deferred tax assets / liabilities presented in the balance sheet

(Amount in INR lakhs)

For the year ended 31 March 2017	Opening balance	Additions through business combinations	Recognized in profit or loss	Recognized in OCI	Closing balance
Deferred tax assets on:					
Impairment loss allowance on financial assets	1,130.42	-	59.04	-	1,189.46
Provision for employee benefits	826.60	-	253.27	106.72	1,186.58
Provision for disputed claims	78.31	-	(5.68)	-	72.63
Provision for rent escalation	16.60	-	2.00	-	18.60
Others	1,929.82	9.25	(1,374.20)	-	564.87
Excess of depreciation provided for in the books over the depreciation allowed under the Income tax laws	2,156.97	-	(389.53)	-	1,767.44
Net deferred tax assets	**6,138.72**	**9.25**	**(1,455.11)**	**106.72**	**4,799.58**

(Amount in INR lakhs)

For the year ended 31 March 2016	Opening balance	Additions through business combinations	Recognized in profit or loss	Recognized in OCI	Closing balance
Deferred tax assets on:					
Impairment loss allowance on financial assets	641.49	-	488.93	-	1,130.42
Provision for employee benefits	374.86	-	677.12	(225.38)	826.60
Provision for disputed claims	76.91	-	1.40	-	78.31
Provision for rent escalation	6.74	-	9.86	-	16.60
Others	29.77	151.18	1,748.87	-	1,929.82
Excess of depreciation provided for in the books over the depreciation allowed under the Income tax laws	2,835.12	-	(678.15)	-	2,156.97
Net deferred tax assets	**3,964.89**	**151.18**	**2,248.03**	**(225.38)**	**6,138.72**

G 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 lakhs)

As at 31 March 2017	Unabsorbed business losses
2018	311.01
2019	-
2020	0.32
2021	-
2022	-
Thereafter	9,560.80
	9,872.13

10 Other non-current assets

(Amount in INR lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Taxes paid under protest	186.12	46.49	79.50
Provident fund payments made under protest	107.22	107.22	107.22
Prepaid expenses	156.82	384.25	210.81
Capital advances	113.14	75.70	30.64
	563.30	**613.66**	**428.17**

11 Inventories

(Amount in INR lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Valued at lower of cost and net realizable value			
Raw material and consumables	147.45	107.09	43.90
Stores and spares	425.29	75.68	8.92
	572.74	**182.77**	**52.82**

12 Trade receivables

(Amount in INR lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Unsecured			
Considered good	45,179.75	41,216.95	24,136.15
Considered doubtful	3,191.00	2,950.55	2,166.46
	48,370.75	**44,167.50**	**26,302.61**
Loss allowance [refer note 38(i)]			
Unsecured considered good	(625.80)	(705.47)	(335.54)
Doubtful	(3,060.35)	(2,934.34)	(2,165.46)
	(3,686.15)	**(3,639.81)**	**(2,501.00)**
Net trade receivables	**44,684.60**	**40,527.69**	**23,801.61**

All trade receivables are current.

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

(Amount in INR lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Trade receivables from related parties	253.54	291.44	143.55
Less: Loss allowance	(130.13)	(86.17)	(4.00)
Net trade receivables	**123.41**	**205.27**	**139.55**

For terms and conditions of trade receivables owing from related parties refer note 45.

The Groups 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 lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Cash and cash equivalents			
Cash on hand	17.61	14.49	11.99
Cheques in hand	378.66	-	-
Balances with banks			
In current accounts	29,399.26	10,349.73	7,422.22
In deposit accounts (with original maturity of less than 3 months)	331.66	300.00	168.56
Cash and cash equivalents in balance sheet	**30,127.19**	**10,664.22**	**7,602.77**
Bank overdraft used for cash management purpose	(34.22)	(385.66)	-
Cash and cash equivalents in the statement of cash flow	**30,092.97**	**10,278.56**	**7,602.77**

14 Bank balances other than cash and cash equivalents

(Amount in INR lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
In deposit accounts (due to mature within 12 months from the reporting date)	15,833.46	271.08	579.72
	15,833.46	**271.08**	**579.72**

15 Current loans

(Amount in INR lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Unsecured, considered good			
Security deposits	815.48	917.42	584.79
Loans to employees	644.14	670.86	421.09
Loans to related parties (refer note 45)	842.70	150.59	-
	2,302.32	**1,738.87**	**1,005.88**

16 Other current financial assets

(Amount in INR lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Interest accrued but not due	259.86	23.77	16.73
	259.86	**23.77**	**16.73**

17 Unbilled revenue

(Amount in INR lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Unbilled revenue*	38,682.58	28,732.80	15,019.97
	38,682.58	**28,732.80**	**15,019.97**

*includes unbilled revenue billable to related parties (refer note 45)

18 Other current assets

(Amount in INR lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Prepaid expenses	1,592.58	1,651.42	465.29
Advances to suppliers	477.09	436.18	92.08
Travel advances to employees	27.36	108.10	28.61
Balances with government authorities	458.92	135.72	37.69
Other advances	63.06	22.00	73.31
	2,619.01	**2,353.42**	**696.98**

19 Equity share capital

(Amount in INR lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Authorised			
200,000,000 (31 March 2016: 200,000,000) equity shares of par value of Rs 10 each*	20,000.00	20,000.00	11,310.46
	20,000.00	**20,000.00**	**11,310.46**
Issued, subscribed and paid-up			
126,790,961 (31 March 2016: 113,335,056) equity shares of par value of Rs 10 each, fully paid up	12,679.10	11,333.51	2,577.38
	12,679.10	**11,333.51**	**2,577.38**

* During the previous year ended 31 March 2016, the Company vide its Extraordinary General Meeting dated 10 August 2015 has increased its authorised share capital from Rs 11,310.46 lakhs divided into 113,104,631 equity shares of Rs 10 each to Rs 20,000.00 lakhs divided into 200,000,000 equity shares of Rs 10 each.

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

Particulars	As at 31 March 2017		As at 31 March 2016	
	Number of shares	Amount in Rs lakhs	Number of shares	Amount in Rs lakhs
Equity shares				
At the commencement of the year	1133,35,056	11,333.51	257,73,764	2,577.38
Shares issued on exercise of employee stock options (refer note 48)	8,37,608	83.76	-	-
Shares issued during the year (i)	126,18,297	1,261.83	-	-
Right issue (ii)	-	-	25,60,000	256.00
Bonus issue (iii)	-	-	850,01,292	8,500.13
At the end of the year	**1267,90,961**	**12,679.10**	**1133,35,056**	**11,333.51**

(i) During the year ended 31 March 2017, 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:

(Amount in INR lakhs)

Particulars	Objects of the issue as per the prospectus	Utilised upto 31 March 2017	Unutilised amount as on 31 March 2017
Repayment of debt availed by the Company	5,000.00	5,000.00	-
Meeting capital expenditure requirement of the Company and Subsidiary MFX US	7,171.70	1,636.01	5,535.69
Funding incremental working capital requirement of the Company	15,790.10	9,500.00	6,290.10
Acquisitions and strategic initiatives	8,000.00	8,000.00	-
General corporate purpose	1,076.67	1,076.67	-
Total	**37,038.47**	**25,212.68**	**11,825.79**

Unutilised amounts of the issue as at 31 March 2017 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 March 2017, the Company has incurred Rs 2,746.04 lakhs of IPO expenses and the remaining amount of Rs 215.49 lakhs is accrued and expected to be utilized by June 2017.

(ii) Right Issue

During the previous year ended 31 March 2016, the Company vide its Board meeting dated 6 November 2015, has offered 2,560,000 equity shares of Rs 10 each on right basis, in pursuance of the requirements of Section 62 of the Companies Act, 2013 read with the Companies (Share capital and Debentures) Rules, 2014 in the ratio of 0.099 equity shares for every equity share held in the Company as on date to the existing shareholders. Thomas Cook (India) Ltd had resolved not to subscribe to the right issue and has obtained the shareholders approval on 12 December 2015 and accordingly a resolution of renunciation was approved by Board of Directors of the Thomas Cook (India) Ltd vide circular resolution dated 18 December 2015 for renouncing 1,957,302 equity shares in favour of Net Resources Investments Private Limited. On 21 December 2015, Mr. Ajit Isaac renounced his rights of 461,516 shares in favour of Net Resources Investments Private Limited.

Accordingly, the Company in its Board meeting dated 22 December 2015 has approved the allotment of equity shares on right basis as follows:

Name of shareholder	Number of shares prior to right issue	Number of right shares issued	Number of shares post right issue
Thomas Cook (India) Ltd	197,05,874	-	197,05,874
Mr. Ajit Isaac	46,46,490	-	46,46,490
Net Resources Investments Private Limited	12,94,100	25,47,356	38,41,456
Ms. Amrita Nathani	38,525	3,827	42,352
Mr. Guruprasad Srinivasan	28,475	2,828	31,303
Mr. Venkatesan Jayaraman	20,100	1,997	22,097
Mr. Vijay Sivaram	20,100	1,996	22,096
Ms. Pratibha J	13,400	1,331	14,731
Mr. Jaison Jose	6,700	665	7,365
Total	**257,73,764**	**25,60,000**	**283,33,764**

(iii) Bonus issue

During the year ended 31 March 2016, the Company in pursuant of the requirements of Section 63(1) of the Companies Act, 2013 and after obtaining the consent of shareholders at the Extraordinary General Meeting held on 23 December 2015 and vide its Board meeting held on 5 January 2016 had passed a resolution to issue 3 fully paid up equity shares of Rs 10 each for every 1 fully paid up equity share of Rs 10 each to the existing shareholder whose name appears in the register of members as on 23 December 2015 by utilizing securities premium account. The bonus shares shall rank pari passu in all respects including dividend with the existing equity shares of the Company. The Company accordingly had issued the bonus shares as follows:

Name of shareholder	Number of shares	Number of bonus shares issued	Number of shares after bonus issue
Thomas Cook (India) Ltd	197,05,874	591,17,622	788,23,496
Mr. Ajit Isaac	46,46,490	139,39,470	185,85,960
Net Resources Investments Private Limited	38,41,456	115,24,368	153,65,824
Ms. Amrita Nathani	42,352	1,27,056	1,69,408
Mr. Guruprasad Srinivasan	31,303	93,909	1,25,212
Mr. Venkatesan Jayaraman	22,097	66,291	88,388
Mr. Vijay Sivaram	22,096	66,288	88,384
Ms. Pratibha J	14,731	44,193	58,924
Mr. Jaison Jose	7,365	22,095	29,460
Total	**283,33,764**	**850,01,292**	**1133,35,056**

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 Shares held by Holding Company

Particulars	As at 31 March 2017		As at 31 March 2016	
	Number of shares	Amount in Rs lakhs	Number of shares	Amount in Rs lakhs
Equity shares				
Equity shares of par value of Rs 10 each				
Thomas Cook (India) Limited	788,23,496	7,882.35	788,23,496	7,882.35
	788,23,496	**7,882.35**	**788,23,496**	**7,882.35**

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

Particulars	As at 31 March 2017		As at 31 March 2016	
	Number of shares	% held	Number of shares	% held
Equity shares				
Equity shares of par value Rs 10 each				
Thomas Cook (India) Limited	788,23,496	62.17%	788,23,496	69.55%
Ajit Isaac	185,85,960	14.66%	185,85,960	16.40%
Net Resources Investments Private Limited	153,65,824	12.12%	153,65,824	13.56%
	1127,75,280		**1127,75,280**	

19.5 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 balance sheet date. However, the Company has issued bonus shares in the previous financial year and equity shares have been issued under Employee Stock Option Plan for which only exercise price has been received in cash (refer note 48).

(Values in numbers)

Particulars	31 March 2017	31 March 2016	31 March 2015	31 December 2013	31 March 2013
Bonus shares issued	-	850,01,292	-	-	-
Shares issued on exercise of employee stock options	8,37,608	-	-	4,29,000	-

20 Other equity*

(Amount in INR lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Securities premium account (refer note 20.1)	40,205.60	4,083.16	12,583.29
Stock options outstanding account (refer note 20.2)	89.02	434.81	561.37
Foreign currency translation reserve	(345.44)	(11.53)	13.88
Debenture redemption reserve (refer note 20.3)	187.50	-	-
General reserve	126.56	126.56	-
Remeasurement of the net defined benefit liability/ asset	227.50	406.81	-
Retained earnings	30,447.55	19,288.94	11,170.94
	70,938.29	**24,328.76**	**24,329.47**

* For detailed movement of reserves refer 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 has made an Initial Public Offer (IPO) and issued 12,618,297 equity shares at a premium of Rs 307 per share. As per the requirement of Section 52 of the Companies Act, 2013 the Company has utilised the securities premium for the expenses incurred in connection with the Initial Public Offer (IPO) amounting to Rs 2,961.53 lakhs.

20.2 Stock options 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 Debenture redemption reserve

During the year, the Company has issued redeemable non-convertible debentures and has created a debenture redemption reserve as per the requirement of Companies Act, 2013.

21 Non-controlling interests

(Amount in INR lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Non-controlling interests (refer note 21.1 and 21.2)	88.20	-	-
	88.20	**-**	**-**

21.1 The following table summarizes the recognised amounts of assets acquired and liabilities assumed at the date of acquisition:

(Amount in INR lakhs)

Particulars	Inticore VJP Advance Systems Private Limited	Intra-group eliminations	Total
Percentage of non-controlling interest	**26.05%**		
Non-current assets	218.83	-	218.83
Current assets	230.52	-	230.52
Non-current liabilities	(32.78)	-	(32.78)
Current liabilities	(71.74)	-	(71.74)
Net assets	**344.83**	**-**	**344.83**
Net assets attributable to non-controlling interest	**89.83**	**-**	**89.83**

21.2 The following table summarizes the information relating to Inticore VJP Advance Systems Private Limited, one of the Group's subsidiaries that has material NCI, before any intra-group eliminations

(i) Summarized information of net assets

(Amount in INR lakhs)

Particulars	31 March 2017	31 March 2016	1 April 2015
Percentage of non-controlling interest	**26.05%**	-	-
Non-current assets	346.32	-	-
Current assets	272.92	-	-
Non-current liabilities	(71.10)	-	-
Current liabilities	(209.57)	-	-
Net assets	**338.57**	**-**	**-**
Net assets attributable to non-controlling interest	**88.20**	**-**	**-**

(ii) Summarized information of total comprehensive income

(Amount in INR lakhs)

Particulars	31 March 2017	31 March 2016	1 April 2015
Revenue	233.78	-	-
Profit	(6.26)	-	-
Other comprehensive income	-	-	-
Total comprehensive income	**(6.26)**	**-**	**-**
Profit allocated to non-controlling interest	(1.63)	-	-
Other comprehensive income allocated to non-controlling interest	-	-	-
Total comprehensive income allocated to non-controlling interest	**(1.63)**	**-**	**-**

22 Non-current borrowings*

(Amount in INR lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Secured			
Non-convertible debentures (refer note 22.2)	14,833.13	-	-
NSDC loan	-	-	300.00
Term loans from banks (refer note 22.1 and 22.3)	12,459.42	2,049.20	-
Finance lease obligations (refer note 46)	3,305.17	2,969.90	-
Unsecured			
Vehicle loans	73.19	24.88	15.94
Total borrowings	**30,670.91**	**5,043.98**	**315.94**
Less: Current maturities of long-term borrowings (refer note 27)	1,914.45	350.77	315.94
Less: Current maturities of finance lease obligations (refer note 27)	1,311.59	1,145.07	-
	27,444.87	**3,548.14**	**-**

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

22.1 Terms and repayment schedule

Terms and conditions of outstanding borrowings are as follows:

(Amount in INR lakhs)

Particulars	Currency	Coupon/ Interest rate	Year of maturity	Carrying amount as at 31 March 2017	Carrying amount as at 31 March 2016	Carrying amount as at 1 April 2015
Secured non-convertible debentures	INR	8.25%	2022	14,833.13	-	-
Secured term loan (refer note 22.3)	USD	LIBOR + Margin	2021	10,724.94	-	-
Secured loan (i)	CAD	CDOR + 2.5%	2019	1,620.08	2,049.20	-
Secured loan (ii)	INR	MCLR + 0.6%	2019	114.40	-	-
Finance lease obligations (iii)	USD	5% to 6.30%	2021	3,305.17	2,969.90	-
Vehicle loan	INR	14.28%	2018	15.65	24.88	-
Vehicle loan	INR	11.98%	2019	57.54	-	-
Secured NSDC loan	INR	6.00%	2016	-	-	300.00
Vehicle loan	INR	9.03%	2016	-	-	15.94
Total borrowings				**30,670.91**	**5,043.98**	**315.94**

(i) Secured by way of pledge of 7,300,000 shares of Brainhunter Systems Limited held by Quess Corp (USA) Inc. and corporate guarantee given by Quess Corp Limited and is repayable in 12 quarterly instalments, first instalment starting from 1 December 2016.

(ii) Secured by way of pari passu first charge on the current assets and movable fixed assets of Inticore VJP Advance Solutions Private Limited and is repayable in 33 monthly instalments, first instalment starting from 23 February 2017.

(iii) Secured by way of hypothecation of assets taken on lease and is repayable as per the repayment schedule over the period of lease.

22.2 Non-convertible debentures

During the year ended 31 March 2017, the Company in its Board of Director Meeting held on 28 November 2016 passed a resolution to issue 1,500 redeemable non-convertible debentures at a face value of Rs 10 lakh aggregating to Rs 15,000 lakhs. The issue was effected on 23 January 2017. The proceeds from debentures shall be utilised for Group'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.

The debentures carry a coupon rate of 8.25% p.a. payable annually and is to be redeemed after 5 years from the date of allotment without any redemption premium. These debentures are secured by way of first pari passu charge on all the movable and immovable assets of the Company.

(Amount in INR Lakhs)

Particulars	Amount
Proceeds from issue of non-convertible debentures (1,500 debentures of Rs 10 lakhs face value each)	15,000.00
Less: Transaction costs	172.28
Net proceeds	**14,827.72**
Add: Accrued transaction costs	5.41
Carrying amount of liability at 31 March 2017	**14,833.13**

22.3 Term loan

During the year ended 31 March 2017, the Group has taken term loan from Axis Bank Limited, Hong Kong amounting to USD 16,580,000. The loan carries interest rate of LIBOR+Margin payable half yearly. The repayment shall be half yearly starting after 12 months from the first utilisation date. The proceeds from the loan have been utilised for acquisition of Comtel Solutions Pte Ltd.

(Amount in INR Lakhs)

Particulars	Amount
Proceeds from term loan	10,985.40
Less: Transaction costs	154.74
Net proceeds	**10,830.66**
Add: Accrued transaction costs	8.68
Carrying amount of liability at 31 March 2017	**10,839.34**

23 Other non-current financial liabilities

(Amount in INR Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Contingent consideration (payable for acquisition of business) [refer note 45]	2,184.63	2,918.31	-
Non-controlling interests put option [refer note 4(e)]	6,923.98	-	-
Financial liability [refer note 4(e)]	4,170.42	-	-
Payable to erstwhile minority shareholders*	-	-	66.67
	13,279.03	**2,918.31**	**66.67**

*The Company vide its agreement dated 14 May 2013 acquired 100% shareholding of Avon Facility Management Services Limited at a total consideration of Rs 1,426.28 lakhs. Out of the total consideration, in accordance with Share Purchase Agreement, the Company has paid Rs 1,200.94 lakhs in May 2013 and has agreed to pay Rs 292.00 lakhs to certain shareholders over a period of 3 years.

24 Non-current provisions

(Amount in INR lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Provision for employee benefits			
Provision for gratuity (refer note 47)	1,482.52	625.39	613.95
Other provisions			
Provision for disputed claims (refer note 24.1)	711.81	758.41	226.27
Provision for rent escalation	60.29	34.03	10.92
	2,254.62	**1,417.83**	**851.14**

24.1 The disclosure requirement as per Ind AS 37 with respect to the movement of provisions is as follows:

Provision for disputed claims

(Amount in INR Lakhs)

Particulars	Amount
Balance as at 1 April 2015	**226.27**
Additions through business combination	532.14
Provision recognized/(reversed)	-
Provision utilized	-
Balance at the end of 31 March 2016	**758.41**
Provision recognized/(reversed)	(46.60)
Provision utilized	-
Balance at the end of 31 March 2017	**711.81**

Disputed claims

The Company has received a demand notice dated 12 June 2012 from Employee's Provident Fund ("EPF") Organization raising a demand of Rs 428.90 lakhs 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.

Service tax demands (including penalty and interest) pending with the Commissioner of Service Tax amounts to Rs 1,504.49 lakhs for the period October 2007 to March 2014. Against these disputed cases Aravon Services Private Limited had created provision of Rs 532.14 lakhs. While doing the purchase price allocation of Aravon Services Private Limited the Group has fair valued the remaining liability of Rs 972.35 lakhs at Rs 425.25 lakhs and included as provision for expenses. The balance Rs 547.10 lakhs has been recognised as contingent liability.

25 Current borrowings

(Amount in INR lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Loans from banks repayable on demand			
Secured			
Working capital loan (refer note 25.1)	24,500.00	8,400.00	5,300.00
Cash credit and overdraft facilities (refer note 25.2)	15,434.47	18,645.23	14,107.27
Bill discounting facility from bank (refer note 25.3)	2,540.15	3,692.38	2,288.76
Loan from related parties, unsecured			
From Fairfax (US), Inc. (refer note 25.4 and 45)	2,594.00	2,650.20	-
From Fairfax Financial Holdings Limited (refer note 25.5 and 45)	496.90	512.30	346.64
	45,565.52	**33,900.11**	**22,042.67**

25.1 The Group has taken working capital loan from banks having interest rate ranging from 6% to 9.95%. These facilities are repayable on demand and are secured primarily by way of pari passu first charge on the current assets of the Group with a carrying amount of Rs 106,433.09 lakhs (31 March 2016: Rs 73,006.81 lakhs) and additionally by way of pari passu first charge on the movable assets of the Group with a carrying amount of Rs 61,650.18 lakhs (31 March 2016: Rs 23,113.52 lakhs).

25.2 Cash credit from banks are secured primarily by way of exclusive charge on the current assets of the Group with a carrying amount of Rs 111,390.32 lakhs (31 March 2016: Rs 79,630.43 lakhs) and on the movable assets of the Group with a carrying amount of Rs 61,514.28 lakhs (31 March 2016: Rs 28,013.50 lakhs).

25.3 Credit availed on bills discounted from banks are secured primarily by way of pari passu first charge on the current assets of the Group with a carrying amount of Rs 105,482.42 lakhs (31 March 2016: Rs 71,730.86 lakhs) and additionally by way of pari passu first charge on the movable assets of the Group with a carrying amount of Rs 58,153.65 lakhs (31 March 2016: Rs 24,472.10 lakhs).

25.4 MFXchange US, Inc. had entered into an arrangement with Fairfax (US) Inc. to obtain a revolving credit facility upto Rs 3,312.75 lakhs (USD 5,000,000) which carries an interest rate of 3% - 5% per annum on incremental basis each year upto 3 November 2018.

25.5 This represents interest free unsecured loan taken by Brainhunter Systems Limited from Fairfax Financial Holdings Limited {Rs 496.90 lakhs (CAD 1,022,590) [31 March 2016: Rs 512.30 lakhs (CAD 1,000,000)]}. The loan is repayable on demand.

26 Trade payables

(Amount in INR lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Dues to micro, small and medium enterprises (refer note 51)	-	-	-
Trade payables to related parties (refer note 45)	1.30	15.24	21.94
Other trade payables	6,313.15	6,722.21	4,150.81
	6,314.45	**6,737.45**	**4,172.75**

All trade payables are current.

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

27 Other current financial liabilities

(Amount in INR lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Current maturities of long-term borrowings (refer note 22)	1,914.45	350.77	315.94
Current maturities of finance lease obligations (refer note 22)	1,311.59	1,145.07	-
Payable for acquisition of business			
Consideration payable (refer note 45)	1,507.92	-	-
Contingent consideration payable (refer note 45)	431.29	-	-
Interest accrued and not due	405.08	52.00	15.79
Financial guarantee liability	8.25	-	-
Capital creditors	50.60	17.73	-
Other payables			
Payable to erstwhile minority shareholders	-	66.67	66.67
Accrued salaries and benefits	21,703.51	18,547.12	8,772.30
Provision for bonus and incentive*	1,285.06	6,088.63	784.31
Uniform deposits	20.86	27.06	18.38
	28,638.61	**26,295.05**	**9,973.39**

*Balance as at 31 March 2016 includes provision for bonus for the financial year 2015-16 aggregating to Rs 4,536.37 lakhs computed based on the circular issued by Ministry of Law and Justice dated 31 December 2015 which requires Company to pay bonus at the specified revised threshold. The same has been paid during the year (refer note 41).

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

28 Current provisions

(Amount in INR lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Provision for employee benefits			
Provision for gratuity (refer note 47)	1,860.51	1,521.83	8.79
Provision for compensated absences	411.72	447.26	480.93
Other provisions			
Provision for warranty (refer note 28.1)	-	-	120.00
Provision for onerous contracts (refer note 28.1)	-	-	10.78
	2,272.23	**1,969.09**	**620.50**

28.1 The disclosure requirement as per Ind AS 37 with respect to the movement of provisions is as follows:

(Amount in INR lakhs)

Particulars	Warranty	Onerous contracts
Balance as at 1 April 2015	**120.00**	**10.78**
Provisions recognised /(reversed)	(120.00)	(10.78)
Provisions utilized	-	-
Balance as at 31 March 2016	-	-

Warranty

Warranty provision of Rs 120 lakhs was created for the projects to make good for any defects identified. During the previous year, the project on which warranty was provided was completed, hence reversed.

Onerous contract

Onerous contract provision is created for project where the estimated cost of the project will be more than the economic benefits derived by the Company. During the previous year, provision was reversed on completion of project.

29 Other current liabilities

(Amount in INR lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Balances payable to government authorities	9,439.31	7,396.04	3,365.52
Advance received from customers	3,128.23	1,458.90	1,179.81
Provision for expenses	4,049.39	2,243.23	775.14
Income received in advance	1,027.00	1,056.93	3,051.38
Book overdraft	-	-	608.50
Provision for rent escalation	57.26	15.64	8.92
	17,701.19	**12,170.74**	**8,989.27**

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

30 Revenue from operations

(Amount in INR lakhs)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Staffing and recruitment services	3,26,343.01	2,80,224.54
Facility management and food services	41,881.68	37,187.13
Training services	9,101.76	7,009.68
Operation and maintenance	13,182.64	11,378.30
Software sales and maintenance	25,226.86	7,701.77
	4,15,735.95	**3,43,501.42**

31 Other income

(Amount in INR lakhs)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Interest income under the effective interest method on:		
Deposits with banks	1,128.36	70.46
Interest income on present valuation of financial instruments	77.73	62.55
Interest on tax refunds	26.50	567.04
Profit on sale of property, plant and equipment and intangible assets, net	-	0.95
Dividend income on mutual fund units	166.26	-
Interest on loans given to related parties (refer note 45)	11.80	-
Liabilities no longer required written back	32.40	161.31
Bad debts recovered	0.57	14.18
Change in fair value of contingent consideration	44.69	-
Miscellaneous income	36.89	28.67
	1,525.20	**905.16**

32 Cost of material and stores and spare parts consumed

(Amount in INR lakhs)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Inventory at the beginning of the year	182.77	52.82
Add: Purchases for the year	5,077.74	4,943.99
Less: Inventory at the end of the year	572.74	182.77
Cost of material and stores and spare parts consumed	**4,687.77**	**4,814.04**

33 Employee benefit expenses

(Amount in INR lakhs)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Salaries and wages	3,27,939.93	2,79,253.21
Contribution to provident and other funds	23,454.24	17,766.78
Expenses related to defined benefit plans	1,028.05	2,386.47
Expenses related to compensated absences	138.81	143.33
Staff welfare expenses	1,789.82	1,142.27
	3,54,350.85	**3,00,692.06**

34 Finance costs

(Amount in INR lakhs)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Interest expense	4,349.49	2,834.65
Other borrowing costs	303.79	269.62
	4,653.28	**3,104.27**

35 Depreciation and amortisation expenses

(Amount in INR lakhs)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Depreciation of property, plant and equipment (refer note 3)	2,163.91	1,227.72
Amortisation of intangible assets (refer note 5)	480.29	211.29
	2,644.20	**1,439.01**

36 Other expenses

(Amount in INR lakhs)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Sub-contractor charges	7,149.44	3,237.68
Recruitment and training expenses	3,408.86	2,716.51
Rent (refer note 46)	3,689.59	2,858.22
Power and fuel	772.93	483.16
Repairs & maintenance		
- buildings	453.73	351.78
- plant and machinery	152.55	78.91
- others	5,076.85	1,577.86
Legal and professional fees (refer note 36.1)	1,723.51	1,393.40
Rates and taxes	230.77	250.52
Printing and stationery	543.67	559.16
Consumables	1,352.74	1,745.51
Travelling and conveyance	4,631.22	3,885.00
Communication expenses	1,774.64	1,023.23
Impairment loss allowance on financial assets, net [refer note 38(i)]	(85.25)	788.85
Deposits/advances written off	-	136.98
Equipment hire charges	1,018.22	793.99
Insurance	291.01	194.02
Database access charges	318.61	183.54
Bank charges	88.49	39.46
Bad debts written off	710.59	-
Business promotion and advertisement expenses	596.81	226.48
Loss on sale of property, plant and equipment and intangible assets, net	15.16	-
Foreign exchange loss, net	143.13	8.64
Expenditure on corporate social responsibility (refer note 36.2)	152.42	75.65
Miscellaneous expenses	207.53	278.52
	34,417.22	**22,887.07**

36.1 Payment to auditors (net of service tax; included in legal and professional fees)

(Amount in INR lakhs)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Statutory audit fees	83.50	71.00
Tax audit fees	6.50	7.00
Others	58.00	16.50
Reimbursement of expenses	5.69	5.75
	153.69	**100.25**

36.2 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 with respect to the Group are explained below:

(Amount in INR Lakhs)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
a) Gross amount required to be spent by the Company during the year	152.31	74.60
b) Amount spent during the year		
i) Construction or acquisition of any asset	10.30	-
ii) On purpose other than i) above	142.12	75.65

37 Financial instruments - fair value and risk management

Accounting classification and fair value

The following table shows the carrying amount and fair value of financial assets and financial liabilities:

Fair value hierarchy

The section explains the judgment and estimates made in determining the fair values of the financial instruments that are:

a) recognised and measured at fair value

b) measured at amortised cost and for which fair values are disclosed in the financial statements.

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 lakhs)

Particulars	Carrying amount	Fair value		
	31 March 2017	Level 1	Level 2	Level 3
Financial assets measured at amortised cost				
Loans	3,735.73	-	-	-
Trade receivables	44,684.60	-	-	-
Cash and cash equivalents including other bank balances	45,960.65	-	-	-
Other financial assets	390.99	-	-	-
Unbilled revenue	38,682.58	-	-	-
Financial assets measured at fair value				
Investment in preference shares	22,000.00	-	-	22,000.00
Other non-current investments	365.50	-	-	365.50
Total financial assets	**1,55,820.05**	**-**	**-**	**22,365.50**
Financial liabilities measured at amortised cost				
Non-convertible debentures	14,833.13	-	-	14,833.13
Finance lease obligations	3,305.17	-	3,179.90	-
Borrowings other than above	58,132.34	-	-	-
Trade payables	6,314.45	-	-	-
Other financial liabilities	24,981.27	-	-	-
Financial liabilities measured at fair value				
Contingent consideration	2,615.92	-	-	2,615.92
Financial liability towards put option	6,923.98	-	-	6,923.98
Financial liability	4,170.42	-	-	4,170.42
Total financial liabilities	**1,21,276.68**	**-**	**3,179.90**	**28,543.45**

(Amount in INR lakhs)

Particulars	Carrying amount	Fair value		
	31 March 2016	Level 1	Level 2	Level 3
Financial assets measured at amortised cost				
Loans	2,147.77	-	-	-
Trade receivables	40,527.69	-	-	-
Cash and cash equivalents including other bank balances	10,935.30	-	-	-
Other financial assets	241.17	-	-	-
Unbilled revenue	28,732.80	-	-	-
Financial assets measured at fair value				
Other non-current investments	365.50	-	-	365.50
Total financial assets	**82,950.23**	**-**	**-**	**365.50**
Financial liabilities measured at amortised cost				
Finance lease obligations	2,969.90	-	2,825.27	-
Borrowings other than above	34,864.00	-	-	-
Trade payables	6,737.45	-	-	-
Other financial liabilities	26,295.05	-	-	-
Financial liabilities measured at fair value				
Contingent consideration	2,918.31	-	-	2,918.31
Total financial liabilities	**73,784.71**	**-**	**2,825.27**	**2,918.31**

(Amount in INR lakhs)

Particulars	Carrying amount	Fair value		
	1 April 2015	Level 1	Level 2	Level 3
Financial assets measured at amortised cost				
Loans	1,400.46	-	-	-
Trade receivables	23,801.61	-	-	-
Cash and cash equivalents including other bank balances	8,182.49	-	-	-
Other financial assets	60.03	-	-	-
Unbilled revenue	15,019.97	-	-	-
Total financial assets	**48,464.56**	**-**	**-**	**-**
Financial liabilities measured at amortised cost				
NSDC Loan	300.00	-	-	300.00
Borrowings	21,742.67	-	-	-
Trade payables	4,172.75	-	-	-
Other financial liabilities	10,040.06	-	-	-
Total financial liabilities	**36,255.48**	**-**	**-**	**300.00**

Equity accounted investments are not appearing as financial asset in the table above being investment in associates and joint venture accounted under Ind AS 28, Investments in Associates and Joint Ventures under the equity method.

Fair value hierarchy

Level 1: This hierarchy includes financial instruments measured using quoted prices. This includes investment in equity, preference shares, mutual funds and 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 maximize 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. This is the case for investment in unquoted preference shares 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) Fair value of all these financial assets are measured at balance sheet date value, as most of them are settled within a short period and so their fair value are assumed to be almost equal to the balance sheet date value.

2) **Investment in preference shares and other non-current investments (unquoted):** The fair values of the unquoted investment have been estimated using a discounted cash flow model. The valuation requires management to make certain assumptions with respect to inputs used, including revenue, EBITDA and discount rate. The probabilities of the various estimates within the range can be reasonably assessed and are used in management’s estimate of fair value for these investments.

B Financial Liabilities:

1) **Non-Convertible debentures (quoted):** The fair values of the Company's interest-bearing debentures are determined by using DCF method using discount rate that reflects the issuer’s coupon rate as at the end of the reporting period. The debentures are issued during the year, therefore fair value of the debentures is almost equal to balance sheet date value.

2) **Borrowings:** It also includes cash credit and overdraft facilities, working capital loan and bill discounting facilities. These short-term borrowings are classified and subsequently measured in the financial statements at amortized 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) **National Skill Development Centre Loan:** This includes term loan from National Skill Development Centre of Rs.300 lakhs taken by the Company which is secured against hypothecation of project assets. The loan is taken at 6% p.a. simple interest. As the specific project for which the loan was sanctioned could not be implemented and the entire loan became due for repayment in 2015 and this has been classified under other current financial liabilities. Therefore, the fair value of the loan is equal to the balance sheet date value.

4) **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.

5) **Trade payables and other liabilities:** Fair values of trade and other 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 balance sheet values.

6) **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.

7) **Financial liability towards put option:** The fair value of financial liability towards put option has been determined by discounting estimated consideration payable on put option being exercised by the non-controlling interest shareholder. The probabilities of the various estimates within the range can be reasonably assessed and are used in the management's estimates of fair value of this put option.

8) **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 this put option.

Valuation inputs and relationships to fair value

The following tables show the valuation techniques used in measuring Level 3 fair values, as well as the significant unobservable inputs used (refer above notes for valuation technique adopted):

Financial instruments measured at fair value

(Amount in INR lakhs)

Particulars	Fair Value as at 31 March 2017	Significant unobservable inputs	Fair value as at 31 March 2017		Sensitivity
			Increase by 1%	Decrease by 1 %	
Investment in preference shares (unquoted)	22,000.00	Risk adjusted discount rate	21,772.80	22,213.16	Increase in discount rate by 1% would decrease the fair value by Rs 227.20 lakhs and decrease in discount rate by 1% would increase the fair value by Rs 213.16 lakhs.
		EBITDA projection	22,244.25	21,737.88	Increase in EBITDA projection by 1% would increase the fair value by Rs 244.25 lakhs and decrease in EBITDA projection by 1% would decrease the fair value by Rs 262.12 lakhs.
		Revenue projection	22,116.39	21,863.21	Increase in revenue projection by 1% would increase the fair value by Rs 116.39 lakhs and decrease in revenue projection by 1% would decrease the fair value by Rs 136.79 lakhs.
Other non-current investments (unquoted)	365.50	Risk adjusted discount rate	317.36	424.52	Increase in discount rate by 1% would decrease the fair value by Rs 48.14 lakhs and decrease in discount rate by 1% would increase the fair value by Rs 59.02 lakhs.
		EBITDA projection	371.13	359.87	Increase in EBITDA projection by 1% would increase the fair value by Rs 5.63 lakhs and decrease in EBITDA projection by 1% would decrease the fair value by Rs 5.63 lakhs.
		Revenue projection	371.78	358.55	Increase in revenue projection by 1% would increase the fair value by Rs 6.28 lakhs and decrease in revenue projection by 1% would decrease the fair value by Rs 6.94 lakhs.
Contingent consideration	2,615.92	Risk adjusted discount rate	2,557.07	2,676.86	Increase in discount rate by 1% would decrease the fair value by Rs 58.50 lakhs and decrease in discount rate by 1% would increase the fair value by Rs 60.94 lakhs.
		EBITDA projection	2,653.85	2,577.99	Increase in EBITDA projection by 1% would increase the fair value by Rs 37.93 lakhs and decrease in EBITDA projection by 1% would decrease the fair value by Rs 37.93 lakhs.
		Revenue projection	2,653.85	2,577.99	Increase in revenue projection by 1% would increase the fair value by Rs 37.93 lakhs and decrease in revenue projection by 1% would decrease the fair value by Rs 37.93 lakhs.
Financial liability towards put option	6,923.98	Risk adjusted discount rate	6,791.76	7,060.50	Increase in discount rate by 1% would decrease the fair value by Rs 132.22 lakhs and decrease in discount rate by 1% would increase the fair value by Rs 136.52 lakhs.
		Probability of payment of maximum consideration	6,971.57	6,876.39	Increase in probability of payment of maximum consideration by 1% would increase the fair value by Rs 47.59 lakhs and decrease in probability of payment of maximum consideration by 1% would decrease the fair value by Rs 47.59 lakhs.
Financial liability	4,170.42	Risk adjusted discount rate	4,110.16	4,232.25	Increase in discount rate by 1% would decrease the fair value by Rs 60.26 lakhs and decrease in discount rate by 1% would increase the fair value by Rs 61.83 lakhs.

Financial instruments measured at fair value

(Amount in INR lakhs)

Particulars	Fair Value as at 31 March 2016	Significant unobservable	Fair value as at 31 March 2016		Sensitivity
			Increase by 1%	Decrease by 1 %	
Other non-current investments (unquoted)	365.50	Risk adjusted discount rate	316.30	425.82	Increase in discount rate by 1% would decrease the fair value by Rs 49.20 lakhs and decrease in discount rate by 1% would increase the fair value by Rs 60.32 lakhs.
		EBITDA projection	371.25	359.75	Increase in EBITDA projection by 1% would increase the fair value by Rs 5.75 lakhs and decrease in EBITDA projection by 1% would decrease the fair value by Rs 5.75 lakhs.
		Revenue projection	371.75	359.25	Increase in revenue projection by 1% would increase the fair value by Rs 6.25 lakhs and decrease in revenue projection by 1% would decrease the fair value by Rs 6.25 lakhs.
Contingent consideration	2,918.31	Risk adjusted discount rate	2,832.70	3,007.91	Increase in discount rate by 1% would decrease the fair value by Rs 85.61 lakhs and decrease in discount rate by 1% would increase the fair value by Rs 89.60 lakhs.
		EBITDA projection	2,963.04	2,873.58	Increase in EBITDA projection by 1% would increase the fair value by Rs 44.73 lakhs and decrease in EBITDA projection by 1% would decrease the fair value by Rs 44.73 lakhs.
		Revenue projection	2,963.04	2,873.58	Increase in revenue projection by 1% would increase the fair value by Rs 44.73 lakhs and decrease in revenue projection by 1% would decrease the fair value by Rs 44.73 lakhs.

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 lakhs)

Particulars	Fair value through other comprehensive income		Fair value through profit and loss		
	Preference shares	Other non-current investments (unquoted)	Contingent consideration	Financial liability towards put option	Financial liability
Balance as at 1 April 2015	**-**	**-**	**-**	**-**	**-**
Assumed in a business combination	-	165.50	(2,918.31)	-	-
Purchases	-	200.00	-	-	-
Net change in fair value (unrealised)	-	-	-	-	-
Balance as at 31 March 2016	**-**	**365.50**	**(2,918.31)**	**-**	**-**
Assumed in a business combination	-	-	-	(6,923.98)	(4,170.42)
Purchases	22,000.00	-	-	-	-
Net change in fair value (unrealised)	-	-	302.39	-	-
Balance as at 31 March 2017	**22,000.00**	**365.50**	**(2,615.92)**	**(6,923.98)**	**(4,170.42)**

38 Financial risk management

The Group has exposure to the following risks arising from financial instruments:
▪ Credit risk;
▪ Liquidity risk; and
▪ Market risk

Risk management framework

The Board of Directors of Quess Corp Limited has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.
The Company's audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. 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.

The carrying amount of following financial assets represents the maximum credit exposure:

Trade receivables

The Group's exposure to credit risk is influenced mainly by its customer. 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 credit worthiness 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 limits its exposure to credit risk from trade receivables by establishing a maximum payment period of one to three months for customers. The Group does not have trade receivables for which no loss allowance is recognised because of collateral.

Expected credit loss assessment for corporate customers as at 1 April 2015, 31 March 2016 and 31 March 2017 are as follows:

The Group uses an allowance matrix to measure the expected credit loss of trade receivable from customers.
Based on industry practices and the business environment in which the entity operates, the management considers that trade receivables are in default (credit impaired) if the payments are more than 360 days past due. Loss rates are based on actual credit loss experience over the last six quarters.

These rates have been adjusted to reflect the management's view of economic conditions over the expected lives of the receivables.

The following table provides information about the exposure to credit risk and expected credit loss for trade receivables from customers:

As at 31 March 2017

(Amount in INR lakhs)

Particulars	Gross carrying amount	Expected credit loss rate	Expected credit losses	Whether receivable is credit impaired	Carrying amount of trade receivables
Not due	19,454.18	0.00% - 16.01%	78.54	No	19,375.64
Past due 1–90 days	21,605.51	0.00% - 46.54%	189.36	No	21,416.15
Past due 91–180 days	3,080.07	0.00% - 73.53%	188.00	No	2,892.07
Past due 181–270 days	1,057.65	0.00% - 88.61%	169.90	No	887.75
Past due 271–360 days	734.36	0.00% - 100%	621.37	No	112.99
Above 360 days	2,438.98	100.00%	2,438.98	Yes	-
	48,370.75		**3,686.15**		**44,684.60**

As at 31 March 2016

(Amount in INR lakhs)

Particulars	Gross carrying amount	Expected credit loss rate	Expected credit losses	Whether receivable is credit impaired	Carrying amount of trade receivables
Not due	20,093.37	0.00% - 16.01%	58.38	No	20,034.99
Past due 1–90 days	16,626.39	0.00% - 46.54%	209.59	No	16,416.80
Past due 91–180 days	2,919.62	0.00% - 73.53%	166.33	No	2,753.29
Past due 181–270 days	1,577.56	0.00% - 88.61%	271.17	No	1,306.39
Past due 271–360 days	470.43	0.00% - 100%	454.21	No	16.22
Above 360 days	2,480.13	100.00%	2,480.13	Yes	-
	44,167.50		**3,639.81**		**40,527.69**

As at 1 April 2015

(Amount in INR lakhs)

Particulars	Gross carrying amount	Expected credit loss rate	Expected credit losses	Whether receivable is credit impaired	Carrying amount of trade receivables
Not due	12,168.09	0.00% - 16.01%	28.54	No	12,139.55
Past due 1–90 days	9,751.25	0.00% - 46.54%	132.76	No	9,618.49
Past due 91–180 days	1,710.89	0.00% - 73.53%	97.71	No	1,613.18
Past due 181–270 days	505.93	0.00% - 88.61%	76.53	No	429.40
Past due 271–360 days	781.85	0.00% - 100%	780.86	No	0.99
Above 360 days	1,384.60	100.00%	1,384.60	Yes	-
	26,302.61		**2,501.00**		**23,801.61**

Movement in allowance for impairment in respect of trade receivables:
The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

(Amount in INR lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016
Balance as at the beginning of the year	**3,639.81**	**2,501.00**
Additions through business combination	131.59	349.96
Impairment loss allowances recognised/ (reversed)	(85.25)	788.85
Balance as at the end of the year	**3,686.15**	**3,639.81**

There is no significant movement in the impairment loss allowance during the year 2016-17.

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 deposit. 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 Company operates.

i) Financing arrangement

The Group maintains the following line of credit:

(i) The Group has taken working capital loan from banks having interest rate ranging from 6% to 9.95%. 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/equipments purchased /to be purchased under lease / hire purchase agreements) both present and future of the group.

(ii) The Group has taken cash credit and overdraft facilities having interest rate ranging from MCLR+0.35% to MCLR+2.10%, CDOR+2.25%. These facilities are repayable on demand and are secured primarily by way of pari passu first charge on the current assets of the Group on both present and future and collateral by way of pari passu first charge on the movable assets of the Group (excluding charge on vehicles/equipments purchased /to be purchased under lease agreements/ hire purchase agreements) both present and future of the Group.

(iii) The Group has taken bill discounting facilities from banks having interest rate of MCLR+1.30%, Base rate+1.75%. These facilities are repayable on demand and are secured primarily by way of pari passu first charge on the entire current and movable assets of the Group on both past and future excluding charge on vehicles/equipments purchased /to be purchased under lease agreements/ hire purchase agreements and assets created out of NSDC facility.

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2017, 31 March 2016 and 1 April 2015. The amounts are gross and undiscounted contractual cash flows and includes contractual interest payment and exclude netting arrangements:

As at 31 March 2017

(Amount in INR lakhs)

Particulars	Carrying amount	Contractual cash flows 0-1 years	1-2 years	2-5 years	5 years and above
Borrowings	76,270.65	50,679.38	6,071.82	27,002.88	-
Trade payables	6,314.45	6,314.45	-	-	-
Other financial liabilities	38,691.59	25,412.57	4,936.37	8,342.65	-

As at 31 March 2016

(Amount in INR lakhs)

Particulars	Carrying amount	Contractual cash flows 0-1 years	1-2 years	2-5 years	5 years and above
Borrowings	39,329.75	35,944.29	1,918.41	2,020.30	-
Trade payables	6,737.45	6,737.45	-	-	-
Other financial liabilities	27,717.52	24,799.21	733.69	2,184.63	-

As at 1 April 2015

(Amount in INR lakhs)

Particulars	Contractual cash flows				
	Carrying amount	0-1 years	1-2 years	2-5 years	5 years and above
Borrowings	22,358.60	22,358.60	-	-	-
Trade payables	4,172.75	4,172.75	-	-	-
Other financial liabilities	9,724.12	9,657.46	66.67	-	-

As disclosed in note 22 and note 25, the Group has a secured bank loan that contains a loan covenant. A future breach of covenant may require Group to repay the loan 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.

i) 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 2017		31 March 2016		1 April 2015	
		Foreign currency*	Amount in Rs lakhs	Foreign currency*	Amount in Rs lakhs	Foreign currency*	Amount in Rs lakhs
Trade receivables	USD	40,18,722	2,606.14	35,42,645	2,347.18	5,53,201	336.51
	EURO	16,798	11.64	22,819	17.20	-	-
	CAD	6,248	3.04	2,284	1.17	-	-
	SAR	96,695	16.72	-	-	-	-
Other liabilities	CAD	99,866	48.53	77,736	39.82	-	-
	USD	4,03,361	261.58	1,44,227	95.56	-	-

*Foreign currency values are in actuals and not recorded in lakhs.

The following significant exchange rates have been applied

Particulars	Year end spot rate		
	31 March 2017	31 March 2016	1 April 2015
USD/ INR	64.85	66.26	60.83
EUR/ INR	69.29	75.40	67.51
CAD/ INR	48.59	51.23	49.31
SAR/ INR	17.29	17.63	16.67

Sensitivity analysis

A reasonably possible strengthening/ (weakening) of the USD, EURO, SAR and CAD against INR at 31 March 2017 and 31 March 2016 would have affected the measurement of financial instruments denominated in foreign currency and affected equity and profit and loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

(Amount in INR lakhs)

Particulars	Profit and loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2017				
USD (2% movement)	46.89	(46.89)	32.20	(32.20)
EURO (8% movement)	0.93	(0.93)	0.64	(0.64)
CAD (5% movement)	(2.27)	2.27	(1.56)	1.56
SAR (2% movement)	0.33	(0.33)	0.23	(0.23)
31 March 2016				
USD (9% movement)	202.65	(202.65)	139.16	(139.16)
EURO (12% movement)	2.06	(2.06)	1.42	(1.42)
CAD (4% movement)	(1.55)	1.55	(1.06)	1.06
SAR (6% movement)	-	-	-	-

ii) **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's borrowing comprises of 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. However, non-convertible debenture has a fixed coupon rate but there is a condition of call/put option associated with change in interest rate exposing 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 Company's borrowing to interest rate changes at the end of the reporting period are as follows:

(Amount in INR lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Variable rate borrowings	57,562.26	35,822.67	21,696.02
Fixed rate borrowings	18,708.39	3,507.08	662.58
Total borrowings	**76,270.65**	**39,329.75**	**22,358.60**

(b) Sensitivity

(Amount in INR lakhs)

Particulars	Profit and loss		Equity, net of tax	
	1% Increase	1% decrease	1% Increase	1% decrease
31 March 2017				
Variable rate borrowings	(37.71)	37.71	(25.90)	25.90
31 March 2016				
Variable rate borrowings	(13.47)	13.47	(9.25)	9.25
1 April 2015				
Variable rate borrowings	(14.87)	14.87	(10.21)	10.21

39 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 maximize 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 borrowing, current borrowing, 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 2.50. The Group's adjusted net debt to equity ratio are as follows:

(Amount in INR lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Gross debt	73,010.39	37,448.25	22,042.67
Less: Cash and cash equivalents	30,127.19	10,664.22	7,602.77
Adjusted net debt	**42,883.20**	**26,784.03**	**14,439.90**
Total equity	83,705.59	35,662.28	26,906.87
Net debt to equity ratio	**0.51**	**0.75**	**0.54**

40 Capital commitments

(Amount in INR lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016
Estimated amount of contracts remaining to be executed on capital account and not provided for	590.67	32.59
	590.67	**32.59**

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

(Amount in INR lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016
Corporate guarantee given as security for loan availed by related party [refer note (i)]	2,200.00	-
Bonus [refer note (ii)]	3,258.77	3,258.77
Provident fund [see note (iii) and (iv) below]	257.33	257.33
Direct and Indirect tax matters [see note (iii) and (iv) below]	1,230.86	733.37
	6,946.96	**4,249.47**

(i) The Group has given guarantee to banks for the loans given to related party to make good any default made by the related party in payment to banks.
Movement of Corporate Guarantee given to related party during the year is as follows:

(Amount in INR lakhs)

Related party	As at 1 April 2016	Provided during the financial year	Settled /expired during the financial year	As at 31 March 2017
Terrier Security Services (India) Private Ltd	-	2,200.00	-	2,200.00
Total	**-**	**2,200.00**	**-**	**2,200.00**

(ii) 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 Rs 10,000 per month to Rs 21,000 per month [Section 2(13)] and the ceiling for computation of such salary or wages has been increased from Rs 3,500 per month to Rs 7,000 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. Based on the same, the Group has computed the bonus for the year ended 31 March 2016 and 31 March 2017 aggregating to Rs 4,536.37 lakhs and Rs Nil respectively.

For the period ended 31 March 2015, the Group has obtained a legal opinion from an external lawyer and 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 Group will be billed back to customers including service charges.

(iii) 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.

(iv) 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 financial statements. The Company does not expect outcome of these proceedings to have a material adverse effect on its financial position.

42 Earnings per share

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

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Nominal value of equity shares (Rs per share)	10	10
Net profit after tax for the purpose of earnings per share (Rs)	11,346.07	8,118.00
Weighted average number of shares used in computing basic earnings per share	1228,29,474	1132,15,610
Basic earnings per share (Rs)	**9.24**	**7.17**
Weighted average number of shares used in computing diluted earnings per share	1246,93,775	1154,21,839
Diluted earnings per share (Rs)	**9.10**	**7.03**

Computation of weighted average number of shares

(Amount in numbers)

Particulars	For the year ended	
	31 March 2017	**31 March 2016**
Number of equity shares outstanding at beginning of the year	**1133,35,056**	**257,73,764**
Number of equity shares outstanding at beginning of the previous year after right issue and bonus issue		
- Adjustment of opening number of shares prior to right issue from 1 April 2015 to 22 December 2015 (25,773,764*1.09*265/366)	-	203,95,438
- Adjustment of opening number of shares post right issue from 22 December 2015 to 31 March 2016 (25,773,764*101/366)	-	71,12,432
Add: Weighted average number of equity shares issued during the year		
- 12,618,297 number of equity shares issued on Initial Public Offer on 12 July 2016 for 263 days	90,92,088	-
- 795,398 number of equity shares issued under ESOP scheme on 4 October 2016 for 179 days	3,90,072	-
- 42,210 number of equity shares issued under ESOP scheme on 16 December 2016 for 106 days	12,258	-
- Right issue of 2,560,000 number of equity shares issued on 22 December 2015 for 101 days	-	7,06,448
- Bonus issue of 85,001,292 number of equity shares issued on 5 January 2016	-	850,01,292
Weighted average number of shares outstanding at the end of year for computing basic earnings per share	**1228,29,474**	**1132,15,610**
Add: Impact of potentially dilutive equity shares		
- 1,891,920 number of ESOP at fair value	18,64,301	-
- 2,729,428 number of ESOP including bonus at fair value	-	22,06,229
Weighted average number of shares outstanding at the end of year for computing diluted earnings per share	**1246,93,775**	**1154,21,839**

43 Earnings in foreign currency

(Amount in INR lakhs)

Particulars	For the year ended	
	31 March 2017	**31 March 2016**
Staffing and recruitment services	3,694.55	1,518.43
Operation and maintenance	557.78	1,270.75
Software and solution business	3,871.38	1,500.88
	8,123.71	**4,290.06**

44 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

People and services	It provides comprehensive staffing services and solutions including general staffing, recruitment and executive search, recruitment process outsourcing, as well as payroll, compliance and background verification services.
Global technology solutions	It provides IT staffing and technology solutions and products.
Integrated facility management	It provides services including janitorial services, electro-mechanical services, pest control as well as food and hospitality services.
Industrials	It provides industrial operations and maintenance services and related asset record maintenance services.

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'.

A Operating segment information for the period from 1 April 2016 to 31 March 2017 is as follows:

(Amount in INR lakhs)

Particulars	People and services	Global technology solutions	Integrated facility management	Industrials	Unallocated	Total
Segment revenue	2,34,541.08	1,18,296.65	40,461.18	22,437.04	-	4,15,735.95
Segment cost	(2,23,650.70)	(1,09,959.87)	(38,430.55)	(20,727.63)	-	(3,92,768.75)
Segment result	**10,890.38**	**8,336.78**	**2,030.63**	**1,709.41**	**-**	**22,967.20**
Other income	-	-	-	-	1,525.20	1,525.20
Finance charges	-	-	-	-	(4,653.28)	(4,653.28)
Unallocated corporate expenses	-	-	-	-	(3,331.29)	(3,331.29)
Share of profit/ (loss) of equity accounted investees (net of income tax)	-	-	-	-	12.46	12.46
Profit before taxation	**10,890.38**	**8,336.78**	**2,030.63**	**1,709.41**	**(6,446.91)**	**16,520.29**
Taxation	-	-	-	-	(5,175.85)	(5,175.85)
Profit after taxation	**10,890.38**	**8,336.78**	**2,030.63**	**1,709.41**	**(11,622.76)**	**11,344.44**
Segment assets	35,202.16	71,687.50	13,866.23	10,570.10	96,708.06	2,28,034.05
Segment liabilities	23,241.85	16,252.91	7,085.10	3,792.01	93,956.59	1,44,328.46
Capital expenditure	801.55	1,921.05	235.20	386.98	577.83	3,922.61

Operating segment information for the period from 1 April 2015 to 31 March 2016 is as follows:

(Amount in INR lakhs)

Particulars	People and services	Global technology solutions	Integrated facility management	Industrials	Unallocated	Total
Segment revenue	1,94,984.66	92,112.45	37,187.13	19,217.18	-	3,43,501.42
Segment cost	(1,87,741.54)	(86,066.31)	(35,469.17)	(17,511.78)	-	(3,26,788.80)
Segment result	**7,243.12**	**6,046.14**	**1,717.96**	**1,705.40**	**-**	**16,712.62**
Other income	-	-	-	-	905.16	905.16
Finance charges	-	-	-	-	(3,104.27)	(3,104.27)
Unallocated corporate expenses	-	-	-	-	(3,043.38)	(3,043.38)
Profit before taxation	**7,243.12**	**6,046.14**	**1,717.96**	**1,705.40**	**(5,242.49)**	**11,470.13**
Taxation	-	-	-	-	(3,352.13)	(3,352.13)
Profit after taxation	**7,243.12**	**6,046.14**	**1,717.96**	**1,705.40**	**(8,594.62)**	**8,118.00**
Segment assets	32,439.69	46,648.10	13,641.78	6,649.15	25,625.94	1,25,004.66
Segment liabilities	21,767.96	12,446.53	4,231.16	1,443.46	49,453.27	89,342.38
Capital expenditure	986.09	868.26	244.45	90.40	85.55	2,274.75

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 lakhs)

Geographic information	Revenue		Non-current assets*	
	For the year ended		As at	
	31 March 2016	31 March 2016	31 March 2017	31 March 2016
India	3,41,514.65	2,95,910.94	31,755.98	18,470.74
Other countries:				
- Singapore	5,792.69	-	17,826.56	-
- Canada	35,053.30	37,269.18	3,031.23	2,985.22
- Philippines	1,203.90	1,054.19	6.54	8.40
- United States of America	26,193.43	7,673.64	11,487.82	11,912.98
- Germany	60.15	39.01	-	-
- Qatar	557.78	1,270.75	-	-
- Malaysia	1,953.61	283.71	18.52	2.17
- Ireland	-	-	-	-
- Srilanka	3,406.44	-	95.95	-
Total	**4,15,735.95**	**3,43,501.42**	**64,222.60**	**33,379.51**

*Non-current assets exclude financial instrument and deferred tax assets.

The Group has disclosed the equity accounted investees as the geographic information of non-current assets because they are regularly provided to the CODM.

C Major customer

None of the customers of the Company has revenue which is more than 10 % of the Company's total revenue

45 Related party disclosures

(i) Name of related parties and description of relationship:

- Ultimate Holding Company	Fairfax Financial Holdings Limited
- Holding Company	Thomas Cook (India) Limited
- Subsidiaries, associates and joint venture	Refer note (ii) below
- Fellow subsidiaries	National Collateral Management Services Limited Fairfax (US) Inc.
- Entity having common directors	Net Resources Investments Private Limited
- Entities in which key managerial personnel have significant influence	Styracorp Management Services IME Consultancy

Key executive management personnel

Ajit Isaac	Chairman & Managing Director & CEO
Subrata Kumar Nag	Whole time Director & Chief Financial Officer (till 23 January 2017 and from 4 April 2017) Whole time Director (24 January 2017 to 4 April 2017)
Balasubramanian S	Chief Financial Officer (from 24 January 2017 to 4 April 2017)
N.V.S.Pavan Kumar	Company Secretary (till 28 November 2016)
Sudershan Pallap	Company Secretary (from 28 November 2016)

(ii) List of subsidiaries (including step-subsidiaries), associates and joint venture

Name of the entity	Note	Nature of relation	Country of domicile	Holdings as at	
				31 March 2017	31 March 2016
Coachieve Solutions Private Limited		Subsidiary	India	100.00%	100.00%
MFX Infotech Private Limited		Subsidiary	India	100.00%	100.00%
Aravon Services Private Limited		Subsidiary	India	100.00%	100.00%
Brainhunter Systems Ltd.		Subsidiary	Canada	100.00%	100.00%
Mindwire Systems Ltd.	1	Subsidiary	Canada	100.00%	100.00%
Brainhunter Companies Canada Inc.	1	Subsidiary	Canada	100.00%	100.00%
Brainhunter Companies LLC	1	Subsidiary	USA	100.00%	100.00%
Quess (Philippines) Corp.		Subsidiary	Philippines	100.00%	100.00%
Quess Corp (USA) Inc.		Subsidiary	USA	100.00%	100.00%
Quesscorp Holdings Pte Ltd		Subsidiary	Singapore	100.00%	100.00%
Quessglobal (Malaysia) SDN. BHD.	2	Subsidiary	Malaysia	100.00%	100.00%
Quess Corp Lanka (Private) Limited	2	Subsidiary	Sri Lanka	100.00%	-
Comtel Solutions Pte Ltd	2	Subsidiary	Singapore	100.00%	-
Ikya Business Services (Private) Limited	3	Subsidiary	Sri Lanka	-	-
MFXchange Holdings Inc.		Subsidiary	Canada	100.00%	100.00%
MFXchange US, Inc.	4	Subsidiary	USA	100.00%	100.00%
MFXchange (Ireland) Limited	4	Subsidiary	Ireland	100.00%	100.00%
MFX Roanoke Inc.	4 & 5	Subsidiary	USA	-	-
Dependo Logistics Solutions Private Limited		Subsidiary	India	100.00%	-
CenterQ Business Solutions Private Limited		Subsidiary	India	100.00%	-
Excelus Learning Solutions Private Limited		Subsidiary	India	100.00%	-
Inticore VJP Advanced Solutions Private Limited	6	Subsidiary	India	73.95%	-
Terrier Security Services (India) Private Limited		Associate	India	49.00%	-
Simpliance Technologies Private Limited		Associate	India	27.00%	-
Himmer Industrial Services (M) SDN BHD		Joint venture	Malaysia	49.00%	-

1. Wholly owned subsidiaries of Brainhunter Systems Ltd.

2. Wholly owned subsidiaries of Quesscorp Holdings Pte. Ltd.

3. No investments have been made in this subsidiary till date and the subsidiary does not have any operations. This Company was incorporated by Quess Corp Limited 17 June 2014.

4. Wholly owned subsidiaries of MFXchange Holdings Inc.

5. Merged with MFXchange US, Inc. effective 31 December 2015.

6. On 1 December 2016, Quess Corp Limited acquired 73.95% equity shares in Inticore VJP Advanced Solutions Private Limited.

(iii) Related party transactions during the year

(Amount in INR lakhs)

Particulars		For the year ended 31 March 2017	For the year ended 31 March 2016
Revenue from operations			
	Thomas Cook (India) Limited	1,411.24	1,732.48
	National Collateral Management Services Limited	1,978.05	1,016.74
	Terrier Security Services (India) Private Limited	366.45	-
Other expenses			
	Thomas Cook (India) Limited	403.63	282.16
	Net Resources Investments Private Limited	300.14	314.21
	Terrier Security Services (India) Private Limited	14.21	-
Finance costs			
- Interest expense	Fairfax (US) Inc.	86.75	20.29
	Fairfax Financial Holdings Limited	15.25	-
- Interest income			
	IME Consultancy	1.11	-
	Styracorp Management Services	10.69	-
Purchase consideration			
- Purchase consideration paid	Fairfax Financial Holdings Limited	-	0.03
- Additional consideration	Fairfax Financial Holdings Limited	-	2,890.27
Loans given to related parties			
	Styracorp Management Services	617.14	150.59
	IME Consultancy	74.98	-
Repayment/adjustment of loans taken from related parties			
	From Fairfax (US), Inc.	(56.20)	2,650.20
	From Fairfax Financial Holdings Limited	(15.40)	165.66
Guarantees provided to banks on behalf of associates			
	Terrier Security Services (India) Private Limited	2,200.00	-
Purchase of intangible asset			
	Simpliance Technologies Private Limited	1.71	-
Right renunciation			
	Thomas Cook (India) Limited	**	**
	Ajit Isaac	**	**

****Renunciation of right issues**

During the previous year ended 31 March 2016, the Company vide its Board meeting dated 6 November 2015, has offered 2,560,000 equity shares of Rs 10 each on right basis, in pursuance of the requirement of Section 62 of the Companies Act, 2013 read with the Companies (Share capital and Debentures) Rules, 2014 in the ratio of 0.099 equity shares for every equity share held in the Company as on date to the existing shareholders. Thomas Cook (India) Limited has resolved not to subscribe to the right issue and has obtained the shareholders approval on 12 December 2015 and accordingly a resolution of renunciation was approved by the Board of Directors of Thomas Cook (India) Limited vide circular resolution dated 18 December 2015 for renouncing 1,957,302 equity shares in favour of Net Resources Investments Private Limited. On 21 December 2015, Mr. Ajit Isaac renounced his rights of 461,516 shares in favour of Net Resources Investments Private Limited.

(iv) Balance receivable from and payable to related parties as at the balance sheet date:

(Amount in INR lakhs)

Particulars		As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Trade receivables (gross of loss allowance)				
	Thomas Cook (India) Limited	235.14	291.44	141.40
	Terrier Security Services (India) Private Limited	18.40	-	-
	Net Resources Investments Private Limited	-	-	2.15
Trade payables				
	Thomas Cook (India) Limited	-	15.24	21.94
	Terrier Security Services (India) Private Limited	0.31	-	-
	Simpliance Technologies Private Limited	0.99	-	-
Unbilled revenue				
	Thomas Cook (India) Limited	92.68	-	-
Consideration payable				
	Fairfax Financial Holdings Limited	356.89	-	-
Contingent consideration payable				
	Fairfax Financial Holdings Limited	2,615.92	2,918.31	-
Current borrowings				
	Fairfax (US), Inc.*	2,594.00	2,650.20	-
	Fairfax Financial Holdings Limited	496.90	512.30	346.64
Current loans				
	Styracorp Management Services	767.73	150.59	-
	IME Consultancy	74.97	-	-
Guarantee outstanding				
	Terrier Security Services (India) Private Limited	2,200.00	-	-

*includes interest

(v) Compensation of key managerial personnel*

(Amount in INR lakhs)

Particulars	For the period from 1 April 2016 to 31 March 2017	For the period from 1 April 2015 to 31 March 2016
Ajit Isaac	167.12	145.20
Subrata Kumar Nag	104.38	90.75
N.V.S.Pavan Kumar (from 26 March 2015 till 28 November 2016)	20.09	27.40
Balasubramanian S (from 24 January 2017 to 31 March 2017)	25.00	-
Sudershan Pallap (from 28 November 2016)	15.00	-
	331.59	**263.35**

*Managerial remuneration does not include cost of employee benefits such as gratuity and compensated absences since provision for these are based on an actuarial valuation carried out for the Company as a whole.

Terms and conditions

All transactions with these related parties are priced at arm's length basis and resulting outstanding balances are to be settled in cash within six months to one year of reporting date except for "Contingent consideration payable" where the payments will be settled as per the terms of the SPA. None of the balances are secured.

46 Leases

Operating Leases

The Group has taken on lease offices and residential premises under operating leases. The leases typically run for a period of one to ten years, with an option to renew the lease after that period. Lease payments are renegotiated at the time of renewal.

Non-cancellable operating lease rentals payable (minimum lease payments) under these leases are as follows:

(Amount in INR lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016
Payable within 1 year	1,667.54	2,403.25
Payable between 1-5 years	2,863.53	3,849.00
Payable later than 5 years	500.51	643.51

(Amount in INR lakhs)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Total rental expense relating to operating lease	3,689.59	2,858.22
- Non-cancellable	2,308.95	1,731.77
- Cancellable	1,380.64	1,126.45

The Group has purchased assets under finance lease. The lease agreement is for a period of 36 months. The minimum lease payments and their present values for the finance lease, for the following periods are as follows:

(Amount in INR lakhs)

Particulars	**As at**	
	31 March 2017	**31 March 2016**
Payable within 1 year	1,469.76	1,258.21
Payable between 1-5 years	1,993.58	1,933.58
Total	**3,463.34**	**3,191.79**
Less: Finance charges	(158.17)	(221.89)
Present value of minimum lease payments	**3,305.17**	**2,969.90**

47 Assets and liabilities relating to employee benefits

(Amount in INR lakhs)

Particulars	**As at**		
	31 March 2017	**31 March 2016**	**1 April 2015**
Net defined benefit liability, gratuity plan	3,343.03	2,147.22	622.74
Liability for compensated absences	411.72	447.26	480.93
Total employee benefit liability	**3,754.75**	**2,594.48**	**1,103.67**
Current	2,272.23	1,969.09	489.72
Non-current	1,482.52	625.39	613.95
	3,754.75	**2,594.48**	**1,103.67**

For details about employee benefit expenses, see note 33.

The Group operates the following post-employment defined benefit plans.
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.

The Group also provides certain post-employment medical cost benefits to employees of some of the Group entities outside India (Plan B). Plan B reimburses certain medical costs for retired employees.

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

Plan A is administered through Life Insurance Corporation of India. The funding requirements are based on the gratuity fund's actuarial measurement framework set out in the funding policies of the plan. The funding of Plan A is based on valuation for funding purposes for which the assumptions may differ from the assumptions set out in note (E) below. Employees do not contribute to the plan. Plan B is unfunded.

The Group has determined that, in accordance with the terms and conditions of Plan A, and in accordance with statutory requirements (including minimum funding requirements) of the plan of the relevant jurisdiction, 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. As such, no decrease in the defined benefit asset is necessary at 31 March 2017 or 31 March 2016.
The Group expects to pay Rs 476.53 lakhs in contributions to its defined benefit plans in 2017-18.

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 lakhs)

Particulars	**For the year ended**	
	31 March 2017	**31 March 2016**
Reconciliation of present value of defined benefit obligation		
Obligation at the beginning of the year	2,758.50	1,062.81
Additions through business combination	-	115.92
Current service cost	871.14	732.02
Interest cost	202.54	90.58
Past service cost	-	1,603.71
Benefit settled	(180.05)	(177.54)
Actuarial (gains)/ losses recognised in other comprehensive income		
- Changes in experience adjustments	267.01	(505.78)
- Changes in demographic assumptions	64.97	(117.56)
- Changes in financial assumptions	10.58	(45.66)
Obligation at the end of the year	**3,994.69**	**2,758.50**
Reconciliation of present value of plan assets		
Plan assets at the beginning of the year, at fair value	611.28	440.07
Additions through business combination	-	84.66
Interest income on plan assets	45.63	39.84
Return on plan assets recognised in other comprehensive income	2.09	(36.82)
Contributions	170.80	260.59
Benefits settled	(178.14)	(177.06)
Plan assets as at the end of the year	**651.66**	**611.28**
Net defined benefit liability	**3,343.03**	**2,147.22**

C i) Expense recognised in profit or loss

(Amount in INR lakhs)

Particulars	For the year ended	
	31 March 2017	31 March 2016
Current service cost	871.14	732.02
Interest cost	202.54	90.58
Past service cost	-	1,603.71
Interest income	(45.63)	(39.84)
Net gratuity cost	**1,028.05**	**2,386.47**

ii) Remeasurement recognised in other comprehensive income

(Amount in INR lakhs)

Particulars	For the year ended	
	31 March 2017	31 March 2016
Remeasurement of the net defined benefit liability	342.56	(669.01)
Remeasurement of the net defined benefit asset	(2.09)	36.82
	340.47	**(632.19)**

D Plan assets

(Amount in INR lakhs)

Particulars	As at		
	31 March 2017	31 March 2016	1 April 2015
Funds managed by insurer	651.66	611.28	440.07
	651.66	**611.28**	**440.07**

E Defined benefit obligation - Actuarial Assumptions

Particulars	For the year ended		
	31 March 2017	31 March 2016	31 March 2015
Discount rate	6.36% - 6.68%	7.30% - 7.50%	7.80% - 9.25%
Future salary growth	6.00% - 12.00%	6.00% - 12.00%	6.00% - 12.00%
Attrition rate	12.50% - 70.00%	12.50% - 70.00%	8.00% - 15.00%
Rate of return on planned asset	6% - 7%	6% - 7%	6% - 7%
Average duration of defined benefit obligation (in years)	3 - 10	3 - 10	3 - 10

F Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below

Core employees

(Amount in INR lakhs)

	As at					
	31 March 2017		31 March 2016		1 April 2015	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	700.52	760.44	531.26	573.23	199.07	212.70
Future salary growth (1% movement)	757.99	702.00	571.98	531.90	211.82	199.33
Attrition rate (1% movement)	593.08	676.75	466.67	542.34	192.34	223.53

Associate employees

(Amount in INR lakhs)

	As at					
	31 March 2017		31 March 2016		1 April 2015	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	3,210.00	3,322.61	2,169.38	2,247.17	842.56	871.49
Future salary growth (1% movement)	3,321.98	3,209.56	2,245.76	2,170.80	871.47	842.64
Attrition rate (1% movement)	2,955.62	3,726.02	1,999.85	2,516.08	780.62	963.34

48 Employee stock options

A Description of share based payment arrangement

The Company has introduced the 'IKYA Employee Stock Option Scheme 2009' ('the Option Scheme 2009') and has issued stock options of its own shares to specified employees of the Company. The scheme was approved by the Board of Directors in its meeting held on 19 November 2009. The Option Scheme 2009 provides for the creation and issue of 5,200,000 (bonus adjusted) options that would eventually convert into equity shares of Rs 10 each in the hands of the employees. The options have a vesting schedule over a three year period and are exercisable only upon the occurrence of the liquidity event. The scheme 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. The exercise price of these stock options is Rs 10. All outstanding options were vested at 31 March 2015. As at 31 March 2017, the Company had 1,891,920 exercisable options outstanding [31 March 2016: 2,729,528 (bonus adjusted)].

The Company, pursuant to resolutions passed by the Board and its Shareholders resolutions dated 22 December 2015 and 23 December 2015, respectively, adopted Quess Corp Limited Employee Stock Option Scheme 2015 ("ESOP 2015"). Pursuant to ESOP 2015, options to acquire equity shares may be granted to eligible employees (as defined in ESOP 2015). The aggregate number of equity shares, which may be issued under ESOP 2015, shall not exceed 1,900,000 (bonus adjusted) equity shares. The Company has not granted any options till 31 March 2017 under ESOP 2015 scheme.

B Measurement of fair values

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 required.

C Reconciliation of outstanding share options

The number and weighted average exercise prices of share options under the share option plans are as follows:

Particulars	For the year ended			
	31 March 2017		31 March 2016	
	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price
Outstanding options at the beginning of the year	**27,29,528**	**10**	**8,71,000**	**10**
Less: Exercised during the year	(8,37,608)	10	-	-
Less: Lapsed/forfeited during the year	-	-	(1,88,618)	10
Options exercisable at the end of the year	**18,91,920**	**10**	**6,82,382**	**10**
Add: Bonus impact on ESOP outstanding	-		20,47,146	10
Options vested and exercisable at the end of the year (including bonus impact)	**18,91,920**	**10**	**27,29,528**	**10**

During the previous year, 188,618 options were forfeited and resultantly an amount of Rs 126.56 lakhs was transferred from Share option outstanding account to General Reserve. Further, as detailed in note 19.1(iii), the Company has issued bonus shares and accordingly has passed a resolution vide its board meeting dated 22 December 2015 that the bonus will be equally applicable to the option holders at the time of exercise. Resultantly, 682,382 options will be converted into 2,729,528 options.

The options outstanding as at 31 March 2017 have an exercise price of Rs 10 (31 March 2016: Rs 10) and a weighted average remaining contractual life of 4.17 years (31 March 2017: 5.16 years)

The weighted average share price at the date of exercise for share options exercised in 2016-17 is Rs 10 (2015-16: no options exercised)

49 Details of non-current investments purchased and sold during the year:

Investment in associates

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

Entity	No. of shares acquired	Value per share including premium	As at 1 April 2016	Purchased during the year	Sold during the year	Adjustment on account of corporate guarantee	Share in total comprehensive income for the year	As at 31 March 2017
Terrier Security Services (India) Private Ltd	2,45,000	2,939	-	7,200.00	-	11.00	80.33	7,291.33
Simpliance Technologies Private Limited	4,068	2,778	-	113.00	-	-	(7.44)	105.56

Investment in joint venture

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

Entity	No. of shares acquired	Value per share including premium	As at 1 April 2016	Purchased during the year	Sold during the year	Adjustment on account of corporate guarantee	Share in total comprehensive income for the year	As at 31 March 2017
Himmer Industrial Services (M) SDN BHD	49,000	1 RM	-	7.42	-	-	(5.99)	1.43

Investment in preference shares

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

Entity	No. of shares acquired	Value per share including premium	As at 1 April 2016	Purchased during the year	Sold during the year	As at 31 March 2017
Manipal Integrated Services Private Limited	40,36,697	545.00	-	22,000.00	-	22,000.00

Investment in equity instruments

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

Entity	No. of shares acquired	Value per share including premium	As at 1 April 2016	Purchased during the year	Sold during the year	As at 31 March 2017
KMG Infotech Limited	2,00,000	82.75	165.50	-	-	165.50

Other non-current investments

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

Entity	No. of shares acquired	Value per share including premium	As at 1 April 2016	Purchased during the year	Sold during the year	As at 31 March 2017
Investment in Styracorp Management Services	NA	NA	132.24	-	-	132.24
Investment in IME Consultancy	NA	NA	67.76	-	-	67.76

50 Additional information pursuant to para 2 of general instructions for the preparation of consolidated financial statements

(Amount in INR lakhs)

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
Parent								
Quess Corp Limited	91.32%	79,243.57	81.70%	9,021.02	86.46%	(202.09)	81.60%	8,818.93
Subsidiaries - Indian								
Aravon Services Private Limited	1.28%	1,110.83	6.28%	693.58	11.25%	(26.30)	6.17%	667.28
Coachieve Solutions Private Limited	-0.50%	(435.20)	-0.31%	(34.12)	0.31%	(0.71)	-0.32%	(34.83)
MFX Infotech Private Limited	0.60%	518.27	3.24%	358.24	1.99%	(4.65)	3.27%	353.59
Dependo Logistics Solutions Private Limited	0.00%	0.24	-0.01%	(0.76)	0.00%	-	-0.01%	(0.76)
CenterQ Business Solutions Private Limited	0.00%	1.07	0.00%	0.07	0.00%	-	0.00%	0.07
Excelus Learning Solutions Private Limited	-0.02%	(15.61)	-0.30%	(33.04)	0.00%	-	-0.31%	(33.04)
Inticore VJP Advanced Solutions Private Limited	0.40%	344.83	-0.04%	(4.63)	0.00%	-	-0.04%	(4.63)
Subsidiaries - Foreign								
Quess (Phillipines) Corp	0.33%	286.98	0.89%	98.27	0.00%	-	0.91%	98.27
Brainhunter Systems Limited	-4.50%	(3,902.45)	-2.54%	(280.21)	0.00%	-	-2.59%	(280.21)
Quess Corp (USA) Inc.	-0.02%	(20.32)	-1.08%	(118.81)	0.00%	-	-1.10%	(118.81)
Quesscorp Holdings Pte Ltd	7.29%	6,324.85	-0.87%	(95.92)	0.00%	-	-0.89%	(95.92)
Quessglobal (Malaysia) SDN.BHD	0.26%	228.79	1.50%	166.16	0.00%	-	1.54%	166.16
MFXchange Holdings Inc, Canada	-5.55%	(4,819.86)	4.49%	495.80	0.00%	-	4.59%	495.80
Ikya Business Services (Private) Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Comtel Solutions Pte Ltd	8.48%	7,357.70	4.35%	480.54	0.00%	-	4.45%	480.54
Quess Corp Lanka (Private) Limited	0.63%	548.37	2.67%	294.98	0.00%	-	2.73%	294.98
Subtotal	**100.00%**	**86,772.06**	**100.00%**	**11,041.17**	**100.00%**	**(233.75)**	**100.00%**	**10,807.42**
Adjustment arising out of consolidation		(3,221.57)		292.44		(333.91)		(41.47)
Non-controlling interests in subsidiaries		88.20		(1.63)		-		(1.63)
Associates - Indian								
Terrier Security Services(India) Private Limited		80.33		25.89		54.44		80.33
Simpliance Technologies Private Limited		(7.44)		(7.44)		-		(7.44)
Joint venture - Foreign								
Himmer Industrial Services (M) SDN BHD		(5.99)		(5.99)		-		(5.99)
Total		**83,705.59**		**11,344.44**		**(513.22)**		**10,831.22**

51 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 2017 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.

52 Disclosure on Specified Bank Notes (SBNs)

During the year, the Company had specified bank notes or other denomination notes as defined in the MCA notification G.S.R. 308(E) dated 31 March 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from 8 November 2016 to 30 December 2016, the denomination wise SBNs and other notes as per the notification is given below:

(Amount in INR Lakhs)

Particulars	SBN*	Other denomination notes	Total
Closing cash in hand as on 8 November 2016	**9.21**	**2.86**	**12.07**
Add: Permitted receipts	1.32	71.33	72.65
Less: Permitted payments	(0.06)	(19.67)	(19.73)
Less: Amount exchanged over the counter	(0.16)	-	(0.16)
Less: Amount deposited in Banks	(10.31)	(37.00)	(47.31)
Closing cash in hand as on 30 December 2016	**-**	**17.51**	**17.51**

* For the purposes of this clause, the term ‘Specified Bank Notes’ shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8 November 2016

53 During the year ended 31 March 2015, the Group acquired 100% interest in Brainhunter Systems (Canada) Limited ("BSL") from ICICI Bank India. Prior to acquisition of BSL by the Group, equity shares of BSL were originally owned by Zylog Systems Limited ("ZSL") and were pledged in favour of ICICI Bank as security for loans availed by ZSL from ICICI Bank. ZSL defaulted on loan repayments and ICICI Bank invoked the pledge and sold the shares to the Group.

During the year ended 31 March 2015, the Group has received a notice from the official liquidator of Zylog, alleging that the acquisition of the equity shares of BSL by the Group was not in accordance with law and therefore void-ab-initio, as such sale and transfer of the equity shares of BSL had taken place subsequent to an order passed by the Honourable Madras High Court appointing the official liquidator for ZSL liquidation. Further, the Group has also received letter from the RBI stating its inability to take on record the transfer of the equity shares of BSL until the winding up proceedings of ZSL have been completed and resolved. The Company is of the view, that they have a strong case and has taken a legal opinion.

The legal opinion reiterates that the case does not have merit and the sale is bonafide on the basis of the following:

a. There is adequate precedent that upholds the principle that a secured creditor can independently exercise his rights outside winding up proceedings

b. ICICI Bank has enforced its security to realise its rights as a secured creditor and the sale is in compliance with Canadian law

c. That the sale of equity shares of BSL is not prejudicial to the parties and that the same has been undertaken in accordance with the provisions of the law

The Group has also obtained legal opinion from Canadian law firm which has confirmed that the acquisition is appropriate from a Canadian jurisdiction perspective.

Based on the legal opinions the management believes that the acquisition of BSL is appropriate.

54 Transfer pricing

The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under Sections 92-92F of the Income-tax Act. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation for the international as well as specified domestic transactions (if applicable) entered into with the associated enterprise during the financial year and expects such records to be in existence latest by the end of the stipulated timeline, as required by law. The Management is of the opinion that its international as well as specified domestic transactions (if any) are at arm’s length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expenses and that of provision for taxation.

55 First time adoption

As stated in note 2, these are the Group's first consolidated financial statements prepared in accordance with Ind AS. For the purpose of transition from previous GAAP to Ind AS, the Group has followed the guidance prescribed under Ind AS 101 – First time adoption of Indian Accounting Standards ("Ind AS 101"), with effect from 1 April 2015 ("transition date"). For the year ended 31 March 2016, the Group had prepared its consolidated financial statements in accordance with Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act ('previous GAAP' or the 'Indian GAAP').

The accounting policies set out in note 2 have been applied in preparing these consolidated financial statements for the year ended 31 March 2017 including the comparative information for the year ended 31 March 2016 and the opening consolidated Ind AS balance sheet on the date of transition i.e. 1 April 2015.

In preparing its consolidated Ind AS balance sheet as at 1 April 2015 and in presenting the comparative information for the year ended 31 March 2016, the Group has adjusted amounts reported previously in consolidated financial statements prepared in accordance with previous GAAP. This note explains the principal adjustments made by the Group in restating its consolidated financial statements prepared in accordance with previous GAAP, and how the transition from previous GAAP to Ind AS has affected the Group's financial position, financial performance and cash flows.

A. Optional exemptions availed

In preparing these Consolidated Financial Statements, the Group has applied the below mentioned optional exemptions.

(i) Business combination

As per Ind AS, at the date of transition, an entity may elect not to restate business combinations that occurred before the date of transition. If the entity restates any business combinations that occurred before the date of transition, then it restates all later business combinations, and also applies Ind AS 110, Consolidated Financial Statements from that same date.

The Group has elected to apply Ind AS 103, Business combinations prospectively to business combinations occurred after 1 April 2015 i.e. the transition date. Business combinations occurred prior to the transition date have not been restated.

(ii) Share-based payments

Ind AS 101, First-time Adoption of Indian Accounting Standards, allows a first-time adopter to elect not to apply Ind AS 102, Share-based payments to equity instruments that were vested before the transition date. Accordingly, the Group has elected the optional exemption.

(iii) Property, plant and equipment and Intangible assets

As per Ind AS 101 an entity may elect to:

(i) measure an item of property, plant and equipment at the date of transition at its fair value and use that fair value as its deemed cost at that date;

(ii) use a previous GAAP revaluation of an item of property, plant and equipment at or before the date of transition as deemed cost at the date of the revaluation, provided the revaluation was, at the date of the revaluation, broadly comparable to:

- fair value;
- or cost or depreciated cost under Ind AS adjusted to reflect, for example, changes in a general or specific price index.

The elections under (i) and (ii) above are also available for intangible assets that meets the recognition criteria in Ind AS 38, Intangible Assets, (including reliable measurement of original cost); and criteria in Ind AS 38 for revaluation (including the existence of an active market).

(iii) use carrying values of property, plant and equipment and intangible assets as on the date of transition to Ind AS (which are measured in accordance with previous GAAP.

As permitted by Ind AS 101, the Company has elected to continue with the carrying values under previous GAAP for all the items of property, plant and equipment. The same election has been made in respect of intangible assets also. The Company has disclosed the net carrying amount of property, plant and equipment and intangible assets as its deemed cost as at the date of transition.

(iv) Investments in subsidiaries, associates and joint ventures

Ind AS 101 provides an exemption to the first-time adopter to measure an investment in subsidiaries, associates and joint ventures at:

a) cost determined in accordance with Ind AS 27, Separate Financial Statements; or

b) deemed cost, which shall be its:

i) fair value at the entity's date of transition to Ind AS in its separate financial statements; or

ii) previous GAAP carrying value at that date.

The Group has chosen to avail the exemption provided by Ind AS 101 and value all its investments in subsidiaries at deemed cost being the previous GAAP carrying value at the transition date.

B. Mandatory exceptions availed:

Ind AS 101 also allows first-time adopters certain mandatory exceptions to be applied for retrospective application of certain requirements under Ind AS for transition from the previous GAAP (IGAAP):

(i) Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. However, the estimates should be adjusted to reflect any differences in accounting policies.

As per Ind AS 101, where application of Ind AS requires an entity to make certain estimates that were not required under previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition (for preparing opening Ind AS balance sheet) or at the end of the comparative period (for presenting comparative information as per Ind AS).

Ind AS estimates as at 1 April 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Group made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- Fair valuation of financial instruments carried at Fair value through profit and loss or Fair value through other comprehensive income;
- Impairment of financial assets based on expected credit loss model and
- Determination of the discounted value for financial instruments carried at amortised cost.

Upon the assessment of the estimate made under previous GAAP, the Company has concluded that there was no necessity to revise such estimates under Ind AS, other than those which are required due to application of Ind AS.

(ii) Derecognition of financial assets and liabilities

As per Ind AS 101, an entity should apply the derecognition requirements in Ind AS 109, Financial Instruments, prospectively for transactions occurring on or after the date of transition to Ind AS. However, an entity may apply the derecognition requirements retrospectively from a date chosen by it if the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions were obtained at the time of initially accounting for those transactions.

The Group has chosen to avail the exception to apply the derecognition provision of Ind AS 109 prospectively from the date of transition.

(iii) Classification and measurement of financial assets

Ind AS 101 requires an entity to classify and measure its financial assets into amortised cost, fair value through profit or loss or fair value through other comprehensive income based on the business model assessment and solely payment of principal and interest ("SPPI") criterion based on facts and circumstances that exist at the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on the facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the Group has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortised cost has been done retrospectively.

Quess Corp Limited
Notes to the consolidated financial statements for the year ended 31 March 2017

C. Reconciliations

The following reconciliations provides the effect of transition to Ind AS from IGAAP in accordance with Ind AS 101.

1. Equity as at 1 April 2015 and 31 March 2016.
2. Net profit for the year ended 31 March 2016.

Reconciliation of equity as previously reported under IGAAP to Ind AS

(Amount in INR lakhs)

Particulars	Note	Balance sheet as at 31 March 2016			Balance sheet as at 1 April 2015		
		IGAAP	Adjustments	Ind AS	IGAAP	Adjustments	Ind AS
ASSETS							
Non-current assets							
Property, plant and equipment		4,443.92	-	4,443.92	1,458.55	-	1,458.55
Goodwill	a	20,455.48	(257.92)	20,197.56	11,042.19	-	11,042.19
Other intangible assets	a	608.63	(32.79)	575.84	429.36	(145.69)	283.67
Intangible assets under development		239.07	-	239.07	-	-	-
Financial assets							
(i) Investments		365.50	-	365.50	-	-	-
(ii) Non-current loans	b	844.46	(435.56)	408.90	610.01	(215.43)	394.58
(iii) Other non-current financial assets		217.40	-	217.40	43.30	-	43.30
Deferred tax assets (net)	c	2,331.49	3,807.23	6,138.72	296.10	3,668.79	3,964.89
Income tax assets (net)		7,309.47	-	7,309.47	7,231.43	-	7,231.43
Other non-current assets	b	369.57	244.09	613.66	280.31	147.86	428.17
Total non-current assets		**37,184.99**	**3,325.05**	**40,510.04**	**21,391.25**	**3,455.53**	**24,846.78**
Current assets							
Inventories		182.77	-	182.77	52.82	-	52.82
Financial assets							
(i) Trade receivables	d	42,820.00	(2,292.31)	40,527.69	25,483.64	(1,682.03)	23,801.61
(ii) Cash and cash equivalents		10,664.22	-	10,664.22	7,602.77	-	7,602.77
(iii) Bank balances other than (ii) above		271.08	-	271.08	579.72	-	579.72
(iv) Current loans	b	1,557.91	180.96	1,738.87	988.68	17.20	1,005.88
(v) Other current financial assets		23.77	-	23.77	16.73	-	16.73
(vi) Unbilled revenue		28,732.80	-	28,732.80	15,019.97	-	15,019.97
Other current assets	b	2,349.25	4.17	2,353.42	654.17	42.81	696.98
Total current assets		**86,601.80**	**(2,107.18)**	**84,494.62**	**50,398.50**	**(1,622.02)**	**48,776.48**
Total Assets		**1,23,786.79**	**1,217.87**	**1,25,004.66**	**71,789.75**	**1,833.51**	**73,623.26**
EQUITY AND LIABILITIES							
Equity							
Equity share capital		11,333.51	-	11,333.51	2,577.38	-	2,577.38
Other equity	f	23,224.83	1,103.94	24,328.77	22,495.97	1,833.52	24,329.49
Total equity		**34,558.34**	**1,103.94**	**35,662.28**	**25,073.35**	**1,833.52**	**26,906.87**
Liabilities							
Non-current liabilities							
Financial liabilities							
(i) Non-current borrowings		3,548.14	-	3,548.14	-	-	-
(ii) Other non-current financial liabilities		3,223.91	(305.60)	2,918.31	66.67	-	66.67
Non-current provisions	e	1,423.55	(5.72)	1,417.83	851.14	-	851.14
Total non-current liabilities		**8,195.60**	**(311.32)**	**7,884.28**	**917.81**	**-**	**917.81**
Current liabilities							
Financial liabilities							
(i) Bank overdraft		385.66	-	385.66	-	-	-
(ii) Current borrowings		33,900.11	-	33,900.11	22,042.67	-	22,042.67
(iii) Trade payables		6,737.45	-	6,737.45	4,172.75	-	4,172.75
(iv) Other current financial liabilities		26,295.05	-	26,295.05	9,973.39	-	9,973.39
Current provisions	e	1,969.09	-	1,969.09	620.50	-	620.50
Other current liabilities		11,745.49	425.25	12,170.74	8,989.27	-	8,989.27
Total current liabilities		**81,032.85**	**425.25**	**81,458.10**	**45,798.58**	**-**	**45,798.58**
Total Liabilities		**89,228.45**	**113.93**	**89,342.38**	**46,716.39**	**-**	**46,716.39**
Total Equity and Liabilities		**1,23,786.79**	**1,217.87**	**1,25,004.66**	**71,789.75**	**1,833.52**	**73,623.26**

Explanations for Reconciliation of Consolidated Balance Sheet as previously reported under IGAAP to IND AS:

(a) Impairment of goodwill and reversal of amortisation:

The Group has availed the exemption under Ind AS 101 and accordingly business combination prior to 1 April 2015 was not restated and goodwill is carried at cost. The Group has carried the impairment testing of goodwill as at 1 April 2015 and as the recoverable amount was less than the carrying value, goodwill is impaired leading to decrease in equity. As the goodwill is impaired on 1 April 2015, the amortisation on such goodwill amortised as per previous GAAP is reversed leading to an increase in income.

(b) Loans and other current assets - Security deposits:

Under the previous GAAP, interest free lease security deposits (that are refundable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, the Company has fair valued these security deposits under Ind AS.

Difference between the fair value and transaction value of the security deposits has been recognised as prepaid rent. Consequent to this change, the amount of security deposits decreased by Rs 254.61 lakhs as at 31 March 2016 (1 April 2015: Rs 198.23 lakhs). The prepaid rent increased by Rs 248.27 lakhs as at 31 March 2016 (1 April 2015: Rs 190.69 lakhs). Total equity decreased by Rs 7.54 lakhs as on 1 April 2015. The profit for the year and total equity as at 31 March 2016 decreased by Rs 63.40 lakhs due to amortisation of the prepaid rent and is partially off-set by the notional interest income of Rs 62.54 lakhs recognised on security deposits.

(c) Deferred taxes:

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12, Income taxes requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Group has to account for deferred tax on such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity. The net impact on deferred tax asset is of Rs 3,807.23 lakhs as at 31 March 2016 (1 April 2015: Rs 3,668.78 lakhs).

(d) Trade receivables:

Under Previous GAAP, loss provision for trade receivables was created based on credit risk assessment. Under Ind AS, these provisions are based on assessment of risk of default and timing of collection. The Group uses an allowance matrix to measure the expected credit loss over the last six quarters under which the Group impaired its trade receivables by Rs 1,682.03 lakhs on 1 April 2015 which has been eliminated against retained earnings. The impact of Rs 610.28 lakhs for the year ended on 31 March 2016 has been recognised in the statement of profit and loss.

(e) Provisions for other liabilities and charges:

The Group has reinstated business combination for the year 2015-16 as required under Ind AS 103. Accordingly, contingent liability appearing in balance sheet at Nil has been fair valued at Rs 425.25 lakhs.

(f) Other equity:

Adjustments to retained earnings has been made in accordance with Ind AS, for the above mentioned line items.

In addition, as per Ind AS 19, Employee benefits actuarial gain and losses are recognized in other comprehensive income as compared to being recognised in the statement of profit and loss under IGAAP. Further, the Group has reinstated business combinations for the year 2015-16 as required under Ind AS 103. Accordingly, based on the Purchase Price Allocation, the Group has recognised goodwill of Rs 72.97 lakhs as opposed to capital reserve aggregating to Rs 290.56 lakhs recognised under previous GAAP.

Quess Corp Limited
Notes to the consolidated financial statements for the year ended 31 March 2017

Reconciliation of Consolidated Statement of Profit and Loss as previously reported under IGAAP to Ind AS

(Amount in INR lakhs)

Particulars	Note	*Year ended 31 March 2016*		
		IGAAP	**Adjustments**	**Ind AS**
Income				
Revenue from operations		3,43,501.42	-	3,43,501.42
Other income	g	842.62	62.54	905.16
Total Income		**3,44,344.04**	**62.54**	**3,44,406.58**
Expenses				
Cost of material and stores and spare parts consumed		4,814.04	-	4,814.04
Employee benefit expenses	h	3,00,059.87	632.19	3,00,692.06
Finance costs	i	3,078.99	25.29	3,104.27
Depreciation and amortisation expenses	j	1,571.32	(132.32)	1,439.01
Other expenses	k	22,283.44	603.63	22,887.07
Total expenses		**3,31,807.66**	**1,128.79**	**3,32,936.45**
Profit before tax		**12,536.38**	**(1,066.25)**	**11,470.13**
Tax expense				
Current tax		(6,245.80)	-	(6,245.80)
Excess provision of tax relating to earlier years		645.64	-	645.64
Deferred tax	l	2,035.38	212.65	2,248.03
Total tax expenses		**(3,564.78)**	**212.65**	**(3,352.13)**
Profit for the year		**8,971.60**	**(853.60)**	**8,118.00**
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Remeasurement of the net defined benefit liability/ asset	m	-	632.19	632.19
Income tax relating to items that will not be reclassified to profit or loss		-	(225.38)	(225.38)
Items that will be reclassified to profit or loss				
Exchange differences in translating financial statements of foreign operations		-	(25.41)	(25.41)
Other comprehensive income, net of tax		**-**	**381.40**	**381.40**
Total comprehensive income for the year		**8,971.60**	**(472.20)**	**8,499.40**

Explanations for reconciliation of Consolidated Statement of profit and loss as previously reported under IGAAP to Ind AS:

(g) Other income:

Adjustments in other income pertains to effective interest income on present valuation of financial instruments i.e. on security deposits.

(h) Employee benefit expenses - Remeasurements of post employment defined benefit obligations:

Under Ind AS, remeasurements i.e. Actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability/asset are recognised in other comprehensive income instead of profit or loss. Under the Previous GAAP, these remeasurements were forming part of the profit or loss for the year. As a result of this change, the profit for the year ended 31 March 2016 decreased by Rs 632.19 lakhs. There is no impact on the total equity as at 31 March 2016.

(i) Finance costs:

Under Ind AS, contingent consideration has been present valued and accordingly, the adjustments in relation to finance costs pertains to unwinding of contingent consideration.

(j) Depreciation and amortisation expenses:

Under Ind AS, acquired goodwill is not amortised as it has indefinite useful life and tested for impairment annually and when there is an indication of impairment the same is impaired whereas in Indian GAAP, purchased goodwill was amortised over 3 years. Therefore, on Ind AS transition the amortisation on goodwill as per IGAAP has been written back.

(k) Other expenses:

Ind AS adjustments in relation to other expenses pertains to amortisation of prepaid rent recognized against security deposits during the period and impairment loss allowance recognised against trade receivables as per expected credit loss model.

(l) Deferred tax:

Deferred tax adjustments has been made in accordance with Ind AS, under balance sheet approach for all the items which have differential book base from that of tax base and which gets reversed due to timing difference.

(m) Other comprehensive income:

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurement of the net defined benefit liability/asset, etc. The concept of other comprehensive income did not exist under previous GAAP.

As per our report of even date attached
for **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No.: 116231 W/W-100024

Vineet Dhawan
Partner
Membership No.: 092084

Place: Bengaluru
Date: 16 May 2017

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

Ajit Isaac
Chairman & Managing Director & CEO
DIN : 00087168

Subrata Kumar Nag
Execuitve, Whole-time Director & CFO
DIN : 02234000

Place: Bengaluru
Date: 16 May 2017

Sudershan Pallap
Company Secretary
Membership No.: A14076

Independent Auditors' Report
To the Members of Quess Corp Limited

(formerly known as IKYA HUMAN CAPITAL SOLUTIONS LIMITED)

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Quess Corp Limited *(formerly known as IKYA HUMAN CAPITAL SOLUTIONS LIMITED)* ('the Company'), which comprise the balance sheet as at 31 March 2017, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information herein after referred to as "standalone Ind AS financial statement".

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 Companies Act, 2013 ('the Act') with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued thereunder. .

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the Audit Report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing under Section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone Ind AS financial statements. The procedures selected depend on the Auditor's judgement, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the Auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at 31 March 2017 and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A", a statement on the matters specified in the paragraph 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, 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 flow and statement of changes in equity dealt with by this Report are in agreement with the books of account;

   (d) in our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder;

   (e) on the basis of the written representations received from the Directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 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 B"; and

(g) 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, 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 Ind AS financial statements – Refer note 22 and note 39 to the standalone Ind AS 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 during the year which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. the Company has provided requisite disclosures in its standalone Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016. Based on the audit procedures and relying on the management representation we report that the disclosure are in accordance with the books of accounts maintained by the Company and as produced by the management. Refer note 49 of the Standalone Ind AS financial statements.

for **B S R & Associates LLP**
Chartered Accountants
Firm's registration number: 116231W/W-100024

Vineet Dhawan
Partner
Membership No.: 092084

Place: Bengaluru
Date: 16 May 2017

Annexure - A to the Independent Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of Quess Corp Limited ('the Company') on the standalone Ind AS financial statements for the year ended 31 March 2017, we report that:

(i) (a) the Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) the Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) the Company does not have any immovable properties. Thus, paragraph 3(i)(c) of the Order is not applicable to the Company.

(ii) the inventories have been physically verified by the Management during the year. In our opinion, the frequency of such verification is reasonable and no material discrepancies were noticed on such verification.

(iii) the Company has granted unsecured loans to four subsidiaries covered in the register maintained under Section 189 of the Companies Act, 2013 ('the Act').

(a) in our opinion, the terms and conditions on the basis of which these loans have been granted are not, prima facie, prejudicial to the interest of the Company.

(b) in case of loans granted to the companies covered in the register maintained under Section 189 of the Act, the terms of arrangements do not stipulate any repayment schedule and the loans are repayable on demand and interest are payable on demand. As there is no outstanding demand of principal and interest at the year-end, paragraph 3(iii)(b) and 3(iii) (c) of the Order is not applicable.

(iv) in our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans, security and guarantee given and investment made.

(v) in our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public.

(vi) the Central Government of India has not prescribed the maintenance of cost records under Section 148(1) of the Act, for any of the services rendered by the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident fund, Income tax, Professional tax, Employee's State Insurance, Service tax, Value added tax, Sales tax, Cess and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities though there has been certain delays in few cases. As explained to us, the Company did not have any dues on account of duty of customs and duty of excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Income tax, Employee's State Insurance, Service tax, Value added tax, Sales tax, Cess and other material statutory dues were in arrears as at 31 March 2017 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues in respect of duty of customs, sales tax, duty of excise and cess which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of Income tax, Service tax and value added tax have not been deposited by the Company on account of disputes:

Name of the Statute	**Nature of Dues**	**Amount (in Rs)**	**Period to which amount relates**	**Forum where dispute is pending**
Income-tax Act, 1961	Interest	3,929,705	2004-05	Commissioner of IT (Appeals), Chennai
Income-tax Act, 1961	Tax	484,120 *(72,618)**	2014-15	Commissioner of IT (Appeals), Bengaluru
Finance Act, 1994	Service tax, Interest and Penalty	4,659,970 *(4,649,301)**	April 2009 to September 2011	Commissioner of Central Excise (Appeals),Chennai
Finance Act, 1994	Interest	6,058,798	April 2008 to June 2009	Commissioner of Central Excise, Customs and Service Tax, Bengaluru
Finance Act, 1994	Service tax	3,738,524	April 2013 to July 2014	Commissioner of Service Tax, Bengaluru
Finance Act, 1994	Service tax	3,908,949	2013-14 and 2014-15	Commissioner of Service Tax, Bengaluru
KVAT Act, 2003	Value added tax	13,386,982 *(4,016,200)**	2012-13	Joint Commissioner of Commercial Taxes (Appeal), Bengaluru
KVAT Act, 2003	Value added tax	32,912,933 *(9,873,880)**	2013-14	Joint Commissioner of Commercial Taxes (Appeal), Bengaluru

* represents payments made under protest.

(viii) In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of dues to its bankers . The Company did not have any outstanding dues to debenture holders as the same is repayable after five years from the date of its issue and did not have any outstanding loan from financial instruments and government during the year.

(ix) The Company has raised money 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 an initial public offer have been utilized for the purposes for which they were raised. However, the Company does not have any term loan during the year.

(x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Thus, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Thus, paragraph 3(xv) of the Order is not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Thus, paragraph 3(xvi) of the Order is not applicable.

for **B S R & Associates LLP**
Chartered Accountants
Firm’s Registration Number: 116231W/W-100024

Vineet Dhawan
Partner
Membership No.: 092084

Place: Bengaluru
Date: 16 May 2017

Annexure - B to the Independent Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Quess Corp Limited *(formerly known as IKYA HUMAN CAPITAL SOLUTIONS LIMITED)* ("the Company") as of 31 March 2017 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 ('Guidance Note') 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 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. 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, 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 2017, 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 issued by the ICAI.

for **B S R & Associates LLP**
Chartered Accountants
Firm's Registration Number: 116231W/W-100024

Vineet Dhawan
Partner
Membership No.: 092084

Place: Bengaluru
Date: 16 May 2017

Quess Corp Limited

(Amount in INR lakhs)

Balance Sheet as at	Note	31 March 2017	31 March 2016	1 April 2015
ASSETS				
Non-current assets				
Property, plant and equipment	3	1,810.59	1,623.95	1,318.97
Goodwill	4	45.20	-	-
Other intangible assets	4	8,053.74	8,672.86	9,229.77
Intangible assets under development	4	852.37	85.55	-
Financial assets				
(i) Investments	5	36,502.53	1,688.40	461.80
(ii) Non-current loans	6	1,146.46	577.36	427.46
(iii) Other non-current financial assets	7	85.72	205.16	37.47
Deferred tax assets (net)	8	1,561.34	2,942.19	906.67
Income tax assets (net)	8	11,155.58	6,929.88	7,195.00
Other non-current assets	9	436.63	388.17	380.50
Total non-current assets		**61,650.16**	**23,113.52**	**19,957.64**
Current assets				
Inventories	10	462.35	132.22	52.82
Financial assets				
(i) Trade receivables	11	28,553.05	32,398.20	19,905.06
(ii) Cash and cash equivalents	12	22,379.68	8,420.77	6,489.42
(iii) Bank balances other than cash and cash equivalents above	13	15,827.11	269.74	579.72
(iv) Current loans	14	2,572.17	2,614.10	1,017.37
(v) Other current financial assets	15	294.74	66.84	16.73
(vi) Unbilled revenue	16	34,827.63	27,479.00	12,954.68
Other current assets	17	1,516.37	1,625.94	619.50
Total current assets		**1,06,433.10**	**73,006.81**	**41,635.30**
Total Assets		**1,68,083.26**	**96,120.33**	**61,592.94**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	18	12,679.10	11,333.51	2,577.38
Other equity	19	66,564.47	21,968.90	22,184.67
Total equity		**79,243.57**	**33,302.41**	**24,762.05**
Liabilities				
Non-current liabilities				
Financial liabilities				
(i) Non-current borrowings	20	14,872.39	15.65	-
(ii) Other non-current financial liabilities	21	-	-	66.67
Non-current provisions	22	1,613.08	836.14	851.14
Total non-current liabilities		**16,485.47**	**851.79**	**917.81**
Current liabilities				
Financial liabilities				
(i) Bank overdraft	12	34.22	-	-
(ii) Current borrowings	23	38,523.01	26,274.48	16,506.17
(iii) Trade payables	24	1,998.85	1,592.60	1,231.65
(iv) Other current financial liabilities	25	18,713.71	22,346.99	8,759.73
Current provisions	26	2,044.07	1,736.34	619.68
Other current liabilities	27	11,040.36	10,015.72	8,795.85
Total current liabilities		**72,354.22**	**61,966.13**	**35,913.08**
Total Liabilities		**88,839.69**	**62,817.92**	**36,830.89**
Total Equity and Liabilities		**1,68,083.26**	**96,120.33**	**61,592.94**

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached
for **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No.: 116231 W/W-100024

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

Vineet Dhawan
Partner
Membership No.: 092084

Ajit Isaac
Chairman &
Managing Director & CEO
DIN: 00087168

Subrata Kumar Nag
Executive, Whole-time Director
CFO
DIN: 02234000

Place: Bengaluru
Date: 16 May 2017

Place: Bengaluru
Date: 16 May 2017

Sudershan Pallap
Company Secretary
Membership No.: A14076

Quess Corp Limited

(Amount in INR lakhs except per share data)

Statement of Profit and Loss

For the year ended	**Note**	**31 March 2017**	**31 March 2016**
Income			
Revenue from operations	28	3,36,072.21	2,91,817.69
Other income, net	29	1,612.10	909.90
Total income		**3,37,684.31**	**2,92,727.59**
Expenses			
Cost of material and stores and spare parts consumed	30	3,604.22	4,171.35
Employee benefit expenses	31	2,93,630.38	2,55,833.80
Finance costs	32	3,890.30	2,708.63
Depreciation and amortisation expenses	33	1,702.15	1,523.68
Other expenses	34	21,020.78	17,407.93
Total expenses		**3,23,847.83**	**2,81,645.39**
Profit before income tax		**13,836.48**	**11,082.20**
Tax expense			
Current tax	8	(3,327.42)	(6,135.00)
Excess provision of tax relating to earlier years	8	-	645.64
Deferred tax	8	(1,488.05)	2,262.54
Total tax expenses		**(4,815.47)**	**(3,226.82)**
Profit for the year		**9,021.01**	**7,855.38**
Other comprehensive income/ (expense)			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of the net defined benefit liability/ asset		(309.29)	655.98
Income tax relating to items that will not be reclassed to profit or loss		107.20	(227.02)
Other comprehensive income/ (expense) for the year, net of income tax		**(202.09)**	**428.96**
Total comprehensive income for the year		**8,818.92**	**8,284.34**
Earnings per equity share (face value of Rs 10 each)			
Basic (in Rs)	40	7.34	6.94
Diluted (in Rs)	40	7.23	6.81

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached

for **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No.: 116231 W/W-100024

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

Vineet Dhawan
Partner
Membership No.: 092084

Place: Bengaluru
Date: 16 May 2017

Ajit Isaac
Chairman &
Managing Director & CEO
DIN: 00087168

Place: Bengaluru
Date: 16 May 2017

Subrata Kumar Nag
Executive, Whole-time Director
CFO
DIN: 02234000

Sudershan Pallap
Company Secretary
Membership No.: A14076

Quess Corp Limited
Statement of Changes in Equity for the year ended 31 March 2017

(A) Equity share capital

(Amount in INR lakhs)

Particulars	Note	31 March 2017	31 March 2016
Opening balance	18	11,333.51	2,577.38
Changes in equity share capital	18	1,345.59	8,756.13
Closing balance	18	**12,679.10**	**11,333.51**

(B) Other equity

(Amount in INR lakhs)

Particulars	Note	Reserves and surplus						Other items of other comprehensive income	Total equity attributable to equity holders of the Company
		Securities premium	Retained earnings	Capital reserve	General reserve	Stock options outstanding account	Debenture redemption reserve	Remeasurement of the net defined benefit liability/asset	
Balance as of 1 April 2015		**12,583.29**	**5,235.27**	**3,804.74**	**-**	**561.37**	**-**	**-**	**22,184.67**
Less: Amount utilized for issue of bonus shares	18.1(iii)	(8,500.11)	-	-	-	-	-	-	(8,500.12)
Add: Profit for the year		-	7,855.38	-	-	-	-	-	7,855.38
Less: Transfer to general reserve on forfeiture of stock options	47	-	-	-	126.56	(126.56)	-	-	-
Add: Other comprehensive income (net of tax)		-	-	-	-	-	-	428.96	428.96
Balance as of 31 March 2016		**4,083.18**	**13,090.65**	**3,804.74**	**126.56**	**434.81**	**-**	**428.96**	**21,968.89**
Balance as of 1 April 2016		**4,083.18**	**13,090.65**	**3,804.74**	**126.56**	**434.81**	**-**	**428.96**	**21,968.89**
Add: Premium received on issue of equity shares	19	38,738.18	-	-	-	-	-	-	38,738.18
Less: Share issue expenses	19	(2,961.53)	-	-	-	-	-	-	2,961.52
Add: Profit for the year		-	9,021.01	-	-	-	-	-	9,021.01
Less: Premium on allotment of ESOP	19	345.79	-	-	-	(345.79)	-	-	-
Add: Other comprehensive income (net of tax)		-	-	-	-	-	-	(202.09)	(202.09)
Add: Transfer to debenture redemption reserve	19	-	(187.50)	-	-	-	187.50	-	-
Balance as of 31 March 2017		**40,205.62**	**21,924.16**	**3,804.74**	**126.56**	**89.02**	**187.50**	**226.87**	**66,564.47**

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached
for **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No.: 116231 W/W-100024

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

Vineet Dhawan
Partner
Membership No.: 092084

Ajit Isaac
Chairman &
Managing Director & CEO
DIN: 00087168

Subrata Kumar Nag
Executive, Whole-time Director
& CFO
DIN: 02234000

Sudershan Pallap
Company Secretary
Membership No.: A14076

Place: Bengaluru
Date: 16 May 2017

Place: Bengaluru
Date: 16 May 2017

Quess Corp Limited

(Amount in INR lakhs)

Statement of Cash Flows	For the year ended 31 March 2017	For the year ended 31 March 2016
Cash flows from operating activities		
Profit before tax	13,836.48	11,082.20
Adjustments for:		
Depreciation and amortisation expenses	1,702.15	1,523.68
Dividend income on mutual fund units	(166.26)	-
Bad debts written off	680.58	-
Deposits/advances written off	-	136.98
Liabilities no longer required written back	(30.18)	(135.79)
Impairment loss allowance on financial assets, net	(112.63)	820.07
Interest income	(1,397.66)	(755.13)
Finance costs	3,890.30	2,708.63
Unhedged foreign exchange loss	13.92	14.51
Operating cash flows before working capital changes	**18,416.70**	**15,395.15**
Working capital adjustments:		
Changes in:		
Inventory	(330.13)	(79.40)
Trade receivables and security deposits	3,493.64	(13,589.20)
Other current, non-current, unbilled revenue and financial assets	(7,323.56)	(15,493.37)
Trade payables and other financial liabilities	(3,804.56)	14,132.17
Other liabilities and provisions	1,829.14	2,976.61
Cash generated from operating activities	**12,281.23**	**3,341.96**
Income taxes paid, net	(7,528.28)	(4,657.51)
Net cash provided by/ (used in) operating activities (A)	**4,752.95**	**(1,315.55)**
Cash flows from investing activities		
Acquisition of property, plant and equipment and intangibles	(2,012.49)	(1,399.92)
Acquisition of shares in subsidiaries	(5,152.89)	(1,100.00)
Acquisition of shares in associates	(7,313.00)	-
Investment in preference shares	(22,000.00)	-
Dividend received on mutual fund units	166.26	-
Bank deposits (having maturity of more than three months), net	(15,437.93)	142.29
Interest received on term deposits	888.37	58.17
Loans given to subsidiaries	(2,786.30)	(2,462.31)
Loans repaid by subsidiaries	2,081.51	1,032.66
Interest received on loans given to subsidiaries	135.57	6.30
Payments to erstwhile minority shareholders	(66.67)	(66.67)
Net cash used in investing activities (B)	**(51,497.57)**	**(3,789.48)**
Cash flows from financing activities		
Borrowings - vehicle loan taken	78.31	25.17
Borrowings - vehicle loan repaid	(29.99)	(16.23)
Short-term borrowings, net of repayments	12,248.53	9,468.32
Proceeds from issue of debentures, net of issue expenses	14,833.13	-
Proceeds from issue of equity shares, net of issue expenses	37,038.47	256.03
Proceeds from exercise of share options	83.76	-
Finance costs paid	(3,582.90)	(2,696.91)
Net cash provided by financing activities (C)	**60,669.31**	**7,036.38**
Net increase in cash and cash equivalents (A+B+C)	**13,924.69**	**1,931.35**
Cash and cash equivalents at the beginning of the year	8,420.77	6,489.42
Cash and cash equivalents at the end of the year (refer note 12)	**22,345.46**	**8,420.77**

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached
for **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No.: 116231 W/W-100024

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

Vineet Dhawan
Partner
Membership No. 092084

Ajit Isaac
Chairman &
Managing Director & CEO
DIN: 00087168

Subrata Kumar Nag
Executive, Whole-time Director
CFO
DIN: 02234000

Place: Bengaluru
Date: 16 May 2017

Place: Bengaluru
Date: 16 May 2017

Sudershan Pallap
Company Secretary
Membership No.: A14076

Quess Corp Limited
Notes to the financial statements for the year ended 31 March 2017

Significant Accounting Policies

1. Company overview

Quess Corp Limited (formerly known as IKYA HUMAN CAPITAL SOLUTIONS LIMITED) ('the Company') is a public limited company incorporated and domiciled in India. The registered office of the Company is located at Bengaluru, Karnataka, India. The Company is engaged in the business of providing services in global technology solutions, people and services, integrated facility management and industrials segments.

The Company changed its name to Quess Corp Limited effective from 2 January 2015. 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.

With effect from 14 May 2013, Thomas Cook (India) Limited ("TCIL") has become the parent company and Fairfax Financial Holding Limited (‘FFHL’) has become the ultimate holding company of the Company.

2 Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these standalone Ind AS financial statements. 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.

2.1 Basis of preparation

Statement of compliance

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) and the provisions of the Companies Act, 2013 ('Act') (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The Company’s standalone financial statements up to and for the year ended 31 March 2016 were prepared in accordance with the Companies (Accounting Standard) Rules, 2006, notified under Section 133 of the Act and other provisions of the Act (‘Indian GAAP’ or ‘Previous GAAP’).

The Company has adopted all the relevant Ind AS standards and the first time adoption was carried out in accordance with Ind AS 101, First-time adoption of Indian Accounting Standards. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Sec 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the Previous GAAP and an explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in note 51.

The standalone Ind AS 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 lakhs, unless otherwise stated.

Basis of measurement

The financial statements have been prepared on a historical cost convention and on an accrual 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. Share based payment transactions measured at fair value;

iii. Defined benefit and other long-term employee benefits where plan asset is measured at fair value less present value of defined benefit obligations (“DBO”);

2.2 Use of estimates and judgements

The preparation of the financial statements in conformity with Ind AS requires management to make judgements, 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.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

i) Contingent liabilities: Contingent liabilities are not recognized in the financial statements but are disclosed in the notes. They are assessed continually to determine whether an outflow of resources embodying economic benefits has become probable. If it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability, a provision is recognized in the financial statements of the period in which the change in probability occurs (except in the extremely rare circumstances where no reliable estimate can be made).

Significant Accounting Policies

ii) Income taxes: Significant judgements are involved in determining the provision for income taxes, including the amount expected to be paid or recovered in connection with uncertain tax positions.

iii) Measurement of defined benefit obligations: Key actuarial assumption used for actuarial valuation.

iv) Impairment of financial assets: The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments.

v) Property, plant and equipment: Useful life of asset.

vi) Investment in preference shares: Estimation of fair value of unlisted preference shares.

vii) Other estimates: The preparation of financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses for the reporting period. Specifically, the Company estimates the probability of collection of accounts receivable by analyzing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

2.3 Measurement of fair values

Some of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and nonfinancial assets and liabilities

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- 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 (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

2.4 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment, if any.

Cost of an item of property, plant and equipment comprises its purchase price including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the items to its working condition for its intended use and estimated cost of dismantling and removing the item and restoring the site on which it is located. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management.

Subsequent expenditures relating to property, plant and equipment is capitalized 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 recognized in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated 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. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation methods, estimated useful lives and residual value

Depreciation is provided on a Straight Line Method ('SLM') over estimated useful life of the fixed assets estimated by the Management. The management believes that the useful lives as given below best represent the period over which management expects to use these assets based on an internal assessment and technical evaluation where necessary. 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. Depreciation for assets purchased/ sold during the year is proportionately charged. The Company estimated the useful lives for fixed assets as follows:

Significant Accounting Policies

Category	Useful life
Leasehold improvements	Lease term or estimated useful life whichever is lower
Plant and machinery	3 years
Computer equipment	3 years
Furniture and fixtures	5 years
Office equipment	5 years
Vehicles	3 years

The assets residual value and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/losses.

Advance paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of the assets not put to use before such date are disclosed under 'Capital work-in-progress'

2.5 Goodwill and other intangible assets

(i) Goodwill

As part of its transition to Ind AS, the Company has elected not to apply the relevant Ind AS viz. Ind AS 103, Business Combinations, on the business combinations accounted prior to 1 April 2015. For the business combinations post 1 April 2015, in accordance with Ind AS 103, the Company accounts using the acquisition method where control is transferred to the Company. The consideration transferred for the business combination is generally measured at fair value as at the date the control is acquired (acquisition date), as are the net identifiable assets acquired. Any goodwill that arises is tested annually for impairment. Transaction costs are expensed as incurred, except to the extent related to the issue of debt or equity securities.

(ii) Other intangible assets

Internally generated: Research and development

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the software so that it will be available for use.
- Management intends to complete the software and use or sell it
- It can be demonstrated how the software will generate probable future economic benefits
- Adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- The expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalized as part of the software include employee costs and an appropriate portion or relevant overheads. Capitalized development costs are recorded as intangible assets and amortised from the point at which the asset is available for use.

Others
Acquired intangible assets and assets acquired on business combinations are measured initially at cost. Other intangible assets are subsequently measured at cost less any accumulated depreciation and any accumulated impairment losses.

Brand

Brand acquired as part of acquisitions of businesses are capitalized 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.

(iii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including on internally generated software is recognized in profit and loss as and when incurred.

Transition to Ind AS
On transition to Ind AS, the Company has elected to continue with the carrying value of all intangible assets recognised as at 1 April 2015 measured as per the Previous GAAP and use that carrying value as the deemed cost of intangible assets. .

Significant Accounting Policies
(iv) Amortisation

Goodwill is not amortized and is tested for impairment annually.

The Company amortizes intangible assets with a finite useful life using the straight-line method:

The estimated useful lives of intangibles are as follows:

Category	Useful life
Brand	15 years
Software	3 years
Copyright and trademarks	3 years

The assets residual value and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

2.6 Impairment of intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment 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 CGU to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount.

The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognized for the asset in prior years.

2.7 Leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

2.8 Inventories

Inventories (raw materials and stores and spares) which comprise of food consumables and operating consumables are valued at the lower of cost and net realizable value. Cost of inventories comprises purchase price, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In determining the cost, weighted average cost method is used. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs to sell. The comparison of cost and net realizable value is made on an item-by-item basis.

Inventories are stated net of write down or allowances on account of obsolete, damaged or slow moving items. The Company assess the obsolescence of inventory on a quarterly basis.

2.9 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits associated with the transaction will flow to the entity and revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The entity has concluded that it is the principal in all of its revenue arrangements since it is exposed to the significant risks and rewards associated with rendering of services.

When the outcome of the contract cannot be measured reliably, revenue is recognized only to the extent that expenses incurred are eligible to be recovered. No revenue is recognized if there are significant uncertainties regarding recovery of the consideration.

When services are performed by an indeterminate number of acts over a specified period of time, revenue is recognized on a straight-line basis over the specified period unless there is evidence that some other method better represents the stage of completion.

Deferred revenue included in other current liabilities represents amounts billed in excess of revenue earned. Unbilled revenue included in other current assets represents revenue earned in excess of amounts billed.

Significant Accounting Policies
a) People and services:

Revenue related to staffing services i.e. salary and incidental expenses of temporary associates along with the service charges are recognized in accordance with the agreed terms and recognized as the related services are performed.

Revenue related to recruitment services are recognized at the time the candidate begins full time employment.

Revenue related to executive research and trainings are recognized upon rendering of the service.

Revenue from training services is recognized prorated over the period of training.

b) Global technology solutions:

Revenue related to staffing services i.e. salary and incidental expenses of employees of Information Technology / Information Technology Enabled Services along with the service charges are recognized in accordance with the agreed terms and recognized as the related services are performed.

c) Integrated facility management:

Revenue from Integrated facility management and food services are at a fixed rate and are recognized as per the terms of the arrangement with the customers.

d) Industrials:

Revenue from operation and maintenance services are primarily earned on a fixed rate basis and are recognized as per the terms of the arrangement with the customer. Certain arrangements are on time and material basis and are recognized as the services are performed as per the terms of the arrangement with the customer.

2.10 Other income

Interest income or expenses is recognized using effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instruments to:

- the gross carrying amount of the financial assets; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit impaired) or to the amortised cost of the liability. However, for financial assets that have become credit impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

2.11 Investments

Investments in equity shares of subsidiaries shall be accounted either
(a) at cost, or
(b) in accordance with Ind AS 109, Financial Instruments
The Company has elected to account its investment in subsidiaries at cost.

2.12 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.A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

b) Classification and subsequent measurement

Significant Accounting Policies
Financial assets

On initial recognition, a financial asset is classified and measured at:
- amortised cost;
- Fair Value through other comprehensive income (FVOCI) - debt investment;
- Fair Value through other comprehensive income (FVOCI) - equity investment; or
- Fair value through profit and loss (FVTPL)

Financial assets are not classified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both the following conditions and is not designated as at FVTPL:
- 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.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:
- 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.

On initial recognition of an equity investment that is not held for trading, the group may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI-equity investment). This election is made on an investment-to-investment basis.

All financial assets not classified as amortised cost or FVOCI as described above are measures at FVTPL. This includes all derivative financial assets. 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 mistake 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 profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or 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 profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or 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 profit or loss.

c) Impairment of financial assets
The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 36 details how the Company determines whether there has been a significant increase in credit risk.

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. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes 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 entity reverts to recognizing impairment loss allowance based on 12 month ECL.

d) 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.

Significant Accounting Policies

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. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Financial liabilities

a) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or amortised cost.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

b) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to Statement of Profit and Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified party fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability 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 recognised less cumulative amortisation.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

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 them on a net basis or to realise the asset and settle the liability simultaneously.

Significant Accounting Policies
2.13 Employee benefits

a) Defined benefit plans
The Company's gratuity plan is a defined benefit plan. The present value of gratuity obligation under such defined benefit plans is determined based on actuarial valuations carried out by an independent actuary using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations.

Actuarial gains or losses are recognized in other comprehensive income. Further, the profit or loss does not include an expected return on plan assets. Instead net interest recognized in profit or 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 recognized as part of re-measurements of net defined liability or asset through other comprehensive income.

Remeasurement of the net defined liability or asset (excluding amounts included in net interest on the net defined benefit liability) are not reclassified to profit or loss in subsequent periods.

The Company's gratuity scheme is administered through a trust with the Life Insurance Corporation of India and the provision for the same is determined on the basis of actuarial valuation carried out by an independent actuary. Provision is made for the shortfall, if any, between the amounts required to be contributed to meet the accrued liability for gratuity as determined by actuarial valuation and the available corpus of the funds.

b) Short-term employee benefits
Short term employee benefits are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid e.g. short term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past services provided by the employee, and the amount of obligation can be estimated reliably.

c) Compensated absences
The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilized accumulating compensated absences and utilize it in future periods. 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 measured on the basis of an independent actuarial valuation using the Projected Unit Credit method as at the reporting date.

d) Defined contribution plan
A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards employee Provident Fund to Government administered Provident Fund Scheme which is a defined contribution plan. The Company's contribution is recognized as an expense in the statement of profit and loss during the period in which the employee renders the related service.

e) Termination benefits
Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognizes cost for restructuring. If the benefits are not expected to be settled wholly within 12 months of reporting date, then they are discounted.

2.14 Share-based payments

Employees of the Company receive remuneration in the form of equity settled instruments, for rendering services over a defined vesting period. Equity instruments granted are measured by reference to the fair value of the instrument at the date of grant. The expense is recognized in the statement of profit and loss with a corresponding increase in equity over the period that the employees unconditionally becomes entitled to the award 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 amortization). The stock compensation expense is determined based on the Company's estimate of equity instruments that will eventually vest.

2.15 Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign-currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the balance sheet date.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Significant Accounting Policies
Non-monetary assets and non-monetary 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 non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss and are generally recognized in profit and loss, except exchange differences arising from the translation of the following items which are recognized in OCI:
- equity investments at fair value through OCI (FVOCI)
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- qualifying cash flow hedges to the extent that the hedges are effective.

2.16 Taxes

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in net profit in the statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income.

Current income tax for current and prior periods is recognized 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 balance sheet date. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except for the cases mentioned below.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet 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 recognized as income or expense in the period that includes the enactment or the substantive enactment date

Deferred tax is not recognized for:
-temporary differences arising on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits or loss at the time of the transaction.
- temporary investments related to investment in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
-taxable temporary difference arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of history of recent losses, the Company recognizes a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profits will be available against which such deferred tax can be realized. Deferred tax assets, unrecognized or recognized, are reviewed at each reporting date and are recognized/reduced to the extent that it is probable/no longer probable respectively that the related tax benefit will be realized.

2.17 Provisions (other than employee benefits)

A provision is recognised if, as a result of a past event, the Company has a present 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. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) 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 recognized as finance cost. Expected future operating losses are not provided for.

(i) Onerous contract
A contract is considered to be onerous when the expected economic benefit to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Company recognizes any impairment loss on the assets associated with the contract.

2.18 Contingent Liability

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are disclosed in the financial statements if an inflow of economic benefits is probable.

2.19 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

Significant Accounting Policies
2.20 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.

2.21 Earnings per share

The basic earnings per share is computed by dividing the net profit attributable to owners of the Company for the year by the weighted average number of equity shares outstanding during reporting period.

The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share and also the weighted average number of equity shares which could have been issued on the 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. In computing diluted earnings per share, only potential equity shares that is dilutive and which either reduces earnings per share or increase loss per share are included.

2.22 Segment reporting

Based on the "management approach" as defined in Ind AS 108, Operating Segments, the Chief Operating Decision Maker evaluates the Company'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. People and services, Integrated facility management, Global technology solutions and Industrials.

2.23 Contributed equity

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.24 Recent accounting pronouncements

(a) Standards issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows', Ind AS 102, 'Share-based payment' and Ind AS 115, 'Revenue from contracts with customers'.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board ("IASB") to IAS 7, 'Statement of cash flows', IFRS 2, 'Share-based payment,' ' and IFRS 15, Revenue from contracts with customer' respectively. The amendments are applicable to the company from 1 April 2017.

Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Company is evaluating the requirements of the amendment and the effect on the financial statements.

Amendment to Ind AS 102:

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.

It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Market-based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that include a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement.

The impact of the above stated amendment to company is Nil as the same is not applicable to Company.

Significant Accounting Policies
Ind AS 115, Revenue from Contracts with Customers:

Ind AS 115, Revenue from Contracts with Customers was initially notified under the Companies (Indian Accounting Standards) Rules, 2015.

The standard applies to contracts with customers. The core principle of the new standard is that an entity should recognize revenue to depict transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, timing and uncertainty of revenues and cash flows arising from the entity's contracts with customers. The new standard offers a range of transition options. An entity can choose to apply the new standard to its historical transactions, and retrospectively adjust each comparative period. Alternatively, an entity can recognize the cumulative effect of applying the new standard at the date of initial application and make no adjustments to its comparative information. The chosen transition option can have a significant effect on revenue trends in the financial statements. A change in the timing of revenue recognition may require a corresponding change in the timing of recognition of related costs.

The standard has been currently deferred. The Company is currently evaluating the requirements of Ind AS 115, and has not yet determined the impact on the financial statements.

3 Property, plant and equipment

(Amount in INR lakhs)

Particulars	Leasehold improvements	Furniture and fixtures	Vehicles	Office equipment	Plant and machinery	Computer equipment	Total
Deemed cost as at 1 April 2015*	**103.53**	**222.08**	**18.48**	**390.01**	**297.61**	**287.26**	**1,318.97**
Additions during the year	59.16	131.03	25.42	354.95	23.07	414.58	1,008.21
Disposals for the year	-	-	3.04	-	29.97	0.13	33.14
Balance as at 31 March 2016	**162.69**	**353.11**	**40.86**	**744.96**	**290.71**	**701.71**	**2,294.04**
Additions during the year	38.95	81.85	141.61	167.58	323.01	235.47	988.47
Disposals for the year	-	-	-	-	-	-	-
Balance as at 31 March 2017	**201.64**	**434.96**	**182.47**	**912.54**	**613.72**	**937.18**	**3,282.51**
Accumulated depreciation*							
Depreciation for the year	80.74	67.01	19.92	155.20	160.04	211.11	694.02
Accumulated depreciation on deletions	-	-	3.04	-	20.76	0.13	23.93
Balance as at 31 March 2016	**80.74**	**67.01**	**16.88**	**155.20**	**139.28**	**210.98**	**670.09**
Depreciation for the year	55.84	83.19	35.66	172.22	159.19	295.73	801.83
Accumulated depreciation on deletions	-	-	-	-	-	-	-
Balance as at 31 March 2017	**136.58**	**150.20**	**52.54**	**327.42**	**298.47**	**506.71**	**1,471.92**
Net carrying amount							
As at 31 March 2017	**65.06**	**284.76**	**129.93**	**585.12**	**315.25**	**430.47**	**1,810.59**
As at 31 March 2016	**81.95**	**286.10**	**23.98**	**589.76**	**151.43**	**490.73**	**1,623.95**
As at 1 April 2015	**103.53**	**222.08**	**18.48**	**390.01**	**297.61**	**287.26**	**1,318.97**

*Refer note 51(A)(iii)

There has been no impairment losses recognised during the year or previous year.

4 Intangible assets and intangible assets under development

(Amount in INR lakhs)

Particulars	Goodwill (refer note 4.1)	Other intangible assets				Intangible assets under development (refer note 4.3)
		Brand value of business acquired (refer note 4.2)	Computer software	Copyright and trademarks (refer note 4.1)	Total other intangible assets	
Deemed cost as at 1 April 2015*	**-**	**8,946.10**	**283.67**	**-**	**9,229.77**	**-**
Additions during the year	-	-	272.74	-	272.74	85.55
Disposals for the year	-	-	-	-	-	-
Balance as at 31 March 2016	**-**	**8,946.10**	**556.41**	**-**	**9,502.51**	**85.55**
Additions during the year	45.20	-	276.40	4.80	281.20	766.82
Disposals for the year	-	-	-	-	-	-
Balance as at 31 March 2017	**45.20**	**8,946.10**	**832.81**	**4.80**	**9,783.71**	**852.37**
Accumulated amortisation*						
Amortization for the year	-	644.60	185.05	-	829.65	-
Accumulated amortization on deletions	-	-	-	-	-	-
Balance as at 31 March 2016	**-**	**644.60**	**185.05**	**-**	**829.65**	**-**
Amortization for the year	-	645.00	254.52	0.80	900.32	-
Accumulated amortization on deletions	-	-	-	-	-	-
Balance as at 31 March 2017	**-**	**1,289.60**	**439.57**	**0.80**	**1,729.97**	**-**
Net carrying amount						
As at 31 March 2017	**45.20**	**7,656.50**	**393.24**	**4.00**	**8,053.74**	**852.37**
As at 31 March 2016	**-**	**8,301.50**	**371.36**	**-**	**8,672.86**	**85.55**
As at 1 April 2015	**-**	**8,946.10**	**283.67**	**-**	**9,229.77**	**-**

*Refer note 51(A)(iii)

There has been no impairment losses recognised during the year or previous year.

4.1 During the year, the Company has entered into an Asset Transfer Agreement with CAARPUS Technology Services Limited ("Transferor") and its founder Mr. L Bharani Raj dated 30 September 2016 to purchase the business asset (copyright and trademarks for using E-catalogue software and other intangibles). The transferor is engaged in the business of providing technology based solutions for material management, coding, catalogue, inventory management etc. The total consideration paid is Rs 50.00 lakhs.

In accordance with Ind AS 103, the consideration paid requires to be allocated across identifiable assets acquired, at their respective fair values. Accordingly, the Company has recognised intangible assets aggregating to Rs 4.80 lakhs and remaining amount aggregating to Rs 45.20 lakhs is accounted as goodwill.

4.2 During the year 2014, the Company pursuant to the scheme of amalgamation acquired Avon Facility Management Services Limited with effect from 1 January 2014, Magna InfoTech Limited with effect from 1 January 2014 and Hofincons Infotech & Industrial Services Private Limited with effect from 1 July 2014. The management of Quess Corp Limited appointed external valuer to provide a valuation of the Magna brand, Avon brand and Hofincons brand ("Brand") as on 31 December 2013 (applicable for Magna and Avon) and 30 June 2014 (applicable for Hofincons) ("Valuation Date") in connection with restructuring exercise for valuation of brand. Subsequently, the Company on such amalgamation, has identified and recognized Brand amounting to Rs 9,682.00 lakhs on such valuation.

Brand is amortised over a period of 15 years and the written down value as at 31 March 2017 is Rs 7,656.51 lakhs (31 March 2016: Rs 8,301.50 lakhs).

4.3 The Company has entered into an agreement with MFX Infotech Private Limited for development of its payroll management system and other applications. The contract is entered on a time and material basis at cost plus agreed markup. The estimated cost for these software development is Rs 1,048.67 lakhs out of which cost incurred amounting to Rs 711.37 lakhs is shown as intangible assets under development.

5 Non-current investments

(Amount in INR lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
I. Unquoted equity instruments - trade			
Investment in subsidiaries at cost			
3,110,000 (31 March 2016: 3,110,000) fully paid up equity shares of par value of Rs 10 each of	120.00	120.00	120.00
1,000,000 (31 March 2016: 1,000,000) fully paid up equity shares of par value of Rs 10 each of MFX Infotech Private Limited*	104.50	104.50	101.50
7,000,100 (31 March 2016: 7,000,100) Common Shares of Brainhunter Systems Limited, [formerly known as Zylog Systems (Canada) Limited] fully paid up*	175.12	175.12	55.02
1 (31 March 2016: 1) Common Stock of Quess Corp (USA) Inc. (formerly known as Magna Infotech Inc.) of US $ 1,00,000 each, fully paid-up	62.54	62.54	62.54
86,000 (31 March 2016: 86,000) fully paid up equity shares of par value of 100 pesos each of Quess (Philippines) Corp (formerly known as Magna Ikya Infotech Inc., Philippines)	122.74	122.74	122.74
39,411,557 (31 March 2016: 39,411,557) fully paid up equity shares of par value of Rs 10 each of Aravon Services Private Limited*	7.00	3.50	-
12,332,075 (31 March 2016: 2,308,499) ordinary shares of Quesscorp Holdings Pte Ltd of SGD 1.00 each, fully paid-up*	6,214.82	1,100.00	-
28,400 (31 March 2016: Nil) fully paid up equity shares having face value of Rs 10 each at a premium of Rs 1,222 each of Inticore VJP Advanced Systems Private Limited (refer note	352.38	-	-
10,000 (31 March 2016: Nil) fully paid up equity shares of par value of Rs 10 each of Dependo Logistics Solutions Private Limited (refer note 5.2)	1.00	-	-
10,000 (31 March 2016: Nil) fully paid up equity shares of par value of Rs 10 each of CenterQ Business Solutions Private Limited (refer note 5.3)	1.00	-	-
10,000 (31 March 2016: Nil) fully paid up equity shares of par value of Rs 10 each of Excelus Learning Solutions Private Limited (refer note 5.4)*	17.43	-	-
Investment in associates at cost			
245,000 (31 March 2016: Nil) fully paid up equity shares of par value of Rs 10 each at a premium of Rs 2,929 each of Terrier Security Services (India) Private Ltd (refer note 5.5)*	7,211.00	-	-
4,068 (31 March 2016: Nil) fully paid up equity shares of par value of Rs 10 each at a premium of Rs 2,768 each of Simpliance Technologies Private Limited (refer note 5.6)	113.00	-	-
Total unquoted investments in equity instruments	**14,502.53**	**1,688.40**	**461.80**
II. Unquoted preference shares			
Investment in preference shares at fair value			
4,036,697 (31 March 2016: Nil) fully paid up compulsorily convertible preference shares having face value of Rs 10 each at a premium of Rs 535 each of Manipal Integrated Services Private Limited (refer note 5.7)	22,000.00	-	-
Total unquoted investments in preference shares	**22,000.00**	**-**	**-**
Total non-current investments	**36,502.53**	**1,688.40**	**461.80**
Aggregate value of unquoted investments	36,502.53	1,688.40	461.80
Aggregate amount of impairment in value of investments	-	-	-

5.1 During the year, 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 349.99 lakhs. The Company acquired controlling stake on 1 December 2016 and Inticore has become the subsidiary of the Company.

5.2 During the year, the Company has incorporated Dependo Logistics Solutions Private Limited as a wholly owned subsidiary on 8 September 2016 by subscribing to 10,000 equity shares of Rs 10 each.

5.3 During the year, the Company has incorporated CenterQ Business Solutions Private Limited as a wholly owned subsidiary on 9 November 2016 by subscribing to 10,000 equity shares of Rs 10 each.

5.4 During the year, the Company has incorporated Excelus Learning Solutions Private Limited as a wholly owned subsidiary on 23 November 2016 by subscribing to 10,000 equity shares of Rs 10 each.

5.5 During the year, the Company has entered into a Share Purchase Agreement ("SPA") with Terrier Security Services (India) 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. The Company has currently acquired 49% stake on 9 December 2016 for a consideration of Rs 7,200 lakhs and accordingly Terrier has become an associate of the Company.

5.6 During the year, the Company has entered into Share Subscription Agreement ("SSA") dated 19 October 2016 with Simpliance Technologies Private Limited ("Simpliance") and its shareholders to acquire equity stake of 45% in Simpliance for a consideration of Rs 250 lakhs. The Company has currently acquired 27% equity stake for a consideration of Rs 113 lakhs and accordingly Simpliance has become an associate of the Company.

5.7 During the year, the Company has entered into definitive agreement with Manipal Integrated Services Private Limited ("MIS") dated 28 November 2016 to demerge the Facility Management Business and Catering Business (together means "Identified Business") of MIS through the Scheme of Arrangement ("the Scheme") into the Company. The Board vide its meeting dated 28 November 2016 has approved the draft scheme of arrangement and filed the Scheme with BSE and NSE. The Company has received the approval from BSE and NSE dated 23 March 2017 and 27 March 2017 respectively and has further filed it with National Company Law Tribunal ("NCLT"), subsequent to the balance sheet date. In pursuance of the Scheme, Company has invested Rs 22,000 lakhs by subscribing to Compulsory Convertible Preference Share of MIS as part of the purchase consideration.

The Scheme requires the Company to account for the acquisition, on and from 1 December 2016, i.e. appointed date. In accordance with Indian Accounting Standard 103, Business Combinations, (Ind AS 103), the accounting for the acquisition has to be done on and from the "Acquisition date". As per paragraph 9 of Ind AS 103, the acquisition date is the date on which the acquirer obtains control of the acquiree and is generally the date on which the acquirer legally transfers the consideration, acquires the assets and assumes the liabilities of the acquiree as on the closing date. The appointed date (1 December 2016) as per the Scheme is not the same as the acquisition date, as defined under Ind AS 103. The accounting from the appointed date as mentioned in the Scheme is subject to regulatory approval.

* Investments include interest on corporate guarantee given to subsidiaries amounting to Rs 476.34 lakhs (31 March 2016: Rs 128.10 lakhs)

6 Non-current loans

(Amount in INR lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Unsecured, considered good			
Security deposits	1,146.46	577.36	427.46
	1,146.46	**577.36**	**427.46**

7 Other non-current financial assets

(Amount in INR lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Bank deposits (due to mature after 12 months from the reporting date)	85.72	205.16	37.47
	85.72	**205.16**	**37.47**

8 Taxes

A Amount recognised in profit or loss

(Amount in INR lakhs)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Current tax:		
In respect of the current period	(3,327.42)	(6,135.00)
Excess provision related to prior years (refer note (i) below)	-	645.64
Deferred tax:		
Attributable to:		
Origination and reversal of temporary differences	(1,488.05)	2,257.47
Increase/ reduction of tax rate	-	5.07
Income tax expense reported in the Statement of Profit and Loss	**(4,815.47)**	**(3,226.82)**

(i) During the previous year ended 31 March 2016, the Company has performed the reconciliations of tax provision created as per books of accounts with the income tax provision filed in its return of income for the completed assessment years and written back additional provision aggregating Rs 645.64 lakhs.

B Income tax recognised in other comprehensive income

(Amount in INR lakhs)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Remeasurement of the net defined benefit liability/ asset		
Before tax	309.29	(655.98)
Tax (expense)/ benefit	(107.20)	227.02
Net of tax	**202.09**	**(428.96)**

C Reconciliation of effective tax rate

(Amount in INR lakhs)

Particulars	For the year ended 31 March 2017		For the year ended 31 March 2016	
Profit before tax		13,836.48		11,082.20
Tax using the Company's domestic tax rate	34.61%	4,788.81	34.61%	3,835.52
Effect of:				
Tax exempt income	-1.20%	(166.26)	-	-
Non-deductible expenses	1.39%	192.92	0.33%	36.94
Effective tax rate	**34.80%**	**4,815.47**	**34.94%**	**3,872.46**
Less: Excess provisions relating to earlier years	-	-	5.82%	645.64
Income tax expense reported in the Statement of profit and loss	**34.80%**	**4,815.47**	**29.12%**	**3,226.82**

D The following table provides the details of income tax assets and income tax liabilities as of 31 March 2017, 31 March 2016 and 1 April 2015

(Amount in INR lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Income tax assets	27,001.57	19,402.78	13,532.90
Income tax liabilities	(15,845.99)	(12,472.90)	(6,337.90)
Net income tax asset at the end of the year	**11,155.58**	**6,929.88**	**7,195.00**

E Deferred tax assets, net

(Amount in INR lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Deferred tax asset and liabilities are attributable to the following:			
Deferred tax asset:			
Impairment loss allowance on financial assets	1,189.46	1,130.41	641.49
Provision for employee benefits	1,186.58	800.20	374.86
Provision for disputed claims	72.63	78.31	76.91
Provision for rent escalation	18.60	16.60	6.74
Others	126.54	1,777.54	12.34
Deferred tax liabilities:			
Excess of depreciation provided for in the books over the depreciation allowed under the Income tax	(1,032.47)	(860.87)	(205.67)
Net deferred tax assets	**1,561.34**	**2,942.19**	**906.67**

The movement of deferred tax aggregating to Rs 1,380.85 lakhs for the year ended 31 March 2017 (previous year: Rs 2,035.52 lakhs) comprises of Rs 1,488.05 lakhs (previous year: Rs 2,262.54 lakhs) charged to profit and loss account and Rs 107.20 lakhs (previous year: Rs 227.02 lakhs) charged to other comprehensive income.

F Recognised deferred tax assets and liabilities

Movement of deferred tax assets / liabilities presented in the balance sheet

(Amount in INR lakhs)

For the year ended 31 March 2017	Opening balance	Recognised in profit or loss	Recognised in OCI	Closing balance
Deferred tax liability on:				
Excess of depreciation provided for in the books over the depreciation allowed under the Income tax	(860.87)	(171.60)	-	(1,032.47)
Gross deferred tax liability	**(860.87)**	**(171.60)**	**-**	**(1,032.47)**
Deferred tax assets on:				
Impairment loss allowance on financial assets	1,130.41	59.05	-	1,189.46
Provision for employee benefits	800.20	279.18	107.20	1,186.58
Provision for disputed claims	78.31	(5.68)	-	72.63
Provision for rent escalation	16.60	2.00	-	18.60
Others	1,777.54	(1,651.00)	-	126.54
Gross deferred tax assets	**3,803.06**	**(1,316.45)**	**107.20**	**2,593.81**
Net deferred tax assets	**2,942.19**	**(1,488.05)**	**107.20**	**1,561.34**

(Amount in INR lakhs)

For the year ended 31 March 2016	Opening balance	Recognised in profit or loss	Recognised in OCI	Closing balance
Deferred tax liability on:				
Excess of depreciation provided for in the books over the depreciation allowed under the Income tax	(205.67)	(655.20)	-	(860.87)
Gross deferred tax liability	**(205.67)**	**(655.20)**	**-**	**(860.87)**
Deferred tax assets on:				
Impairment loss allowance on financial assets	641.49	488.92	-	1,130.41
Provision for employee benefits	374.86	652.36	(227.02)	800.20
Provision for disputed claims	76.91	1.40	-	78.31
Provision for rent escalation	6.74	9.86	-	16.60
Others	12.34	1,765.20	-	1,777.54
Gross deferred tax assets	**1,112.34**	**2,917.74**	**(227.02)**	**3,803.06**
Net deferred tax assets	**906.67**	**2,262.54**	**(227.02)**	**2,942.19**

9 Other non-current assets

(Amount in INR lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Taxes paid under protest	186.12	46.49	46.49
Provident fund dispute paid under protest	107.22	107.22	107.22
Prepaid expenses	103.91	158.76	196.15
Capital advances	39.38	75.70	30.64
	436.63	**388.17**	**380.50**

10 Inventories

(Amount in INR lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Valued at lower of cost and net realizable value			
Raw materials and consumables	37.06	56.54	43.90
Stores and spares	425.29	75.68	8.92
	462.35	**132.22**	**52.82**

11 Trade receivables

(Amount in INR lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Unsecured			
Considered good	28,943.11	32,965.38	20,189.52
Considered doubtful	2,763.65	2,699.15	2,161.80
	31,706.76	**35,664.53**	**22,351.32**
Loss allowance [refer note 36(i)]			
Unsecured considered good	(390.06)	(567.18)	(284.46)
Doubtful	(2,763.65)	(2,699.15)	(2,161.80)
	(3,153.71)	**(3,266.33)**	**(2,446.26)**
Net trade receivables	**28,553.05**	**32,398.20**	**19,905.06**

All trade receivables are current.

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

(Amount in INR lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Trade receivables from related parties	248.41	300.03	142.86
Less: loss allowance	(130.13)	(86.17)	(4.00)
Net trade receivables	**118.28**	**213.86**	**138.86**

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 36.

12 Cash and cash equivalents

(Amount in INR lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Cash and cash equivalents			
Cash on hand	8.36	7.46	8.28
Cheque in hand	378.66	-	-
Balances with banks			
In current accounts	21,670.64	8,413.31	6,312.58
In deposit accounts (with original maturity of less than 3 months)	322.02	-	168.56
Cash and cash equivalents in balance sheet	**22,379.68**	**8,420.77**	**6,489.42**
Bank overdraft used for cash management purpose	(34.22)	-	-
Cash and cash equivalents in the statement of cash flow	**22,345.46**	**8,420.77**	**6,489.42**

13 Bank balances other than cash and cash equivalents above

(Amount in INR lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
In deposit accounts (due to mature within 12 months from the reporting date)	15,827.11	269.74	579.72
	15,827.11	**269.74**	**579.72**

14 Current loans

(Amount in INR lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Unsecured, considered good			
Security deposits	767.52	515.33	507.26
Loans to group entities (refer note 43)	1,326.29	1,495.41	90.42
Loans to employees	478.36	603.36	419.69
	2,572.17	**2,614.10**	**1,017.37**

15 Other current financial assets

(Amount in INR lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Interest accrued but not due	259.52	23.56	16.73
Interest receivable from related parties (refer note 43)	35.22	43.28	-
	294.74	**66.84**	**16.73**

16 Unbilled revenue

(Amount in INR lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Unbilled revenue*	34,827.63	27,479.00	12,954.68
	34,827.63	**27,479.00**	**12,954.68**
* includes unbilled revenue billable to related parties (refer note 43)	92.68	132.70	-

17 Other current assets

(Amount in INR lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Prepaid expenses	652.71	905.60	395.21
Advances to suppliers	458.28	415.98	89.07
Travel advances to employees	11.09	94.89	26.10
Balances with government authorities	360.74	-	37.69
Dues from related parties*	-	189.55	-
Other advances	33.55	19.92	71.43
	1,516.37	**1,625.94**	**619.50**

* includes receivables from related parties (refer note 43)

18 Equity share capital

(Amount in INR lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Authorised			
200,000,000 (31 March 2016: 200,000,000) equity shares of par value of Rs 10 each*	20,000.00	20,000.00	11,310.46
	20,000.00	**20,000.00**	**11,310.46**
Issued, subscribed and paid-up			
126,790,961 (31 March 2016: 113,335,056) equity shares of par value of Rs 10 each, fully paid up	12,679.10	11,333.51	2,577.38
	12,679.10	**11,333.51**	**2,577.38**

* During the previous year ended 31 March 2016, the Company vide its Extraordinary General Meeting dated 10 August 2015, has increased its authorised share capital from Rs 11,310.46 lakhs divided into 113,104,631 equity shares of Rs 10 each to Rs 20,000.00 lakhs divided into 200,000,000 equity shares of Rs 10

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

Particulars	As at 31 March 2017		As at 31 March 2016	
	Number of shares	Amount in Rs lakhs	Number of shares	Amount in Rs lakhs
Equity shares				
At the commencement of the year	1133,35,056	11,333.51	257,73,764	2,577.38
Shares issued on exercise of employee stock options (refer note 47)	8,37,608	83.76	-	-
Shares issued during the year (i)	126,18,297	1,261.83	-	-
Right issue (ii)	-	-	25,60,000	256.00
Bonus issue (iii)	-	-	850,01,292	8,500.13
At the end of the year	**1267,90,961**	**12,679.10**	**1133,35,056**	**11,333.51**

(i) During the year ended 31 March 2017, 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:

(Amount in INR lakhs)

Particulars	Objects of the issue as per the prospectus	Utilised up to 31 March 2017	Unutilised amount as on 31 March 2017
Repayment of debt availed by the Company	5,000.00	5,000.00	-
Meeting capital expenditure requirement of the Company and Subsidiary MFX US	7,171.70	1,636.01	5,535.69
Funding incremental working capital requirement of our Company	15,790.10	9,500.00	6,290.10
Acquisitions and strategic initiatives	8,000.00	8,000.00	-
General corporate purpose	1,076.67	1,076.67	-
Total	**37,038.47**	**25,212.68**	**11,825.79**

Unutilised amounts of the issue as at 31 March 2017 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 March 2017, the Company has incurred Rs 2,746.04 lakhs of IPO expenses and the remaining amount of Rs 215.49 lakhs is accrued and expected to be utilized by June 2017.

(ii) **Right issue**

During the previous year ended 31 March 2016, the Company vide its Board meeting dated 6 November 2015, has offered 2,560,000 equity shares of Rs 10 each on right basis, in pursuance of the requirements of Section 62 of the Companies Act, 2013 read with the Companies (Share capital and Debentures) Rules, 2014 in the ratio of 0.099 equity shares for every equity share held in the Company as on date to the existing shareholders. Thomas Cook (India) Ltd had resolved not to subscribe to the right issue and had obtained the shareholders approval on 12 December 2015 and accordingly a resolution of renunciation was approved by the Board of Directors of the Thomas Cook (India) Ltd vide circular resolution dated 18 December 2015 for renouncing 1,957,302 equity shares in favour of Net Resources Investments Private Limited. On 21 December 2015, Mr. Ajit Isaac renounced his rights of 461,516 shares in favour of Net Resources Investments Private Limited.

Accordingly, the Company in its Board meeting dated 22 December 2015 has approved the allotment of equity shares on right basis as follows:

Name of shareholder	Number of shares prior to right issue	Number of right shares issued	Number of shares post right issue
Thomas Cook (India) Ltd	197,05,874	-	197,05,874
Mr. Ajit Isaac	46,46,490	-	46,46,490
Net Resources Investments Private Limited	12,94,100	25,47,356	38,41,456
Ms. Amrita Nathani	38,525	3,827	42,352
Mr. Guruprasad Srinivasan	28,475	2,828	31,303
Mr. Venkatesan Jayaraman	20,100	1,997	22,097
Mr. Vijay Sivaram	20,100	1,996	22,096
Ms. Pratibha J	13,400	1,331	14,731
Mr. Jaison Jose	6,700	665	7,365
Total	**257,73,764**	**25,60,000**	**283,33,764**

(iii) **Bonus issue**

During the year ended 31 March 2016, the Company in pursuant of the requirements of Section 63(1) of the Companies Act, 2013 and after obtaining the consent of shareholders at the Extraordinary General Meeting held on 23 December 2015 and vide its Board meeting held on 5 January 2016 had passed a resolution to issue 3 fully paid up equity shares of Rs 10 each for every 1 fully paid up equity share of Rs 10 each to the existing shareholder whose name appeared in the register of members as on 23 December 2015 by utilizing securities premium account. The bonus shares shall rank pari passu in all respects including dividend with the existing equity shares of the Company. The Company accordingly has issued the bonus shares as follows:

Name of shareholder	Number of shares	Number of bonus shares issued	Number of shares after bonus issue
Thomas Cook (India) Ltd	197,05,874	591,17,622	788,23,496
Mr. Ajit Isaac	46,46,490	139,39,470	185,85,960
Net Resources Investments Private Limited	38,41,456	115,24,368	153,65,824
Ms. Amrita Nathani	42,352	1,27,056	1,69,408
Mr. Guruprasad Srinivasan	31,303	93,909	1,25,212
Mr. Venkatesan Jayaraman	22,097	66,291	88,388
Mr. Vijay Sivaram	22,096	66,288	88,384
Ms. Pratibha J	14,731	44,193	58,924
Mr. Jaison Jose	7,365	22,095	29,460
Total	**283,33,764**	**850,01,292**	**1133,35,056**

18.2 Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company. On winding up of the Company, the holders of the equity shares will be entitled to receive the residual assets of the Company, after distribution of all preferential amounts (if any) in proportion to the number of equity shares held.

18.3 Shares held by holding company

Particulars	As at 31 March 2017		As at 31 March 2016	
	Number of shares	Amount in Rs lakhs	Number of shares	Amount in Rs lakhs
Equity shares				
Equity shares of par value Rs 10 each				
Thomas Cook (India) Limited	788,23,496	7,882.35	788,23,496	7,882.35
	788,23,496	**7,882.35**	**788,23,496**	**7,882.35**

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

Particulars	As at 31 March 2017		As at 31 March 2016	
	Number of shares	% held	Number of shares	% held
Equity shares				
Equity shares of par value Rs 10 each				
Thomas Cook (India) Limited	788,23,496	62.17%	788,23,496	69.55%
Ajit Isaac	185,85,960	14.66%	185,85,960	16.40%
Net Resource Investments Private Limited	153,65,824	12.12%	153,65,824	13.56%
	1127,75,280		**1127,75,280**	

18.5 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 balance sheet date. However, the Company has issued bonus shares in the previous financial year and equity shares have been issued under Employee Stock Option Plan for which only exercise price has been received in cash i.e. Rs 10 (refer note 47).

Particulars	31 March 2017	31 March 2016	31 March 2015	31 December 2013	31 March 2013
Bonus shares issued	-	850,01,292	-	-	-
Shares issued on exercise of employee stock options	8,37,608	-	-	4,29,000.00	-

19 Other equity*

(Amount in INR lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Securities premium account (refer note 19.1)	40,205.62	4,083.18	12,583.29
Stock options outstanding account (refer note 19.2)	89.02	434.81	561.37
Capital reserve account (refer note 19.3)	3,804.74	3,804.74	3,804.74
General reserve account	126.56	126.56	-
Debenture redemption reserve (refer note 19.4)	187.50	-	-
Retained earnings	21,924.16	13,090.65	5,235.27
Other comprehensive income (refer note 19.5)	226.87	428.96	-
	66,564.47	**21,968.90**	**22,184.67**

19.1 Securities premium account

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 has made an Initial Public Offer (IPO) and issued 12,618,297 equity shares at a premium of Rs 307 per share. As per the requirement of Section 52 of the Companies Act, 2013 the Company has utilised the securities premium for the expenses incurred in connection with the Initial Public Offer (IPO) amounting to Rs 2,961.53 lakhs.

19.2 Stock options outstanding account

The stock option outstanding account is used to recognise the grant date fair value of option issued to employees under employee stock option scheme.

19.3 Capital reserve account

During the year ended 2015, the Company pursuant to the scheme of amalgamation acquired Avon Facility Management Services Limited with effect from 1 January 2014, Magna InfoTech Limited with effect from 1 January 2014 and Hofincons Infotech & Industrial Services Private Limited with effect from 1 July 2014. 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.

19.4 Debenture redemption reserve

During the year, the Company has issued redeemable non-convertible debentures and has created a debenture redemption reserve as per the requirement of Companies Act, 2013 .

19.5 Other comprehensive income

Remeasurement of the net defined benefit liability/(asset) comprises actuarial gain and losses and return on plan assets (excluding interest income).

* For detailed movement of reserves refer Statement of changes in Equity.

20 Non-current borrowings*

(Amount in INR lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Secured			
Non-convertible debentures (refer note 20.2)	14,833.13	-	-
NSDC loan	-	-	300.00
Unsecured			
Vehicle loans	73.19	24.89	15.94
Total borrowings	**14,906.32**	**24.89**	**315.94**
Less: Current maturities of long-term borrowings	33.93	9.24	315.94
	14,872.39	**15.65**	**-**

*Information about the Company's exposure to interest rate and liquidity risk is included in note 36.

20.1 Terms and repayment schedule

Terms and conditions of outstanding borrowings are as follows:

(Amount in INR lakhs)

Particulars	Coupon/ Interest rate	Year of maturity	Carrying amount as at 31 March 2017	Carrying amount as at 31 March 2016	Carrying amount as at 1 April 2015
Secured Non-convertible debentures	8.25%	2022	14,833.13	-	-
Unsecured vehicle loan	11.98%	2019	57.55	-	-
Unsecured vehicle loan	14.28%	2018	15.65	24.88	-
Secured NSDC loan	6.00%	2016	-	-	300.00
Unsecured vehicle loan	9.03%	2016	-	-	15.94
Total non-current borrowings			**14,906.33**	**24.88**	**315.94**

20.2 Non-convertible debentures

During the year ended 31 March 2017, 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 Rs 10 lakh aggregating to Rs 15,000 lakhs. 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.

The debentures carry a coupon rate of 8.25% p.a. payable annually and is to be redeemed after 5 years from the date of allotment without any redemption premium. These debentures are secured by way of first pari passu charge on all the movable and immovable assets of the Company.

(Amount in INR lakhs)

Particulars	Amount
Proceeds from issue of non-convertible debentures (1,500 debentures at Rs 10 lakhs face value)	15,000.00
Less: Transaction costs	172.28
Net proceeds	**14,827.72**
Add: Accrued transaction costs	5.41
Carrying amount of liability at 31 March 2017	**14,833.13**

21 Other non-current financial liabilities

(Amount in INR lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Payable to erstwhile minority shareholders*	-	-	66.67
	-	**-**	**66.67**

*The Company vide agreement dated 14 May 2013 acquired 100% shareholding of Avon Facility Management Services Limited at a total consideration of Rs 1,426.27 lakhs. Out of the total consideration, in accordance with Share Purchase Agreement, the Company has paid Rs 1,200.94 lakhs in May 2013 and has agreed to pay Rs 292.00 lakhs to certain shareholders over a period of 3 years. There is no outstanding balance to be paid as on the reporting date.

22 Non-current provisions

(Amount in INR lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Provision for employee benefits			
Provision for gratuity (refer note 45)	1,384.57	575.84	613.95
Other provisions			
Provision for disputed claims (refer note 22.1)	179.67	226.27	226.27
Provision for rent escalation	48.84	34.03	10.92
	1,613.08	**836.14**	**851.14**

22.1 The disclosure requirement as per Ind AS 37 with respect to the movement of provisions is as follows:

Provision for disputed claims

(Amount in INR lakhs)

Particulars	Amount
Balance as at 1 April 2015	**226.27**
Provision recognized /(reversed)	-
Provision utilized	-
Balance as at 31 March 2016	**226.27**
Provision recognized /(reversed)	(46.60)
Provision utilized	-
Balance as at 31 March 2017	**179.67**

Disputed claims

The Company has received a demand notice dated 12 June 2012 from Employees' Provident Fund (EPF) Organisation raising a demand of Rs 428.90 lakhs 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.

23 Current borrowings

(Amount in INR lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Loans from banks repayable on demand			
Secured			
Working capital loan (refer note 23.1)	24,500.00	8,400.00	5,300.00
Cash credit and overdraft facilities (refer note 23.2)	12,118.22	14,776.83	9,157.69
Bill discounting facility from banks (refer note 23.3)	1,904.79	3,097.65	2,048.48
	38,523.01	**26,274.48**	**16,506.17**

Information about the Company's exposure to interest rate and liquidity risk is included in note 36.

23.1 The Company has taken working capital loan from banks having interest rate ranging from 6% to 9.95%. 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/equipments purchased /to be purchased under lease agreements/ hire purchase agreements) both present and future of the Company.

23.2 The Company has taken cash credit and overdraft facilities having interest rate ranging from MCLR+0.35% to MCLR+2.10%. 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/equipments purchased /to be purchased under lease agreements/ hire purchase agreements) both present and future of the Company.

23.3 The Company has taken bill discounting facilities from banks having interest rate of MCLR+1.30%. These facilities are repayable on demand and are secured primarily by way of pari passu first charge on the entire current and movable assets of the Company on both past and future excluding charge on vehicles/equipments purchased /to be purchased under lease agreements/ hire purchase agreements and assets created out of NSDC facility.

24 Trade payables

(Amount in INR lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Dues to micro, small and medium enterprise (refer note 46)	-	-	-
Trade payables to related parties (refer note 43)	0.31	26.20	21.94
Other trade payables	1,998.54	1,566.40	1,209.71
	1,998.85	**1,592.60**	**1,231.65**

All trade payables are current.
The Company's exposure to currency and liquidity risk related to trade payables is disclosed in note 36.

25 Other current financial liabilities

(Amount in INR lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Current maturities of long-term borrowings	33.93	9.24	315.94
Interest accrued and not due	335.21	27.52	15.79
Financial guarantee liability	406.62	110.06	1.50
Capital creditors	50.60	17.73	15.29
Other payables			
Payable to erstwhile minority shareholders	-	66.67	66.67
Accrued salaries and benefits	17,724.25	17,035.94	7,541.85
Provision for bonus and incentive*	142.48	5,056.21	784.31
Uniform deposits	20.62	23.62	18.38
	18,713.71	**22,346.99**	**8,759.73**

*Balance as at 31 March 2016 includes provision for bonus for the financial year 2015-16 aggregating to Rs 4,440.46 lakhs computed based on the circular issued by Ministry of Law and Justice dated 31 December 2015 which requires Company to pay bonus at the specified revised threshold. The same has been paid during the year (refer note 39.2).

The Company's exposure to currency and liquidity risk related to other current financial liabilities is disclosed in note 36.

26 Current provisions

(Amount in INR lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Provision for employee benefits			
Provision for gratuity (refer note 45)	1,809.98	1,507.59	8.22
Provision for compensated absences	234.09	228.75	480.68
Other provisions			
Provision for warranty (refer note 26.1)	-	-	120.00
Provision for onerous contracts (refer note 26.1)	-	-	10.78
	2,044.07	**1,736.34**	**619.68**

26.1 The disclosure requirement as per Ind AS 37 with respect to the movement of provisions is as follows:

Provision for warranty

(Amount in INR lakhs)

Particulars	Warranty	Onerous contracts
Balance as at 1 April 2015	120.00	10.78
Provisions recognized /(reversed)	(120.00)	(10.78)
Provisions utilized	-	-
Balance as at 31 March 2016	-	-

Warranty

Warranty provision of Rs 120 lakhs was created for the projects to make good for any defects identified. During the previous year, the project on which warranty was provided was completed, hence reversed.

Onerous contract

Onerous contract provision is created for project where the estimated cost of the project will be more than the economic benefits derived by the Company. During the previous year provision was reversed on completion of project.

27 Other current liabilities

(Amount in INR lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Balances payable to government authorities	8,186.76	7,129.93	3,365.64
Advance received from customers	1,614.20	1,457.79	1,179.54
Provision for expenses*	1,123.25	555.04	728.93
Income received in advance	85.98	473.36	2,959.85
Amount payable to related parties	25.27	-	-
Book overdraft	-	385.66	552.97
Provision for rent escalation	4.90	13.94	8.92
	11,040.36	**10,015.72**	**8,795.85**
*includes amount payable to related parties (refer note 43)	25.27	25.16	-

The Company's exposure to currency and liquidity risk related to other current liabilities is disclosed in note 36.

28 Revenue from operations

(Amount in INR lakhs)

Particulars	For the year ended	
	31 March 2017	31 March 2016
Staffing and recruitment services	2,78,719.36	2,41,946.11
Facility management and food services	35,302.86	31,765.73
Training services	9,101.13	7,009.68
Operation and maintenance	12,948.86	11,096.17
	3,36,072.21	**2,91,817.69**

29 Other income

(Amount in INR lakhs)

Particulars	For the year ended	
	31 March 2017	31 March 2016
Interest income under the effective interest method on:		
Deposits with banks	1,124.33	64.99
Interest income on present valuation of financial instruments	120.99	73.83
Interest on tax refunds	24.84	566.73
Dividend income on mutual fund units	166.26	-
Interest on loan given to subsidiaries	127.51	49.58
Liabilities no longer required written back	30.18	135.79
Miscellaneous income	17.99	18.98
	1,612.10	**909.90**

30 Cost of materials and stores and spare parts consumed

(Amount in INR lakhs)

Particulars	For the year ended	
	31 March 2017	31 March 2016
Inventory at the beginning of the year	132.22	52.82
Add: Purchases for the year	3,934.35	4,250.75
Less: Inventory at the end of the year	462.35	132.22
Cost of materials and stores and spare parts consumed	**3,604.22**	**4,171.35**

31 Employee benefit expenses

(Amount in INR lakhs)

Particulars	For the year ended	
	31 March 2017	31 March 2016
Salaries and wages	2,68,972.01	2,35,450.68
Contribution to provident and other funds	23,013.05	17,198.30
Expenses related to defined benefit plans	939.30	2,314.70
Expenses related to compensated absences	5.33	-
Staff welfare expenses	700.69	870.12
	2,93,630.38	**2,55,833.80**

32 Finance costs

(Amount in INR lakhs)

Particulars	For the year ended	
	31 March 2017	31 March 2016
Interest expense	3,552.99	2,541.40
Other borrowing cost	337.31	167.23
	3,890.30	**2,708.63**

33 Depreciation and amortisation expenses

(Amount in INR lakhs)

Particulars	For the year ended	
	31 March 2017	31 March 2016
Depreciation of property, plant and equipment (refer note 3)	801.83	694.03
Amortisation of intangible assets (refer note 4)	900.32	829.65
	1,702.15	**1,523.68**

34 Other expenses

(Amount in INR lakhs)

Particulars	For the year ended	
	31 March 2017	**31 March 2016**
Sub-contractor charges	2,910.02	2,238.19
Recruitment and training expenses	3,302.32	2,518.11
Rent (refer note 44)	2,001.11	1,801.86
Power and fuel	511.26	397.83
Repairs & maintenance		
- buildings	418.94	333.04
- plant and machinery	98.75	77.22
- others	519.93	252.22
Legal and professional fees (refer note 34.1)	1,671.14	721.39
Rates and taxes	118.66	224.55
Printing and stationery	467.01	532.24
Consumables	1,349.52	1,745.51
Travelling and conveyance	4,033.93	3,511.37
Communication expenses	1,018.48	661.01
Impairment loss allowance on financial assets, net [refer note 36(i)]	(112.63)	820.07
Deposits/advances written off	-	136.98
Equipment hire charges	1,009.43	793.99
Insurance	68.63	66.54
Database access charges	234.14	183.54
Bank charges	45.36	36.58
Bad debts written off	680.58	-
Business promotion and advertisement expenses	378.78	158.01
Foreign exchange loss, net	13.59	19.48
Expenditure on corporate social responsibility (refer note 34.2)	152.42	75.65
Miscellaneous expenses	129.41	102.55
	21,020.78	**17,407.93**

34.1 **Payment to auditors (net of service tax; included in legal and professional fees)**

(Amount in INR lakhs)

Particulars	For the year ended	
	31 March 2017	**31 March 2016**
Statutory audit fees	64.00	57.00
Tax audit fees	2.00	2.00
Others	58.00	12.00
Reimbursement of expenses	3.84	3.75
	127.84	**74.75**

34.2 **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 lakhs)

Particulars	For the year ended	
	31 March 2017	**31 March 2016**
a) Gross amount required to be spent by the Company during the year	152.31	74.60
b) Amount spent during the year		
i) Construction or acquisition of any asset	10.30	-
ii) On purpose other than i) above	142.12	75.65

35 Financial instruments - fair value and risk management

Accounting classification and fair value

The following table shows the carrying amount and fair value of financial assets and financial liabilities:

Fair value hierarchy

The section explains the judgment and estimates made in determining the fair values of the financial instruments that are:

a) recognised and measured at fair value

b) measured at amortised cost and for which fair values are disclosed in the 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 lakhs)

Particulars	Carrying amount	Fair value		
	31 March 2017	Level 1	Level 2	Level 3
Financial assets measured at amortised cost				
Loans	3,718.64	-	-	-
Trade receivables	28,553.05	-	-	-
Unbilled revenue	34,827.63	-	-	-
Cash and cash equivalents including other bank balances	38,206.79	-	-	-
Other financial assets	380.46	-	-	-
Financial assets measured at fair value				
Investment in preference shares	22,000.00	-	-	22,000.00
Total financial assets	**1,27,686.57**	**-**	**-**	**22,000.00**
Financial liabilities measured at amortised cost				
Non-convertible debentures	14,833.13	-	-	14,833.13
Borrowings	38,630.43	-	-	-
Trade payables	1,998.85	-	-	-
Other financial liabilities	18,679.78	-	-	-
Total financial liabilities	**74,142.19**	**-**	**-**	**14,833.13**

(Amount in INR lakhs)

Particulars	Carrying amount	Fair value		
	31 March 2016	Level 1	Level 2	Level 3
Financial assets measured at amortised cost				
Loans	3,191.47	-	-	-
Trade receivables	32,398.20	-	-	-
Unbilled revenue	27,479.00	-	-	-
Cash and cash equivalents including other bank balances	8,690.51	-	-	-
Other financial assets	271.99	-	-	-
Total financial assets	**72,031.17**	**-**	**-**	**-**
Financial liabilities measured at amortised cost				
Borrowings	26,299.37	-	-	-
Trade payables	1,592.60	-	-	-
Other financial liabilities	22,337.75	-	-	-
Total financial liabilities	**50,229.72**	**-**	**-**	**-**

(Amount in INR lakhs)

Particulars	Carrying amount	Fair value		
	1 April 2015	Level 1	Level 2	Level 3
Financial assets measured at amortised cost				
Loans	1,444.83	-	-	-
Trade receivables	19,905.06	-	-	-
Unbilled revenue	12,954.68	-	-	-
Cash and cash equivalents including other bank balances	7,069.14	-	-	-
Other financial assets	54.20	-	-	-
Total financial assets	**41,427.91**	**-**	**-**	**-**
Financial liabilities measured at amortised cost				
NSDC Loan	300.00	-	-	300.00
Borrowings	16,522.11	-	-	-
Trade payables	1,231.65	-	-	-
Other financial liabilities	8,510.46	-	-	-
Total financial liabilities	**26,564.22**	**-**	**-**	**300.00**

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: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes investment in equity, preference securities, mutual funds and 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 maximize 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. This is the case for investment in unquoted preference securities and non-convertible debentures 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 Fair value of all these financial assets are measured at balance sheet date value, as most of them are settled within a short period and so their fair value are assumed to be almost equal to the balance sheet date value.

2 **Investment in preference shares (unquoted):** The fair values of the unquoted investment have been estimated using a discounted cash flow model ("DCF"). The valuation requires management to make certain assumptions with respect to inputs used, including revenue, EBITDA and discount rate. The probabilities of the various estimates within the range can be reasonably assessed and are used in management’s estimate of fair value for this investment.

B Financial Liabilities:

1 **Non Convertible debentures (quoted):** The fair values of the Company's interest bearing debentures are determined by using DCF method using discount rate that reflects the issuer’s coupon rate as at the end of the reporting period. The debentures are issued during the year, therefore fair value of the debentures is almost equal to balance sheet date value.

2 **Borrowings:** It also includes cash credit and overdraft facilities, working capital loan and bill discounting facilities. These short-term borrowings are classified and subsequently measured in the financial statements at amortized 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 **National Skill Development Centre Loan:** This includes term loan from National Skill Development Centre of Rs 300 lakhs taken by the Company which is secured against hypothecation of project assets. The loan is taken at 6% p.a. simple interest. As the specific project for which the loan was sanctioned could not be implemented and the entire loan became due for repayment in 2015, this has been classified under other current financial liabilities. Therefore, the fair value of the loan is equal to the balance sheet date value.

4 **Trade payables and other liabilities:** Fair values of trade and other 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 balance sheet values.

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 note (A)(2) above for valuation technique adopted]:

Financial instruments measured at fair value *(Amount in INR lakhs)*

Particulars	Fair Value as at 31 March 2017	Significant unobservable inputs	Fair Value as at 31 March 2017		Sensitivity
			Increase by 1%	Decrease by 1 %	
Investment in preference shares (unquoted)	22,000.00	Risk adjusted discount rate	21,772.80	22,213.16	Increase in discount rate by 1% would decrease the fair value by Rs 227.20 lakhs and decrease in discount rate by 1% would increase the fair value by Rs 213.16 lakhs.
		EBITDA projection	22,244.25	21,737.88	Increase in EBITDA projection by 1% would increase the fair value by Rs 244.25 lakhs and decrease in EBITDA projection by 1% would decrease the fair value by Rs 262.12 lakhs.
		Revenue projection	22,116.39	21,863.21	Increase in revenue projection by 1% would increase the fair value by Rs 116.39 lakhs and decrease in revenue projection by 1% would decrease the fair value by Rs 136.79 lakhs.

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 lakhs)

Particulars	Fair value of preference securities
Balance as at 1 April 2015	**-**
Net change in fair value	-
Balance as at 31 March 2016	**-**
Add: Investment in preference shares	22,000.00
Net change in fair value	-
Balance as at 31 March 2017	**22,000.00**

36 Financial risk management

The Company has exposure to the following risks arising from financial instruments:
- Credit risk ;
- Liquidity risk ; and
- Market risk.

Risk management framework

The Company's Board of Directors 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 auditor. Internal Audit function includes 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 assets. 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.

Trade and other receivables

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 limits its exposure to credit risk from trade receivables by establishing a maximum payment period of one to three months for customers. The Company does not have trade receivables for which no loss allowance is recognised because of collateral.

Expected credit loss assessment for corporate customers as at 1 April 2015, 31 March 2016 and 31 March 2017 are as follows:

The Company uses an allowance matrix to measure the expected credit loss of trade receivable from customers.
Based on industry practices and the business environment in which the entity operates, the management considers that trade receivables are in default (credit impaired) if the payments are more than 270 days past due. Loss rates are based on actual credit loss experience over the last six quarters.
These rates have been adjusted to reflect the management's view of economic conditions over the expected lives of the receivables.
The following table provides information about the exposure to credit risk and expected credit loss for trade receivables from customers:

As at 31 March 2017

(Amount in INR lakhs)

Particulars	Gross carrying amount	Expected credit loss rate	Expected credit losses	Whether receivable is credit impaired	Carrying amount of trade receivables
Not due	17,669.84	0.21%	37.11	No	17,632.73
Past due 1–90 days	8,636.39	1.49%	128.68	No	8,507.71
Past due 91–180 days	1,808.52	5.60%	101.28	No	1,707.24
Past due 181–270 days	828.36	14.88%	122.99	No	705.37
Above 270 days	2,763.65	100.00%	2,763.65	Yes	-
	31,706.76		**3,153.71**		**28,553.05**

As at 31 March 2016

(Amount in INR lakhs)

Particulars	Gross carrying amount	Expected credit loss rate	Expected credit losses	Whether receivable is credit impaired	Carrying amount of trade receivables
Not due	18,664.30	0.21%	39.20	No	18,625.10
Past due 1–90 days	9,991.66	1.49%	148.88	No	9,842.78
Past due 91–180 days	2,824.48	5.60%	158.17	No	2,666.31
Past due 181–270 days	1,484.95	14.88%	220.94	No	1,264.01
Above 270 days	2,699.14	100.00%	2,699.14	Yes	-
	35,664.53		**3,266.33**		**32,398.20**

As at 1 April 2015

(Amount in INR lakhs)

Particulars	Gross carrying amount	Expected credit loss rate	Expected credit losses	Whether receivable is credit impaired	Carrying amount of trade receivables
Not due	11,890.94	0.21%	24.97	No	11,865.97
Past due 1–90 days	6,124.60	1.49%	91.26	No	6,033.34
Past due 91–180 days	1,673.00	5.60%	93.69	No	1,579.31
Past due 181–270 days	500.99	14.88%	74.55	No	426.44
Above 270 days	2,161.79	100.00%	2,161.79	Yes	-
	22,351.32		**2,446.26**	**-**	**19,905.06**

Movement in allowance for impairment in respect of trade receivables

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows.

(Amount in INR lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016
Balance as at the beginning of the year	**3,266.33**	**2,446.26**
Impairment loss allowances recognised	(112.62)	820.07
Balance as at the end of the year	**3,153.71**	**3,266.33**

There is no significant movement in the impairment loss allowance during 2016-17.

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 deposit. 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.

i) Financing arrangement

The Company maintains the following line of credit:

(i) The Company has taken working capital loan from banks having interest rate ranging from 6% to 9.95%. 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/equipments purchased /to be purchased under lease agreements/ hire purchase agreement) both present and future of the Company.

(ii) The Company has taken cash credit and overdraft facilities having interest rate ranging from MCLR+0.35% to MCLR+2.10%. 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/equipments purchased /to be purchased under lease agreements/ hire purchase agreements) both present and future of the Company.

(iii) The Company has taken bill discounting facilities from banks having interest rate of MCLR+1.30%. These facilities are repayable on demand and are secured primarily by way of pari passu first charge on the entire current and movable assets of the Company on both past and future excluding charge on vehicles/equipments purchased /to be purchased under lease agreements/ hire purchase agreement and assets created out of NSDC facility.

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2017, 31 March 2016 and 1 April 2015. The amounts are gross and undiscounted contractual cash flows and includes contractual interest payments and excludes netting arrangements:

As at 31 March 2017

(Amount in INR lakhs)

Particulars	Contractual cash flows				
	Carrying amount	0-1 years	1-2 years	2-5 years	5 years and above
Borrowings	53,463.56	39,828.67	1,276.76	18,549.02	-
Trade payables	1,998.85	1,998.85		-	-
Other financial liabilities	18,679.78	18,679.78	-	-	-

As at 31 March 2016

(Amount in INR lakhs)

Particulars	Contractual cash flows				
	Carrying amount	0-1 years	1-2 years	2-5 years	5 years and above
Borrowings	26,299.37	26,283.72	15.65	-	-
Trade payables	1,592.60	1,592.60	-	-	-
Other financial liabilities	22,337.75	22,337.75	-	-	-

As at 1 April 2015

(Amount in INR lakhs)

Particulars	Contractual cash flows				
	Carrying amount	0-1 years	1-2 years	2-5 years	5 years and above
Borrowings	16,822.11	16,822.11	-	-	-
Trade payables	1,231.65	1,231.65	-	-	-
Other financial liabilities	8,510.46	8,443.79	66.67	-	-

As disclosed in note 20 and note 23, the Company has a secured bank loan that contains a loan covenant. A future breach of covenant may require Company to repay the loan earlier than indicated in the above table. Except for these financial liabilities, it is not expected that cash flows included in maturity analysis could occur significantly earlier.

iii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

i) 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:

(Amount in INR lakhs)

Particulars	Currency	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
		Foreign currency*	Amount	Foreign currency*	Amount	Foreign currency*	Amount
Trade receivables	USD	4,73,858.06	307.30	10,30,743.00	682.92	5,53,201.00	336.52
	EURO	16,798.00	11.64	22,819.00	17.20	-	-
	SAR	96,695.36	16.72	-	-	-	-
Other liabilities	CAD	52,000.00	25.27	5,900.00	3.02	-	-
	USD	-	-	33,413.00	22.14	-	-

*Foreign currency values are in actuals and not recorded in lakhs.

The following significant exchange rates have been applied :

Currency	Year end spot rate		
	31 March 2017	31 March 2016	1 April 2015
USD/INR	64.85	66.26	60.83
EURO/INR	69.29	75.40	67.51
SAR/INR	17.29	17.63	16.67
CAD/INR	48.59	51.23	49.31

Sensitivity analysis

A reasonably possible strengthening/(weakening) of the USD, EURO, SAR and CAD against INR at 31 March 2017 and 31 March 2016 would have affected the measurement of financial instruments denominated in foreign currency and affected equity and profit and loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

(Amount in INR lakhs)

Particulars	Profit and loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2017				
USD (2% movement)	6.15	(6.15)	6.15	(6.15)
EURO (8% movement)	0.93	(0.93)	0.93	(0.93)
SAR (2% movement)	0.33	(0.33)	0.33	(0.33)
CAD (5% movement)	(1.26)	1.26	(1.26)	1.26
31 March 2016				
USD (9% movement)	59.47	(59.47)	59.47	(59.47)
EURO (12% movement)	2.06	(2.06)	2.06	(2.06)
SAR (6% movement)	-	-	-	-
CAD (4% movement)	(0.12)	0.12	(0.12)	0.12

ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's borrowing comprises of vehicle loans, working capital loan and debentures which carries fixed rate of interest, which do not expose it to interest rate risk. However, non-convertible debenture have a fixed coupon rate but there is a condition of call/put option associated with change in interest rate exposing it to interest rate risk . The borrowings also includes cash credit facilities and bill discounting 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 lakhs)

Particulars	As at		
	31 March 2017	31 March 2016	1 April 2015
Variable rate borrowings	14,023.01	17,874.48	11,206.17
Fixed rate borrowings	39,406.32	8,424.89	5,615.94
Total borrowings	**53,429.33**	**26,299.37**	**16,822.11**

(b) Sensitivity

(Amount in INR lakhs)

Particulars	Profit and loss		Equity, net of tax	
	1% Increase	1% decrease	1% Increase	1% decrease
31 March 2017				
Variable rate borrowings	(33.12)	33.12	(21.59)	21.59
31 March 2016				
Variable rate borrowings	(12.17)	12.17	(7.94)	7.94
1 April 2015				
Variable rate borrowings	(12.64)	12.64	(8.24)	8.24

37 Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company monitors the return on capital as well as the level of dividends on its equity shares. The Company's objective when managing capital is to maintain an optimal structure so as to maximize 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 borrowing, 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 lakhs, except ratios)

Particulars	As at		
	31 March 2017	31 March 2016	1 April 2015
Gross debt	53,395.40	26,290.13	16,506.17
Less: Cash and cash equivalents	22,379.68	8,420.77	6,489.42
Adjusted net debt	**31,015.72**	**17,869.36**	**10,016.75**
Total equity	79,243.57	33,302.41	24,762.05
Net debt to equity ratio	**0.39**	**0.54**	**0.40**

38 Capital commitments

(Amount in INR lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016
Estimated amount of contracts remaining to be executed on capital account and not provided for	395.55	30.64
	395.55	**30.64**

39 Contingent liabilities and commitment (to the extent not provided for)

(Amount in INR lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016
Corporate guarantees given as security for loan availed by related parties (refer note 39.1)	23,173.75	7,498.83
Bonus (refer note 39.2)	3,258.77	3,258.77
Provident fund (see note (i) and (ii) below)	257.33	257.33
Direct and indirect tax matters (see note (i) and (ii) below)	104.52	60.59
	26,794.37	**11,075.52**

i) 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.

ii) 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 financial statements. The Company does not expect outcome of these proceedings to have a material adverse effect on its financial position.

39.1 **The Company has given guarantee to banks for the loans given to related parties to make good any default made by its related parties in payment to banks on the loan availed by those related parties.**

Movement of Corporate Guarantees given to related parties during the year is as follows:

(Amount in INR lakhs)

Related parties	As at 1 April 2016	Given during the financial year	Settled /expired during the financial year	As at 31 March 2017
Brainhunter Systems Limited, Canada	6,198.83	-	-	6,198.83
MFX Infotech Private Limited	600.00	-	-	600.00
Aravon Services Private Limited	700.00	-	-	700.00
Terrier Security Services (India) Private Limited	-	2,200.00	-	2,200.00
Excelus Learning Solutions Private Ltd	-	788.47	-	788.47
Inticore VJP Advanced Systems Private Limited	-	500.00	-	500.00
Quesscorp Holdings Pte Ltd	-	12,186.45	-	12,186.45
Total	**7,498.83**	**15,674.92**	**-**	**23,173.75**

Movement of Corporate Guarantees given to subsidiaries during the previous year is as follows:

(Amount in INR lakhs)

Related parties	As at 1 April 2015	Given during the financial year	Settled /expired during the financial year	As at 31 March 2016
Brainhunter Systems Limited, Canada	-	6,198.83	-	6,198.83
MFX Infotech Private Limited	300.00	600.00	(300.00)	600.00
Aravon Services Private Limited	-	700.00	-	700.00
Total	**300.00**	**7,498.83**	**(300.00)**	**7,498.83**

39.2 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 Rs 10,000 per month to Rs 21,000 per month (Section 2(13)) and the ceiling for computation of such salary or wages has been increased from Rs 3,500 per month to Rs 7,000 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. Based on the same, the Company has computed the bonus for the year ended 31 March 2016 and 31 March 2017 aggregating to Rs 4,440.46 lakhs and Rs Nil respectively.

For the period ended 31 March 2015, the Company has obtained a legal opinion from an external lawyer and 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.

40 Earnings per share

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

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Nominal value of equity shares (Rs per share)	10	10
Net profit after tax for the purpose of earnings per share (Rs in lakhs)	9,021.01	7,855.38
Weighted average number of shares used in computing basic earnings per share	1228,29,474	1132,15,610
Basic earnings per share (Rs)	**7.34**	**6.94**
Weighted average number of shares used in computing diluted earnings per share	1246,93,775	1154,21,839
Diluted earnings per share (Rs)	**7.23**	**6.81**

Computation of weighted average number of shares

Particulars	For the year ended	
	31 March 2017	31 March 2016
Number of equity shares outstanding at beginning of the year	**1133,35,056**	**257,73,764**
Number of equity shares outstanding at beginning of the previous year after right issue and bonus issue		
- Adjustment of opening number of shares prior to right issue from 1 April 2015 to 22 December 2015 (25,773,764*1.09*265/366)	-	203,95,438
- Adjustment of opening number of shares post right issue from 22 December 2015 to 31 March 2016 (25,773,764*101/366)	-	71,12,432
Add: Weighted average number of equity shares issued during the year		
- 12,618,297 number of equity shares issued on Initial Public Offer on 12 July 2016 for 263 days	90,92,088	-
- 795,398 number of equity shares issued under ESOP scheme on 4 October 2016 for 179 days	3,90,072	-
- 42,210 number of equity shares issued under ESOP scheme on 16 December 2016 for 106 days	12,258	-
- Right issue of 2,560,000 number of equity shares issued on 22 December 2015 for 101 days	-	7,06,448
- Bonus issue of 85,001,292 number of equity shares issued on 5 January 2016	-	850,01,292
Weighted average number of shares outstanding at the end of the year for computing basic earnings per share	**1228,29,474**	**1132,15,610**
Add: Impact of potentially dilutive equity shares		
- 1,891,920 number of ESOP at fair value	18,64,301	-
- 2,729,428 number of ESOP including bonus at fair value	-	22,06,229
Weighted average number of shares outstanding at the end of the year for computing diluted earnings per share	**1246,93,775**	**1154,21,839**

41 Earnings in foreign currency

(Amount in INR lakhs)

Particulars	For the year ended	
	31 March 2017	31 March 2016
Staffing and recruitment services	1,182.04	1,518.43
Operation and maintenance	557.78	1,270.75
	1,739.82	**2,789.18**

42 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 Company'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 Company'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

People and services	It provides comprehensive staffing services and solutions including general staffing, recruitment and executive search, recruitment process outsourcing, as well as payroll, compliance and background verification services.
Global technology solutions	It provides IT staffing and technology solutions and products.
Integrated facility management	It provides services including janitorial services, electro-mechanical services, pest control as well as food and hospitality services.
Industrials	It provides industrial operations and maintenance services and related asset record maintenance services.

Segment information is prepared in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole. The Company has a corporate center, which provides various accounting and administrative support functions. 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 expenses, 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 Company 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'. All fixed assets of the Company are located in India.

A Operating segment information for the period from 1 April 2016 to 31 March 2017 is as follows:

(Amount in INR lakhs)

Particulars	People and services	Global technology solutions	Integrated facility management	Industrials	Unallocated	Total
Segment revenue	2,30,913.12	49,094.63	33,861.21	22,203.25	-	3,36,072.21
Segment cost	(2,20,446.96)	(42,971.33)	(32,484.03)	(20,635.19)	-	(3,16,537.51)
Segment result	**10,466.16**	**6,123.30**	**1,377.18**	**1,568.06**	**-**	**19,534.70**
Other income	-	-	-	-	1,612.10	1,612.10
Finance charges	-	-	-	-	(3,890.30)	(3,890.30)
Unallocated corporate expenses	-	-	-	-	(3,420.02)	(3,420.02)
Profit before taxation	**10,466.16**	**6,123.30**	**1,377.18**	**1,568.06**	**(5,698.22)**	**13,836.48**
Taxation	-	-	-	-	(4,815.47)	(4,815.47)
Profit after taxation	**10,466.16**	**6,123.30**	**1,377.18**	**1,568.06**	**(10,513.69)**	**9,021.01**
Segment asset	32,681.05	20,532.61	13,211.45	10,619.95	91,038.20	1,68,083.26
Segment liabilities	21,466.86	3,206.28	5,167.65	3,659.91	55,338.99	88,839.69
Capital expenditure	683.76	120.74	214.38	250.80	766.81	2,036.49

Operating segment information for the period from 1 April 2015 to 31 March 2016 is as follows:

(Amount in INR lakhs)

Particulars	People and services	Global technology solutions	Integrated facility management	Industrials	Unallocated	Total
Segment revenue	1,94,860.77	45,974.02	31,765.73	19,217.17	-	2,91,817.69
Segment cost	(1,87,178.75)	(40,843.85)	(30,435.24)	(17,895.59)	-	(2,76,353.43)
Segment result	**7,682.02**	**5,130.17**	**1,330.49**	**1,321.58**	**-**	**15,464.26**
Other income	-	-	-	-	909.90	909.90
Finance charges	-	-	-	-	(2,708.63)	(2,708.63)
Unallocated corporate expenses	-	-	-	-	(2,583.33)	(2,583.33)
Profit before taxation	**7,682.02**	**5,130.17**	**1,330.49**	**1,321.58**	**(4,382.06)**	**11,082.20**
Taxation	-	-	-	-	(3,226.82)	(3,226.82)
Profit after taxation	**7,682.02**	**5,130.17**	**1,330.49**	**1,321.58**	**(7,608.88)**	**7,855.38**
Segment asset	32,318.43	19,922.88	13,359.74	7,518.04	23,001.24	96,120.33
Segment liabilities	21,715.21	3,211.22	2,495.50	1,443.46	33,952.53	62,817.92
Capital expenditure	981.80	62.80	145.95	90.40	85.55	1,366.50

B Geographic information:

The geographical information analyses the Company'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 the customer and segment assets which have been based on the geographical location of the assets.

(Amount in INR lakhs)

Particulars	Revenue		Non current assets*	
	For the year ended		As at	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
India	3,34,332.39	2,89,028.49	53,619.68	91,970.27
Other countries:				
- Singapore	-	-	5,900.00	1,100.00
- Canada	-	-	55.03	55.03
- Philippines	-	-	122.74	122.74
- United States of America	1,121.89	1,479.42	62.54	62.54
- Germany	60.15	39.01	-	-
- Qatar	557.78	1,270.75	-	-
Total	**3,36,072.21**	**2,91,817.68**	**59,759.99**	**93,310.57**

*Non - current assets exclude financial instrument and deferred tax assets. It primarily pertains to investment made in subsidiaries outside India.

C Major customer

None of the customers of the Company has revenue which is more than 10 % of the Company's total revenue

43 Related party disclosures

(i) Name of related parties and description of relationship:

- Ultimate Holding Company	Fairfax Financial Holdings Limited
- Holding Company	Thomas Cook (India) Limited
- Subsidiaries (including step subsidiaries)	Coachieve Solutions Private Limited
	MFX Infotech Private Limited
	Brainhunter Systems Ltd., Canada
	Mindwire Systems Ltd., Canada (formerly known as ZYLOG SYSTEMS (OTTAWA) LTD.)
	Brainhunter Companies Canada Inc., Canada
	Brainhunter Companies LLC, USA
	Quess (Philippines) Corp. (formerly known as Magna Ikya Infotech Inc., Philippines)
	Quess Corp (USA) Inc. (formerly known as Magna Infotech Inc.)
	Quesscorp Holdings Pte Ltd, Singapore
	Quessglobal (Malaysia) SDN. BHD. (formerly known as Brainhunter SDN. BHD., Malaysia)
	Aravon Services Private Limited (formerly known as ARAMARK India Private Limited)
	Ikya Business Services (Private) Limited
	MFXchange Holdings Inc., Canada
	MFXchange (Ireland) Limited
	MFXchange US, Inc.
	MFX Roanoke Inc., USA (merged with MFXchange US, Inc. effective 31 December 2015)
	Quess Lanka Private Limited (formerly known as Randstad Lanka Private Limited)
	Dependo Logistics Solutions Private Limited
	Inticore VJP Advanced Solutions Private Limited
	Comtel Solutions Pte Ltd
	CenterQ Business Solutions Private Limited
	Excelus Learning Solutions Private Limited
- Associates	Terrier Security Services (India) Private Limited
	Simpliance Technologies Private Limited
- Joint Venture of a subsidiary	Himmer Industrial Services (M) SDN. BHD.
- Fellow subsidiary	National Collateral Management Services Limited
- Entity having common directors	Net Resources Investments Private Limited
- Entities in which key managerial personnel have significant influence	Styracorp Management Services
	IME Consultancy

Key executive management personnel

Ajit Isaac	Chairman & Managing Director & CEO
Subrata Kumar Nag	Execuitive, Whole-time Director & Chief Financial Officer (till 23 January 2017 and from 4 April 2017)
	Whole time Director (24 January 2017 to 4 April 2017)
Balasubramanian S	Chief Financial Officer (from 24 January 2017 to 4 April 2017)
N.V.S Pavankumar	Company Secretary (till 28 November 2016)
Sudershan Pallap	Company Secretary (from 28 November 2016)

(ii) Related party transactions during the year

(Amount in INR lakhs)

Particulars		For the year ended	
		31 March 2017	31 March 2016
Revenue from operations			
	Thomas Cook (India) Limited	1,389.91	1,704.12
	MFX Infotech Private Limited	7.18	36.05
	National Collateral Management Services Limited	1,978.05	1,016.74
	Brainhunter Systems Ltd., Canada	-	127.68
	Terrier Security Services (India) Private Limited	350.45	-
Other expenses			
	Thomas Cook (India) Limited	394.60	282.16
	Net Resources Investments Private Limited	300.14	314.21
	Aravon Services Private Limited	9.22	10.96
	MFX Infotech Private Limited	157.50	38.68
	Coachieve Solutions Private Limited	588.83	-
	Terrier Security Services (India) Private Limited	14.21	-
Intangible assets under development			
	MFX Infotech Private Limited	711.37	-
Expenses incurred by the Company on behalf of related parties			
	Coachieve Solutions Private Limited	43.21	16.98
	MFX Infotech Private Limited	244.57	120.09
Payment made by related parties on behalf of the Company			
	Brainhunter Systems Ltd., Canada	235.38	2.90
	Quess Corp (USA) Inc.	13.92	22.54
Loans given to subsidiaries			
	Coachieve Solutions Private Limited	883.35	580.80
	MFX Infotech Private Limited	1,695.00	1,475.00
	Aravon Services Private Limited	-	400.00
	Quessglobal (Malaysia) SDN. BHD.	-	6.51
	Dependo Logistics Solutions Private Limited	37.95	-
	Excelus Learning Solutions Private Limited	170.00	-
Repayment/ Adjustment of loans given to subsidiaries			
	Coachieve Solutions Private Limited	836.13	166.90
	MFX Infotech Private Limited	2,107.80	400.00
	Aravon Services Private Limited	-	400.00
	Quessglobal (Malaysia) SDN.BHD.	6.51	65.76
	Dependo Logistics Solutions Private Limited	4.99	
	Excelus Learning Solutions Private Limited	-	-
Interest on loans charged to subsidiaries			
	Coachieve Solutions Private Limited	48.40	11.28
	MFX Infotech Private Limited	77.37	26.86
	Aravon Services Private Limited	-	6.30
	Quess (Philippines) Corp.	-	5.15
	Excelus Learning Solutions Private Limited	1.38	-
	Dependo Logistics Solutions Private Limited	0.36	-
Guarantees provided to banks on behalf of related parties			
	Aravon Services Private Limited	-	700.00
	Brainhunter Systems Ltd., Canada	-	6,198.83
	MFX Infotech Private Limited	-	600.00
	Inticore VJP Advanced Solutions Private Limited	500.00	-
	Terrier Security Services (India) Private Limited	2,200.00	-
	Quesscorp Holdings Pte Ltd, Singapore	12,186.45	-
	Excelus Learning Solutions Private Limited	788.47	-
Right renunciation			
	Thomas Cook (India) Limited	**	**
	Ajit Isaac	**	**

****Renunciation of right issues**

During the previous year ended 31 March 2017, the Company vide its Board meeting dated 6 November 2015, has offered 2,560,000 equity shares of Rs 10 each on right basis, in pursuance of the requirement of Section 62 of the Companies Act, 2013 read with the Companies (Share capital and Debentures) Rules 2014, in the ratio of 0.099 equity shares for every equity share held in the Company as on date to the existing shareholders. Thomas Cook (India) Limited had resolved not to subscribe to the right issue and has obtained the shareholders approval on 12 December 2015 and accordingly, a resolution of renunciation was approved by the Board of Directors of the Thomas Cook (India) Limited vide circular resolution dated 18 December 2015 for renouncing 1,957,302 equity shares in favour Net Resources Investments Private Limited. On 21 December 2015, Mr. Ajit Isaac renounced his rights of 461,516 shares in favour of Net Resources Investments Private Limited.

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

(Amount in INR lakhs)

Particulars		As at		
		31 March 2017	31 March 2016	1 April 2015
Trade receivables (gross of loss allowance)				
	Thomas Cook (India) Limited	229.07	284.06	140.71
	MFX Infotech Private Limited	-	15.97	-
	Net Resources Investments Private Limited	-	-	2.15
	Terrier Security Services (India) Private Limited	2.44	-	-
Trade payables				
	Thomas Cook (India) Limited	-	15.24	21.94
	Aravon Services Private Limited	-	10.96	-
	Terrier Security Services (India) Private Limited	0.31	-	-
Other current assets				
	MFX Infotech Private Limited	-	172.57	-
	Coachieve Solutions Private Limited	-	16.98	-
Unbilled revenue				
	Thomas Cook (India) Limited	92.68	-	-
	Brainhunter Systems Ltd., Canada	-	132.70	-
Loans				
	Coachieve Solutions Private Limited	461.13	413.90	24.66
	MFX Infotech Private Limited	662.20	1,075.00	65.76
	Quessglobal (Malaysia) SDN. BHD.	-	6.51	-
	Dependo Logistics Solutions Private Limited	32.96	-	-
	Excelus Learning Solutions Private Limited	170.00	-	-
Other financial assets (interest receivable)				
	Coachieve Solutions Private Limited	21.52	11.27	-
	MFX Infotech Private Limited	6.82	26.86	-
	Quess (Philippines) Corp.	5.15	5.15	-
	Dependo Logistics Solutions Private Limited	0.36	-	-
	Excelus Learning Solutions Private Limited	1.37	-	-
Other current liabilities				
	Brainhunter Systems Ltd., Canada	25.27	3.02	-
	Quess Corp (USA) Inc.	-	22.14	-
Guarantees outstanding				
	Brainhunter Systems Limited, Canada	6,198.83	6,198.83	-
	MFX Infotech Private Limited	600.00	600.00	300.00
	Aravon Services Private Limited	700.00	700.00	-
	Terrier Security Services (India) Private Limited	2,200.00	-	-
	Excelus Learning Solutions Private Ltd	788.47	-	-
	Inticore VJP Advanced Systems Private Limited	500.00	-	-
	Quesscorp Holdings Pte Ltd	12,186.45	-	-

(iv) Compensation of key managerial personnel*

(Amount in INR lakhs)

Particulars	For the year ended	
	31 March 2017	31 March 2016
Ajit Isaac	167.12	145.20
Subrata Kumar Nag	104.38	90.75
N.V.S.Pavan Kumar (from 26 March 2015 till 28 November 2016)	20.09	27.40
Balasubramanian.S. (from 24 January 2017 to 31 March 2017)	25.00	-
Sudershan Pallap (from 28 November 2016)	15.00	-
	331.59	**263.35**

*Managerial remuneration does not include cost of employee benefits such as gratuity and compensated absences since, provision for these are based on an actuarial valuation carried out for the Company as a whole.

Terms and conditions

All transactions with these related parties are priced at arm's length basis and resulting outstanding balances are to be settled in cash within six months to one year of reporting date. None of the balances are secured.

44 Leases

Operating Leases

The Company has taken offices and residential premises under operating leases. The leases typically run for a period of one to ten years, with an option to renew the lease after that period. Lease payments are renegotiated at the time of renewal.

Non-cancellable operating lease rentals payable (minimum lease payments) under these leases are as follows:

(Amount in INR lakhs)

Particulars	As at	
	2017	31 March 2016
Payable within 1 year	256.96	598.24
Payable between 1-5 years	712.56	827.01
Payable later than 5 years	71.26	213.77

(Amount in INR lakhs)

Particulars	For the year ended	
	31 March 2017	31 March 2016
Total rental expense relating to operating lease	2,001.11	1,801.86
- Non-cancellable	583.19	623.30
- Cancellable	1,417.92	1,178.56

45 Assets and liabilities relating to employee benefits

(Amount in INR lakhs)

Particulars		As at	
		2017	31 March 2016
Net defined benefit liability, gratuity plan	3,194.55	2,083.43	622.16
Liability for compensated absences	234.09	228.75	480.68
Total employee benefit liability	**3,428.64**	**2,312.18**	**1,102.84**
Current	2,044.07	1,736.33	488.89
Non-current	1,384.57	575.85	613.95
	3,428.64	**2,312.17**	**1,102.84**

The Company does not have any assets relating to employee benefits. For details about the related employee benefit expenses, see note 31

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, currency 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 Rs 380.45 lakhs in contributions to its defined benefit plans in 2017-18.

B Reconciliation of the 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 lakhs)

Particulars	As at 31 March 2017	As at 1 April 2015
Reconciliation of present value of the defined benefit obligation		
Obligation at the beginning of the year	2,577.30	1,062.24
Current service cost	787.30	664.23
Interest cost	189.01	79.84
Past service cost	-	1,603.71
Benefits settled	(147.26)	(146.69)
Actuarial (gains)/ losses recognised in other comprehensive income		
- Changes in experience adjustments	249.13	(517.36)
- Changes in demographic assumptions	63.99	(103.38)
- Changes in financial assumptions	-	(65.29)
Obligation at the end of the year	**3,719.47**	**2,577.30**
Reconciliation of present value of plan assets		
Plan assets at the beginning of the year, at fair value	493.87	440.07
Interest income on plan assets	37.01	33.08
Return on plan assets recognised in other comprehensive income	3.83	(30.05)
Contributions	137.46	197.46
Benefits settled	(147.25)	(146.69)
Plan assets at the end of the year, at fair value	**524.92**	**493.87**
Net defined benefit liability	**3,194.55**	**2,083.43**

C (i) Expense recognised in profit or loss

(Amount in INR lakhs)

Particulars	For the year ended	
	31 March 2017	31 March 2016
Current service cost	787.30	664.23
Interest cost	189.01	79.84
Past service cost	-	1,603.71
Interest income	(37.01)	(33.08)
Net gratuity cost	**939.30**	**2,314.70**

(ii) Remeasurement recognised in other comprehensive income

(Amount in INR lakhs)

Particulars	For the year ended	
	31 March 2017	31 March 2016
Remeasurement of the net defined benefit liability	313.12	(686.03)
Remeasurement of the net defined benefit asset	(3.83)	30.05
	309.29	**(655.98)**

D Plan assets

(Amount in INR lakhs)

Particulars		As at	
		2017	31 March 2016
Funds managed by insurer	524.92	493.87	440.07
	524.92	**493.87**	**440.07**

E Defined benefit obligation - Actuarial Assumptions

Particulars	For the year ended		
	31 March 2017	31 March 2016	1 April 2015
Discount rate	6.36% - 6.68%	7.3% - 7.5%	7.8% - 9.25%
Future salary growth	6% - 7.5%	6% - 7.5%	6% - 10%
Attrition rate	30% - 70%	30% - 70%	8% - 15%
Rate of return on planned asset	6% - 7%	6% - 7%	6% - 7%
Average duration of defined benefit obligation (in years)	3	3	3

F Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

Core employees

(Amount in INR lakhs)

	As at					
	31 March 2017		31 March 2016		1 April 2015	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	609.25	651.89	483.00	516.06	199.07	212.70
Future salary growth (1% movement)	649.82	610.64	514.93	483.63	211.82	199.33
Attrition rate (1% movement)	593.08	676.75	466.67	542.34	192.34	223.53

Associate employees

(Amount in INR lakhs)

	As at					
	31 March 2017		31 March 2016		1 April 2015	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	3,039.65	3,141.11	2,044.29	2,114.49	842.56	871.49
Future salary growth (1% movement)	3,140.80	3,039.02	2,114.44	2,044.48	871.47	842.64
Attrition rate (1% movement)	2,814.61	3,472.69	1,893.99	2,337.34	780.62	963.34

46 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 2017 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.

47 Employee stock options

A Description of share based payment arrangement

The Company has introduced the 'IKYA Employee Stock Option Scheme 2009' ('the Option Scheme 2009') and has issued stock options of its own shares to specified employees of the Company. The scheme was approved by the Board of Directors in its meeting held on 19 November 2009. The Option Scheme 2009 provides for the creation and issue of 5,200,000 (bonus adjusted) options that would eventually convert into equity shares of Rs 10 each in the hands of the employees. The options has a vesting schedule over a three year period and are exercisable only upon the occurrence of the liquidity event. The scheme 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. The exercise price of these stock options is Rs 10. All outstanding options were vested as at 31 March 2015. As at 31 March 2017, the Company had 1,891,920 exercisable options outstanding [31 March 2016: 2,729,528 (bonus adjusted)].

The Company, pursuant to resolutions passed by the Board and its Shareholders resolutions dated 22 December 2015 and 23 December 2015, respectively, adopted Quess Corp Limited Employee Stock Option Scheme 2015 ("ESOP 2015"). Pursuant to ESOP 2015, options to acquire Equity Shares may be granted to eligible employees (as defined in ESOP 2015). The aggregate number of Equity Shares, which may be issued under ESOP 2015, shall not exceed 1,900,000 (bonus adjusted) equity shares. The Company has not granted any options till 31 March 2017 under ESOP 2015 scheme.

B Measurement of fair values

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 required.

C Reconciliation of outstanding share options

The number and weighted average exercise prices of share options under the share option plans were as follows:

Particulars	For the year ended			
	31 March 2017		31 March 2016	
	Number of Share options	Weighted average Exercise Price	Number of Share options	Weighted average Exercise Price
Outstanding options as at the beginning of the year	**27,29,528**	**10**	**8,71,000**	**10**
Less: Exercised during the year	(8,37,608)	10	-	-
Less: Lapsed/forfeited during the year	-	-	(1,88,618)	10
Options exercisable as at the end of the year	**18,91,920**	**10**	**6,82,382**	**10**
Add: Bonus impact on stock options outstanding	-	-	20,47,146	10
Options vested and exercisable, end of the period (including bonus impact)	**18,91,920**	**10**	**27,29,528**	**10**

During the previous year, 188,618 options were forfeited and resultantly an amount of Rs 12,655,982 was transferred from share option outstanding account to General Reserve. Further, as detailed in note 3, the Company has issued Bonus shares and accordingly, has passed a resolution vide its board meeting dated 22 December 2015 that the bonus will be equally applicable to the option holders at the time of exercise. Resultantly, 682,382 options were converted into 2,729,528

The options outstanding as at 31 March 2017 have an exercise price of Rs 10 (31 March 2016: Rs 10) and a weighted average remaining contractual life of 4.17 years (31 March 2016: 5.17 years)

The weighted average share price at the date of exercise for share options exercised in 2016-17 is Rs 10 (2015-16: no options exercised)

48 Details of non-current investment purchased and sold during the year:

Investment in equity instruments

(Amount in INR lakhs except number of shares)

Subsidiaries	No. of shares acquired	Value per share including premium	As at 1 April 2016	Purchased during the year	Sold during the year	Adjustment on account of corporate guarantee	As at 31 March 2017
Quess Corp Holdings Pte Ltd	67,11,398	SGD 1	1,100.00	4,800.00	-	314.82	6,214.82
Inticore VJP Advance Systems Private Limited	28,400	1,232	-	349.89	-	2.49	352.38
Dependo Logistics Solutions Private Limitec	10,000	10	-	1.00	-	-	1.00
CenterQ Business Solutions Private Limited	10,000	10	-	1.00	-	-	1.00
Excelus Learning Solutions Private Limited	10,000	10	-	1.00	-	16.43	17.43
Terrier Security Services (India) Private Limited	2,45,000	2,939	-	7,200.00	-	11.00	7,211.00
Simpliance Technologies Private Limited	4,068	2,778	-	113.00	-	-	113.00

Investment in preference shares

(Amount in INR lakhs except number of shares)

Subsidiaries	No. of shares acquired	Value per share including premium	As at 1 April 2016	Purchased during the year	Sold during the year	As at 31 March 2017
Manipal Integrated Services Private Limited	40,36,697	545	-	22,000	-	22,000

Details of non-current investment purchased and sold during the previous period (excluding interest on financial guarantee):

Investment in equity instrument

(Amount in INR lakhs except number of shares data)

Subsidiaries	No. of shares acquired	Face value per unit	As at 1 April 2015	Purchased during the year	Sold during the year	Adjustment on account of corporate guarantee	As at 31 March 2016
Aravon Services Private Limited*	394,11,557	Rs 10	-	-	-	3.50	3.50
QuessCorp Holdings Pte Ltd	23,08,499	SGD 1	-	1,100.00	-	-	1,100.00

** The value of 39,411,557 equity shares purchased during the year ending 31 March 2016 is Rs 100.*

49 Disclosure on Specified Bank Notes (SBNs)

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated 31 March 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from 8 November 2016 to 30 December 2016, the denomination wise SBNs and other notes as per the notification is given below:

(Amount in INR lakhs)

Particulars	**SBN***	**Other denomination notes**	**Total**
Closing cash in hand as on 8 November 2016	**3.13**	**0.94**	**4.07**
Add: Permitted receipts	-	31.02	31.02
Less: Permitted payments	(0.06)	(1.72)	(1.78)
Less: Amount exchanged over the counter	(0.16)	-	(0.16)
Less: Amount deposited in banks	(2.91)	(24.88)	(27.79)
Closing cash in hand as on 30 December 2016	**-**	**5.36**	**5.36**

* For the purposes of this clause, the term ‘Specified Bank Notes’ shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8 November 2016

50 During the year ended 31 March 2015, the Company acquired 100% interest in Brainhunter Systems (Canada) Limited ("BSL") from ICICI Bank India. Prior to acquisition of BSL by the Company, equity shares of BSL were originally owned by Zylog Systems Limited ("ZSL") and were pledged in favour of ICICI Bank as security for loans availed by ZSL from ICICI Bank. ZSL defaulted on loan repayments and ICICI Bank invoked the pledge and sold the shares to the Company.

During the year ended 31 March 2015, the Company had received a notice from the official liquidator of Zylog, alleging that the acquisition of the equity shares of BSL by the Company was not in accordance with law and therefore void-ab-initio, as such sale and transfer of the equity shares of BSL had taken place subsequent to an order passed by the Honorable Madras High Court appointing the official liquidator for ZSL liquidation. Further, the Company has also received letter from the RBI stating its inability to take on record the transfer of the equity shares of BSL until the winding up proceedings of ZSL have been completed and resolved. The Company is of the view, that they have a strong case and has taken a legal opinion.

The legal opinion reiterates that the case does not have merit and the sale is bonafide on the basis of the following:
a. There is adequate precedent that upholds the principle that a secured creditor can independently exercise his rights outside winding up proceedings.
b. ICICI Bank has enforced its security to realise its rights as a secured creditor and the sale is in compliance with Canadian law.
c. That the sale of equity shares of BSL is not prejudicial to the parties and that the same has been undertaken in accordance with the provisions of the law.
The Company has also obtained legal opinion from Canadian law firm which has confirmed that the acquisition is appropriate from a Canadian jurisdiction perspective.
Based on the legal opinions the management believes that the acquisition of BSL is appropriate.

51 First time adoption

As stated in note 2, these are the Company's first standalone financial statements prepared in accordance with Ind AS. For the purpose of transition from previous GAAP to Ind AS, the Company has followed the guidance prescribed under Ind AS 101 – First time adoption of Indian Accounting Standards ("Ind AS 101"), with effect from 1 April 2015 ("transition date"). For the year ended 31 March 2016, the Company had prepared its standalone financial statements in accordance with Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act ('previous GAAP' or the 'Indian GAAP').

The accounting policies set out in note 2 have been applied in preparing these standalone Ind AS financial statements for the year ended 31 March 2017 including the comparative information for the year ended 31 March 2016 and the opening standalone Ind AS balance sheet on the date of transition i.e. 1 April 2015.

In preparing its standalone Ind AS balance sheet as at 1 April 2015 and in presenting the comparative information for the year ended 31 March 2016, the Company has adjusted amounts reported previously in standalone financial statements prepared in accordance with previous GAAP. This note explains the principal adjustments made by the Company in restating its standalone financial statements prepared in accordance with previous GAAP, and how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

A Optional exemptions availed

In preparing these standalone financial statements, the Company has applied the below mentioned optional exemptions .

(i) Business combination:

As per Ind AS, at the date of transition, an entity may elect not to restate business combinations that occurred before the date of transition. If the entity restates any business combinations that occurred before the date of transition, then it restates all later business combinations, and also applies Ind AS 110, Consolidated Financial Statements from that date.

The Company has elected to apply Ind AS 103, Business combinations prospectively to business combinations occurred after 1 April 2015 i.e. the transition date. Business combinations occurred prior to the transition date have not been restated.

(ii) Share based payments:

Ind AS 101 allows a first time adopter to elect not to apply Ind AS 102, Share based payments to equity instruments that were vested before the transition date. Accordingly, the Company has elected the optional exemption.

(iii) Property, plant and equipment and intangible assets:

As per Ind AS 101 an entity may elect to:

(a) measure an item of property, plant and equipment at the date of transition at its fair value and use that fair value as its deemed cost at that date;

(b) use a previous GAAP revaluation of an item of property, plant and equipment at or before the date of transition as deemed cost at the date of the revaluation, provided the revaluation was, at the date of the revaluation, broadly comparable to:

- fair value;
- or cost or depreciated cost under Ind AS adjusted to reflect, for example, changes in a general or specific price index.

The elections under (a) and (b) above are also available for intangible assets that meets the recognition criteria in Ind AS 38, Intangible Assets, (including reliable measurement of original cost); and criteria in Ind AS 38 for revaluation (including the existence of an active market).

(c) use carrying values of property, plant and equipment and intangible assets as on the date of transition to Ind AS (which are measured in accordance with previous GAAP).

As permitted by Ind AS 101, the Company has elected to continue with the carrying values under previous GAAP for all the items of property, plant and equipment. The same election has been made in respect of intangible assets also. The Company has disclosed the net carrying amount of property, plant and equipment and intangible assets as its deemed cost as at the date of transition.

(iv) Investments in subsidiaries, associates and joint ventures:

Ind AS 101 provides an exemption to the first-time adopter to measure an investment in subsidiaries, associates and joint ventures at:

a) cost determined in accordance with Ind AS 27, Consolidated and Separate Financial Statements; or

b) deemed cost, which shall be its:

i) fair value at the entity's date of transition to Ind AS in its separate financial statements; or

ii) previous GAAP carrying value at that date.

The Company has chosen to avail the exemption provided by Ind AS 101 and value all its investments in subsidiaries at deemed cost being the previous GAAP carrying value at the transition date.

B Mandatory exceptions availed

Ind AS 101 also allows first-time adopters certain mandatory exceptions to be applied for retrospective application of certain requirements under Ind AS for transition from the previous GAAP (IGAAP):

(i) Estimates:

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. However, the estimates should be adjusted to reflect any differences in accounting policies.

As per Ind AS 101, where application of Ind AS requires an entity to make certain estimates that were not required under previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition (for preparing opening Ind AS balance sheet) or at the end of the comparative period (for presenting comparative information as per Ind AS).

Ind AS estimates as at 1 April 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- Fair valuation of financial instruments carried at fair value through profit and loss or fair value through other comprehensive income;
- Impairment of financial assets based on expected credit loss model and
- Determination of the discounted value for financial instruments carried at amortised cost.

Upon the assessment of the estimate made under previous GAAP, the Company has concluded that there was no necessity to revise such estimates under Ind AS, other than those which are required due to application of Ind AS.

(ii) Derecognition of financial assets and liabilities:

As per Ind AS 101, an entity should apply the derecognition requirements in Ind AS 109, Financial Instruments, prospectively for transactions occurring on or after the date of transition to Ind AS. However, an entity may apply the derecognition requirements retrospectively from a date chosen by it if the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions were obtained at the time of initially accounting for those transactions.
The Company has chosen to avail the exception to apply the derecognition provision of Ind AS 109 prospectively from the date of transition.

(iii) Classification and measurement of financial assets:

Ind AS 101 require an entity to classify and measure its financial assets into amortised cost, fair value through profit or loss or fair value through other comprehensive income based on the business model assessment and solely payment of principal and interest ("SPPI") criterion based on facts and circumstances that exist at the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on the facts and circumstances existing at the date of transition if retrospective application is impracticable.
Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortised cost has been done retrospectively.

C Reconciliations

The following reconciliations provides the effect of transition to Ind AS from IGAAP in accordance with Ind AS 101

1. Equity as at 1 April 2015 and 31 March 2016.
2. Net profit for the year ended 31 March 2016.

Reconciliation of equity as previously reported under IGAAP to Ind AS *(Amount in INR lakhs)*

Particulars	**Note**	***Balance Sheet as at 31 March 2016***			***Balance Sheet as at 1 April 2015***		
		IGAAP	**Adjustments**	**Ind AS**	**IGAAP**	**Adjustments**	**Ind AS**
ASSETS							
Non-current assets							
Property, plant and equipment		1,623.95	-	1,623.95	1,318.97	-	1,318.97
Goodwill	a	24.05	(24.05)	-	145.69	(145.69)	-
Other intangible assets		8,672.86	-	8,672.86	9,229.77	-	9,229.77
Intangible assets under development		85.55	-	85.55	-	-	-
Financial assets							
(i) Investments	b	1,560.30	128.10	1,688.40	460.30	1.50	461.80
(ii) Non-current loans	c	775.86	(198.50)	577.36	608.23	(180.77)	427.46
(iii) Other non- current financial assets		205.16	-	205.16	37.47	-	37.47
Deferred tax assets (net)	d	2,159.28	782.91	2,942.19	278.67	628.00	906.67
Income tax assets (net)		6,929.88	-	6,929.88	7,195.00	-	7,195.00
Other non-current assets	c	252.26	135.91	388.17	234.65	145.85	380.50
Total non-current assets		**22,289.15**	**824.37**	**23,113.52**	**19,508.75**	**448.89**	**19,957.64**
Current Assets							
Inventories		132.22	-	132.22	52.82	-	52.82
Financial assets				-			
(i) Trade receivables	e	34,623.21	(2,225.01)	32,398.20	21,566.66	(1,661.60)	19,905.06
(ii) Cash and cash equivalents		8,420.77	-	8,420.77	6,489.42	-	6,489.42
(iii) Bank balances other than cash and cash equivalents above		269.74	-	269.74	579.72	-	579.72
(iv) Current loans	c	2,625.69	(11.59)	2,614.10	1,031.84	(14.47)	1,017.37
(v) Other current financial assets		66.84	-	66.84	16.73	-	16.73
(vi) Unbilled revenue		27,479.00	-	27,479.00	12,954.68	-	12,954.68
Other current assets	c	1,564.91	61.03	1,625.94	577.44	42.06	619.50
Total current assets		**75,182.38**	**(2,175.57)**	**73,006.81**	**43,269.31**	**(1,634.01)**	**41,635.30**
Total Assets		**97,471.53**	**(1,351.20)**	**96,120.33**	**62,778.06**	**(1,185.12)**	**61,592.94**
EQUITY AND LIABILITIES							
Equity							
Equity Share Capital		11,333.51	-	11,333.51	2,577.38	-	2,577.38
Other equity	f	23,430.16	(1,461.26)	21,968.90	23,371.29	(1,186.62)	22,184.67
Total equity		**34,763.67**	**(1,461.26)**	**33,302.41**	**25,948.67**	**(1,186.62)**	**24,762.05**
Liabilities							
Non-current liabilities							
Financial liabilities							
(i) Non-current borrowings		15.65	-	15.65	-	-	-
(ii) Other non-current financial liabilities		-	-	-	66.67	-	66.67
Non-current provisions		836.14	-	836.14	851.14	-	851.14
Total non-current liabilities		**851.79**	**-**	**851.79**	**917.81**	**-**	**917.81**
Current liabilities							
Financial liabilities							
(i) Current borrowings		26,274.48	-	26,274.48	16,506.17	-	16,506.17
(ii) Trade payables		1,592.60	-	1,592.60	1,231.65	-	1,231.65
(iii) Other current financial liabilities	b	22,236.93	110.06	22,346.99	8,758.23	1.50	8,759.73
Current provisions		1,736.34	-	1,736.34	619.68	-	619.68
Other current liabilities		10,015.72	-	10,015.72	8,795.85	-	8,795.85
Total current liabilities		**61,856.07**	**110.06**	**61,966.13**	**35,911.58**	**1.50**	**35,913.08**
Total Liabilities		**62,707.86**	**110.06**	**62,817.92**	**36,829.39**	**1.50**	**36,830.89**
Total Equity and Liabilities		**97,471.53**	**(1,351.20)**	**96,120.33**	**62,778.06**	**(1,185.12)**	**61,592.94**

Explanations for Reconciliation of Balance Sheet as previously reported under IGAAP to Ind AS:

(a) Impairment of goodwill and reversal of amortisation

The Company has availed the exemption under Ind AS 101 and accordingly business combinations prior to 1 April 2015 was not restated and goodwill is carried at cost. The Company has carried the the impairment testing of goodwill as at 1 April 2015 and as the recoverable amount was less than the carrying value, goodwill is impaired leading to decrease in equity . As the goodwill is impaired on 1 April 2015, the amortisation on such goodwill amortised as per previous GAAP is reversed leading to an increase in income.

(b) ***Investments/ Other financial liabilities***

Under Ind AS, the fair value of the financial guarantee given to subsidiaries is considered as deemed capital contribution by Company to its subsidiary since the guarantee has been provided by the Company in its capacity as a share holder and accounts for the issuance of the guarantee as a capital contribution to the subsidiary. Subsequently, this guarantee is to be measured at the higher of an amount determined based on the expected loss method (as per guidance in Ind AS 109) or the amount originally recognised less the cumulative amount recognised as income on a straight-line basis in accordance with Ind AS 18, Revenue.

(c) ***Loans and other current assets - Security deposits***

Under the previous GAAP, interest free lease security deposits (that are refundable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, the Company has fair valued these security deposits under Ind AS.

Difference between the fair value and transaction value of the security deposits has been recognised as prepaid rent. Consequent to this change, the amount of security deposits decreased by Rs 210.09 lakhs as at 31 March 2016 (1 April 2015: Rs 195.25 lakhs). The prepaid rent increased by Rs 316.86 lakhs as at 31 March 2016 (1 April 2015: Rs 187.91 lakhs). Total equity decreased by Rs 7.33 lakhs as on 1 April 2015. The profit for the year and total equity as at 31 March 2016 decreased by Rs 61.60 lakhs due to amortisation of the prepaid rent and is partially off-set by the notional interest income of Rs 55.79 lakhs recognised on security deposits.

(d) ***Deferred taxes***

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12, Income taxes requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for deferred tax on such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity. The net impact on deferred tax liabilities is of Rs 154.90 lakhs (1 April 2015: Rs 629.00 lakhs).

(e) ***Trade receivables***

Under Previous GAAP, loss provision for trade receivables was created based on credit risk assessment. Under Ind AS, these provisions are based on assessment of risk of default and timing of collection. The Company uses an allowance matrix to measure the expected credit loss over the last six quarters under which the Company impaired its trade receivables by Rs 1,661.59 lakhs on 1 April 2015 which has been eliminated against retained earnings. Impact of Rs 563.42 lakhs for year ended on 31 March 2016 has been recognized in the statement of profit and loss.

(f) ***Other equity***

Adjustments to retained earnings has been made in accordance with Ind AS, for the above mentioned line items. In addition, as per Ind AS 19, Employee benefits, actuarial gain and losses are recognized in other comprehensive income as compared to being recognized in the statement of profit and loss under IGAAP.

Quess Corp Limited
Notes to the standalone financial statements for the year ended 31 March 2017

Reconciliation of Statement of Profit and Loss as previously reported under IGAAP to Ind AS

(Amount in INR lakhs)

Particulars	Note	Year ended 31 March 2016		
		IGAAP	Adjustments	Ind AS
Income				
Revenue from operations		2,91,817.69	-	2,91,817.69
Other income, net	g	836.07	73.83	909.90
Total Income		**2,92,653.76**	**73.83**	**2,92,727.59**
Expenses				
Cost of materials and stores and spare parts consumed		4,171.35	-	4,171.35
Employee benefit expenses	h	2,55,177.82	655.98	2,55,833.80
Finance costs		2,708.63	-	2,708.63
Depreciation and amortization expenses	i	1,645.32	(121.64)	1,523.68
Other expenses	j	16,782.92	625.01	17,407.93
Total expenses		**2,80,486.04**	**1,159.35**	**2,81,645.39**
Profit before tax		**12,167.72**	**(1,085.52)**	**11,082.20**
Tax expense				
Current tax		(6,135.00)	-	(6,135.00)
Excess provision of tax relating to earlier periods		645.64	-	645.64
Deferred tax	k	1,880.62	381.92	2,262.54
Profit for the year		**8,558.98**	**(703.60)**	**7,855.38**
Other comprehensive income/ (expense)				
Items that will not be reclassified subsequently to profit or loss				
Remeasurements of the net defined benefit liability/assets		-	655.98	655.98
Income tax relating to items that will not be reclassed to profit or loss	l	-	(227.02)	(227.02)
Other comprehensive income/ (expense) for the year, net of income tax		**-**	**428.96**	**428.96**
Total comprehensive income for the year		**8,558.98**	**(274.64)**	**8,284.34**

Explanations for Reconciliation of Profit or Loss as previously reported under IGAAP to Ind AS:

(g) Other income

Adjustment in other income pertains to interest income on present valuation of financial instruments i.e on security deposits and financial guarantees given to subsidiaries as an Ind AS adjustment of security deposits and financial guarantee contracts.

(h) Employee benefit expenses - Remeasurements of post employment defined benefit obligations

Under Ind AS, Remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year. As a result of this change, the profit for the year ended 31 March 2016 decreased by Rs 655.98 lakhs. There is no impact on the total equity as at 31 March 2016.

(i) Depreciation and amortisation expenses

Under Ind AS, acquired goodwill is not amortised as it has indefinite useful life and tested for impairment annually and when there is an indication of impairment the same is impaired whereas in Indian GAAP, purchased goodwill was amortised over 5 years. Therefore, on Ind AS transition the amortisation of goodwill as per IGAAP has been written back.

(j) Other expenses

Ind AS adjustments in relation to other expenses pertains to amortisation of prepaid rent recognised against security deposits and impairment loss recognised against trade receivables as per expected credit loss model.

(k) Deferred tax

Deferred tax adjustments has been made in accordance with Ind AS, under balance sheet approach for all the items which have differential book base from that of tax base and which temporarily gets reversed due to timing difference.

(l) Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurement of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.

52 Transfer pricing

The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under Sections 92-92F of the Income-tax Act. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation for the international as well as specified domestic transactions (if applicable) entered into with the associated enterprise during the financial year and expects such records to be in existence latest by the end of the stipulated timeline, as required by law. The Management is of the opinion that its international as well as specified domestic transactions (if any) are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expenses and that of provision for taxation.

53 Details of loans given during the year under Section 186(4) of the Act:
Movement for the year ended 31 March 2017

(Amount in INR lakhs)

Particulars	Balance as at 1 April 2016	Loans given during the year	Repaid/adjusted during the year	Balance as at 31 March 2017
MFX Infotech Private Limited	1,075.00	1,695.00	2,107.80	662.20
Coachieve Solutions Private Limited	413.91	883.35	836.13	461.13
Quessglobal (Malaysia) SDN.BHD	6.51	-	6.51	-
Dependo Logistics Solutions Private Limited	-	37.95	4.99	32.96
Excelus Learning Solutions Private Limited	-	170.00	-	170.00
Total	**1,495.42**	**2,786.30**	**2,955.43**	**1,326.29**

The above unsecured loans are given to subsidiaries at an interest rate equivalent to Government Bond rate. The loan does not have any fixed term and are receivable on demand. Out of total repayment of INR 2,955.43 lakhs an amount of INR 873.92 lacs has been adjusted against trade payables.

Movement for the year ended 31 March 2016

(Amount in INR lakhs)

Particulars	Balance as at 1 April 2015	Loans given during the year	Repaid/adjusted during the year	Balance as at 31 March 2016
MFX Infotech Private Limited	-	1,475.00	400.00	1,075.00
Coachieve Solutions Private Limited	-	580.80	166.90	413.90
Quessglobal (Malaysia) SDN.BHD.	-	6.51	-	6.51
Aravon Services Private Limited	-	400.00	400.00	-
Quess (Philippines) Corp	65.76		65.76	-
Total	**65.76**	**2,462.31**	**1,032.66**	**1,495.41**

The above unsecured loans are given to subsidiaries at an interest rate equivalent to Government Bond rate. The loan does not have any fixed term and are receivable on demand.

As per our report of even date attached
for **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No.: 116231 W/W-100024

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

Vineet Dhawan
Partner
Membership No.: 092084

Place: Bengaluru
Date: 16 May 2017

Ajit Isaac
Chairman &
Managing Director & CEO
DIN : 00087168

Place: Bengaluru
Date: 16 May 2017

Subrata Kumar Nag
Executive, Whole-time Director
& CFO
DIN : 02234000

Sudershan Pallap
Company Secretary
Membership No.: A14076

Independent Auditors' Report on Consolidated Financial Statements

To the Members of Quess Corp Limited
(formerly known as IKYA HUMAN CAPITAL SOLUTIONS LIMITED)

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Quess Corp Limited ("the Holding Company") and its subsidiaries (collectively referred to as "the Company" or "the Group"), comprising of the consolidated balance sheet as at 31 March 2016, the consolidated statement of profit and loss, the consolidated cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of the consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Companies Act, 2013 (hereinafter referred to as "the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014. The Board of Directors of the Company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the Audit Report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the Auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the Auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Company, as at 31 March 2016, and their consolidated profits and their consolidated cash flows for the year ended on that date.

Other matters

We did not audit the financial statements and other financial information of certain subsidiaries which have been incorporated in the consolidated financial statements. These subsidiaries account for 12.22% of total assets as at 31 March 2016, 13.49% of the aggregate of total revenue and other income and Rs 39 million of net decrease in cash and cash equivalents for the year ended 31 March 2016, as shown in these consolidated financial statements. Of the above:

a. The financial statements and other financial information of some of the subsidiaries incorporated outside India as drawn up in accordance with the generally accepted accounting principles of the respective countries ('the local GAAP') have been audited by other auditors duly qualified to act as auditors in those countries. These subsidiaries account for 10.77% of total assets as at 31 March 2016, 12.55% of the aggregate of total income from total revenue and other income and Rs 34 million of net decrease in cash and cash equivalents for the year ended 31 March 2016, as shown in these consolidated financial statements. For the purposes of preparation of the consolidated financial statements, the aforesaid local GAAP financial statements have been restated by the Management of the said entities so that they conform to the generally accepted accounting principles in India. This has been done on the basis of a reporting package prepared by the Company which covers accounting and disclosure requirements applicable to consolidated financial statements under the generally accepted accounting principles in India. The reporting packages made for this purpose have been audited by the other auditors and reports for consolidation purposes of those other auditors have been furnished to us. Our opinion on the consolidated financial statements, insofar as it relates to these entities, is based solely on the aforesaid Audit Reports of these other auditors.

b. The financial statements and other financial information of remaining subsidiaries (incorporated inside and outside India) account for 1.45% of total assets as at 31 March 2016, 0.94% of total revenue and other income and Rs 5 million net decrease in cash and cash equivalents for the year ended 31 March 2016 as shown in the consolidated financial statements. These financial statements have been audited by other auditors whose audit reports have been furnished to us. Our opinion on the consolidated financial statements, insofar as it relates to these entities, is based on the aforesaid audit reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by sub-section 3 of Section 143 of the Act, 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.

(c) The consolidated balance sheet, the consolidated statement of profit and loss, and the consolidated cash flow statement 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2016 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Holding Company and the subsidiary companies incorporated in India is disqualified as on 31 March 2016 from being appointed as a director of that company in terms of sub-section 2 of Section 164 of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and the subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate report in “Annexure A”; and

(g) with respect to the other matters to be included in the Auditors’ Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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. Refer Note 6 and Note 28 to the consolidated financial statements;

ii. the Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

iii. There was Nil amount during the year which was required to be transferred to the Investor Education and Protection Fund by the Holding Company and subsidiaries incorporated in India.

for **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No.: 116231W/W-100024

Vineet Dhawan
Partner
Membership No.: 092084

Place: Bengaluru
Date: 17 May 2016

Annexure - A to the Independent Auditors' Report

Report on the Internal Financial Controls 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 2016, we have audited the internal financial controls over financial reporting of Quess Corp Limited ("the Holding Company") and the internal financial controls over financial reporting of its subsidiary companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company and its subsidiary 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 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 ("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 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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 ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. 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 consolidated 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 consolidated 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 consolidated 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 consolidated 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, the Holding Company and based on the opinion of other auditors on internal financial controls over financial reporting of its subsidiary 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 2016, 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 ICAI.

for **B S R & Associates LLP**
Chartered Accountants
Firm’s Registration No.: 116231W/W-100024

Vineet Dhawan
Partner
Membership No.: 092084

Place: Bengaluru
Date: 17 May 2016

Quess Corp Limited and subsidiaries
(formerly known as IKYA HUMAN CAPITAL SOLUTIONS LIMITED)
Consolidated balance sheet

	Note	As at 31 March 2016	(Amount in Rs) As at 31 March 2015
Equity and Liabilities			
Shareholders' funds			
Share capital	2	1,133,350,560	257,737,640
Reserves and surplus	3	2,322,482,979	2,249,597,655
		3,455,833,539	**2,507,335,295**
Non-current liabilities			
Long-term borrowings	4	354,813,879	-
Other long-term liabilities	5	-	6,666,667
Long-term provisions	6	464,745,904	85,113,793
		819,559,783	**91,780,460**
Current liabilities			
Short-term borrowings	7	3,390,011,322	2,204,266,599
Trade payables	8	675,518,164	417,275,456
Other current liabilities	9	3,840,847,249	1,891,352,622
Short-term provisions	10	196,908,558	66,962,590
		8,103,285,293	**4,579,857,267**
		12,378,678,615	**7,178,973,022**
Assets			
Non-current assets			
Fixed assets			
Tangible assets	11(a)	444,391,736	145,855,063
Intangible assets	11(b)	60,863,730	42,936,341
Intangible assets under development	11(b)	23,906,550	-
		529,162,016	**188,791,404**
Goodwill on consolidation	11(c)	**2,045,547,531**	**1,104,219,485**
Non-current investments	12	36,549,575	-
Deferred tax assets (net)	13	233,148,802	29,610,368
Long-term loans and advances	14	825,068,983	534,325,638
Other non-current assets	15	35,755,121	9,729,677
		1,130,522,481	**573,665,683**
Current assets			
Inventories	16	18,276,942	5,282,371
Trade receivables	17	4,282,000,479	2,548,364,095
Cash and bank balances	18	1,093,529,695	818,248,248
Short-term loans and advances	19	239,256,146	393,592,319
Other current assets	20	3,040,383,325	1,546,809,417
		8,673,446,587	**5,312,296,450**
		12,378,678,615	**7,178,973,022**
Significant accounting policies	1		

The notes referred to above form an integral part of the consolidated financial statements

As per our report of even date attached
for **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No.: 116231 W/W-100024

for and on behalf of Board of Directors of
Quess Corp Limited
(formerly known as IKYA HUMAN CAPITAL SOLUTIONS LIMITED)

Vineet Dhawan
Partner
Membership No.: 092084

Ajit Isaac
Chairman & Managing Director & CEO
DIN: 00087168

Subrata Nag
Wholetime Director & CFO
DIN: 02234000

N.V.S.Pavan Kumar
Company Secretary
Membership No.: A17010

Place: Bengaluru
Date: 17 May 2016

Quess Corp Limited and subsidiaries
(formerly known as IKYA HUMAN CAPITAL SOLUTIONS LIMITED)
Consolidated statement of profit and loss

(Amount in Rs)

	Note	For the year ended 31 March 2016	For the period from 1 January 2014 to 31 March 2015
Revenue			
Revenue from operations			
Sale of services	21	34,350,142,564	25,670,568,920
		34,350,142,564	**25,670,568,920**
Other income	22	84,261,822	74,384,474
Total Revenue		**34,434,404,386**	**25,744,953,394**
Expenses			
Cost of material and stores and spare parts consumed	23	481,403,715	522,649,279
Employee benefits expenses	24	30,372,204,878	22,742,354,329
Finance costs	25	307,898,513	218,296,777
Depreciation and amortisation expense	11(a) & 11(b)	160,189,286	101,411,354
Other expenses	26	1,859,070,144	1,112,495,159
Total Expenses		**33,180,766,536**	**24,697,206,898**
Profit before tax		**1,253,637,850**	**1,047,746,496**
Tax expense:			
- Current tax		(624,580,349)	(290,782,422)
- Income tax credit for earlier years	44	64,564,102	-
- Deferred tax credit/ (charge) for the year/ period		203,538,435	(68,039,362)
Profit after tax		**897,160,038**	**688,924,712**
Earnings per equity share (face value of Rs 10 each)	29		
- Basic		7.92	7.46
- Diluted		7.77	5.95
Significant accounting policies	1		

The notes referred to above form an integral part of the consolidated financial statements

As per our report of even date attached
for **B S R & Associates LLP**
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for and on behalf of Board of Directors of
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N.V.S.Pavan Kumar
Company Secretary
Membership No.: A17010

Place: Bengaluru
Date: 17 May 2016

Quess Corp Limited and subsidiaries
(formerly known as IKYA HUMAN CAPITAL SOLUTIONS LIMITED)
Consolidated cash flow statement

	For the year ended 31 March 2016	*(Amount in Rs)* For the period from 1 January 2014 to 31 March 2015
Cash flows from operating activities		
Profit before tax	1,253,637,850	1,047,746,496
Adjustments for:		
Depreciation and amortisation expense	160,189,286	101,411,354
Profit on sale of fixed assets	(95,378)	(395,852)
Bad debts written off	-	3,794,073
Provision for doubtful debts, net	24,861,242	21,391,860
Deposits written off	13,698,198	1,000,000
Liabilities no longer required written back	(1,579,200)	(8,417,954)
Provision no longer required written back	(14,551,626)	(25,030,608)
Share of loss from an investment in associate	-	3,064
Interest income on term deposits	(7,045,725)	(8,595,584)
Finance costs	307,898,513	218,296,777
Operating cash flows before working capital changes	**1,737,013,160**	**1,351,203,626**
Changes in		
Trade receivables	(1,590,068,256)	(701,344,906)
Inventories	(10,083,515)	35,175
Long-term loans and advances	(17,784,758)	(99,541,853)
Short-term loans and advances	(42,733,052)	387,504,701
Other current assets and non-current assets	(1,424,133,712)	(480,808,705)
Long-term liabilities and long-term provisions	(2,364,499)	(15,217,399)
Trade payables, other current liabilities and short-term provisions	1,447,311,605	47,560,838
Cash generated from operations	**97,156,973**	**489,391,477**
Income taxes paid, net of refund	(538,904,411)	(341,102,914)
Net cash (used in) / provided by operating activities (A)	**(441,747,438)**	**148,288,563**
Cash flows from investing activities		
Purchase of fixed assets	(231,980,629)	(150,288,503)
Proceeds from sale of fixed assets	1,701,980	1,413,379
Loans given to related parties	(15,059,079)	-
Acquisition of subsidiaries	(3,476)	(524,753,513)
Purchase of non-current investments	(20,000,000)	-
Bank deposits (having original maturity of more than three months)	15,040,826	(20,139,222)
Interest income on term deposits	6,341,617	8,843,623
Net cash used in investing activities (B)	**(243,958,761)**	**(684,924,236)**
Cash flows from financing activities		
Proceeds/ repayment from/ to borrowings, net	1,096,766,275	881,898,463
Proceeds/ repayment under finance leases, net	40,108,516	-
Proceeds from issue of equity shares	25,600,000	-
Finance cost paid	(304,277,869)	(218,296,777)
Net cash provided by financing activities (C)	**858,196,922**	**663,601,686**
Net increase in cash and cash equivalents (A+B+C)	**172,490,723**	**126,966,013**
Cash and cash equivalents acquired from subsidiaries	134,407,192	388,959,510
Effect of exchange differences on foreign currency cash balances	(752,410)	(8,659,918)
Cash and cash equivalents at the beginning of the year/ period (refer note 18)	760,276,319	253,010,714
Cash and cash equivalents at the end of the year/ period (refer note 18)	**1,066,421,824**	**760,276,319**

The notes referred to above form an integral part of the consolidated financial statements

As per our report of even date attached
for **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No.: 116231 W/W-100024

for and on behalf of Board of Directors of
Quess Corp Limited
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Subrata Nag
Wholetime Director & CFO
DIN: 02234000

N.V.S.Pavan Kumar
Company Secretary
Membership No.: A17010

Place: Bengaluru
Date: 17 May 2016

Company Overview

Quess Corp Limited (formerly known as IKYA HUMAN CAPITAL SOLUTIONS LIMITED) ('the Company') is a Company incorporated under the provisions of the Companies Act, 1956 on 19 September 2007 originally as a 'Private Limited Company' and subsequently converted into a 'Limited Company' on 2 July 2013.

The Company has its registered office in Bengaluru, India. The Group is engaged in the business of temporary staffing services, executive search, recruitment services, housekeeping and facility management services including engineering services, food services, skill development, software and solutions services, information technology/ information technology enabled services and training services. The Company changed its name to Quess Corp Limited effective from 2 January 2015. With effect from 14 May 2013, Thomas Cook (India) Limited ('TCIL') has become the parent company and Fairfax Financial Holdings Limited has become the ultimate holding company of the Company.

The Company is proposing an initial public offering of its equity shares of face value of Rs 10 each ("the Issue") under the SEBI ICDR Regulations and the relevant provisions of the Companies Act, 2013 ("the Act") and the Companies (Prospectus and Allotment of Securities) Rules, 2014. Pursuant to this, the Company has filed its Draft Red Herring Prospectus dated 1 February 2016.

1 Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements.

1.1 Basis of accounting and preparation of Consolidated Financial Statements

These consolidated financial statements of Quess Corp Limited and subsidiaries (collectively referred to as the 'Group') have been prepared and presented in accordance with Indian Generally Accepted Accounting Principles ('GAAP') under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards prescribed under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. The consolidated financial statements are prepared by adopting uniform accounting policies between the group companies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.

The Company has taken the view that the amalgamation within the Group (between the Company and its subsidiaries) does not have any economic substance and therefore amalgamation has to be ignored while preparing the consolidated financial statements.

The consolidated financial statements are presented in Indian Rupees, unless otherwise mentioned and rounded off to nearest rupee.

The consolidated financial statements include the results of entities which are as follows:

Sl. No.	Name of the entities	Subsidiary/ Step Subsidiary	Country of incorporation	Effective group shareholding %
1	Coachieve Solutions Private Limited (CSPL)	Subsidiary	India	100
2	MFX Infotech Private Limited (MIFL)	Subsidiary	India	100
3	Aravon Services Private Limited (ASPL) #	Subsidiary	India	100
4	Quess (Philippines) Corp	Subsidiary	Philippines	100
5	Quess Corp (USA) Inc.	Subsidiary	United States of America	100
6	Quesscorp Holdings Pte. Ltd (QHP) ###	Subsidiary	Singapore	100
7	Ikya Business Services (Private) Limited (IBSPL)	Subsidiary	Sri Lanka	100
8	Mindwire Systems Ltd., Canada (MSL)	Step Subsidiary	Canada	100
9	Brainhunter Companies Canada Inc., (BCC)	Step Subsidiary	Canada	100
10	Brainhunter Companies LLC (BCL)	Step Subsidiary	United States of America	100
11	Brainhunter Systems Ltd, Canada (BSL)	Step Subsidiary	Canada	100
12	MFXchange Holdings Inc. (MFXH) ##	Step Subsidiary	Canada	100
13	MFXchange (Ireland) Limited (MFXL) ##	Step Subsidiary	Ireland	100
14	MFXchange US Inc. (MFX) ##	Step Subsidiary	United States of America	100
15	Quessglobal (Malaysia) SDN.BHD	Step Subsidiary	Malaysia	100

Acquired during the year effective from 1 April 2015 (refer note 45)

Became a 100% subsidiary effective from 1 January 2016. These entities were associates till 31 December 2015 (refer note 46)

Incorporated during the year

1.1 Basis of accounting and preparation of Consolidated Financial Statements (continued)

The consolidated financial statements are prepared in accordance with the principles and procedures required for the preparation and presentation of the consolidated financial statements as laid down under the Accounting Standard (AS) 21 - 'Consolidated financial statements', issued under Companies (Accounting Standards) Rules, 2014.

The consolidated financial statements of the Company and its subsidiaries have been combined on a line-by-line basis by adding together book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances and transactions and resulting unrealised gain/loss.

The excess/ deficit of cost to the Group of its investment over its portion of net worth in the consolidated entities at the respective dates on which investment in such entities was made is recognized in the consolidated financial statements as goodwill/ capital reserve.

1.2 Use of estimates

The preparation of financial statements in accordance with Generally Accepted Accounting Principles in India requires Management to make judgement, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities as at the date of the financial statements. The estimates and assumption used in the accompanying financial statements are based upon Management's evaluation of the relevant facts and circumstances as on the date of the financial statements. Actual results could differ from those estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

1.3 Revenue recognition

People and services

Revenue related to staffing services i.e. salary and incidental expenses of temporary associates along with service charge are recognised in accordance with the agreed terms and recognised as the related services are performed.

Revenue related to recruitment services are recognised at the time the candidate begins full time employment.

Revenue related to executive search and trainings are recognised upon rendering of the service.

Revenue from training services is recognised prorated over the period of training.

Global technology solutions

Revenue related to staffing services i.e. salary and incidental expenses of employees of Information Technology/ Information Technology Enabled Services along with service charge are recognised in accordance with the agreed terms and recognized as the related services are performed.

Integrated facility management

Revenue for facility management and food services are primarily earned on fixed fee basis and are recognised as per the terms of the arrangement with the customers.

Industrial asset management

Revenue from operation and maintenance services are primarily earned on a fixed fee basis and are recognized ratably over the period of the contract with the customer. Certain arrangements are on time and material basis and are recognized as the services are performed as per the terms of the arrangement with the customer.

Software and solutions business

Revenue from information technology primarily includes colocation, which includes the licensing of cabinet space and power; interconnection offerings; managed infrastructure services and application management services. Revenue is recognized ratably in accordance with the agreed terms of the contract with the customers.

Deferred revenue included in other current liabilities represents amounts billed in excess of revenue earned. Unbilled revenue included in other current assets represents revenue earned in excess of amounts billed.

Interest income

Interest income is recognised using the time-proportion method, based on the underlying interest rates.

1.4 Fixed assets, depreciation and amortization

Tangible fixed assets

Tangible fixed assets are stated at the cost of acquisition or construction less accumulated depreciation up to the date of the balance sheet. The cost of an item of tangible asset comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price. Cost of the fixed assets not ready for their intended use before such date are disclosed as capital work-in-progress.

Leases under which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Such assets are capitalized at fair value of the asset or present value of the minimum lease payments at the inception of the lease, whichever is lower.

1.4 Fixed assets, depreciation and amortization (continued)

Intangible fixed assets

Acquired intangible assets are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less any accumulated amortisation and any accumulated impairment loss. Subsequent expenditure is capitalised only when it increases the future economic benefits from the specific asset to which it relates.

Intangible assets are amortised in the statement of profit or loss over their estimated useful lives, from the date they are available for use based on the expected pattern of consumption of economic benefits of the asset.

The carrying value of these intangible assets is reviewed annually for impairment and adjusted to the recoverable amount, if required.

Depreciation
Depreciation on fixed assets is provided using the straightline method over the estimated useful life of the assets. The Group believes that the existing useful life as given below represents the best useful estimated lives of these assets. Accordingly, the Group has carried out an internal assessment and obtained technical advice where necessary which is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013. Depreciation on additions and disposals is provided pro rata for the period in use. The estimated useful lives of assets are as follows:

Asset description	Useful life
Computer equipment	3 years
Computer (data server)	7 years
Furniture and fixtures	4 - 7 years
Vehicles	3 years
Office equipment	4 - 5 years
Plant and machinery	3 years

Depreciation is provided on a proportionate basis for all assets purchased and sold during the year. Individual assets costing Rs 5,000 or less are depreciated at the rate of 100%. Leasehold improvements are amortized over the lease term or estimated useful life of 3 years, whichever is lower. Leasehold computer equipment are amortized over the lease term or estimated useful life of 3 years, whichever is lower.

Amortization

Amortization is provided at rates calculated to write off the cost less estimated residual value of each asset on a straight-line basis over its estimated useful life.

The amortization rates are as follows:

Asset description	Useful life
Goodwill	5 years or estimated useful life whichever is lower
Software (owned)	3 years

Leasehold software are amortized over the lease term or estimated useful life of 3 years, whichever is lower.

1.5 Impairment of assets

The Group assesses at each balance sheet date whether there is any indication that an asset (including goodwill arising on consolidation) or a group of assets comprising a cash generating unit may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. For an asset or group of assets that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which asset belongs. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss.

If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to maximum of depreciable historical cost. An impairment loss is reversed only to the extent that the carrying amount of asset does not exceed the net book value that would have been determined, if no impairment loss had been recognised. Impairment loss recognised for goodwill is not reversed in a subsequent period unless the impairment loss was caused by a specific external event of an exceptional nature that is not expected to recur, and subsequent external events have occurred that reverse the effect of that event.

1.6 Inventories

Inventories (Raw materials and stores and spares) which comprise of food consumables, operating supplies and cleaning consumables are valued at the lower of cost and net realisable value. Cost of inventories comprises purchase price, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In determining cost, weighted average cost method is used. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs to sell. The comparison of cost and net realisable value is made on an item-by-item basis.

Inventories are stated net of write down or allowances on account of obsolete, damaged or slow moving items.

1.7 Foreign exchange transactions and translations

The reporting currency of the Group is Indian Rupee. The local currencies of the non-integral subsidiaries are different from the reporting currency of the Group.

Foreign exchange transactions are recorded using the exchange rates prevailing on the dates of the respective transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the statement of profit and loss for the year.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates; the resultant exchange differences are recognized in the statement of profit and loss.

Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

Non-integral operations

The financial statements of the foreign non-integral subsidiaries/Step subsidiaries are translated into Indian Rupees as follows:-

• All assets and liabilities, both monetary and non-monetary are translated using the closing rates

• Share capital and opening reserves and surplus are carried at historical cost

• Revenue and expenses are translated at average rates

• The resulting net exchange difference is credited or debited to the “foreign currency translation reserve”

• Contingent liabilities are translated at the closing rates

Exchange differences which have been deferred in foreign currency translation reserve are not recognized as income or expenses until the disposal of that entity.

1.8 Investments

Non-current investments are valued at cost less any other than temporary diminution in value, determined on a specific identification basis.

1.9 Employee benefits

Post employment benefits

Defined contribution plan

Provident Fund

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Group makes specified monthly contributions towards employee Provident Fund to Government administered provident fund scheme which is a defined contribution plan. The Group’s contribution is recognised as an expense in the statement of profit and loss during the period in which the employee renders the related service.

Defined benefit plan

Gratuity

The Group’s gratuity benefit scheme are defined benefit plans. The Group’s net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service costs and the fair value of any plan assets are deducted. The calculation of the Group’s obligation is performed annually by an independent actuary using the projected unit credit method as at the reporting date.

The Group recognises all actuarial gains and losses arising from defined benefit plans immediately in the Statement of profit and loss. All expenses related to defined benefit plans are recognised in employee benefits expense in the Statement of profit and loss. The Group recognises gains and losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs.

Compensated absences

The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods. The Group records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of an independent actuarial valuation using the projected unit credit method as at the reporting date.

1.10 Employee stock options

The Group has issued stock options to its employees. The Group measures and discloses such cost using intrinsic value-based method as prescribed in the Guidance Note on Accounting for Employee Share-based Payments issued by the Institute of Chartered Accountants of India. Under this method, compensation expense measured on the date of grant is recognised over the vesting term on a straight line basis.

1.11 Leases

Leases under which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease payments are charged to the statement of profit and loss on a straight line basis over the lease term.

1.12 Earnings per share

In determining the earning per share, the net profit after tax is divided by the weighted average number of shares outstanding during the year. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period unless issued at a later date. In computing dilutive earning per share, only potential equity shares that are dilutive i.e. which reduces earnings per share or increases loss per share are included.

1.13 Taxation

The Income tax expense comprises current tax (i.e. amount of tax for the year determined in accordance with the income tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the year).

Deferred tax charge or credit are recognised for the future tax consequences attributable to timing difference that result between the profit offered for income taxes and the profit as per the financial statements. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, when there is a brought forward loss or unabsorbed depreciation under taxation laws, deferred tax assets are recognised only if there is virtual certainty of realisation or such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably / virtually certain as the case may be to be realised.

The Group offset, on a year on year basis, the current tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

1.14 Provisions, contingent liabilities and contingent assets

A provision is recognized if, as a result of a past event, the Group has a present 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 recognized at the best estimate of the expenditure required to settle the present obligation at the reporting date. The provisions are measured on an undiscounted basis.

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the consolidated financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

Warranties
Warranty costs are estimated on the basis of a technical evaluation and past experience. Provision is made for estimated liability in respect of warranty costs in the year of rendering of services.

Onerous contracts
A contract is considered as onerous when the expected economic benefits to be derived by the Group from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

1.15 Cash flow statement

Cash flow statement is reported using indirect method, whereby net profits before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows arising from operating, investing and financing activities of the Group are segregated.

1.16 Cash and cash equivalents

Cash and cash equivalents in the cash flow statement comprise cash and balances with banks. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of 3 months or less and that is readily convertible to known amounts of cash or cash equivalents.

1.17 Goodwill

Any excess of the cost to the parent of its investment in a subsidiary over the parent's portion of equity of the subsidiary, at the date on which investment in the subsidiary is made, is recorded as goodwill arising on consolidation.

Goodwill arising on consolidation is not amortised. It is tested for impairment on a periodic basis and written off, if found impaired.

2 Share capital

(Amount in Rs)

Particulars	As at 31 March 2016	As at 31 March 2015
Authorised		
200,000,000 (31 March 2015 : 113,104,631) equity shares of par value of Rs 10 each*	2,000,000,000	1,131,046,310
	2,000,000,000	**1,131,046,310**
Issued, subscribed and paid-up		
113,335,056 (31 March 2015 : 25,773,764) equity shares of par value of Rs 10 each, fully paid up	1,133,350,560	257,737,640
	1,133,350,560	**257,737,640**

* During the year, the Company vide its Extra ordinary general meeting dated 10 August 2015 has increased its authorised share capital from Rs 1,131,046,310 divided into 113,104,631 equity shares of Rs 10 each to Rs 2,000,000,000 divided into 200,000,000 equity shares of Rs 10 each.

2(a) Reconciliation of number of shares outstanding at the beginning and at the end of the year/ period

Particulars	As at 31 March 2016		As at 31 March 2015	
	Number of shares	Amount in Rs	Number of shares	Amount in Rs
Equity shares				
At the commencement of the year/ period	25,773,764	257,737,640	18,996,807	189,968,070
Shares issued on conversion of compulsory convertible preference shares [refer note 2(a)(i)]	-	-	6,776,957	67,769,570
Shares issued during the year/ period:				
Right issue [refer note 2(a)(ii)]	2,560,000	25,600,000	-	-
Bonus issue [refer note 2(a)(iii)]	85,001,292	850,012,920	-	-
At the end of the year/period	**113,335,056**	**1,133,350,560**	**25,773,764**	**257,737,640**
0.001% Compulsorily convertible preference shares of par value Rs 100 each				
At the commencement of the year/ period	-	-	7,717,912	771,791,200
Conversion to equity shares [refer note 2(a)(i)]	-	-	(7,717,912)	(771,791,200)
At the end of the year/period	-	-	-	-

2(a)(i) The Company had issued 0.001% compulsory convertible preference shares (CCPS) of Rs 100 each to Thomas Cook (India) Limited at a premium of Rs 24.38 vide Share Subscription Agreement (SSA) dated 5 February 2013. During the previous period, as per the terms and condition of SSA, the Company vide its Board meeting dated 14 October 2014 has converted 7,717,912 CCPS into 6,776,957 equity shares at a premium of Rs 131.66 per share. Out of the total premium of Rs 892,230,430 arising on this arrangement, Rs 188,208,800 collected on the initial issue of CCPS as above, was adjusted against the share premium and Rs 704,021,630 was recognized as premium on conversion of CCPS in the previous period.

2(a)(ii) Right Issue
During the year, the Company vide its Board meeting dated 6 November 2015, has offered 2,560,000 equity shares of Rs 10 each on right basis, in pursuance to the requirements of Section 62 of the Companies Act, 2013 read with the Companies (Share capital and Debentures) Rules 2014 in the ratio of 0.099 equity shares for every equity share held in the Company as on date to the existing shareholders. Thomas Cook (India) Ltd in its Board meeting has resolved not to subscribe to the right issue and has obtained the shareholders approval on 12 December 2015 by way of postal ballot and accordingly a resolution of renounciation was approved by the Board of Directors of the Thomas Cook (India) Ltd vide circular resolution dated 18 December 2015 for renouncing 1,957,302 equity shares in favour of Net Resources Investments Private Limited. On 21 December 2015, Mr. Ajit Isaac renounced his rights of 461,516 shares in favour of Net Resources Investments Private Limited.
Accordingly, the Company in its Board meeting dated 22 December 2015 has approved the allotment of equity shares on right basis as follows:

Name of shareholder	Number of shares before right issue	Number of right shares issued	Number of shares after right issue
Thomas Cook (India) Limited	19,705,874	-	19,705,874
Mr. Ajit Isaac	4,646,490	-	4,646,490
Net Resources Investments Private Limited	1,294,100	2,547,356	3,841,456
Ms. Amrita Nathani	38,525	3,827	42,352
Mr. Guruprasad Srinivasan	28,475	2,828	31,303
Mr. Venkatesan Jayaraman	20,100	1,997	22,097
Mr. Vijay Sivaram	20,100	1,996	22,096
Ms. Pratibha J	13,400	1,331	14,731
Mr. Jaison Jose	6,700	665	7,365
Total	**25,773,764**	**2,560,000**	**28,333,764**

2(a)(iii) Bonus Issue

During the year, the Company in pursuant to the requirements of Section 63(1) of the Companies Act, 2013 and after obtaining the consent of shareholders at the Extra ordinary general meeting held on 23 December 2015 and vide its Board meeting held on 5 January 2016 has passed a resolution to issue 3 fully paid up equity shares of Rs 10 each for every 1 fully paid up equity share of Rs 10 each to the existing shareholder whose name appears in the register of members as on 23 December 2015 by utilizing securities premium account . The bonus shares shall rank pari passu in all respects including dividend with the existing equity shares of the Company. The movement in shareholding with respect to bonus issue is as follows:

Name of shareholder	Number of shares*	Number of bonus shares issued	Number of shares after bonus issue
Thomas Cook (India) Limited	19,705,874	59,117,622	78,823,496
Net Resources Investments Private Limited	3,841,456	11,524,368	15,365,824
Mr. Ajit Isaac	4,646,490	13,939,470	18,585,960
Ms. Amrita Nathani	42,352	127,056	169,408
Mr. Guruprasad Srinivasan	31,303	93,909	125,212
Mr. Venkatesan Jayaraman	22,097	66,291	88,388
Mr. Vijay Sivaram	22,096	66,288	88,384
Ms. Pratibha J	14,731	44,193	58,924
Mr. Jaison Jose	7,365	22,095	29,460
Total	**28,333,764**	**85,001,292**	**113,335,056**

*shareholding post right issue

2(b) 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.

2(c) Shares held by holding company

	As at 31 March 2016		As at 31 March 2015	
Particulars	**Number of shares**	**Amount in Rs**	**Number of shares**	**Amount in Rs**
(i) Equity shares of par value Rs 10 each				
Thomas Cook (India) Limited	78,823,496	788,234,960	19,705,874	197,058,740

2(d) Details of shareholders holding more than 5% shares in the Company

	As at 31 March 2016		As at 31 March 2015	
Particulars	**Number of shares**	**% held**	**Number of shares**	**% held**
(i) Equity shares of par value Rs 10 each				
Thomas Cook (India) Limited	78,823,496	69.55%	19,705,874	76.46%
Ajit Isaac	18,585,960	16.40%	4,646,490	18.03%
Net Resources Investments Private Limited	15,365,824	13.56%	1,294,100	5.02%

2(e) 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 preceeding the balance sheet date. However, the Company has issued bonus shares in the current financial year.

3 Reserves and surplus

(Amount in Rs)

Particulars	As at 31 March 2016	As at 31 March 2015
Securities premium account at the beginning of the year/ period	1,258,328,919	554,307,289
Add: premium on conversion of preference shares to equity shares (refer note 2)	-	704,021,630
Less: amount utilized for issuing bonus shares (refer note 2)	(850,012,920)	-
Securities premium account at the end of the year/ period	**408,315,999**	**1,258,328,919**
Share options outstanding account at the beginning of the year/ period	**56,137,381**	**56,137,381**
Less : transfer to general reserve on forfeiture of stock options (refer note 3.1 and 40)	(12,655,982)	-
Stock options outstanding account at the end of the year/ period	**43,481,399**	**56,137,381**
Foreign currency translation reserve		
Balance at the beginning of the year/ period	1,386,580	(319,500)
Add : Additions during the year/ period	(3,317,587)	1,706,080
Balance at the end of the year/ period	**(1,931,007)**	**1,386,580**
Capital reserve		
Balance at the beginning of the year/ period	-	-
Add: arising on account of acquisition (refer note 45)	29,055,793	-
Balance at the end of the year/ period	**29,055,793**	**-**
General reserve		
Balance at the beginning of the year/ period	-	-
Add : transfer from stock options outstanding account (refer note 3.1 and 40)	12,655,982	-
Balance at the end of the year/ period	**12,655,982**	**-**
Surplus (in the statement of profit and loss balance)		
At the commencement of the year/ period	933,744,775	244,820,063
Add: Net profit for the year/ period	897,160,038	688,924,712
Balance in statement of profit and loss at the end of the year/ period	**1,830,904,813**	**933,744,775**
	2,322,482,979	**2,249,597,655**

3.1 During the year, the Company has forfeited the unexercised employee stock options pertaining to employees resigned during the current and earlier years/ periods.

4 Long-term borrowings

(Amount in Rs)

Particulars	As at 31 March 2016	As at 31 March 2015
Secured		
From Bank (refer note 4.1)	170,766,701	-
Finance lease obligations (refer note 4.2)	182,482,569	-
Unsecured		
Vehicle loan (refer note 4.3)	1,564,609	-
	354,813,879	**-**

4.1 During the previous period, BSL had taken short-term borrowings from ICICI Bank aggregating Rs 494,957,486 (CAD 9,995,143). The maximum limit sanctioned towards this facility by the bank was CAD 10,700,000.

During the year, BSL has refinanced the aforesaid sanctioned facility into term loan aggregating Rs 204,920,000 (CAD 4,000,000) and short-term borrowings of Rs 343,241,000 (CAD 6,700,000). The term loan and the short-term borrowing are secured by way of pledge of 7,300,000 shares of BSL held by Quess Corp (USA) Inc and Corporate Guarantee given by Quess Corp Limited.
Term loan and short-term borrowings are carrying an interest rate ranging from CDOR plus 2.75% to 3.25% per annum. The term loan of 204,920,000 (CAD 4,000,000) is repayable in twelve quarterly installments commencing 1 December 2016. Accordingly, the Group has disclosed an amount aggregating Rs 170,766,701 (CAD 3,333,334) as long-term borrowings and Rs 34,153,299 (CAD 666,666) is included in the current maturities of long-term borrowings as disclosed in note 9.

4.2 MFXH buys computer equipment, computer software and leasehold improvements on finance lease. Principal payments which are due after twelve months from the reporting date has been classified as long-term maturities of finance lease obligations amounting to Rs 182,482,569 (31 March 2015: Nil). Principal payments which are due within twelve months from the reporting date has been classified as current maturities of long-term finance lease obligations aggregating to Rs 114,507,391 (31 March 2015: Nil) under other current liabilities. These are secured by hypothecation of assets taken on lease and carry interest rate of 5.00% to 6.30%. The lease agreement is for period of 2-5 years.

4.3 Vehicle loan is taken from Mahindra and Mahindra Financial Services Limited which carries interest rate of 14.50% p.a. and is repayable in thirty six equal monthly instalments. Principal payments which are due after twelve months from the reporting date aggregating Rs 1,564,609 has been classified as long-term borrowings. Principal payments which are due within twelve months from the reporting date aggregating to Rs 795,661 has been classified as current maturities of long-term borrowings under other current liabilities.

5 Other long-term liabilities

(Amount in Rs)

Particulars	As at 31 March 2016	As at 31 March 2015
Payable to erstwhile minority shareholders [refer note 5.1]	-	6,666,667
	-	**6,666,667**

5.1 The Company vide its agreement dated 14 May 2013 acquired 100% shareholding of Avon Facility Management Services Limited at a total consideration of Rs 142,627,500. Out of the total consideration, in accordance with Share Purchase Agreement, the Company has paid Rs 120,094,167 in May 2013 and has agreed to pay Rs 29,200,000 to certain shareholders over a period of 3 years. Till previous period, the Company has already paid an amount aggregating Rs 22,533,333 and the remaining amount of Rs 6,666,667 (payable in 2016) is disclosed in other current liabilities.

6 Long-term provisions

(Amount in Rs)

Particulars	As at 31 March 2016	As at 31 March 2015
Provision for employee benefit		
Provision for gratuity (refer note 37)	62,538,912	61,395,081
Others		
Provision for consideration payable on acquistion (refer note 38 and 46)	322,391,371	-
Provision for disputed claims (refer note 38)	75,841,379	22,626,824
Provision for rent escalation	3,974,242	1,091,888
	464,745,904	**85,113,793**

7 Short-term borrowings

(Amount in Rs)

Particulars	As at 31 March 2016	As at 31 March 2015
Loans from bank repayable on demand		
Secured		
Cash credit and overdraft facilities (refer note 7.1 below)	1,864,522,484	1,410,726,760
Bill discounting facility from bank (refer note 7.2 below)	369,238,838	228,875,979
Working capital loan (refer note 7.3 below)	840,000,000	530,000,000
Loan from related parties, unsecured		
From Fairfax (US), Inc. (refer note 7.4 below and refer note 35)	265,020,000	-
From Fairfax Financial Holdings Limited (refer note 7.5 below and refer note 35)	51,230,000	34,663,860
	3,390,011,322	**2,204,266,599**

7.1 Cash credit from banks are secured primarily by way of exclusive charge on the current assets and on the movable assets of the BSL. Cash credit includes the working capital facility of Rs 343,241,000 (CAD 6,700,000) [31 March 2015: Rs 494,957,486 (CAD 9,995,143)] availed by BSL from ICICI Bank Canada as detailed in note 4.1.

7.2 Credit availed on bills discounted from banks are secured primarily by way of pari paasu first charge on the entire current assets of the Group on both past and future and additionally by way of pari passu first charge on the entire movable assets of the Group.

7.3 Working capital loan from banks are secured primarily by way of pari paasu first charge on the entire current assets of the Group on both past and future and additionally by way of pari passu first charge on the entire movable assets of the Group.

7.4 During the previous period, MFXchange US, Inc. had entered into an arrangement with Fairfax (US) Inc. to obtain a revolving credit facility upto Rs 331,275,000 (USD 5,000,000) which carries an interest rate of 3-5% per annum on incremental basis each year upto 3 November 2018.

7.5 This represents interest free unsecured loan taken by Brainhunter Systems Ltd. from Fairfax Financial Holdings Limited {Rs 51,230,000 (CAD 1,000,000) [31 March 2015 : Rs 34,663,860 (CAD 700,000)]}. The loan is repayable on demand.

8 Trade payables

(Amount in Rs)

Particulars	As at 31 March 2016	As at 31 March 2015
Dues to other than micro, small and medium enterprises*	675,518,164	417,275,456
Dues to micro, small and medium enterprises (refer note 39)	-	-
	675,518,164	**417,275,456**
* includes payable to related parties (refer note 35)	1,523,999	2,194,187

9 Other current liabilities

(Amount in Rs)

Particulars	As at 31 March 2016	As at 31 March 2015
Current maturities of long-term borrowings (refer note 4.1, 4.3 and 9.1, 9.2)	35,077,141	31,593,698
Current maturities of finance lease obligations (refer note 4.2)	114,507,391	-
Interest accrued and not due	5,199,610	1,578,966
Income received in advance	105,693,479	305,137,734
Other Payables		
Advance received from customers	145,889,620	117,980,823
Balances payable to government authorities	739,604,157	336,551,564
Book overdraft	38,565,823	60,849,571
Payable to erstwhile minority shareholders (refer note 5)	6,666,666	6,666,667
Accrued salaries and benefits (refer note 9.3)	2,463,574,996	950,564,874
Provision for expenses	181,682,384	68,528,593
Uniform deposits	2,706,224	1,837,670
Provision for rent escalation	1,563,679	891,691
Other liabilities	116,079	9,170,771
	3,840,847,249	**1,891,352,622**

9.1 This includes term loan from National Skill Development Centre ('NSDC') of Rs Nil (31 March 2015 : Rs 30,000,000) which is secured against hypothecation of project assets and has been repaid during the year.

9.2 Current maturities of long term includes loan outstanding of Rs 128,181 (31 March 2015 : Rs 1,593,698) towards vehicle loan taken from HDFC Bank and is repayable in 36 equal monthly instalments.

9.3 Includes provision for bonus for the financial year 2015-16 aggregating Rs 453,637,437 computed based on the circular issued by Ministry of law and justice dated 31 December 2015 which requires Group to pay bonus at the specified revised threshold. (refer note 42).

10 Short-term provisions

(Amount in Rs)

Particulars	As at 31 March 2016	As at 31 March 2015
Provision for employee benefits		
Provision for gratuity (refer note 37)	152,183,206	878,664
Provision for compensated absences	44,725,352	53,006,120
	196,908,558	**53,884,784**
Others		
Provision for warranty (refer note 38)	-	12,000,000
Provision for onerous contracts (refer note 38)	-	1,077,806
	196,908,558	**66,962,590**

11(a) Tangible Assets

(Amount in Rs)

Particulars	Leasehold improvements	Furniture and fixtures	Vehicles	Office equipment	Plant and machinery	Computer equipment	Computer equipment - leased	Total
Gross block								
Cost or Valuation								
As at 1 January 2014	60,387,166	29,893,557	8,425,656	20,755,402	63,527,899	55,306,888	-	238,296,568
Additions on Acquisition	21,010,678	25,018,130	410,446	-	12,082,612	62,378,368	-	120,900,234
Additions during the period	7,278,717	21,807,430	-	41,174,352	17,171,295	34,948,361	-	122,380,155
Disposals during the period	7,839,944	904,170	-	-	1,363,786	1,036,000	-	11,143,900
As at 31 March 2015	**80,836,617**	**75,814,947**	**8,836,102**	**61,929,754**	**91,418,020**	**151,597,617**	**-**	**470,433,057**
Additions on Acquisition#	195,645,937	28,361,459	5,877,952	59,660,465	20,087,993	6,285,793	315,602,232	631,521,831
Additions during the year	10,022,231	13,538,862	3,422,434	32,296,634	10,891,643	50,169,663	53,031,253	173,372,720
Disposals during the year	13,855,023	2,721,185	1,927,977	1,715,737	2,997,200	609,394	-	23,826,516
Translation adjustment*	(1,384,861)	18,690	3,048	(1,270,446)	-	(3,054,688)	270,319	(5,417,938)
As at 31 March 2016	**271,264,901**	**115,012,773**	**16,211,559**	**150,900,670**	**119,400,456**	**204,388,991**	**368,903,804**	**1,246,083,154**
Accumulated Depreciation								
As at 1 January 2014	38,774,317	25,817,147	2,696,426	16,193,809	36,185,136	42,786,432	-	162,453,267
Additions on Acquisition	17,351,079	21,619,008	361,470	-	6,279,769	56,003,937	-	101,615,263
Charge for the period	19,298,965	5,896,982	3,930,591	4,888,153	20,527,987	16,093,159	-	70,635,837
Disposals during the period	7,839,944	904,170	-	-	1,335,904	46,355	-	10,126,373
As at 31 March 2015	**67,584,417**	**52,428,967**	**6,988,487**	**21,081,962**	**61,656,988**	**114,837,173**	**-**	**324,577,994**
Additions on Acquisition#	130,391,761	27,960,950	4,395,182	49,815,404	11,504,377	3,605,503	151,255,771	378,928,948
Charge for the year	15,651,917	7,018,245	2,777,878	17,885,933	25,539,016	27,914,716	29,038,387	125,826,092
Disposals during the year	13,855,023	2,721,185	1,244,078	1,715,737	2,076,399	607,492	-	22,219,914
Translation adjustment*	(1,270,976)	19,814	3,046	(1,141,785)	-	(2,641,051)	(390,750)	(5,421,702)
As at 31 March 2016	**198,502,096**	**84,706,791**	**12,920,515**	**85,925,777**	**96,623,982**	**143,108,849**	**179,903,408**	**801,691,418**
Net Block								
As at 31 March 2016	**72,762,805**	**30,305,982**	**3,291,044**	**64,974,893**	**22,776,474**	**61,280,142**	**189,000,396**	**444,391,736**
As at 31 March 2015	**13,252,200**	**23,385,980**	**1,847,615**	**40,847,792**	**29,761,032**	**36,760,444**	**-**	**145,855,063**

Note :

* Represents translation of tangible assets of non intergral operations into Indian Rupees.

Includes tangible assets having gross book value of Rs 631 million, accumulated depreciation of Rs 379 million and net book value of Rs 252 million taken over on acquisition of ASPL and MFXchange group with effect from 1 April 2015 and 1 January 2016.

11(b) Intangible assets and Intangible assets under development

(Amount in Rs)

Particulars	Goodwill	Computer software	Computer software - leased	Total	Intangible assets under development
Gross block					
Cost or Valuation					
As at 1 January 2014	51,281,280	29,132,497	-	80,413,777	-
Additions on Acquisition	15,267,028	6,091,379	-	21,358,407	-
Additions during the period	-	31,484,575	-	31,484,575	-
Disposals during the period	-	-	-	-	-
As at 31 March 2015	**66,548,308**	**66,708,451**	**-**	**133,256,759**	**-**
Additions on Acquisition#	-	44,407,904	20,433,676	64,841,580	-
Additions during the year	-	30,196,050	-	30,196,050	23,906,550
Disposals during the year	-	-	-	-	-
Translation adjustment*	-	36,012	17,502	53,514	-
As at 31 March 2016	**66,548,308**	**141,348,417**	**20,451,178**	**228,347,903**	**23,906,550**
Accumulated Amortisation					
As at 1 January 2014	18,431,377	19,755,117	-	38,186,494	-
Additions on Acquisition	15,267,029	6,091,378	-	21,358,407	-
Charge for the period	18,280,801	12,494,716	-	30,775,517	-
Disposals during the period	-	-	-	-	-
As at 31 March 2015	**51,979,207**	**38,341,211**	**-**	**90,320,418**	**-**
Additions on Acquisition#	-	37,521,270	5,288,233	42,809,503	-
Charge for the year	12,163,803	20,464,087	1,735,304	34,363,194	-
Disposals during the year	-	-	-	-	-
Translation adjustment*	-	17,622	(26,564)	(8,942)	-
As at 31 March 2016	**64,143,010**	**96,344,190**	**6,996,973**	**167,484,173**	**-**
Net Block					
As at 31 March 2016	**2,405,298**	**45,004,227**	**13,454,205**	**60,863,730**	**23,906,550**
As at 31 March 2015	**14,569,101**	**28,367,240**	**-**	**42,936,341**	**-**

Note :

* Represents translation of intangible assets of non intergral operations into Indian Rupees.

Includes intangible assets having gross book value of Rs 64 million, accumulated depreciation of Rs 42 million and net book value of Rs 22 million taken over on acquisition of ASPL and MFXchange group with effect from 1 April 2015 and 1 January 2016.

11(c) Goodwill on consolidation

Goodwill on consolidation represents the excess of purchase consideration over net asset value of acquired subsidiaries on the date of such acquisition. Such goodwill is tested for impairment annually or more frequently, if there are indications for impairment. An amount of Rs 2,045,547,531 (31 March 2015 : Rs 1,104,219,485) has been recognised as Goodwill on consolidation as per the requirements of AS 21 - Consolidated Financial Statements.

The Company has taken the view and stated in the significant accounting policies clause 1.1 "Basis of accounting and preparation of Consolidated Financial Statements" that the amalgamation within the Group (between the Company and its subsidiaries) does not have any economic substance and therefore amalgamation was ignored while preparing the consolidated financial statements.

12 Non-current investments

(Amount in Rs)

Particulars	As at 31 March 2016	As at 31 March 2015
(at cost, unless otherwise specified)		
Investments in equity instruments (refer note 41)		
Unquoted, Trade Investments		
200,000 (31 March 2015 : Nil) fully paid up equity shares of par value of Rs 10 each of KMG Infotech Limited*	16,549,575	-
Other non-current investments (refer note 41)		
Unquoted, Trade Investments		
Investment in Styracorp Management Services	13,224,490	-
Investment in IME Consultancy	6,775,510	-
	36,549,575	-
Aggregate amount of unquoted investments	36,549,575	-

* Investment acquired on acquisition of MFXchange Holdings Inc. (refer note 46)

13 Deferred tax assets (net)

(Amount in Rs)

Particulars	As at 31 March 2016	As at 31 March 2015
Deferred tax liability		
Fixed assets	(72,433,124)	(25,607,945)
Deferred tax assets		
Gratuity and compensated absences	82,659,755	37,485,684
Provision for doubtful debts	36,038,011	6,644,135
Provision for bonus	163,203,854	-
Provision for disputed claims	7,830,691	7,690,857
Provision for interest on service tax	12,668,990	-
Provision for rent escalation	1,660,128	674,219
Others	1,520,497	2,723,418
	233,148,802	**29,610,368**

Deferred tax assets on the carry forward losses of certain subsidiaries within and outside India have not been recognised owing to brought forward losses.

14 Long-term loans and advances

(Amount in Rs)

Particulars	As at 31 March 2016	As at 31 March 2015
(Unsecured and considered good)		
Capital advances	7,569,807	3,064,498
Security deposits	83,286,761	61,000,864
Advance income tax (net of provision for tax)	717,533,956	449,711,273
Minimum alternate tax credit entitlement	1,281,119	1,281,119
Payment made under protest	15,371,182	15,371,182
Advance to employees	-	595,507
Others	26,158	3,301,195
	825,068,983	**534,325,638**

15 Other non-current assets

(Amount in Rs)

Particulars	As at 31 March 2016	As at 31 March 2015
Prepaid expenses	14,014,902	5,400,040
Bank deposits (due to mature after 12 months from the reporting date) (refer note 18.1)	21,740,219	4,329,637
	35,755,121	**9,729,677**

16 Inventories

(Amount in Rs)

Particulars	As at 31 March 2016	As at 31 March 2015
(Valued at lower of cost and net realizable value)		
Raw material and consumables	10,709,110	4,390,088
Stores and spares	7,567,832	892,283
	18,276,942	**5,282,371**

17 Trade receivables

(Amount in Rs)

Particulars	As at 31 March 2016	As at 31 March 2015
Receivables outstanding for a period exceeding six months from the date they become due for payment		
Unsecured		
Considered good*	337,613,659	372,842,668
Considered doubtful	131,641,833	81,896,536
Less: provision for trade receivables	(131,641,833)	(81,896,536)
	337,613,659	**372,842,668**
Other receivables		
Considered good	3,944,386,820	2,175,521,427
Considered doubtful	3,108,220	-
Less: provision for trade receivables	(3,108,220)	-
	3,944,386,820	**2,175,521,427**
	4,282,000,479	**2,548,364,095**
* includes receivables from related parties (refer note 35)	29,144,270	14,354,876

18 Cash and bank balances

(Amount in Rs)

Particulars	As at 31 March 2016	As at 31 March 2015
Cash and cash equivalents		
Cash in hand	1,449,144	1,198,556
Balances with banks		
In current accounts	1,034,972,680	742,221,863
In deposit accounts (refer note 18.1)	30,000,000	16,855,900
	1,066,421,824	**760,276,319**
Other bank balances		
In deposit accounts (refer note 18.1)	27,107,871	57,971,929
	1,093,529,695	**818,248,248**

Details of bank deposits

18.1 Bank deposits with original maturity of 3 months or less included under 'Cash and Cash equivalents'	30,000,000	16,855,900
Bank deposits due to mature within 12 months of reporting date included under 'Other bank balances'	27,107,871	57,971,929
Bank deposits due to mature after 12 months of reporting date included under 'Other non-current assets'	21,740,219	4,329,637
	78,848,090	**79,157,466**

19 Short-term loans and advances

(Amount in Rs)

Particulars	As at 31 March 2016	As at 31 March 2015
(Unsecured, considered good)		
Advance income tax (net of provision for tax)	12,106,244	272,150,952
Security deposits	74,805,751	56,759,295
Balances with government authorities	13,571,543	610,859
Advances to suppliers	43,618,087	3,599,983
Loans and advances to related party [refer note 35.3]	15,059,079	-
Other loans and advances		
- Employee advances	67,085,642	41,513,646
- Travel advances	10,809,888	2,860,991
- Other advances	2,199,912	16,096,593
	239,256,146	**393,592,319**

20 Other current assets

(Amount in Rs)

Particulars	As at 31 March 2016	As at 31 March 2015
Unbilled revenue	2,873,280,439	1,501,996,531
Prepaid expenses	164,725,500	43,139,608
Interest accrued but not due	2,377,386	1,673,278
	3,040,383,325	**1,546,809,417**

21 Sale of services

(Amount in Rs)

Particulars	For the year ended 31 March 2016	For the period from 1 January 2014 to 31 March 2015
Staffing and recruitment services	27,860,106,314	21,420,993,805
Training services	700,968,424	201,195,750
Facility management and food services	3,718,713,009	3,008,573,891
Operation and maintenance	1,137,830,385	874,914,533
Software and solution business	932,524,432	164,890,941
	34,350,142,564	**25,670,568,920**

22 Other income

(Amount in Rs)

Particulars	For the year ended 31 March 2016	For the period from 1 January 2014 to 31 March 2015
Interest on term deposits	7,045,725	8,595,584
Liabilities no longer required written back	1,579,200	8,417,954
Provision no longer required written back	14,551,626	25,030,608
Profit on sale of fixed assets, net	95,378	395,852
Interest income on income tax refund*	56,704,274	16,049,615
Bad debts recovered	1,417,539	-
Foreign exchange gain, net	-	8,858,964
Miscellaneous income	2,868,080	7,035,897
	84,261,822	**74,384,474**

* Interest income on income tax refund is based on the refund order received from Income tax department during the year. This includes an amount of Rs 8,160,064 (for the period from 1 January 2014 to 31 March 2015 : Nil) received during earlier periods.

23 Cost of material and stores and spare parts consumed

(Amount in Rs)

Particulars	For the year ended 31 March 2016	For the period from 1 January 2014 to 31 March 2015
Inventory of materials at the beginning of the year/ period	5,282,371	4,425,262
Add: purchases during the year/ period	494,398,286	523,506,388
Less: Inventory at the end of the year/ period	18,276,942	5,282,371
Cost of material and stores and spare parts consumed	**481,403,715**	**522,649,279**

24 Employee benefits expenses

(Amount in Rs)

Particulars	For the year ended 31 March 2016	For the period from 1 January 2014 to 31 March 2015
Salaries and wages	28,230,330,823	21,120,684,441
Contribution to provident and other funds	2,029,657,610	1,534,845,911
Staff welfare expenses	112,216,445	86,823,977
	30,372,204,878	**22,742,354,329**

25 Finance costs

(Amount in Rs)

Particulars	For the year ended 31 March 2016	For the period from 1 January 2014 to 31 March 2015
Interest expense	283,464,971	205,837,382
Other borrowing costs	24,433,542	12,459,395
	307,898,513	**218,296,777**

26 Other expenses

(Amount in Rs)

Particulars	For the year ended 31 March 2016	For the period from 1 January 2014 to 31 March 2015
Sub-contractor charges	323,767,536	229,404,117
Recruitment and training expenses	240,849,303	60,409,814
Rent (refer note 36)	287,431,348	193,871,002
Power and fuel	44,714,875	28,801,853
Repairs and maintenance		
- buildings	34,812,409	21,277,113
- plant and machinery	7,722,344	1,660,805
- others	140,770,970	22,093,484
Legal and professional charges	127,900,001	83,030,876
Rates and taxes	25,052,065	10,452,390
Printing and stationery	54,043,620	37,219,539
Consumables	48,542,362	41,926,054
Travelling and conveyance	225,476,636	198,206,152
Communication expenses	94,040,503	55,711,805
Provision for doubtful debts, net	24,861,242	21,391,860
Deposits and advances written off	13,698,198	1,000,000
Equipment hire charges	66,068,377	30,984,651
Insurance	19,402,350	11,770,772
Database access charges	18,354,156	16,030,311
Bank charges	3,694,378	8,031,852
Bad debts written off	-	3,794,073
Business promotion and advertisement expenses	21,564,820	7,151,712
Foreign exchange loss, net	864,087	-
CSR contributions	7,564,565	4,954,031
Share of loss from an investment in associate	-	3,064
Miscellaneous expenses	27,873,999	23,317,829
	1,859,070,144	**1,112,495,159**

27 Capital commitments

(Amount in Rs)

Particulars	As at 31 March 2016	As at 31 March 2015
Estimated amount of contracts remaining to be executed on capital account and not provided for as at the balance sheet date.	3,063,845	-
	3,063,845	**-**

28 Contingent liabilities and commitments

(Amount in Rs)

Particulars	As at 31 March 2016	As at 31 March 2015
Arrears of Cumulative Preference Dividend	-	6,640
Provident fund	25,732,513	25,732,513
Bonus (refer note 42)	325,876,995	-
Direct and Indirect tax matters *	115,861,482	7,977,846
	467,470,990	**33,716,999**

* Includes balances pertaining to direct and indirect tax cases of Rs 109,093,234 acquired from ASPL.

Out of the disputed cases, service tax demands (including penalty and interest) pending with the Commissioner of Service Tax amounts to Rs 150,449,043 for the period October 2007 till March 2014. Against these disputed cases, ASPL had made a provision of Rs 53,214,555 till 1 April 2015. The balance amount of Rs 97,234,488 has been disclosed as contingent liability. The same represents the payment of Rs 97,234,488 made during the period October 2007 till March 2012 towards service tax collected from customers duly paid by the Company to the Service Tax authorities which has inadvertently not been considered by the Service Tax Department.

29 Earnings per share

(Amount in Rs)

Particulars	For the year ended 31 March 2016	For the period from 1 January 2014 to 31 March 2015
Nominal value of equity shares (Rs per share)	10	10
Net profit after tax for the purpose of earnings per share (Rs)	897,160,038	688,924,712
Weighted average number of shares used in computing basic earnings per share	113,215,610	92,294,525
Basic earnings per share (Rs)	**7.92**	**7.46**
Weighted average number of shares used in computing diluted earnings per share	115,421,839	115,701,641
Diluted earnings per share (Rs)	**7.77**	**5.95**

Computation of weighted average number of shares

Particulars	For the year ended 31 March 2016	For the period from 1 January 2014 to 31 March 2015
Number of equity shares outstanding at beginning of the year/ period	**25,773,764**	**18,996,807**
Number of equity shares outstanding at beginning of the previous year after right issue and bonus issue	-	20,762,088
- Adjustment of opening number of shares prior to right issue from 1 April 2015 to 22 December 2015 (25,773,764*1.09*265/366)	20,395,438	-
- Adjustment of opening number of shares post right issue from 22 December 2015 to 31 March 2016 (25,773,764*101/366)	7,112,432	-
Add: Weighted average number of equity shares issued during the year/ period		
- 6,776,957 number of equity shares issued on conversion of compulsorily convertible preference shares on 10 November 2014 for 142 days	-	2,311,544
- Impact of bonus shares issued during the current year on conversion of compulsorily convertible preference shares on 10 November 2014 for 142 days	-	6,934,631
- Right issue of 2,560,000 number of equity shares issued on 22 December 2015 for 101 days	706,448	-
- Bonus issue of 85,001,292 number of equity shares issued on 5 January 2016	85,001,292	62,286,262
Add: Impact of potentially dilutive equity shares	**113,215,610**	**92,294,525**
- 6,776,957 number of compulsorily convertible preference share till the date of conversion i.e. 314 days from 1 January 2014 to 10 November 2014	-	5,111,441
- Impact of bonus shares issued during the current year on 6,776,957 number of compulsorily convertible preference share till the date of conversion i.e. 314 days from 1 January 2014 to 10 November 2014	-	15,334,324
- 871,000 number of ESOP to be issued after adjustment of bonus	-	2,961,351
- 2,729,428 number of ESOP including bonus at fair value	2,206,229	-
Weighted average number of shares outstanding at the end of year/ period	115,421,839	115,701,641

30 Payment to Auditors (net of service tax; included in legal and professional fees)

(Amount in Rs)

Particulars	For the year ended 31 March 2016	For the period from 1 January 2014 to 31 March 2015
Statutory audit fees	7,100,000	5,000,000
Tax audit fees	700,000	1,000,000
Others	1,650,000	1,000,000
Out of pocket expenses	575,117	325,312
	10,025,117	**7,325,312**

31 Earnings in foreign currency

(Amount in Rs)

Particulars	For the year ended 31 March 2016	For the period from 1 January 2014 to 31 March 2015
Staffing and recruitment services	151,842,968	402,158,360
Operation and maintenance	127,074,618	126,426,212
Software and solution business	150,087,582	56,872,748
	429,005,168	**585,457,320**

32 Unhedged foreign currency exposure

Foreign currency exposures on account of trade receivables not hedged by derivative instruments are as follows:

(Amount in Rs)

Particulars		As at 31 March 2016		As at 31 March 2015	
	Currency	Foreign currency	Amount in Rs	Foreign currency	Amount in Rs
Trade receivables	USD	1,124,939	74,532,891	553,201	33,651,528
	EURO	22,819	1,720,439	-	-

33 Expenditure in foreign currency

(Amount in Rs)

Particulars	For the year ended 31 March 2016	For the period from 1 January 2014 to 31 March 2015
Legal and professional fees	3,458,303	11,384,941
Travelling and conveyance	17,512,369	4,804,799
Rent	5,784,867	4,821,157
Communication expenses	156,138	893,901
Miscellaneous expenses	2,484,238	6,032,190
	29,395,915	**27,936,988**

34 Segment reporting

Business 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:

- People and services
- Global technology solutions
- Integrated facility management
- Industrial asset management

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'.

Business segment information for the period from 1 April 2015 to 31 March 2016 is as follows:

Particulars	People and services	Global technology solutions	Integrated facility management	Industrial asset management	Unallocated	Total
Segment revenue	19,498,466,273	9,211,245,499	3,718,713,009	1,921,717,783	-	34,350,142,564
Segment cost	(18,819,421,970)	(8,550,116,402)	(3,497,504,798)	(1,712,767,149)	(132,868,418)	(32,712,678,737)
Segment result	**679,044,303**	**661,129,097**	**221,208,211**	**208,950,634**	**(132,868,418)**	**1,637,463,827**
Other income	139,113	5,629,618	5,463,578	12,321,695	60,707,818	84,261,822
Finance charges	-	-	-	-	(307,898,513)	(307,898,513)
Depreciation	(49,043,365)	(52,810,798)	(46,687,922)	(11,647,201)	-	(160,189,286)
Profit before taxation	**630,140,051**	**613,947,917**	**179,983,867**	**209,625,128**	**(380,059,113)**	**1,253,637,850**
Taxation	-	-	-	-	(356,477,812)	(356,477,812)
Profit after taxation	**630,140,051**	**613,947,917**	**179,983,867**	**209,625,128**	**(736,536,925)**	**897,160,038**
Segment assets	**3,315,659,700**	**4,724,509,910**	**1,421,883,727**	**718,675,051**	**2,197,950,227**	**12,378,678,615**
Segment liabilities	**2,176,795,590**	**1,544,663,717**	**381,091,008**	**144,345,853**	**4,675,948,908**	**8,922,845,076**
Capital expenditure	**98,608,565**	**86,826,487**	**24,444,576**	**9,040,381**	**8,555,311**	**227,475,320**

Business segment information for the period from 1 January 2014 to 31 March 2015 is as follows:

Particulars	People and services	Global technology solutions	Integrated facility management	Industrial asset management	Unallocated	Total
Segment revenue	14,035,422,933	7,355,981,311	3,008,573,891	1,270,590,785	-	25,670,568,920
Segment cost	(13,618,564,897)	(6,736,918,272)	(2,818,335,368)	(1,114,027,258)	(89,652,972)	(24,377,498,767)
Segment result	**416,858,036**	**619,063,039**	**190,238,523**	**156,563,527**	**(89,652,972)**	**1,293,070,153**
Other income	617,117	16,252,367	18,075,326	26,285,115	13,154,549	74,384,474
Finance charges	-	-	-	-	(218,296,777)	(218,296,777)
Depreciation	(27,670,062)	(25,711,677)	(45,077,148)	(2,952,467)	-	(101,411,354)
Profit before taxation	**389,805,091**	**609,603,729**	**163,236,701**	**179,896,175**	**(294,795,200)**	**1,047,746,496**
Taxation	-	-	-	-	(358,821,784)	(358,821,784)
Profit after taxation	**389,805,091**	**609,603,729**	**163,236,701**	**179,896,175**	**(653,616,984)**	**688,924,712**
Segment assets	**2,081,076,854**	**2,746,887,820**	**736,561,408**	**861,693,228**	**752,753,712**	**7,178,973,022**
Segment liabilities	**933,000,081**	**963,559,477**	**294,048,698**	**278,254,067**	**2,202,775,404**	**4,671,637,727**
Capital expenditure	**103,203,013**	**14,881,461**	**17,898,020**	**13,522,266**	**-**	**149,504,760**

Geographic Segment

	Revenue		**Segment assets**	
	For the period from		**As at**	
Geographic segments	**1 April 2015 to 31 March 2016**	**1 January 2014 to 31 March 2015**	**31 March 2016**	**31 March 2015**
- in India (domestic)	29,441,008,302	23,220,952,543	9,653,752,055	6,190,842,703
- outside India (export)	4,909,134,262	2,449,616,377	2,724,926,560	988,130,319
Total	**34,350,142,564**	**25,670,568,920**	**12,378,678,615**	**7,178,973,022**

35 Related party disclosures

35.1 Name of related parties and description of relationship:

- Ultimate Holding Company	Fairfax Financial Holdings Limited
- Holding Company	Thomas Cook (India) Limited
- Subsidiaries	Coachieve Solutions Private Limited MFX Infotech Private Limited Brainhunter Systems Ltd., Canada Mindwire Systems Ltd., Canada [formerly known as ZYLOG SYSTEMS (OTTAWA) LTD.] Brainhunter Companies Canada Inc., Canada Brainhunter Companies LLC, USA Quess (Philippines) Corp (formerly known as Magna Ikya Infotech Inc., Philippines) Quess Corp (USA) Inc. (formerly known as Magna Infotech Inc.) Quesscorp Holdings Pte. Ltd., Singapore Quessglobal (Malaysia) Sdn. Bhd. (formerly known as Brainhunter Sdn. Bhd., Malaysia) Aravon Services Private Limited (formerly known as ARAMARK India Private Limited) Ikya Business Services (Private) Limited MFXchange Holdings Inc., Canada MFXchange (Ireland) Limited MFXchange US, Inc. MFX Roanoke Inc, USA (merged with MFXchange US, Inc. effective 31 December 2015)
- Fellow subsidiary	National Collateral Management Services Limited (w.e.f. 19 August 2015) Fairfax (US) Inc.
- Entity having common directors	Net Resources Investments Private Limited
- Entities in which key managerial personnel has significant influence	Styracorp Management Services IME Consultancy

Key executive management personnel

Ajit Isaac	Chairman & Managing Director & CEO
Subrata Nag	Wholetime Director & CFO
Rashmi Gupta	Company Secretary (from 28 April 2014 to 24 March 2015)
N.V.S.Pavan Kumar	Company Secretary (from 26 March 2015)

35.2 Related party transactions during the year / period

(Amount in Rs)

Particulars		For the year ended 31 March 2016	For the period from 1 January 2014 to 31 March 2015
Revenue from operations			
	Thomas Cook (India) Limited	173,248,231	139,948,983
	Net Resources Investments Private Limited	-	191,280
	National Collateral Management Services Limited	101,673,561	-
Other expenses			
- Travelling and conveyance	Thomas Cook (India) Limited	28,216,010	30,858,570
- Rent	Net Resources Investments Private Limited	31,420,692	20,332,392
Finance costs			
- Interest expense	Fairfax (US) Inc.	2,029,459	-
Purchase consideration (refer note 46)			
- Purchase consideration paid	Fairfax Financial Holdings Limited	3,376	3,064
- Additional consideration	Fairfax Financial Holdings Limited	322,115,388	-
Short-term loans and advances			
- Loan given	Styracorp Management Services	15,059,079	-
Short-term borrowings			
- Short-term advances received from ultimate holding company	Fairfax Financial Holdings Limited	296,631,597	34,663,860
- Short-term advances repaid to ultimate holding company	Fairfax Financial Holdings Limited	280,065,457	-
Right renunciation			
	Thomas Cook (India) Limited	**	-
	Ajit Isaac	**	-

****Renunciation of right issues**

During the year, the Company vide its Board meeting dated 6 November 2015, has offered 2,560,000 equity shares of Rs 10 each on right basis, in pursuance of the requirement of section 62 of the Companies Act,2013 read with the Companies (Share capital and Debentures) Rules 2014 in the ratio of 0.099 equity shares for every equity share held in the Company as on date to the existing shareholders.Thomas Cook (India) Limited has resolved not to subscribe to the right issue and has obtained the shareholders approval on 12 December 2015 and accordingly a resolution of renunciation was approved by the Board of Directors of the Thomas Cook (India) Limited vide circular resolution dated 18 December 2015 for renouncing 1,957,302 equity shares in favour Net Resources Investments Private Limited (a company owned by Mr Ajit Isaac). On 21 December 2015, Mr. Ajit Isaac renounced his rights of 461,516 shares in favour of Net Resources Investments Private Limited.

35.3 Balance receivable from and payable to related parties as at the balance sheet date:

(Amount in Rs)

Particulars		As at 31 March 2016	As at 31 March 2015
Trade receivables			
	Thomas Cook (India) Limited	29,144,270	14,139,953
	Net Resources Investments Private Limited	-	214,923
Trade payables			
	Thomas Cook (India) Limited	1,523,999	2,194,187
Long-term provisions			
	Fairfax Financial Holdings Limited	322,391,371	-
Short-term borrowings			
	Fairfax Financial Holdings Limited	51,230,000	34,663,860
	Fairfax (US) Inc.*	265,020,000	-
Short-term loans and advances			
	Styracorp Management Services	15,059,079	-

* Balance acquired on acquisition of MFXchange Holdings Inc. (refer note 46)

35.4 Remuneration paid to key managerial personnel*

(Amount in Rs)

Particulars	For the year ended 31 March 2016	For the period from 1 January 2014 to 31 March 2015
Ajit Isaac	14,520,000	14,898,351
Subrata Nag	9,075,000	8,898,287
N.V.S.Pavan Kumar (from 26 March 2015)	2,740,000	-
Rashmi Gupta (from 28 April 2014 to 24 March 2015)	-	1,090,000
	26,335,000	**24,886,638**

* Managerial remuneration does not include cost of employee benefits such as gratuity and compensated absences since provision for these are based on an actuarial valuation carried out for the Company as a whole.

36 Leases

Operating leases

The Group is obligated under cancellable and non-cancellable lease for office and residential premises, which are renewable at the option of lessor and lessee. Total rental expense under cancellable and non-cancellable operating leases for the year ended 31 March 2016 amounted to Rs 114,254,676 (for the period ended 31 March 2015 : Rs 38,821,002) and Rs 173,176,672 (for the period ended 31 March 2015 : Rs 155,050,000) respectively.

Non-cancellable operating lease rentals payable (minimum lease payments) under these leases are as follows:

(Amount in Rs)

Particulars	As at 31 March 2016	As at 31 March 2015
Payable within 1 year	240,324,782	109,861,505
Payable between 1-5 years	384,899,994	208,008,464
Payable later than 5 years	64,350,896	50,070,193

Finance leases

The Group has purchased assets under finance lease. Future minimum lease payments under finance lease obligations are as follows:

(Amount in Rs)

Particulars	As at 31 March 2016	As at 31 March 2015
Payable within 1 year	125,820,564	-
Payable between 1-5 years	193,357,664	-
Total	**319,178,228**	**-**
Less : Finance charges	(22,188,268)	-
Present value of minimum lease payments	**296,989,960**	**-**

37 Gratuity Plan

The following table sets out the status of the gratuity plan as required under Accounting standard (AS) 15 "Employee Benefits" prescribed by Companies Act 2013 :

Reconciliation of the projected benefit obligations

(Amount in Rs)

Particulars	For the year ended 31 March 2016	For the period from 1 January 2014 to 31 March 2015
Change in defined benefit obligation		
Obligation at the beginning of the year/ period	106,281,244	13,102,428
Balances on acquisition	11,592,105	67,299,880
Current service cost	233,573,349	20,866,940
Interest cost	9,057,730	6,104,044
Benefit settled	(3,084,870)	(10,250,051)
Actuarial (gain)/ loss	(81,569,153)	9,158,003
Obligation at the end of the year/ period	**275,850,405**	**106,281,244**
Change in plan assets		
Plan assets at the beginning of year/ period, at fair value	44,007,499	1,375,812
Balances on acquisition	8,465,350	37,474,260
Expected return on plan assets	4,204,492	2,931,954
Contributions	26,058,582	10,873,173
Benefit settled	(17,705,608)	(8,982,450)
Actuarial (loss)/ gain	(3,902,028)	334,750
Plan assets at the end of year/ period, at fair value	**61,128,287**	**44,007,499**

Reconciliation of present value of the obligation and the fair value of the plan assets

Particulars	For the year ended 31 March 2016	For the period from 1 January 2014 to 31 March 2015
Fair value of plan assets at the end of the year/ period	(61,128,287)	(44,007,499)
Present value of the defined benefit obligations at the end of the year/ period	275,850,405	106,281,244
Liability recognised in the balance sheet	**214,722,118**	**62,273,745**
Current	152,183,206	878,664
Non-current	62,538,912	61,395,081

Gratuity cost for the year/ period

Particulars	For the year ended 31 March 2016	For the period from 1 January 2014 to 31 March 2015
Current service cost	233,573,349	20,866,940
Interest cost	9,057,730	6,104,044
Return on plan assets	(4,204,492)	(2,931,954)
Actuarial (gain)/ loss	(77,667,125)	8,823,253
Net gratuity cost*	**160,759,462**	**32,862,283**

* Gratuity cost for the year ended 31 March 2016 includes costs aggregating Rs 74,539,660 relating to previous years. The cost pertaining to billable employees is recognized as revenue in the current year.

Assumptions

Particulars	For the year ended 31 March 2016	For the period from 1 January 2014 to 31 March 2015
Interest rate	7.38% - 7.80%	7.80% - 9.25%
Discount rate	7.38% - 7.80%	7.80% - 9.25%
Estimated rate of return on plan assets	7.38% - 8.00%	8.75%
Salary increase	6.00% - 10.00%	6.00% - 10.00%
Attrition rate	30.00% - 70.00%	8.00% - 15.00%
Retirement age	58 years	58 years

The estimate of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

History of defined benefit obligations and experience (gains) and losses

(Amount in Rs)

Particulars	As at 31 March 2016	As at 31 March 2015	As at 31 December 2013	As at 31 March 2013	As at 31 March 2012
Defined benefit obligation	275,850,405	106,281,244	13,102,428	11,935,799	7,315,784
Plan assets	61,128,287	44,007,499	1,375,812	90,958	-
Surplus/ (Deficit)	(214,722,118)	(62,273,745)	(10,147,317)	(8,661,167)	(7,315,784)
Experience adjustments on plan liabilities	(52,001,445)	(6,662,940)	47,332	(54,746)	332,064
Experience adjustments on plan assets	3,902,028	(334,750)	-	-	-

38 Set out below is the movement in provision balances in accordance with paragraphs 66 and 67 of Accounting Standard 29, 'Provisions, Contingent Liabilities and Contingent Assets'

(Amount in Rs)

Particulars	Additional consideration for acquisition (refer note 46)	Disputed claims	Warranty*	Onerous contracts**
Balance as at 1 April 2015	-	22,626,824	12,000,000	1,077,806
Add: Provision as part of acquisition of subsidiary (refer note 45 and 46)	322,115,388	53,214,555	-	-
Add: FCTR adjustment on translation	275,983	-	-	-
Less: Utilisation/ reversal during the year	-	-	(12,000,000)	(1,077,806)
Closing balance as at 31 March 2016	**322,391,371**	**75,841,379**	**-**	**-**

*Warranty provision of Rs 12,000,000 was created for the projects to make good for any defects identified. During the year, the project on which warranty was provided was completed, hence reversed.

**Onerous contract provision is created for project where the estimated cost of the project will be more than the economic benefits derived by the Group. In the current year provision was reversed on completion of project.

39 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 2016 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.

40 Employee stock options

The Company has introduced the 'IKYA Employee Stock Option Scheme 2009' ('the Option Scheme 2009') and has issued stock options on its own shares to specified employees of the Company. The scheme was approved by the Board of Directors in its meeting held on 19 November 2009. The Option Scheme 2009 provides for the creation and issue of 5,200,000 options (bonus adjusted) that would eventually convert into equity shares of Rs 10 each in the hands of the employees. The options has a vesting schedule over a three year period and are exercisable only upon the occurrence of the liquidity event. The scheme 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. The exercise price of these stock options is Rs 10. All outstanding options were vested as 31 March 2015. As at 31 March 2016, the Company has 682,382 option outstanding. The cost of stock options have been accounted under intrinsic value over vesting period.

The movement of stock options are as follows:

Particulars	For the year ended 31 March 2016	For the period from 1 January 2014 to 31 March 2015
Number of options		
Options outstanding at beginning of the year/period	871,000	871,000
Less: Forfeited/ Lapsed during the year/period	(188,618)	-
Options outstanding at end of the year/period	682,382	871,000
Options exercisable at the end of the year/period (including impact of bonus)	2,729,528	-

During the year, 188,618 options was forfeited and resultantly an amount of INR 12,655,982 was transferred from Share option outstanding account to General Reserve. Further, as detailed in note 2, the Company has issued Bonus shares and accordingly has passed a resolution vide its board meeting dated 22 December 2015 that the bonus will be equally applicable to the option holders at the time of exercise. Resultantly, 682,382 options will be converted into 2,729,528 shares at the time of exercise.

The Company, pursuant to resolutions passed by the Board and its Shareholders resolutions dated 22 December 2015 and 23 December 2015, respectively, adopted Quess Corp Limited Employee Stock Option Scheme 2015 ("ESOP 2015"). Pursuant to ESOP 2015, options to acquire equity shares may be granted to eligible employees (as defined in ESOP 2015). The aggregate number of equity shares, which may be issued under ESOP 2015, shall not exceed 1,900,000 equity shares (bonus adjusted). The Company has not granted any options till 31 March 2016 under ESOP 2015 scheme.

41 Details of non-current investment purchased during the year:

Investments in equity instruments

Particulars	No. of shares acquired	Face value per unit	As at 1 April 2015	Additions during the year	Sold during the year	As at 31 March 2016
KMG Infotech Ltd #	200,000	Rs 10	-	16,549,575	-	16,549,575

Other non-current investments

Particulars	No. of shares acquired	Face value per unit	As at 1 April 2015	Additions during the year	Sold during the year	As at 31 March 2016
Styracorp Management Services*	NA	NA	-	13,224,490	-	13,224,490
IME Consultancy*	NA	NA	-	6,775,510	-	6,775,510

Investments in KMG Infotech Ltd has been acquired through the acquisition of MFXchange Holdings Inc. (Refer note 46)

* Styra Corp Management Services ("Styra") and IME Consultancy ("IME") are sole proprietorship establishments incorporated in Dubai, United Arab Emirates.
On 5 December 2015, Quesscorp Holdings Pte. Ltd ("QHP"), a subsidiary of the Company acquired 100% beneficial ownership in Styra and IME for INR 20 million and entered into business transfer agreement to assist in executing the beneficial ownership agreement, trust deeds, power of attorneys or other agreement, deeds or documentation in favor of QHP.
The Group, based on a legal advice received from an external lawyer of Dubai, has not consolidated these entities as the Management believe that these entities will continue to operate as sole establishments under the registered ownership of and professional licenses held by Ajit Isaac, in accordance with applicable laws of United Arab Emirates. The Group only holds the beneficial rights, title and interests and benefits derived therefrom assets and business of such entities, and does not directly or indirectly hold any voting power in these entities.

42 Bonus as per Bonus (Amendment) Act, 2015

The Payment of Bonus (Amendment) Act, 2015 (hereinafter referred to as the Amendment Act 2015) has been enacted on December 31, 2015 according to which the eligibility criteria of salary or wages has been increased from Rs 10,000 per month to Rs 21,000 per month (section 2(13)) and the ceiling for computation of such salary or wages has been increased from Rs 3,500 per month to Rs 7,000 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. Based on the same, the Group has computed the bonus for the year ended 31 March 2015 and 31 March 2016 aggregating Rs 325,876,995 and Rs 453,637,437 respectively.

For the year ended 31 March 2016, the Group has accrued a provision for Rs 453,637,437 in the books with a corresponding recognition of revenue based on the contractual terms and conditions of the agreement with the customers.

For the period ended 31 March 2015, the Group has obtained a legal opinion from an external lawyer and 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 Group will be billed back to customers including service charges.

43 Corporate Social Responsibility

During the year ended 31 March 2016, the amount required to be spent by the Group on corporate social responsibility activities amounts to Rs 7.46 million in accordance with Section 135 of the Companies Act, 2013. However, the Group had incurred expenditure amounting to Rs 7.56 million during the year.

44 During the year, the Group has performed the reconciliations of tax provision created as per books of accounts with the income tax provisions filed in its return of income for the completed assessment years and written back additional provision aggregating Rs 64,564,102.

45 Acquisition of Aravon Services Private Limited (formerly known as Aramark India Private Limited)

During the year, the Company has entered into a Share Purchase Agreement (SPA) dated 12 February 2015, with Aramark India Holdings LLC, and Aramark Senior Notes Company for acquiring 100% stake in Aravon Services Private Limited for a consideration of Rs 100. The effective date of acquisition was 1 April 2015. Pursuant to the acquisition, the Company has acquired the following assets and liabilities which has resulted in a capital reserve of Rs 29,055,793.

Particulars	Amount in Rs
Fixed assets	22,165,640
Long term loans and advances	29,520,406
Inventories	2,911,056
Trade receivables	75,547,471
Cash and cash equivalents	19,448,899
Short-term loans and advances	13,052,828
Current assets and non-current assets	13,026,124
Total assets (A)	**175,672,424**
Long term provisions	53,214,555
Trade payables	10,590,512
Other current liabilities	75,591,896
Short-term provisions	7,219,568
Total liabilities (B)	**146,616,531**
Net assets acquired (C) = (A)-(B)	29,055,893
Less: purchase consideration (D)	100
Capital reserve (E) = (C)-(D)	**29,055,793**

46 Acquisition of MFXchange Holdings Inc.

During the previous period, the Company through its wholly owned subsidiary Quess Corp (USA) Inc. entered into a Share Purchase Agreement ("SPA") with Fairfax Financial Holdings Limited (the holding company) to acquire MFXchange Holdings Inc. (“MFX”). As per the terms of the SPA, Quess Corp (USA) Inc. acquired 49% of the common shares for USD 49 with a condition to acquire remaining 51% for USD 51 and an additional consideration of 40% of the net income of MFX group for each of the calendar years beginning on 1 January 2015 and ending on 31 December 2015, 31 December 2016, 31 December 2017, 31 December 2018 and 31 December 2019 respectively (“Additional Consideration”).

Based on the same, Quess Corp (USA) Inc. in the current year has acquired remaining 51% of shares and resultantly MFX group became the wholly owned subsidiary effective 1 January 2016. The additional consideration is estimated at Rs 322,115,388. The payment of additional consideration will depend on the actual audited results of MFXchange group. The aforesaid acquisition has resulted in goodwill of Rs 931,079,304 which is presented below.

Particulars	Amount in Rs
Fixed assets	252,459,320
Non-current Investments	16,549,575
Trade receivables	92,881,899
Cash and cash equivalents	114,958,293
Short-term loans and advances	52,636,297
Current assets and non-current assets	65,978,395
Total assets (A)	**595,463,779**
Short-term borrowings	264,793,200
Other long-term liabilities	159,020,041
Trade payables	182,732,944
Other current liabilities	592,525,052
Short-term provisions	5,353,082
Total liabilities (B)	**1,204,424,319**
Net assets acquired (C) = (A)-(B)	(608,960,540)
Less: purchase consideration (D)	3,376
Less: additional consideration (E)	322,115,388
Goodwill (F) = (E)+(D)-(C)	**931,079,304**

47 Statement showing amount of net assets, net assets as a percentage of consolidated assets, amount of share in profit or loss and share in profit or loss as a percentage of consolidated profit and loss

Entity	Percentage consolidated	Net assets in Rs*	Net assets % to consolidated assets	Share in profit or loss in Rs*	Share in profit or loss %
Parent					
Quess Corp Limited	100%	4,367,168,858	126.37%	914,543,523	101.94%
Subsidiaries - Indian					
Aravon Services Private Limited	100%	46,996,531	1.36%	19,847,285	2.21%
Coachieve Solutions Private Limited	100%	6,093,767	0.18%	(37,430,377)	-4.17%
MFX Infotech Private Limited	100%	(17,154,423)	-0.50%	(55,361,776)	-6.17%
Subsidiaries - Foreign					
Quess (Philippines) Corp	100%	36,746,520	1.06%	13,158,727	1.47%
Brainhunter Systems Ltd.	100%	(345,758,917)	-10.01%	(86,823,277)	-9.68%
Quess Corp (USA) Inc.	100%	(322,672,617)	-9.34%	2,595,168	0.29%
Quesscorp Holdings Pte Ltd	100%	38,521,751	1.11%	(459,918)	-0.05%
Quessglobal (Malaysia) SDN.BHD	100%	14,970,450	0.43%	(659,236)	-0.07%
MFXchange Holdings Inc., Canada	100%	(369,078,381)	-10.68%	127,749,919	14.24%
Ikya Business Services (Private) Limited	100%	-	0.00%	-	0.00%
Total		**3,455,833,539**		**897,160,038**	

* Amounts are after intercompany eliminations

48 During the previous period, the Company acquired 100% interest in Brainhunter Systems Ltd., Canada ("BSL") from ICICI Bank India. Prior to acquisition of BSL by the Company, equity shares of BSL were originally owned by Zylog Systems Limited ("ZSL") and were pledged in favour of ICICI Bank as security for loans availed by ZSL from ICICI Bank. ZSL defaulted on loan repayments and ICICI Bank invoked the pledge and sold the shares to the Company.

During the previous period, the Company has received a notice from the official liquidator of Zylog, alleging that the acquisition of the equity shares of BSL by the Company was not in accordance with law and therefore void-ab-initio, as such sale and transfer of the equity shares of BSL had taken place subsequent to an order passed by the Honorable Madras High Court appointing the official liquidator for ZSL liquidation. Further, the Company has also received letter from the RBI stating its inability to take on record the transfer of the equity shares of BSL until the winding up proceedings of ZSL have been completed and resolved. The Company is of the view, that they have a strong case and has taken a legal opinion.

The legal opinion reiterates that the case does not have merit and the sale is bonafide on the basis of the following:
a. There is adequate precedent that upholds the principle that a secured creditor can independently exercise his rights outside winding up proceedings;
b. ICICI Bank has enforced its security to realize its rights as a secured creditor and the sale is in compliance with Canadian law; and
c. That the sale of equity shares of Brainhunter is not prejudicial to the parties and that the same has been undertaken in accordance with the provisions of the law
The Company has also obtained opinion from Canadian legal counsel which has confirmed that the acquisition is appropriate from a Canadian jurisdiction perspective.
Based on the legal opinions the management believes that the acquisition of BSL is appropriate.

49 Subsequent events

On 14 October 2015, Quesscorp Holdings PTE Ltd., entered into a share purchase agreement to acquire 100% equity in Randstad Lanka (Private) Limited, a company that offers staffing and human resource solutions in Sri Lanka, for a consideration of Rs 37.91 million (LKR 85.15 million). The proposed acquisition got completed on 26 April 2016.

50 Financial statements for the year ended 31 March 2016 is not strictly comparable as the previous financial statements was for fifteen month period ended 31 March 2015. Further, the current year financials includes the results of the acquisition as described in note 45 and 46.

As per our report of even date attached
for **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No.: 116231 W/W-100024

for and on behalf of Board of Directors of
Quess Corp Limited
(formerly known as IKYA HUMAN CAPITAL SOLUTIONS LIMITED)

Vineet Dhawan
Partner
Membership No.: 092084

Ajit Isaac
Chairman & Managing Director & CEO
DIN: 00087168

Subrata Nag
Wholetime Director & CFO
DIN: 02234000

N.V.S.Pavan Kumar
Company Secretary
Membership No.: A17010

Place: Bengaluru
Date: 17 May 2016

Independent Auditors' Report
To the Members of Quess Corp Limited

(formerly known as IKYA HUMAN CAPITAL SOLUTIONS LIMITED)

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Quess Corp Limited *(formerly known as IKYA HUMAN CAPITAL SOLUTIONS LIMITED)* ('the Company'), which comprise the balance sheet as at 31 March 2016, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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 Companies Act, 2013 ('the Act') with respect to preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and the cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Companies Act, 2013 ('the Act'), read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the Audit Report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing under Section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2016 and its profits and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in the paragraph 3 and 4 of the Order.

2. As required by Section 143 (3) of the Act, 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 and the cash flow statement dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

   (e) On the basis of the written representations received from the directors as on 31 March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 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 B"; and

(g) 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, 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 – Refer Note 7 and Note 29 to the 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 during the year which were required to be transferred to the Investor Education and Protection Fund by the Company.

for **B S R & Associates LLP**
Chartered Accountants
Firm's registration number: 116231W/W-100024

Vineet Dhawan
Partner
Membership number: 092084

Place: Bengaluru
Date: 17 May 2016

Annexure - A to the Independent Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of Quess Corp Limited *(formerly known as IKYA HUMAN CAPITAL SOLUTIONS LIMITED)* ('the Company') on the standalone financial statements for the year ended 31 March 2016, we report that:

(i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) The Company does not have any immovable properties. Thus, paragraph 3(i)(c) of the Order is not applicable to the Company.

(ii) The inventories have been physically verified by the Management during the year. In our opinion, the frequency of such verification is reasonable and no material discrepancies were noticed on such verification.

(iii) The Company has granted loans to companies covered in the register maintained under Section 189 of the Companies Act, 2013 ('the Act').

(a) In our opinion, the terms and conditions on which the loans had been granted to the companies covered in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the Company.

(b) In case of loans granted to the companies covered in the register maintained under Section 189 of the Act, the terms of arrangements do not stipulate any repayment schedule and the loans are repayable on demand, therefore paragraph 4(iii)(b) and 4(iii)(c) of the Order is not applicable.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans, guarantees and investments made.

(v) The Company has not accepted any deposits from the public.

(vi) The Central Government of India has not prescribed the maintenance of cost records under Section 148(1) of the Act, for any of the services rendered by the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident fund, Income tax, Professional tax, Employee's State Insurance, Service tax, Value added tax, Sales tax, Cess and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities though there has been certain delays in few cases. As explained to us, the Company did not have any dues on account of Employee State Insurance, Investor Education and Protection Fund, Wealth tax, Customs duty and Excise duty.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Income tax, Professional tax, Employee's State Insurance, Service tax, Value added tax, Sales tax, Cess and other material statutory dues were in arrears as at 31 March 2016 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no material dues of duty of customs, sales tax, duty of excise, value added tax and other statutory dues which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of Income tax, Service tax and Provident fund and have not been deposited by the Company on account of disputes:

Name of the Statute	**Nature of Dues**	**Amount (in Rs)**	**Period to which amount relates**	**Forum where dispute is pending**
Provident Fund and Miscellaneous Provisions Act, 1952	Provident fund	42,887,523 *(10,721,881)**	April 2008 to February 2012	Employees' Provident Fund Appellate Tribunal, New Delhi
Income-tax Act, 1961	Interest	3,929,705	2004-05	Commissioner of IT (appeals), Chennai
Finance Act, 1994	Interest	4,659,970 *(4,649,301)**	April 2009 to September 2011	Commissioner of Central Excise (Appeals)
Chapter V, The Finance Act 1994	Interest	6,058,798	April 2008 to June 2009	Commissioner of Central Excise, Customs and Service Tax

* represents payment made under protest.

(viii) In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of dues to financial institutions, banks and debenture holders.

(ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Thus, paragraph 3 (ix) of the Order is not applicable.

(x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Thus, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xvi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Thus, paragraph 3(xvi) of the Order is not applicable.

for **B S R & Associates LLP**
Chartered Accountants
Firm's Registration Number: 116231W/W-100024

Vineet Dhawan
Partner
Membership No. 092084

Place: Bengaluru
Date: 17 May 2016

Annexure - B to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the standalone financial statements of the Company as of and for the year ended 31 March 2016, we have audited the internal financial controls over financial reporting of Quess Corp Limited ("the Holding Company") and the internal financial controls over financial reporting of its subsidiary companies incorporated in India, as of 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 ('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 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 judgment, 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, 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 2016, 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.

for **B S R & Associates LLP**

Chartered Accountants

Firm's Registration Number: 116231W/W-100024

Vineet Dhawan

Partner

Membership No. 092084

Place: Bengaluru

Date: 17 May 2016

Quess Corp Limited
(formerly known as IKYA HUMAN CAPITAL SOLUTIONS LIMITED)
Balance sheet

(Amount in Rs)

	Note	As at 31 March 2016	As at 31 March 2015
Equity and Liabilities			
Shareholders' funds			
Share capital	3	11333,50,560	2577,37,640
Reserves and surplus	4	23430,16,537	23371,29,583
		34763,67,097	**25948,67,223**
Non-current liabilities			
Long-term borrowings	5	15,64,609	-
Other long-term liabilities	6	-	66,66,667
Long-term provisions	7	836,13,726	851,13,793
		851,78,335	**917,80,460**
Current liabilities			
Short-term borrowings	8	26274,48,176	16506,17,154
Trade payables	9	1610,33,211	1246,93,712
Other current liabilities	10	32234,92,267	17538,81,566
Short-term provisions	11	1736,34,438	619,67,175
		61856,08,092	**35911,59,607**
		97471,53,524	**62778,07,290**
Assets			
Non-current assets			
Fixed assets			
Tangible assets	12(a)	1623,95,354	1318,96,937
Intangible assets	12(b)	8696,91,293	9375,46,341
Intangible assets under development	12(b)	85,55,311	-
		10406,41,958	**10694,43,278**
Non-current investments	13	1560,30,177	460,30,077
Deferred tax asset (net)	14	2159,28,585	278,66,769
Long-term loans and advances	15	7795,78,244	5272,03,819
Other non-current assets	16	228,00,646	87,76,182
		11743,37,652	**6098,76,847**
Current assets			
Inventories	17	132,22,157	52,82,371
Trade receivables	18	34623,21,218	21566,65,643
Cash and bank balances	19	8690,51,030	7069,14,320
Short-term loans and advances	20	3339,12,120	3971,69,883
Other current assets	21	28536,67,389	13324,54,948
		75321,73,914	**45984,87,165**
		97471,53,524	**62778,07,290**

Significant accounting policies 1

The notes referred to above form an integral part of the financial statements

As per our report of even date attached
for **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No.: 116231 W/W-100024

for and on behalf of Board of Directors of
Quess Corp Limited
(formerly known as IKYA HUMAN CAPITAL SOLUTIONS LIMITED)

Vineet Dhawan
Partner
Membership No.: 092084

Ajit Isaac
Chairman & Managing Director & CEO
DIN : 00087168

Subrata Nag
Wholetime Director & CFO
DIN : 02234000

N.V.S.Pavan Kumar
Company Secretary
Membership No. : A17010

Place: Bengaluru
Date: 17 May 2016

Quess Corp Limited
(formerly known as IKYA HUMAN CAPITAL SOLUTIONS LIMITED)
Statement of profit and loss

(Amount in Rs)

	Note	For the year ended 31 March 2016	For the period from 1 January 2014 to 31 March 2015
Revenue			
Revenue from operations			
Sale of services	22	291817,69,252	237328,26,261
		291817,69,252	**237328,26,261**
Other income	23	836,07,328	658,21,666
Total Revenue		**292653,76,580**	**237986,47,927**
Expenses			
Cost of material and stores and spare parts consumed	24	4171,35,180	5226,49,279
Employee benefits expenses	25	258842,01,015	208754,00,930
Finance costs	26	2708,62,577	2092,70,038
Depreciation and amortisation expense	12	1645,31,838	1702,25,530
Other expenses	27	13118,72,016	10237,53,959
Total Expenses		**280486,02,626**	**228012,99,736**
Profit before tax		**12167,73,954**	**9973,48,191**
Tax expense:			
- Current tax		(6135,00,000)	(2907,32,484)
- Income tax credit for earlier year	41	645,64,104	-
- Deferred tax credit/(charge) for the year / period		1880,61,816	(692,62,628)
Profit after tax		**8558,99,874**	**6373,53,079**
Earnings per equity share (face value of Rs 10 each)	30		
- Basic		7.56	6.91
- Diluted		7.42	5.51
Significant accounting policies	1		

The notes referred to above form an integral part of the financial statements

As per our report of even date attached
***for* B S R & Associates LLP**
Chartered Accountants
Firm's Registration No.: 116231 W/W-100024

for and on behalf of Board of Directors of
Quess Corp Limited
(formerly known as IKYA HUMAN CAPITAL SOLUTIONS LIMITED)

Vineet Dhawan
Partner
Membership No. 092084

Ajit Isaac
Chairman & Managing Director & CEO
DIN : 00087168

Subrata Nag
Wholetime Director & CFO
DIN : 02234000

N.V.S.Pavan Kumar
Company Secretary
Membership No. : A17010

Place: Bengaluru
Date: 17 May 2016

Quess Corp Limited
(formerly known as IKYA HUMAN CAPITAL SOLUTIONS LIMITED)
Cash Flow Statement

(Amount in Rs)

	For the year ended 31 March 2016	For the period from 1 January 2014 to 31 March 2015
Cash flows from operating activities		
Profit before tax	12167,73,954	9973,48,191
Adjustments for:		
Depreciation and amortisation	1645,31,838	1702,25,530
Profit on sale of fixed assets, net	-	(3,95,852)
Deposits written off	136,98,198	10,00,000
Bad debts written off	-	48,16,175
Provision for bad and doubtful debts, net	256,65,231	213,91,860
Provision no longer required written back	(120,00,000)	(250,30,608)
Liabilities no longer required written back	(15,79,200)	(84,17,954)
Interest income on term deposits	(64,99,457)	(84,18,650)
Finance costs	2708,62,577	2092,70,038
Operating cash flows before working capital changes	**16714,53,141**	**13617,88,730**
Changes in		
Trade receivables	(13313,20,806)	1927,86,556
Inventories	(79,39,786)	35,175
Long-term loans and advances	(161,67,119)	(905,66,232)
Short-term loans and advances	(656,89,624)	(526,28,875)
Other non current assets	27,44,124	(59,21,524)
Other current assets	(15205,30,120)	(9278,15,290)
Trade payables	363,39,499	1206,91,678
Long term liabilities and long term provisions	(81,66,734)	(98,76,682)
Current liabilities and short term provision	16243,53,931	(277,28,096)
Cash generated from operations	**3850,76,506**	**5607,65,440**
Direct taxes paid, net of refund	(5224,23,601)	(3410,94,530)
Net cash (used in) / provided by operating activities (A)	**(1373,47,095)**	**2196,70,910**
Cash flows from investing activities		
Purchase of fixed assets	(1402,35,827)	(1422,50,887)
Proceeds from sale of fixed assets	-	14,13,379
Loans given to subsidiaries	(2462,31,079)	(65,75,976)
Loans repaid by subsidiaries	1032,65,976	-
Acquisition of subsidiaries	(1100,00,100)	(5247,56,577)
Bank deposits (having original maturity of more than three months)	142,29,487	(518,56,279)
Interest income on term deposits	58,17,136	84,31,822
Net cash used in investing activities (B)	**(3731,54,407)**	**(7155,94,518)**
Cash flows from financing activities		
Proceeds from borrowings	15577,25,775	8882,66,151
Repayment of borrowings	(6100,00,000)	(300,00,000)
Proceeds from issue of equity shares	256,00,000	-
Interest paid	(2696,89,488)	(2092,70,038)
Net cash provided by financing activities (C)	**7036,36,287**	**6489,96,113**
Net increase in cash and cash equivalents (A+B+C)	1931,34,785	1530,72,505
Cash and cash equivalents at the beginning of the year/period	6489,42,391	2064,92,177
Cash and cash equivalents acquired on amalgamation	-	2893,77,709
Cash and cash equivalents at the end of the year/period (refer note 19)	**8420,77,176**	**6489,42,391**

The notes referred to above form an integral part of the financial statements

As per our report of even date attached
***for* B S R & Associates LLP**
Chartered Accountants
Firm's Registration No.: 116231 W/W-100024

for and on behalf of Board of Directors of
Quess Corp Limited
(formerly known as IKYA HUMAN CAPITAL SOLUTIONS LIMITED)

Vineet Dhawan
Partner
Membership No. 092084

Ajit Isaac
Chairman & Managing Director & CEO
DIN : 00087168

Subrata Nag
Wholetime Director & CFO
DIN : 02234000

Place: Bengaluru
Date: 17 May 2016

N.V.S.Pavan Kumar
Company Secretary
Membership No. : A17010

Company Overview

Quess Corp Limited (formerly known as IKYA HUMAN CAPITAL SOLUTIONS LIMITED) (‘the Company’) is a Company incorporated under the provisions of the Companies Act, 1956 on 19 September 2007 originally as a ‘Private Limited Company’ and subsequently converted into a ‘Limited Company’ on 2 July 2013.

The Company has its registered office in Bengaluru, India. The Company is engaged in the business of temporary staffing services, executive search, recruitment services, housekeeping and facility management services including engineering services, food services, skill development, information technology / information technology enabled services and training services. The Company changed its name to Quess Corp Limited effective from 2 January 2015. With effect from 14 May 2013, Thomas Cook (India) Limited ('TCIL') has become the parent company and Fairfax Financial Holdings Limited has become the ultimate holding company of the Company.

The Company is proposing an initial public offering of its equity shares of face value of INR 10 each (“the Issue”) under the SEBI ICDR Regulations and the relevant provisions of the Companies Act, 2013 (“the Act”) and the Companies (Prospectus and Allotment of Securities) Rules, 2014. Pursuant to this, the Company has filed its Draft Red Herring Prospectus dated 1 February 2016.

1 Significant accounting policies

The accounting policies set out below have been applied consistently to the period presented in the financial statements.

1.1 Basis of preparation of financial Statements

The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting and comply with the mandatory Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, other pronouncements of the Institute of Chartered Accountants of India (‘ICAI’), and the provisions of the Act to the extent notified and applicable.

The financial statements are presented in Indian rupees and rounded off to nearest rupee.

1.2 Use of estimates

The preparation of financial statements in accordance with Generally Accepted Accounting Principles in India requires Management to make judgment, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities as at the date of the financial statements. The estimates and assumption used in the accompanying financial statements are based upon Management’s evaluation of the relevant facts and circumstances as on the date of the financial statements. Actual results could differ from those estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

1.3 Revenue recognition

People and services

Revenue related to staffing services i.e. salary and incidental expenses of temporary associates along with service charge are recognised in accordance with the agreed terms and recognised as the related services are performed.

Revenue related to recruitment services are recognised at the time the candidate begins full time employment.

Revenue related to executive search and trainings are recognised upon rendering of the service.

Revenue from training services is recognised prorated over the period of training.

Global technology solutions

Revenue related to staffing services i.e. salary and incidental expenses of employees of Information Technology / Information Technology Enabled Services along with service charge are recognised in accordance with the agreed terms and recognized as the related services are performed.

Integrated facility management

Revenue for facility management and food services are primarily earned on fixed fee basis and are recognised as per the terms of the arrangement with the customers.

Industrial asset management

Revenue from operation and maintenance services are primarily earned on a fixed fee basis and are recognized ratably over the period of the contract with the customer. Certain arrangements are on time and material basis and are recognized as the services are performed as per the terms of the arrangement with the customer.

Deferred revenue included in other current liability represents amounts billed in excess of revenue earned. Unbilled revenue included in other current assets represents revenue earned in excess of amounts billed.

Interest income

Interest income is recognised using the time-proportion method, based on the underlying interest rates.

1.4 Fixed assets, depreciation and amortisation

Tangible fixed assets

Tangible fixed assets are stated at the cost of acquisition or construction less accumulated depreciation up to the date of the balance sheet. The cost of an item of tangible asset comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price. Cost of the fixed assets not ready for their intended use before such date, are disclosed as capital work-in-progress.

Intangible fixed assets

Acquired intangible assets are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less any accumulated amortisation and any accumulated impairment loss. Subsequent expenditure is capitalised only when it increases the future economic benefits from the specific asset to which it relates.

Intangible assets are amortised in the statement of profit or loss over their estimated useful lives, from the date they are available for use based on the expected pattern of consumption of economic benefits of the asset.

Brand acquired as part of acquisitions of businesses are capitalized 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.

The carrying value of these intangible assets is reviewed annually for impairment and adjusted to the recoverable amount, if required.

Depreciation

Depreciation on fixed assets is provided using the straightline method over the estimated useful life of the assets. The Company believes that the existing useful life as given below represents the best useful estimated lives of these assets. Accordingly, the Company has carried out an internal assessment and obtained technical advice where necessary which is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013. Depreciation on additions and disposals is provided pro rata for the period in use. The estimated useful lives of assets are as follows:

Asset description	Useful life
Plant and machinery	3 years
Computer equipment	3 years
Furniture and fixtures	5 years
Vehicles	3 years
Office equipment	5 years

Depreciation is provided on a proportionate basis for all assets purchased and sold during the period. Individual assets costing Rs 5,000 or less are depreciated at the rate of 100%. Leasehold improvements are amortised over the lease term or estimated useful life of 5 years, whichever is lower.

Amortisation

Amortisation is provided at rates calculated to write off the cost less estimated residual value of each asset on a straight-line basis over its estimated useful life.

The amortisation rate are as follows:

Asset description	Useful life
Brand	15 years
Software	3 years
Goodwill	5 years or estimated useful life whichever is lower.

1.5 Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that an asset (including goodwill) or a group of assets comprising a cash generating unit may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. For an asset or group of assets that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which asset belongs. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to maximum of depreciable historical cost. An impairment loss is reversed only to the extent that the carrying amount of asset does not exceed the net book value that would have been determined, if no impairment loss had been recognised.

1.6 Inventories

Inventories (Raw materials and stores and spares) which comprise of food consumables, operating supplies and cleaning consumables are valued at the lower of cost and net realisable value. Cost of inventories comprises purchase price, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In determining the cost weighted average cost method is used. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs to sell. The comparison of cost and net realisable value is made on an item-by-item basis.

Inventories are stated net of write down or allowances on account of obsolete, damaged or slow moving items.

1.7 Foreign exchange transactions and translations

Foreign exchange transactions are recorded using the exchange rates prevailing on the dates of the respective transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the statement of profit and loss for the year.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates ; the resultant exchange differences are recognised in the statement of profit and loss.

Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

1.8 Investments

Long term investments are valued at cost less any other than temporary diminution in value, determined on the specific identification basis.

1.9 Employee benefits

Post employment benefits

Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards employee Provident Fund to Government administered provident fund scheme which is a defined contribution plan. The Company's contribution is recognised as an expense in the statement of profit and loss during the period in which the employee renders the related service.

Defined benefit plan

Gratuity

The Company's gratuity benefit scheme are defined benefit plans. The Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service costs and the fair value of any plan assets are deducted. The calculation of the Company's obligation is performed annually by an independent actuary using the projected unit credit method as at the reporting date.

The Company recognises all actuarial gains and losses arising from defined benefit plans immediately in the Statement of profit and loss. All expenses related to defined benefit plans are recognised in employee benefits expense in the Statement of profit and loss. The Company recognises gains and losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs.

Compensated absences

The employees can carry forward a portion of the unutilised accrued compensated absences and utilise it in future service periods. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of an independent actuarial valuation using the projected unit credit method as at the reporting date.

1.10 Employee stock options

The Company has issued stock options to its employees. The Company measures and discloses such cost using intrinsic value-based method as prescribed in the Guidance Note on Accounting for Employee Share-based Payments issued by the Institute of Chartered Accountants of India. Under this method, compensation expense measured on the date of grant is recognised over the vesting term on a straightline basis.

1.11 Leases

Leases under which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease payments are charged to the statement of profit and loss on a straight line basis over the lease term.

1.12 Earnings per share

In determining the earning per share, the net profit after tax is divided by the weighted average number of shares outstanding during the year. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period unless issued at a later date. In computing dilutive earning per share, only potential equity shares that are dilutive i.e. which reduces earnings per share or increases loss per share are included.

1.13 Taxation

Income tax expense comprises current tax (i.e. amount of tax for the year determined in accordance with the income tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the year).

Deferred tax charge or credit are recognised for the future tax consequences attributable to timing difference that result between the profit offered for income taxes and the profit as per the financial statements. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, when there is a brought forward loss or unabsorbed depreciation under taxation laws, deferred tax assets are recognised only if there is virtual certainty of realisation or such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably / virtually certain as the case may be to be realised.

The Company offset, on a year on year basis, the current tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

1.14 Provisions and contingent liabilities

A provision is recognised if, as a result of a past event, the Company has a present 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. The provisions are measured on an undiscounted basis.

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the interim financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

Warranties

Warranty costs are estimated on the basis of a technical evaluation and past experience. Provision is made for estimated liability in respect of warranty costs in the year of rendering of services.

Onerous contracts

A contract is considered as onerous when the expected economic benefits to be derived by the company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

1.15 Cash flow statement

Cash flow statement is reported using indirect method, whereby net profits before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows arising from operating, investing and financing activities of the Company are segregated.

1.16 Cash and cash equivalents

Cash and cash equivalents in the cash flow statement comprise cash and balances with banks. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of 3 months or less and that is readily convertible to known amounts of cash or cash equivalents.

2 Scheme of Amalgamation

Amalgamation of Magna Infotech Limited ('Magna'), Avon Facility Management Services Limited ('Avon') and Hofincons Infotech & Industrial Services Private Limited ('Hofincons') with Quess Corp Limited (formerly known as Ikya Human Capital Solutions Limited) ('Quess' or the 'Company').

2.1 Background

A Scheme of Amalgamation pursuant to Section 391 to 394 of the Companies Act, 1956 (the Act) and other applicable provisions of the Act and Rules was approved by the Honorable High Court of Karnataka for the amalgamation of Avon, Magna and Hofincons **(collectively referred as the Transferor Companies)** with the Company.

The Scheme of Amalgamation was approved by the Board of the Transferor Companies on 3 November 2014. The Honorable High Court of Karnataka sanctioned the Scheme vide its Order dated 29 April 2015.

Avon was incorporated on 2 July 2008 originally as a ‘Private limited company’ and subsequently converted into a ‘Limited Company’ on 3 July 2013. Avon is primarily engaged in the business of providing facility management and catering services.

Magna was incorporated on 30 April 1997 originally as a ‘Private limited company’ and subsequently converted into a ‘Limited Company’ on 10 July 2013. Magna is primarily engaged in the business of providing staffing services to IT / ITES companies.

Hofincons was incorporated on 20 February 1978 as a ‘Private limited company’. On 27 June 2014 Hofincons was acquired by the Company from Transfield Services (India) PTY Limited. Hofincons is primarily engaged in the business of rendering operation, maintenance, facility and asset management consultancy services to various industries.

2.2 Salient features of the Scheme of Amalgamation

The salient features of the Scheme are as follows:

a. The Appointed Date of the Scheme is 1 January 2014 for Avon and Magna and, 1 July 2014 for Hofincons or such other date as may be approved by the Honorable High Court of Karnataka.

b. All assets of the Transferor Companies as on the Appointed Date shall, without any further act, instrument or deed and pursuant to Section 391 to 394 of the Companies Act, 1956 be transferred to and vested in or be deemed to have been transferred to and vested in the Company on a going concern basis, but subject to all charges, liens, mortgages, if any, then affecting the same or part thereof.

c. All liabilities of the Transferor Companies as on the Appointed Date shall also stand transferred to and vested in or be deemed to have been transferred to and vested in the Company on a going concern basis, without any further act or deed so as to become the liabilities, debts, duties and obligations, dues, loans and responsibilities of the Company on the same terms and conditions as was applicable to the Transferor Companies.

d. The assets of the Transferor Company, which are movable in nature or otherwise capable of transfer by manual delivery or by endorsement and delivery, shall be so transferred by the Transferor Company and shall become the property of the Company without requiring any further deed or instrument or act.

e. Any statutory and other licenses, registrations, permissions, approvals or consents to carry on the operations, whether in India or any other authorities in India, including quality certifications of the Transferor Companies shall stand vested in or transferred to the Company without any further act or deed and shall be appropriately mutated by the statutory and other authorities concerned in favor of the Company upon the Scheme becoming effective.

f. All liabilities and obligations arising out of guarantees executed by the Transferor Companies relating to its assets in favour of third party shall become liability/obligation of the Company which it undertakes to meet, discharge and satisfy.

g. Subject to the provisions of the Scheme, all contracts, license, deeds, bonds, agreements, arrangements, insurance policies and other instruments of the Transferor Companies are party, or to the benefit of which the Transferor Companies may be eligible shall be in full force and effect in favour of or against the Company.

h. Subject to the provisions of the Scheme, all agreements entered into by the Transferor Companies with their bankers, distributors, stockiest, agents, etc. if any, unless terminated shall continue to be in full force and effect and may be enforced by or against the Transferee Company.

i. Subject to the provisions of this Scheme, all subsisting agreements/arrangements of the Transferor Companies relating to the use of patents, patent applications, trademarks (including logos), brands, copyrights and/or technology and all other intellectual and/or industrial properties and rights, shall accrue to and ensure for the benefit of the Company.

2.3 Accounting treatment

On the Scheme becoming effective, the Company shall account for the amalgamation under the Purchase Method in accordance with Accounting Standard 14 – “Accounting for Amalgamations” and other applicable Accounting Standards issued by the Institute of Chartered Accountants of India. The Company shall account for the amalgamation of Transferor Companies in its books as given below:

• All the assets and liabilities of the Transferor Companies shall become, after amalgamation, the assets and liabilities of the Company;
• The assets and liabilities of the Transferor Companies shall be incorporated in the books of the Company at their fair values;
• The assets of the Transferor Companies recorded in the books of the Company shall include intangible assets (including brands, business & commercial rights, etc.), which were not recognized previously in the books of Transferor Companies;
• The amount of investments in the Transferor Companies appearing in the books of accounts of the Company shall stand cancelled;
• Any excess of the book value of the investment cancelled over the fair value of the net assets of the Transferor Companies acquired (including intangible assets) shall be treated as goodwill arising on amalgamation. If the amount of the consideration is lower than the fair value of the net assets acquired, the difference should be treated as Capital Reserve.

Details of fair values of Net Assets acquired as part of the Scheme of Amalgamation with Quess Corp Limited in previous period:

Amount in Rs.

Particulars	Avon	Magna	Hofincons	Total
Effective Date of Amalgamation	1 January 2014	1 January 2014	1 July 2014	
Surplus/(deficit) on amalgamation				
Assets:				
Non current assets				
Tangible fixed assets (including capital work-in-progress)	400,98,990	223,88,501	79,65,921	704,53,412
Intangible fixed assets	332,50,361	19,91,608	-	352,41,969
Brand recognised on Amalgamation (refer note 2.4)	2202,00,000	5352,00,000	2128,00,000	9682,00,000
Non-current investments	-	122,73,500	-	122,73,500
Deferred tax asset (net)	133,82,791	177,14,914	573,72,039	884,69,744
Long term loans and advances	118,33,629	1359,20,362	787,07,159	2264,61,150
Other non-current assets	137,78,937	-	-	137,78,937
	3325,44,708	**7254,88,885**	**3568,45,119**	**14148,78,711**
Current assets				
Inventories	44,25,263	-	-	44,25,263
Trade receivables	3280,28,782	4563,94,723	2173,93,258	10018,16,763
Cash and bank balances	586,04,328	14,64,092	2293,09,288	2893,77,708
Short-term loans and advances	1925,14,430	2742,02,206	144,44,993	4811,61,629
Other current assets	168,11,521	1210,00,000	1360,38,821	2738,50,342
	6003,84,324	**8530,61,021**	**5971,86,360**	**20506,31,705**
Total assets (A)	**9329,29,032**	**15785,49,906**	**9540,31,479**	**34655,10,416**
Non current liabilities				
Long-term borrowings	300,00,000	-	-	300,00,000
Other long term liabilities	231,33,333	-	-	231,33,333
Long term provisions	19,63,499	13,81,945	899,68,375	933,13,819
	550,96,832	**13,81,945**	**899,68,375**	**1464,47,152**
Current liabilities				
Short-term borrowings	2855,20,775	2017,10,058	-	4872,30,833
Trade payables	330,28,086	107,32,558	474,23,771	911,84,415
Other current liabilities	1673,47,108	4289,14,885	1415,37,188	7377,99,181
Short-term provisions	53,00,788	96,90,448	603,55,684	753,46,920
	4911,96,757	**6510,47,949**	**2493,16,643**	**13915,61,349**
Total liabilities (B)	**5462,93,589**	**6524,29,894**	**3392,85,018**	**15380,08,501**
Net assets acquired (C=A-B)	**3866,35,443**	**9261,20,012**	**6147,46,461**	**19275,01,915**
Cost of investment	(1626,27,500)	(8814,00,000)	(5030,00,000)	(15470,27,500)
Capital reserve	**2240,07,943**	**447,20,012**	**1117,46,461**	**3804,74,415**

2.4 The Company, pursuant to the Scheme of Amalgamation, has identified Brand amounting to Rs 968,200,000.

Background:
The management of Quess Corp Limited appointed external valuer to provide a valuation of the Magna brand, Avon brand and Hofincons brand ("Brand") as on 31 December 2013 (applicable for Magna and Avon) and 30 June 2014 (applicable for Hofincons) ("Valuation Date") in connection with restructuring exercise.

Assumptions:
Following are the brief assumptions used in the valuation of Brand;

Method: Relief from Royalty Method
Under this method, the valuer has discounted the royalty that could potentially be derived from the sales forecasted for the brand. The method assumes that a company gives a right to use the brand to a third party and receives only the royalty for assigning the brand related rights. The royalty is expressed as a percentage of the brand's sales. The Net Present Value of cash flows from the royalty income is then determined by discounting these future expected royalty streams, after providing for taxes. Valuer's have estimated the cash flows and used this method for the valuation of the Brand.

Discount Rate of the Entity
Discount rate reflects the risks of the cash flows, risks associated with the overall business and the industry. The risks associated with the specific assets analysed vary with the asset being valued. Discount rates used to estimate the value of an intangible asset are normally higher because of a larger variance in cash flows related to the intangible asset than either current assets or fixed tangible assets. The discount rate for a specific intangible asset is estimated through its relationship with other assets and the weighted average cost of capital of the business enterprise as a whole.

Discount rate for the Brand
The valuers have considered the following Weighted Average Cost of Capital for valuing the Brand :

Particulars	WACC
Magna	18.70%
Avon	19.70%
Hofincons	19.00%

Projections
The valuers have considered financial projections of Avon, Magna for the Financial Year 2015 (15 months) to FY 2019 and Hofincons for the period 1 July 2014 to FY 2019.

Valuation of Brand – Relief from Royalty Method

Profit Split Method

The method often employed to estimate fair royalty rates is commonly known as the profit split method, which uses the projected pre-tax profitability (EBIT) rate relevant to the licensed income stream as the profit that would be shared by a licensor and licensee and, as a starting point, assigns 25.0% to 33.3% to the licensor, with the remaining profit going to the licensee. The profit split method represents a means of estimation by which an element of realism is introduced into royalty rate deliberations.

Royalty Rates

The valuers have considered the following Royalty rates to be applied on the revenues to arrive at royalty cash flows of Magna, Avon and Hofincons:

Particulars	Rates
Magna	1.40%
Avon	1.10%
Hofincons	2.20%

Present valuation of projected post -tax cash flows and terminal cash flows

Apart from the Royalty Rates, the valuers have also considered have also considered Brand Maintenance Expenses of 5%, required for the support, upkeep and maintenance of the brand. Projected tax expense has been computed based on full corporate tax rate of 32.45%. Brand shall enjoy tax amortization benefit over a 15 years period. The present values of post – cash flows and terminal values from the Brand as on the Valuation Date is estimated as under:

Particulars	The present values of post – cash flows and terminal values (Rs millions)
Magna	535.20
Avon	220.20
Hofincons	212.80
Total	**968.20**

3 Share capital

(Amount in Rs)

Particulars	As at 31 March 2016	As at 31 March 2015
Authorised		
200,000,000 (31 March 2015 : 113,104,631) equity shares of par value of Rs 10 each*	20000,00,000	11310,46,310
	20000,00,000	**11310,46,310**
Issued, subscribed and paid-up		
113,335,056 (31 March 2015 : 25,773,764) equity shares of par value of Rs 10 each, fully paid up	11333,50,560	2577,37,640
	11333,50,560	**2577,37,640**

* During the year, the Company vide its Extra ordinary general meeting dated 10 August 2015 has increased its authorised Share capital from Rs. 1,131,046,310 divided into 113,104,631 equity shares of Rs.10 each to Rs 2,000,000,000 divided into 200,000,000 equity shares of Rs.10 each.

(a) Reconciliation of number of shares outstanding at the beginning and at the end of the year

Particulars	As at 31 March 2016		As at 31 March 2015	
	Number of shares	Amount in Rs	Number of shares	Amount in Rs
Equity shares				
At the commencement of the year/period	257,73,764	2577,37,640	189,96,807	1899,68,070
Shares issued on conversion of compulsory convertible preference shares (refer note 3(a)(i))	-	-	67,76,957	677,69,570
Shares issued during the year:				
Right issue (refer note 3(a)(ii))	25,60,000	256,00,000	-	-
Bonus issue (refer note 3(a)(iii))	850,01,292	8500,12,920	-	-
At the end of the year/period	**1133,35,056**	**11333,50,560**	**257,73,764**	**2577,37,640**
0.001% Compulsorily convertible preference shares of par value Rs 100 each				
At the commencement of the year	-	-	77,17,912	7717,91,200
Conversion to equity shares	-	-	(77,17,912)	(7717,91,200)
At the end of the year	-	-	-	-

3(a)(i) The Company had issued 0.001% compulsory convertible preference shares (CCPS) of Rs 100 each to Thomas Cook (India) Limited at a premium of Rs 24.38 vide Share Subscription Agreement (SSA) dated 5 February 2013. During the previous year, as per the terms and conditions of SSA, the Company vide its Board meeting dated 14 October 2014 has converted 7,717,912 CCPS into 6,776,957 equity shares at a premium of Rs 131.66 per share. Out of the total premium of Rs 892,230,430 arising on this arrangement, Rs 188,208,800 collected on the initial issue of CCPS as above, was adjusted against the share premium in the year of issue of preference shares, and Rs 704,021,630 was recognized as premium on conversion of CCPS in the previous year.

3(a)(ii) Right issue

During the year, the Company vide its Board meeting dated 6 November 2015, has offered 2,560,000 equity shares of Rs. 10 each on right basis, in pursuance of the requirement of section 62 of the Companies Act,2013 read with the Companies (Share capital and Debentures) Rules 2014 in the ratio of 0.099 equity shares for every equity share held in the Company as on date to the existing shareholders.Thomas Cook (India) Ltd. has resolved not to subscribe to the right issue and has obtained the shareholders approval on 12 December 2015 and accordingly a resolution of renunciation was approved by the Board of Directors of the Thomas Cook (India) Ltd vide circular resolution dated 18 December 2015 for renouncing 1,957,302 equity shares in favour of Net Resources Investment Private Limited. On 21 December 2015, Mr. Ajit Isaac renounced his rights of 461,516 shares in favour of Net Resources Investment Private Limited.

Accordingly, the Company in its Board meeting dated 22 December 2015 has approved the allotment of equity shares on right basis as follows:

Name of shareholder	Number of shares prior to right issue	Number of right shares issued	Number of shares post right issue
Thomas Cook (India) Ltd	197,05,874	-	197,05,874
Mr. Ajit Isaac	46,46,490	-	46,46,490
Net Resources Investment Private Limited	12,94,100	25,47,356	38,41,456
Ms. Amrita Nathani	38,525	3,827	42,352
Mr. Guruprasad Srinivasan	28,475	2,828	31,303
Mr. Venkatesan Jayaraman	20,100	1,997	22,097
Mr. Vijay Sivaram	20,100	1,996	22,096
Ms. Pratibha J	13,400	1,331	14,731
Mr. Jaison Jose	6,700	665	7,365
Total	**257,73,764**	**25,60,000**	**283,33,764**

3(a)(iii) Bonus issue

During the year, the Company in pursuant of the requirement of Section 63(1) of the Companies Act, 2013 and after obtaining the consent of shareholders at the Extra ordinary general meeting held on 23 December 2015 and vide its Board meeting held on 5 January 2016 has passed a resolution to issue 3 fully paid up equity shares of Rs 10 each for every 1 fully paid up equity share of INR 10 each to the existing shareholder whose name appears in the register of members as on 23 December 2015 by utilizing securities premium account . The bonus shares shall rank pari passu in all respects including dividend with the existing equity shares of the Company. The Company accordingly has issued the bonus shares as follows:

Name of shareholder	Number of shares*	Number of bonus shares issued	Number of shares after bonus issue
Thomas Cook (India) Ltd	197,05,874	591,17,622	788,23,496
Net Resources Investment Private Limited	38,41,456	115,24,368	153,65,824
Mr. Ajit Isaac	46,46,490	139,39,470	185,85,960
Ms. Amrita Nathani	42,352	1,27,056	1,69,408
Mr. Guruprasad Srinivasan	31,303	93,909	1,25,212
Mr. Venkatesan Jayaraman	22,097	66,291	88,388
Mr. Vijay Sivaram	22,096	66,288	88,384
Ms. Pratibha J	14,731	44,193	58,924
Mr. Jaison Jose	7,365	22,095	29,460
Total	**283,33,764**	**850,01,292**	**1133,35,056**

*shareholding post right issue

3(b) 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.

3(c) Shares held by holding company

	As at 31 March 2016		As at 31 March 2015	
Particulars	**Number of shares**	**Amount in Rs**	**Number of shares**	**Amount in Rs**
(i) Equity shares of par value Rs 10 each				
Thomas Cook (India) Limited	788,23,496	7882,34,960	197,05,874	1970,58,740

3(d) Details of shareholders holding more than 5% shares in the Company

	As at 31 March 2016		As at 31 March 2015	
Particulars	**Number of shares**	**% held**	**Number of shares**	**% held**
(i) Equity shares				
Equity shares of par value Rs 10 each				
Thomas Cook (India) Limited,	788,23,496	69.55%	197,05,874	76.46%
Ajit Isaac	185,85,960	16.40%	46,46,490	18.03%
Net Resource Investments Private Limited	153,65,824	13.56%	12,94,100	5.02%

3 (e) 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 balance sheet date. However , the Company has issued bonus shares in the current financial year.

4 Reserves and surplus

(Amount in Rs)

Particulars	**As at 31 March 2016**	**As at 31 March 2015**
Securities premium account at the beginning of the year/period	12583,28,919	5543,07,289
Add: premium on conversion of preference shares to equity shares (refer note 3)	-	7040,21,630
Less: amount utilized for issuing bonus shares (refer note 3)	(8500,12,920)	-
Securities premium account at the end of the year/period	**4083,15,999**	**12583,28,919**
Share options outstanding account at the beginning of the year/period	**561,37,381**	**561,37,381**
Less : transfer to general reserve on forfeiture of stock options (refer note 4.1 and 42)	(126,55,982)	-
Stock options outstanding account at the end of the year/period	**434,81,399**	**561,37,381**
Capital reserve		
Balance at the beginning of the year/period	3804,74,415	-
Add: arising on account of amalgamation (refer note 2)	-	3804,74,415
Balance at the end of the year/period	**3804,74,415**	**3804,74,415**
General reserve		
Balance at the beginning of the year/period	**-**	**-**
Add : transfer from stock options outstanding account(refer note 4.1 and 42)	126,55,982	-
Balance at the end of the year/period	**126,55,982**	**-**
Surplus (in the statement of profit and loss balance)		
At the commencement of the year/period	6421,88,868	48,35,789
Add: Net Profit for the year/period	8558,99,874	6373,53,079
Balance in statement of profit and loss at the end of the year/period	**14980,88,742**	**6421,88,868**
	23430,16,537	**23371,29,583**

4.1 During the year, the Company has forfeited the unexercised employee stock options pertaining to employees resigned during the current and earlier years/periods.

5 Long-term borrowings

(Amount in Rs)

Particulars	As at 31 March 2016	As at 31 March 2015
Unsecured		
Vehicle loan	15,64,609	-
	15,64,609	**-**

Vehicle loan is taken from Mahindra and Mahindra Financial Services Limited which carries interest rate of 14.50% p.a. and is repayable in thirty six equal monthly instalments. Principal payments which are due after twelve months from the reporting date aggregating to Rs 1,564,609 has been classified as long-term borrowings. Principal payments which are due within twelve months from the reporting date aggregating to Rs 795,661 has been classified as current maturities of long-term borrowings under other current liabilities.

6 Other long-term liabilities

(Amount in Rs)

Particulars	As at 31 March 2016	As at 31 March 2015
Payable to erstwhile minority shareholders (refer note 6.1)	-	66,66,667
	-	**66,66,667**

6.1 The Company vide its agreement dated 14 May 2013 acquired 100% shareholding of Avon Facility Management Services Limited at a total consideration of Rs.142,627,500. Out of the total consideration , in accordance with Share Purchase Agreement , the Company has paid Rs.120,094,167 in May 2013 and has agreed to pay Rs. 29,200,000 to certain shareholders over a period of 3 years. Till previous year, the Company has already paid an amount aggregating Rs.22,533,333 and the remaining amount of Rs. 6,666,667 (payable in 2016) is disclosed in other current liabilities.

7 Long-term provisions

(Amount in Rs)

Particulars	As at 31 March 2016	As at 31 March 2015
Provision for employee benefit		
Provision for gratuity (refer note 38)	575,84,268	613,95,081
	575,84,268	**613,95,081**
Others		
Provision for disputed claims (refer note 39)	226,26,824	226,26,824
Provision for rent escalation	34,02,634	10,91,888
	836,13,726	**851,13,793**

8 Short-term borrowings

(Amount in Rs)

Particulars	As at 31 March 2016	As at 31 March 2015
Loans from bank repayable on demand		
Secured		
Cash credit and overdraft facilities [refer note 8.1 below]	14776,83,203	9157,69,274
Bill discounting facility from bank [refer note 8.2 below]	3097,64,973	2048,47,880
Working capital loan [refer note 8.3 below]	8400,00,000	5300,00,000
	26274,48,176	**16506,17,154**

8.1 Cash credit from banks is secured primarily by way of exclusive charge on the current asset and on the movable asset of the Company.

8.2 Credit availed on bills discounted from banks is secured primarily by way of pari paasu first charge on the entire current asset of the Company on both past and future and additionally by way of pari passu first charge on the entire movable asset of the Company.

8.3 Working capital loan from banks is secured primarily by way of pari paasu first charge on the entire current asset of the Company on both past and future and additionally by way of pari passu first charge on the entire movable asset of the Company.

9 Trade payables

(Amount in Rs)

Particulars	As at 31 March 2016	As at 31 March 2015
Dues to other than micro and small enterprise*	1610,33,211	1246,93,712
Dues to Micro, Small and Medium Enterprises (refer note 40)	-	-
	1610,33,211	**1246,93,712**
* includes payable to related parties (refer note 36(iii))	26,20,119	21,94,187

10 Other current liabilities

(Amount in Rs)

Particulars	As at 31 March 2016	As at 31 March 2015
Current maturities of long term borrowings (refer note 5, 10.1 and 10.2)	9,23,842	315,93,698
Interest accrued and not due	27,52,055	15,78,966
Income received in advance	473,35,754	2959,85,411
Other payables		
Advance received from customers	1457,79,339	1179,54,022
Balances payable to government authorities	7129,93,377	3365,63,853
Book overdraft	385,65,823	552,96,579
Payable to the erstwhile minority shareholders (refer note 6)	66,66,666	66,66,667
Accrued salaries and benefits (refer note 10.3)	22092,14,754	8324,32,329
Provision for expenses*	555,04,079	631,54,944
Uniform deposits	23,62,264	18,37,670
Provision for rent escalation	13,94,314	8,91,691
Other liabilities	-	99,25,736
	32234,92,267	**17538,81,566**
* includes payable to related parties (refer note 36(iii))	25,16,035	-

10.1 This includes term loan from National Skill Development Centre ('NSDC') of Rs Nil (31 March 2015 : Rs 30,000,000) which is secured against hypothecation of project assets and has been repaid during the year.

10.2 Current maturities of long term includes loan outstanding of Rs. 128,181 (Previous year : Rs. 1,593,698) towards vehicle loan taken from HDFC Bank and is repayable in 36 equal monthly instalments.

10.3 Includes provision for bonus for the financial year 2015-16 aggregating Rs. 444,046,244 computed based on the circular issued by Ministry of law and justice dated 31 December 2015 which requires Company to pay bonus at the specified revised threshold. (refer note 29).

11 Short-term provisions

(Amount in Rs)

Particulars	As at 31 March 2016	As at 31 March 2015
Provision for employee benefits		
Provision for gratuity (refer note 38)	1507,58,728	8,21,798
Provision for compensated absences	228,75,710	480,67,571
	1736,34,438	**488,89,369**
Others		
Provision for warranty (refer note 39)	-	120,00,000
Provision for loss on onerous contracts (refer note 39)	-	10,77,806
	1736,34,438	**619,67,175**

12(a) Tangible assets

Particulars	Leasehold improvements	Furniture and fixtures	Vehicles	Office equipment	Plant and machinery	Computer equipment	Total
Gross block							
As at 1 January 2014	45,32,538	20,70,656	55,79,610	65,24,187	-	228,60,686	415,67,677
Additions on Amalgamation*	636,94,572	302,04,688	32,56,492	142,31,215	756,10,511	431,78,836	2301,76,314
Additions during the period	72,78,717	218,07,430	-	391,65,651	171,71,295	297,03,189	1151,26,282
Disposals for the period	78,39,944	9,04,170	-	-	13,63,786	10,36,000	111,43,900
As at 31 March 2015	**676,65,883**	**531,78,604**	**88,36,102**	**599,21,053**	**914,18,020**	**947,06,711**	**3757,26,373**
Additions	59,16,095	131,02,794	25,42,326	354,95,234	23,07,468	414,57,903	1008,21,821
Disposals	-	-	3,04,433	-	29,97,200	12,750	33,14,383
As at 31 March 2016	**735,81,978**	**662,81,398**	**110,73,995**	**954,16,287**	**907,28,288**	**1361,51,864**	**4732,33,811**
Accumulated Depreciation							
As at 1 January 2014	42,06,063	8,73,502	12,48,281	31,79,695	-	145,05,476	240,13,017
Additions on Amalgamation*	424,08,198	266,73,939	18,09,615	130,14,114	424,64,905	377,12,008	1640,82,779
Charge for the year	185,38,736	43,27,545	39,30,591	47,26,146	205,27,987	138,09,008	658,60,013
Disposals during the period	78,39,944	9,04,170	-	-	13,35,904	46,355	101,26,373
As at 31 March 2015	**573,13,053**	**309,70,816**	**69,88,487**	**209,19,955**	**616,56,988**	**659,80,137**	**2438,29,436**
Charge for the year	80,74,197	67,01,218	19,91,728	155,20,420	160,03,810	211,11,230	694,02,603
Disposals	-	-	3,04,433	-	20,76,399	12,750	23,93,582
As at 31 March 2016	**653,87,250**	**376,72,034**	**86,75,782**	**364,40,375**	**755,84,399**	**870,78,617**	**3108,38,457**
Net Block :							
As at 31 March 2016	**81,94,728**	**286,09,364**	**23,98,213**	**589,75,912**	**151,43,889**	**490,73,247**	**1623,95,354**
As at 31 March 2015	**103,52,830**	**222,07,788**	**18,47,615**	**390,01,098**	**297,61,032**	**287,26,574**	**1318,96,937**

* Refer note 2

12(b) Intangible Assets and Intangible assets under development

Particulars	Goodwill	Brand value of business acquired (refer note 2)	Computer software	Total	Intangible assets under development
Gross block					
Cost or Valuation					
As at 1 January 2014	-	-	171,66,832	171,66,832	-
Additions on Amalgamation*	665,48,308	9682,00,000	180,57,044	10528,05,352	-
Additions during the period	-	-	314,84,575	314,84,575	-
Disposals for the period	-	-	-	-	-
As at 31 March 2015	**665,48,308**	**9682,00,000**	**667,08,451**	**11014,56,759**	**-**
Additions during the year	-	-	272,74,187	272,74,187	85,55,311
Disposals during the year	-	-	-	-	-
As at 31 March 2016	**665,48,308**	**9682,00,000**	**939,82,638**	**11287,30,946**	**85,55,311**
Accumulated Depreciation					
As at 1 January 2014	-	-	101,81,518	101,81,518	-
Additions on Amalgamation*	336,98,406	-	156,64,977	493,63,383	-
Charge for the year	182,80,801	735,90,000	124,94,716	1043,65,517	-
Disposals during the period	-	-	-	-	-
As at 31 March 2015	**519,79,207**	**735,90,000**	**383,41,211**	**1639,10,418**	**-**
Charge for the year	121,63,803	644,59,900	185,05,532	951,29,235	-
Disposals during the year	-	-	-	-	-
As at 31 March 2016	**641,43,010**	**1380,49,900**	**568,46,743**	**2590,39,653**	**-**
Net Block					
As at 31 March 2016	**24,05,298**	**8301,50,100**	**371,35,895**	**8696,91,293**	**85,55,311**
As at 31 March 2015	**145,69,101**	**8946,10,000**	**283,67,240**	**9375,46,341**	**-**

* Refer note 2

13 Non-current investments

(Amount in Rs)

Particulars	**As at 31 March 2016**	**As at 31 March 2015**
(at cost, unless otherwise specified)		
Investment in equity instruments (refer note 43)		
In subsidiaries - unquoted, Trade Investments		
3,110,000 (31 March 2015 : 3,110,000) fully paid up equity shares of par value of Rs 10 each of Co-Achieve Solutions Private Limited	120,00,000	120,00,000
1,000,000 (31 March 2015 : 1,000,000) fully paid up equity shares of par value of Rs 10 each of MFX Infotech Private Limited	100,00,000	100,00,000
7,000,100 Common Shares (31 March 2015 : 7,000,100) of Brainhunter Systems Limited, [formerly known as Zylog Systems (Canada) Limited] fully paid up (refer note 13.3 and 44)	55,03,000	55,03,000
1 (31 March 2015 : 1) Common Stock of Quess Corp (USA) Inc. (formerly known as Magna Infotech Inc.) of US $ 1,00,000 each, fully paid-up	62,53,577	62,53,577
39,411,557 (31 March 2015 : Nil) fully paid up equity shares of par value of Rs 10 each of Aravon Services Private Limited (refer note 13.1)	100	-
2,308,499 (31 March 2015 : Nil) Ordinary Shares of Quesscorp Holdings Pte. Ltd of SGD 1.00 each, fully paid-up (refer note 13.2)	1100,00,000	-
86,000 (31 March 2015 : 86,000) fully paid up equity shares of par value of 100 pesos each of Quess (Philippines) Corp	122,73,500	122,73,500
	1560,30,177	**460,30,077**
Aggregate amount of unquoted investments	1560,30,177	460,30,077

13.1 The Company acquired 100% stake in Aravon Services Private Limited (formerly known as ARAMARK India Private Limited) on 1 April 2015 for a consideration of Rs 100 from Aramark Senior Notes Company and Aramark India Holdings LLC.

13.2 The Company incorporated an entity in Singapore by name Quesscorp Holdings Pte Ltd as a wholly owned subsidiary on 16 June 2015 by subscribing to 1,000 equity shares of SGD 1 each. A further investment was made during the year by subscribing to 2,307,499 equity shares of SGD 1 each thereby making the total investment as Rs 110 million.

13.3 The Company acquired 100% stake in Brainhunter Systems Limited [formerly known as Zylog Systems (Canada) Limited] on 23 October 2014 based on the Share Purchase Agreement entered with ICICI Bank Limited for a consideration of Rs 5.5 million (Canadian Dollar 0.1 million converted at 1 CAD = 55.03 INR).

14 Deferred tax assets (net)

(Amount in Rs)

Particulars	**As at 31 March 2016**	**As at 31 March 2015**
Deferred tax liabilities		
Fixed assets	(869,19,166)	(256,07,945)
	(869,19,166)	**(256,07,945)**
Deferred tax assets		
Gratuity	721,03,344	211,47,517
Compensated absences	79,16,826	163,38,167
Provision for doubtful debts	360,38,011	66,44,135
Provision for bonus and incentives	1632,03,854	-
Provision for disputed claims	78,30,691	76,90,857
Provision for interest on service tax	126,68,990	-
Provision for rent escalation	16,60,128	6,74,219
Others	14,25,907	9,79,819
	3028,47,751	**534,74,714**
	2159,28,585	**278,66,769**

15 Long-term loans and advances

(Amount in Rs)

Particulars	As at 31 March 2016	As at 31 March 2015
(Unsecured and considered good)		
Capital advances	75,69,807	30,64,498
Security deposits	775,85,780	608,23,154
To parties other than related parties		
Advance income tax (net of provision for tax)	6790,51,475	4473,49,478
Payment made under protest	153,71,182	153,71,182
Advance to employees	-	5,95,507
	7795,78,244	**5272,03,819**

16 Other non-current assets

(Amount in Rs)

Particulars	As at 31 March 2016	As at 31 March 2015
Prepaid expenses	22,85,117	50,29,241
Bank deposits (due to mature after 12 months from the reporting date) (refer note 19.1)	205,15,529	37,46,941
	228,00,646	**87,76,182**

17 Inventories

(Amount in Rs)

Particulars	As at 31 March 2016	As at 31 March 2015
(Valued at lower of cost and net realizable value)		
Raw material	56,54,325	43,90,088
Stores and spares	75,67,832	8,92,283
	132,22,157	**52,82,371**

18 Trade receivables

(Amount in Rs)

Particulars	As at 31 March 2016	As at 31 March 2015
Receivables outstanding for a period exceeding six months from the date they become due for payment		
Unsecured		
Considered good*	3373,42,234	189,81,900
Considered doubtful	1041,32,026	784,66,795
Less: Provision for doubtful debts	(1041,32,026)	(784,66,795)
	3373,42,234	**189,81,900**
Other receivables		
Considered good*	31249,78,984	21376,83,743
	34623,21,218	**21566,65,643**
* includes receivables from related parties (refer note 36(iii))	300,03,042	142,86,254

19 Cash and bank balances

(Amount in Rs)

Particulars	As at 31 March 2016	As at 31 March 2015
Cash and cash equivalents		
Cash in hand	7,46,652	8,28,190
Balances with banks		
In current accounts	8413,30,524	6312,58,301
In deposit accounts (refer note 19.1)		168,55,900
	8420,77,176	**6489,42,391**
Other bank balances		
In deposit accounts (refer note 19.1)	269,73,854	579,71,929
	8690,51,030	**7069,14,320**

19.1 Bank deposits due to mature within 3 months of reporting date included under 'Cash and Cash equivalents'	-	168,55,900
Bank deposits due to mature within 12 months of reporting date included under 'Other bank balances'	269,73,854	579,71,929
Bank deposits due to mature after 12 months of reporting date included under 'Other current assets'	205,15,529	37,46,941
	474,89,383	**785,74,770**

20 Short-term loans and advances

(Amount in Rs)

Particulars	As at 31 March 2016	As at 31 March 2015
(Unsecured, considered good)		
Advance income tax (net of provision for tax)	139,36,660	2721,50,952
Security deposits	526,92,318	521,74,215
Balances with government authorities	-	6,10,859
Advances to suppliers	415,98,112	32,99,661
Loans and advances to related parties [refer note 36(iii))	1495,41,079	90,42,096
Interest receivable from related parties [refer note 36(iii))	43,28,064	-
Other loans and advances		
- Employee advances	603,36,089	413,73,391
- Travel advances	94,88,962	26,09,707
- Other advances	19,90,836	159,09,002
	3339,12,120	**3971,69,883**

21 Other current assets

(Amount in Rs)

Particulars	As at 31 March 2016	As at 31 March 2015
Unbilled revenue*	27478,99,616	12954,66,806
Prepaid expenses	844,56,824	353,14,864
Interest accrued but not due	23,55,599	16,73,278
Due from subsidiaries**	189,55,350	-
	28536,67,389	**13324,54,948**

* includes unbilled revenue from related parties (refer note 36(iii))	132,70,298	-
** includes receivables from related parties (refer note 36(iii))	189,55,350	-

22 Sale of services

(Amount in Rs)

Particulars	For the year ended 31 March 2016	For the period from 1 January 2014 to 31 March 2015
Staffing and recruitment services	241946,11,135	196481,42,087
Training services	7009,68,424	2011,95,750
Facility management and food services	31765,72,757	30085,73,891
Operation and maintenance	11096,16,936	8749,14,533
	291817,69,252	**237328,26,261**

23 Other income

(Amount in Rs)

Particulars	For the year ended 31 March 2016	For the period from 1 January 2014 to 31 March 2015
Interest on term deposits	64,99,457	84,18,650
Liabilities no longer required written back	15,79,200	84,17,954
Provision no longer required written back (refer note 29)	120,00,000	250,30,608
Profit on sale of fixed assets, net	-	3,95,852
Interest income on income tax refund*	566,72,802	160,44,378
Interest income on unsecured loans given to subsidiaries	49,57,900	-
Foreign exchange gain, net	-	60,21,676
Miscellaneous income	18,97,969	14,92,548
	836,07,328	**658,21,666**

* Interest income on income tax refund is based on the refund order received from Income tax department during the year. This includes an amount of Rs 8,160,064 (for the period from 1 January 2014 to 31 March 2015 : Nil) pertaining to previous periods.

24 Cost of material and stores and spare parts consumed

(Amount in Rs)

Particulars	For the year ended 31 March 2016	For the period from 1 January 2014 to 31 March 2015
Inventory at the beginning of the year/period	52,82,371	44,25,262
Add: purchases during the year/period	4250,74,966	5235,06,388
Less: Inventory at the end of the year/period	132,22,157	52,82,371
Cost of materials and stores and spare parts consumed	**4171,35,180**	**5226,49,279**

25 Employee benefits expense

(Amount in Rs)

Particulars	For the year ended 31 March 2016	For the period from 1 January 2014 to 31 March 2015
Salaries and wages	238478,99,640	192800,27,764
Contribution to provident and other funds	19513,00,180	15178,89,763
Staff welfare expenses	850,01,195	774,83,403
	258842,01,015	**208754,00,930**

26 Finance costs

(Amount in Rs)

Particulars	For the year ended 31 March 2016	For the period from 1 January 2014 to 31 March 2015
Interest expense	2541,39,423	1970,81,538
Other borrowing costs	167,23,154	121,88,500
	2708,62,577	**2092,70,038**

27 Other expenses

(Amount in Rs)

Particulars	For the year ended 31 March 2016	For the period from 1 January 2014 to 31 March 2015
Sub-contractor charges	2238,18,707	2294,04,117
Recruitment and training expenses	2210,08,799	533,35,637
Rent (refer note 37)	1674,54,181	1602,40,106
Power and fuel	390,24,998	284,13,581
Repairs and maintenance		
- buildings	333,04,186	158,31,794
- plant and machinery	77,22,344	16,60,805
- others	252,21,994	214,82,394
Legal and professional charges	592,35,733	765,54,174
Rates and taxes	224,54,594	73,18,379
Printing and stationery	520,44,381	371,52,383
Consumables	485,42,362	419,26,054
Travelling and conveyance	1893,86,171	1813,90,352
Communication expenses	571,25,535	511,42,228
Provision for doubtful debts, net	256,65,231	213,91,860
Deposits written off	136,98,198	10,00,000
Equipment hire charges	660,68,377	309,84,651
Insurance	66,54,101	96,82,182
Database access charges	183,54,156	160,30,311
Bank charges	36,58,070	80,31,852
Bad debts written off	-	48,16,175
Business promotion and advertisement expenses	147,17,457	47,55,392
Foreign exchange loss, net	19,47,929	-
CSR Contributions	75,64,565	54,40,286
Miscellaneous expenses	71,99,947	157,69,246
	13118,72,016	**10237,53,959**

28 Capital commitments

(Amount in Rs)

Particulars	As at 31 March 2016	As at 31 March 2015
Estimated amount of contracts remaining to be executed on capital account and not provided for	30,63,845	-
	30,63,845	**-**

29 Contingent liabilities and commitment

(Amount in Rs)

Particulars	As at 31 March 2016	As at 31 March 2015
Corporate guarantee given as security for loan availed by subsidiaries (refer note 29.1)	7498,83,000	300,00,000
Bonus (refer note 29.2)	3258,76,995	
Arrears of Cumulative Preference Dividend	-	6,640
Provident fund #	257,32,513	257,32,513
Direct and Indirect tax matters	60,58,798	79,77,846
	11075,51,306	**637,16,999**

29.1 Movement of Corporate Guarantee given to subsidiaries during the year

Subsidiaries	As at 1 April 2015	Provided during the financial year	Settled /expired during the financial year	As at March 2016
Brainhunter Systems Limited, Canada	-	6198,83,000	-	6198,83,000
MFX Infotech Private Limited	300,00,000	600,00,000	300,00,000	600,00,000
Aravon Services Private Limited	-	700,00,000	-	700,00,000
Total	**300,00,000**	**7498,83,000**	**300,00,000**	**7498,83,000**

Movement of Corporate Guarantee given to subsidiaries during the previous year

Subsidiaries	As at 1 January 2014	Provided during the financial year	Settled /expired during the financial year	As at March 2015
Avon Facility Management Services Limited**	1100,00,000	-	1100,00,000	-
Magna Infotech Limited**	3500,00,000	-	3500,00,000	-
MFX Infotech Private Limited	-	300,00,000	-	300,00,000
Total	**4600,00,000**	**300,00,000**	**4600,00,000**	**300,00,000**

**Avon Facility Management Services Limited and Magna Infotech Limited got merged with the Company.

29.2 The Payment of Bonus (Amendment) Act, 2015 (hereinafter referred to as the Amendment Act 2015) has been enacted on December 31, 2015 according to which the eligibility criteria of salary or wages has been increased from Rs 10,000 per month to Rs 21,000 per month (section 2(13)) and the ceiling for computation of such salary or wages has been increased from Rs 3,500 per month or the minimum wage for the scheduled employment, as fixed by the appropriate governemnt, whichever is higher. The reference to scheduled employment has been linked to the provisions of Minimum Wages Act, 1948. The Amendment Act 2015 is effective retrospectively from 1 April 2014. Based on the same, the Company has computed the bonus for the year ended 31 March 2015 and 31 March 2016 aggregating Rs 325,876,995 and Rs 444,046,244 respectively.

For the year ended 31 March 2016, the Company has accrued a provision of Rs 444,046,244 in the books with a corresponding recognition of revenue based on the contractual terms and conditions of the agreement with customers.

For the period ended 31 March 2015, the Company has obtained a legal opinion from an external lawyer and advised to take a position that the stay granted by the two High Courts of India on the retrospective appliaction 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.

30 Earnings per share

(Amount in Rs)

Particulars	For the year ended 31 March 2016	For the period from 1 January 2014 to 31 March 2015
Nominal value of equity shares (Rs per share)	10	10
Net profit after tax for the purpose of earnings per share (Rs)	8558,99,874	6373,53,079
Weighted average number of shares used in computing basic earnings per share	1132,15,610	922,94,525
Basic earnings per share (Rs)	**7.56**	**6.91**
Weighted average number of shares used in computing diluted earnings per share	1154,21,839	1157,01,641
Diluted earnings per share (Rs)	**7.42**	**5.51**

Computation of weighted average number of shares

Particulars	For the year ended 31 March 2016	For the period from 1 January 2014 to 31 March 2015
Number of equity shares outstanding at beginning of the year	**257,73,764**	**189,96,807**
Number of equity shares outstanding at beginning of the previous year	-	207,62,088
- Adjustment of opening number of shares prior to right issue from 1 April 2015 to 22 December 2015(25,773,764*1.09*265/366)	203,95,438	-
- Adjustment of opening number of shares post right issue from 22 December 2015 to 31 March 2016 (25,773,764*101/366)	71,12,432	-
Add: Weighted average number of equity shares issued during the year		
- 677,6957 number of equity shares issued on conversion of compulsorily convertible preference shares on 10 November 2014 for 142 days	-	23,11,544
- Impact of bonus shares issued during the current year on conversion of compulsorily convertible preference shares on 10 November 2014 for 142 days	-	69,34,631
- Right issue of 2,560,000 number of equity shares issued on 22 December 2015 for 101 days	7,06,448	-
- Bonus issue of 85,001,292 number of equity shares issued on 5 January 2016	850,01,292	622,86,263
Add: Impact of potentially dilutive equity shares	**1132,15,610**	**922,94,525**
- 6,776,957 number of compulsorily convertible preference share till the date of conversion i.e. 314 days from 1 January 2014 to 10 November 2014	-	51,11,441
- Impact of bonus shares issued during the current year on 6,776,957 number of compulsorily convertible preference share till the date of conversion i.e. 314 days from 1 January 2014 to 10 November 2014		153,34,323
- 871,000 number of ESOP to be issued after adjustment of bonus	-	29,61,351
- 2,729,428 number of ESOP including bonus at fair value	22,06,229	-
Weighted average number of shares outstanding at the end of year	**1154,21,839**	**1157,01,641**

31 Payment to auditors (net of service tax; included in legal and professional fees)

(Amount in Rs)

Particulars	For the year ended 31 March 2016	For the period from 1 January 2014 to 31 March 2015
Statutory audit fees	57,00,000	50,00,000
Tax audit fees	2,00,000	6,00,000
Others	12,00,000	10,00,000
Out of pocket expenses	3,75,312	3,25,312
	74,75,312	**69,25,312**

32 Earnings in foreign currency

(Amount in Rs)

Particulars	For the year ended 31 March 2016	For the period from 1 January 2014 to 31 March 2015
Staffing and recruitment services	1518,42,968	4021,58,360
Operation and maintenance	1270,74,618	1264,26,212
	2789,17,586	**5285,84,572**

33 Unhedged foreign currency exposure

Foreign currency exposures on account of trade receivables/ trade payables not hedged by derivative instruments are as follows:

(Amount in Rs)

		31 March 2016		31 March 2015	
Particulars	**Currency**	**Foreign currency**	**Amount in Rs**	**Foreign currency**	**Amount in Rs**
Trade receivables	USD	10,30,743	682,91,877	5,53,201	336,51,528
	EURO	22,819	17,20,439	-	-
Other liabilities	CAD	5,900	3,02,257	-	-
	USD	33,413	22,13,778	-	

34 Expenditure in foreign currency

(Amount in Rs)

Particulars	For the year ended 31 March 2016	For the period from 1 January 2014 to 31 March 2015
Legal and professional fees	34,58,303	113,84,941
Travelling and conveyance	175,12,369	48,04,799
Rent	57,84,867	48,21,157
Communication expenses	1,56,138	8,93,901
Miscellaneous expenses	24,84,238	60,32,190
	293,95,915	**279,36,988**

35 Segment reporting

Business Segment

The Company'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:

- People and services
- Global technology solutions
- Integrated facility management
- Industrial asset management

Segment information is prepared in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

The Company 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 Company 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'. All fixed assets of the Company are located in India.

Business segment information for the period from 1 April 2015 to 31 March 2016 is as follows:

	People and services	Global technology solutions	Integrated facility management	Industrial asset management	Unallocated	Total
Segment revenue	194860,76,952	45974,01,760	31765,72,757	19217,17,783	-	291817,69,252
Segment cost	(187696,85,121)	(40050,94,449)	(29892,67,778)	(17127,67,149)	(1363,93,714)	(276132,08,211)
Segment result	**7163,91,831**	**5923,07,311**	**1873,04,979**	**2089,50,634**	**(1363,93,714)**	**15685,61,041**
Other income	1,07,641	1,99,669	28,46,665	123,23,195	681,30,158	836,07,328
Finance charges	-	-	-	-	(2708,62,577)	(2708,62,577)
Depreciation	(489,29,043)	(435,77,968)	(461,60,535)	(258,64,291)	-	(1645,31,838)
Profit before taxation	**6675,70,429**	**5489,29,012**	**1439,91,109**	**1954,09,538**	**(3391,26,133)**	**12167,73,954**
Taxation					(3608,74,080)	(3608,74,080)
Profit after taxation	**6675,70,429**	**5489,29,012**	**1439,91,109**	**1954,09,538**	**(7000,00,213)**	**8558,99,874**
Segment asset	**33014,75,892**	**20810,84,119**	**13806,03,376**	**8055,64,420**	**21784,25,717**	**97471,53,524**
Segment liabilities	**21715,20,627**	**3211,22,158**	**2495,49,907**	**1443,45,853**	**33842,47,882**	**62707,86,427**
Capital expenditure	**981,80,376**	**62,80,321**	**145,94,931**	**90,40,381**	**85,55,311**	**1366,51,320**

Business segment information for the period from 1 January 2014 to 31 March 2015 is as follows:

	People and services	Global technology solutions	Integrated facility management	Industrial asset management	Unallocated	Total
Segment revenue	140187,12,079	54349,49,506	30085,73,891	12705,90,785	-	237328,26,261
Segment cost	(136185,64,897)	(48196,04,972)	(28183,35,367)	(11140,27,258)	(512,71,674)	(224218,04,168)
Segment result	**4001,47,182**	**6153,44,534**	**1902,38,524**	**1565,63,527**	**(512,71,674)**	**13110,22,093**
Other income	5,91,665	134,15,079	180,75,326	262,85,115	74,54,481	658,21,666
Finance charges	-	-	-	-	(2092,70,038)	(2092,70,038)
Depreciation	(276,49,052)	(655,56,863)	(634,27,148)	(135,92,467)	-	(1702,25,530)
Profit before taxation	**3730,89,795**	**5632,02,750**	**1448,86,702**	**1692,56,175**	**(2530,87,231)**	**9973,48,191**
Taxation	-	-	-	-	3599,95,112	3599,95,112
Profit after taxation	**3730,89,795**	**5632,02,750**	**1448,86,702**	**1692,56,175**	**(6130,82,343)**	**6373,53,079**
Segment asset	**21109,04,457**	**18188,41,037**	**7365,61,408**	**8641,59,347**	**7473,41,041**	**62778,07,290**
Segment liabilities	**9530,07,966**	**5013,73,397**	**2640,48,698**	**2807,20,189**	**16837,89,817**	**36829,40,067**
Capital expenditure	**1030,66,446**	**77,64,155**	**222,57,990**	**135,22,266**	**-**	**1466,10,857**

Geographic Segment

The following geographic segments individually contribute 10 percent or more of the Company's revenue or segment assets:

	Revenue		**Segment assets**	
	For the period from		**As at**	
Geographic segments	**1 April 2015 to 31 March 2016**	**1 January 2014 to 31 March 2014**	**31 March 2016**	**31 March 2015**
- in India (domestic)	289028,51,666	232042,41,689	96771,41,208	62441,55,762
- outside India (export)	2789,17,586	5285,84,572	700,12,316	336,51,528
Total	**291817,69,252**	**237328,26,261**	**97471,53,524**	**62778,07,290**

36 Related party disclosures

(i) Name of related parties and description of relationship:

- Ultimate Holding Company	Fairfax Financial Holdings Limited
- Holding Company	Thomas Cook (India) Limited
- Subsidiaries	Coachieve Solutions Private Limited MFX Infotech Private Limited Brainhunter Systems Limited, Canada Mindwire Systems Limited, Canada (formerly known as ZYLOG SYSTEMS (OTTAWA) LIMITED) Brainhunter Companies Canada Inc, Canada Brainhunter Companies LLC, USA Quess (Philippines) Corp (formerly known as Magna Ikya Infotech Inc, Philippines) Quess Corp (USA) Inc. (formerly known as Magna Infotech Inc.) Quesscorp Holdings Pte. Ltd, Singapore Quessglobal (Malaysia) SDN.BHD (formerly known as Brainhunter SDN. BHD., Malaysia) Aravon Services Private Limited (formerly known as ARAMARK India Private Limited) Ikya Business Services (Private) Limited MFXchange Holdings Inc, Canada MFXchange (Ireland) Limited MFXchange Inc, USA MFX Roanoke Inc, USA (merged with MFXchange US, Inc. effective 31 December 2015)
- Fellow subsidiary	National Collateral Management Services Limited (w.e.f. 19 August 2015)
- Entity having common directors	Net Resource Investments Private Limited
-Entities in which key mangerial personnel has significant influence	Styracorp Management Services IME Consultancy

Key management personnel:

The Company has also entered into transactions with the key management personnel. The Key management personnel are mentioned below:

Key executive management personnel

Ajit Isaac	CEO & Managing Director & CEO
Subrata Nag	Wholetime Director & CFO
Rashmi Gupta	Company Secretary (from 28 April 2014 to 24 March 2015)
N.V.S.Pavan Kumar	Company Secretary (from 25 March 2015)

(ii) Related party transactions during the year/period

(Amount in Rs)

Particulars		**For the year ended 31 March 2016**	**For the period from 1 January 2014 to 31 March 2015**
Revenue from operations			
- Staffing and recruitment services	Thomas Cook (India) Limited	1704,12,394	1383,15,889
	MFX Infotech Private Limited	36,05,239	24,66,120
	National Collateral Management Services Limited	1016,73,561	-
	Brainhunter Systems Limited, Canada	127,67,698	-
Expenses incurred by related parties on behalf of the Company			
	Thomas Cook (India) Limited	282,16,010	308,58,570
	Net Resource Investments Private Limited	314,20,692	203,32,392
	Aravon Services Private Limited	10,96,120	-
	MFX Infotech Private Limited	38,67,772	-
Expenses incurred by the Company on behalf of related parties			
	Coachieve Solutions Private Limited	16,98,382	-
	MFX Infotech Private Limited	120,08,950	-
	Brainhunter Systems Limited, Canada	2,90,088	-
	Quess Corp (USA) Inc.	22,54,168	-
Unsecured loans given to subsidiaries			
	Coachieve Solutions Private Limited	580,80,000	-
	MFX Infotech Private Limited	1475,00,000	-
	Quess (Philippines) Corp	-	65,75,976
	Aravon Services Private Limited	400,00,000	-
	Quessglobal (Malaysia) SDN.BHD	6,51,079	-
Repayment of loans received from subsidiaries			
	Coachieve Solutions Private Limited	166,90,000	-
	MFX Infotech Private Limited	400,00,000	-
	Aravon Services Private Limited	400,00,000	-
	Quess (Philippines) Corp	65,75,976	-
Interest on unsecured loans charged to subsidiaries			
	Coachieve Solutions Private Limited	11,27,763	-
	MFX Infotech Private Limited	26,85,717	-
	Aravon Services Private Limited	6,29,836	-
	Quess (Philippines) Corp	5,14,584	
Guarantees provided to banks on behalf of subsidiaries			
	Aravon Services Private Limited	700,00,000	-
	Brainhunter Systems Limited	6198,83,000	-
	MFX Infotech Private Limited	600,00,000	300,00,000
Right Renunciation			
	Thomas Cook (India) Limited	**	-
	Ajit Isaac	**	-

**** Renunciation of right issues**

During the year, the Company vide its Board meeting dated 6 November 2015, has offered 2,560,000 equity shares of Rs 10 each on right basis, in pursuance of the requirement of section 62 of the Companies Act, 2013 read with the Companies (Share capital and Debentures) Rules 2014 in the ratio 0.099 equity shares for every equity share in the Company as on date to the existing shareholders. Thomas Cook (India) Limited has resolved not to subscribe to the right issue and has obtained the shareholders approval on 12 December 2015 and accordingly a resolution of renunciation was approved by the Board of Directors of the Thomas Cook (India) Limited vide circular resolution dated 18 December 2015 for renouncing 1,957,302 equity shares in favour of Net Resources Investments Private Limited. On 21 December 2015, Mr. Ajit Isaac renounced his rights of 461,516 shares in favour of Net Resources Investments Private Limited.

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

(Amount in Rs)

Particulars		**As at 31 March 2016**	**As at 31 March 2015**
Trade receivables			
	Thomas Cook (India) Limited	284,05,600	140,71,331
	Net Resource Investments Private Limited	-	2,14,923
	MFX Infotech Private Limited	15,97,442	-
Trade payables			
	Thomas Cook (India) Limited	15,23,999	21,94,187
	Aravon Services Private Limited	10,96,120	-
Other current assets			
	MFX Infotech Private Limited	172,56,968	-
	Brainhunter Systems Limited, Canada	132,70,298	-
	Coachieve Solutions Private Limited	16,98,382	
Short term loans and advances*			
	Coachieve Solutions Private Limited	425,17,763	-
	MFX Infotech Private Limited	1101,85,717	24,66,120
	Quess (Philippines) Corp	5,14,584	65,75,976
	Quessglobal (Malaysia) SDN.BHD	6,51,079	
Other current liabilities			
	Brainhunter Systems Limited, Canada	3,02,257	-
	Quess Corp (USA) Inc.	22,13,778	-

*includes interest

(iv) Remuneration paid to key managerial personnel*

(Amount in Rs)

Particulars	For the year ended 31 March 2016	For the period from 1 January 2014 to 31 March 2015
Ajit Isaac	145,20,000	148,98,351
Subrata Nag	90,75,000	88,98,287
N.V.S.Pavan Kumar (from 26 March 2015)	27,40,000	-
Rashmi Gupta (from 28 April 2014 to 24 March 2015)	-	10,90,000
	263,35,000	**248,86,638**

*Managerial remuneration does not include cost of employee benefits such as gratuity and compensated absences since provision for these are based on an actuarial valuation carried out for the Company as a whole.

37 Leases

Operating Leases

The Company is obligated under cancellable and non-cancellable lease for office and residential premises, which are renewable at the option of lessor and lessee. Total rental expense under cancellable and non-cancellable operating leases for the year ended 31 March 2016 amounted to Rs.108,292,621 (for the period ended 31 March 2015 :Rs.137,742,942) and Rs.59,161,560 (for the period ended 31 March 2015 : Rs.22,497,164) respectively.
Non-cancellable operating lease rentals payable (minimum lease payments) under these leases are as follows:

(Amount in Rs)

Particulars	As at 31 March 2016	As at 31 March 2015
Payable within 1 year	598,23,755	520,72,295
Payable between 1-5 years	827,00,991	989,76,362
Payable later than 5 years	213,76,710	500,70,193

38 Gratuity plan

The following table sets out the status of the gratuity plan as required under Accounting standard (AS) 15 “Employee Benefits” prescribed by Companies Act 2013 :

Reconciliation of the projected benefit obligations

(Amount in Rs)

Particulars	As at 31 March 2016	As at 31 March 2015
Change in defined benefit obligation		
Obligation at the beginning of the year	1062,24,378	76,19,658
Balances on amalgamation	-	727,25,784
Current service cost	2267,94,102	208,66,940
Interest cost	79,83,787	61,04,044
Benefit settled	-	(102,50,051)
Actuarial (gain) / loss	(832,72,042)	91,58,003
Obligation at end of the year	**2577,30,225**	**1062,24,378**
Change in plan assets		
Plan assets at beginning of the year, at fair value	440,07,499	-
Balances on amalgamation (refer note 2)	-	388,50,072
Expected return on plan assets	35,28,111	29,31,954
Contributions	197,46,133	108,73,173
Benefit settled	(146,68,867)	(89,82,450)
Actuarial (loss) / gain	(32,25,647)	3,34,750
Plans assets at end of year, at fair value	**493,87,229**	**440,07,499**

Reconciliation of present value of the obligation and the fair value of the plan assets

(Amount in Rs)

Particulars	As at 31 March 2016	As at 31 March 2015
Fair value of plan assets at the end of the year	(493,87,229)	(440,07,499)
Present value of the defined benefit obligations at the end of the year/ period	2577,30,225	1062,24,378
Liability recognised in the balance sheet	**2083,42,996**	**622,16,879**
Current	1507,58,728	8,21,798
Non-current	575,84,268	613,95,081

Gratuity cost for the year/period

(Amount in Rs)

Particulars	For the year ended 31 March 2016	For the period from 1 January 2014 to 31 March 2015
Current service cost	2267,94,102	208,66,940
Interest cost	79,83,787	61,04,044
Return on plan assets	(35,28,111)	-29,31,954
Actuarial (gain) / loss	(800,46,395)	88,23,253
Net gratuity cost	**1512,03,383**	**328,62,283**

Gratuity cost for the year ended 31 March 2016 includes costs aggregating Rs 74,539,660 relating to previous year. The cost pertaining to billable employees is recognized as revenue in the current year.

Assumptions

Particulars	For the year ended 31 March 2016	For the period from 1 January 2014 to 31 March 2015
Interest rate	7.50%	7.80% - 9.25%
Discount rate	7.50%	7.80% - 9.25%
Estimated rate of return on plan assets	8.00%	8.75%
Salary increase	6.00% - 8.00%	6.00% - 10.00%
Attrition rate	30.00% - 70.00%	8.00% - 15.00%
Retirement age	58 years	58 years

The estimate of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

History of defined benefit obligations and experience (gains) and losses

(Amount in Rs)

Particulars	As at 31 March 2016	As at 31 March 2015	As at 31 December 2013	As at 31 March 2013	As at 31 March 2012
Defined benefit obligation	2577,30,225	1062,24,378	76,19,658	64,48,131	35,05,640
Plan assets	493,87,229	440,07,499	-	-	-
Surplus / (Deficit)	(2083,42,996)	(622,16,879)	(76,19,658)	(64,48,131)	(35,05,640)
Experience adjustments on plan liabilities	(120,51,377)	(66,62,940)	-	-	-
Experience adjustments on plan assets	32,25,647	(3,34,750)	2,90,329	(1,62,423)	-

39 Set out below is the movement in provision balances in accordance with paragraphs 66 and 67 of Accounting Standard 29, 'Provisions, Contingent Liabilities and Contingent Assets'

(Amount in Rs)

Particulars	Disputed claims*	Warranty**	Onerous contracts***
Balance as at 1 April 2015	226,26,824	120,00,000	10,77,806
Add: Additions during the year	-	-	-
Less: Utilisation/reversal during the year	-	120,00,000	10,77,806
Closing balance as at 31 March 2016	**226,26,824**	-	-

*Warranty provision of Rs.12,000,00 was created for the projects to make good for any defects identified. During the year, the project on which warranty was provided was completed, hence reversed.

**Onerous contract provision is created for project where the estimated cost of the project will be more than the economic benefits derived by the Company . In the current year provision was reversed on completion of project.

40 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 2016 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.

41 During the year, the Company has performed the reconciliations of tax provision created as per books of accounts with the income tax provisions filed in its return of income for the completed assessment years and written back additional provision aggregating Rs. 64,564,104

42 Employee stock options

The Company has introduced the 'IKYA Employee Stock Option Scheme 2009' ('the Option Scheme 2009') and has issued stock options on its own shares to specified employees of the Company. The scheme was approved by the Board of Directors in its meeting held on 19 November 2009. The Option Scheme 2009 provides for the creation and issue of 5,200,000 (bonus adjusted) options that would eventually convert into equity shares of Rs 10 each in the hands of the employees. The options has a vesting schedule over a three year period and are exercisable only upon the occurrence of the liquidity event. The scheme 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. The exercise price of these stock options is Rs 10. All outstanding options were vested as 31 March 2015. As at 31 March 2016, the Company has 682,382 option outstanding. The cost stock options have been accounted under intrinsic value over vesting period.

The movement of stock options are as follows:

Particulars	As at 31 March 2016	As at 31 March 2015
Number of options		
Options outstanding at beginning of the year	8,71,000	8,71,000
Add: Granted during the year	-	-
Less: Forfeited/Lapsed during the year	(1,88,618)	-
Options outstanding at end of the year	6,82,382	8,71,000
Options exercisble at the end of the year (including impact of bonus)	27,29,528	

During the year, 188,618 options was forfeited and resultantly an amount of INR 12,655,982 was transferred from Share option outstanding account to General Reserve. Further, as detailed in note 3, the Company has issued Bonus shares and accordingly has passed a resolution vide its board meeting dated 22 December 2015 that the bonus will be equally applicable to the option holders at the time of exercise. Resultantly, 682,382 options will be converted into 2,729,528 shares.

The Company, pursuant to resolutions passed by the Board and its Shareholders resolutions dated 22 December 2015 and 23 December 2015, respectively, adopted Quess Corp Limited Employee Stock Option Scheme 2015 ("ESOP 2015"). Pursuant to ESOP 2015, options to acquire Equity Shares may be granted to eligible employees (as defined in ESOP 2015). The aggregate number of Equity Shares, which may be issued under ESOP 2015, shall not exceed 1,900,000 (bonus adjusted) Equity Shares.The Company has not granted any options till 31 March 2016 under ESOP 2015 scheme.

43 Details of non-current investment purchased and sold during the year:

Investment in equity instrument *(Amount in Rs)*

Subsidiaries	**No. of shares acquired**	**Face value per unit**	**As at April 2015**	**Purchased during the year**	**Sold during the year**	**As at 31 March 2016**
Aravon Services Private Limited	394,11,557	Rs.10	-	100	-	100
Quess Corp Holdings PTE Ltd	23,08,499	SGD 1	-	1100,00,000	-	1100,00,000

Details of non-current investment purchased and sold during the previous year

Investment in equity instrument *(Amount in Rs)*

Subsidiaries	**No. of shares acquired**	**Face value per unit**	**As at 1 January 2014**	**Purchased during the year**	**Sold/ Merged during the year**	**As at 31 March 2015**
Avon Facility Management Services Limited*	32,56,296	Rs.10	1626,27,500	-	1626,27,500	-
Magna Infotech Limited*	52,33,194	Rs.10	8814,00,000	-	8814,00,000	-
MFX Infotech Private Limited	10,00,000	Rs.10	-	100,00,000	-	100,00,000
Brainhunter Systems Limited	70,00,100	1CAD	-	55,03,000	-	55,03,000
Coachieve Solutions Private Limited	31,10,000	Rs.10	120,00,000	-	-	120,00,000
Quess Corp(USA) Inc	1	USD 1,00,000	-	62,53,577	-	62,53,577
Quess (Philippines) Corp	86,000	100 pesos	-	122,73,500	-	122,73,500

*Avon Facility Management Services Limited and Magna Infotech Limited got merged with the Company (refer note 2).

44 During the previous period, the Company acquired 100% interest in Brainhunter Systems (Canada) Limited ("BSL") from ICICI Bank India. Prior to acquisition of BSL by the Company, equity shares of BSL were originally owned by Zylog Systems Limited ("ZSL") and were pledged in favour of ICICI Bank as security for loans availed by ZSL from ICICI Bank. ZSL defaulted on loan repayments and ICICI Bank invoked the pledge and sold the shares to the Company.

During the previous period, the Company has received a notice from the official liquidator of Zylog, alleging that the acquisition of equity shares of BSL by the Company was not in accordance with law and therefore void-ab-initio, as such sale and transfer of the equity shares of BSL had taken place subsequent to an order passed by the Honorable Madras High Court appointing the official liquidator for ZSL liquidation. Further, the Company has also received letter from the RBI stating its inability to take on record the transfer of the equity shares of BSL until the winding up proceedings of ZSL have been completed and resolved. The Company is of the view that they have a strong case and has taken legal opinion.

The legal opinion reiterates that the case does not have merit and the sale is bonafide on the basis if the following:

a. There is adequate precedent that upholds the principle that a secured creditor can independently exercise his rights outside winding up proceedings.

b. ICICI Bank has enforced its security to realise its rights as a secured creditor and the sale is in compliance with Canadian law

c. That the sale of equity shares of Brainhunter is not prejudicial to the parties and the same has been undertaken in accordance with the provisions of law

The Company has also obtained legal opinion from Canadian law firm which has confirmed that the acquisition is appropriate from a Canadian jurisdiction perspective.

Based on the legal opinions the management believes that the acquisition of BSL is appropriate.

45 Corporate Social Responsibility

During the year ended 31 March 2016, the amount required to be spent by the Company on corporate social responsibility activities amounts to INR 7.46 million in accordance with Section 135 of the Companies Act, 2013. However, the Company had incurred expenditure amounting to INR 7.56 million during the year.

46 Financial statements for the year ended 31 March 2016 is not strictly comparable as the previous financial statements was for fifteen month period ended 31 March 2015 .

As per our report of even date attached
for **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No.: 116231 W/W-100024

for and on behalf of Board of Directors of
Quess Corp Limited
(formerly known as IKYA HUMAN CAPITAL SOLUTIONS LIMITED)

Vineet Dhawan
Partner
Membership No.092084

Ajit Isaac
Chairman & Managing Director & CEO
DIN : 00087168

Subrata Nag
Wholetime Director & CFO
DIN : 02234000

N.V.S.Pavan Kumar
Company Secretary
Membership No. : A17010

Place: Bengaluru
Date: 17 May 2016

Independent Auditors' Report on consolidated financial statements

To the Board of Directors of Quess Corp Limited

(formerly known as IKYA HUMAN CAPITAL SOLUTIONS LIMITED)

We have audited the accompanying consolidated financial statements of Quess Corp Limited (formerly known as IKYA HUMAN CAPITAL SOLUTIONS LIMITED) ('the Company') and subsidiaries, which comprise the consolidated Balance Sheet as at 31 March 2015, and the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the period from 1 January 2014 to 31 March 2015 and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Quess Corp Limited
(formerly known as IKYA HUMAN CAPITAL SOLUTIONS LIMITED)

Independent Auditor's Report (continued)

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(i) in the case of the consolidated Balance Sheet, of the state of affairs of the Company as at 31 March 2015;

(ii) in the case of the consolidated Statement of Profit and Loss, of the profit for the period from 1 January 2014 to 31 March 2015; and

(iii) in the case of the consolidated Cash Flow Statement, of the cash flows for the period from 1 January 2014 to 31 March 2015.

Other matters

We did not audit the financial statements of certain subsidiaries (incorporated in India and outside India), whose financial statements reflect total assets of Rs 692 million as at 31 March 2015, total revenues of Rs 1,941 million and net cash flows amounting to Rs 93 million for the year ended on that date, as considered in the consolidated financial statements.

The financial statements of subsidiaries (incorporated in India) have been audited by other auditors whose reports have been furnished to us and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of the subsidiaries, is based solely on the reports of such other auditors.

The financial statements and other financial information of subsidiaries incorporated outside India as drawn up in accordance with the local GAAP have been audited by other auditors duly qualified to act as auditors in the respective countries. For purposes of preparation of the consolidated financial statements, the aforesaid local GAAP financial statements have been restated by the management so that they conform to the generally accepted accounting principles in India.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

for **B S R & Associates LLP**
Chartered Accountants
Firm's Registration Number: 116231W/W-100024

Vineet Dhawan
Partner
Membership No. 092084

Place: Bengaluru
Date: 27 May 2015

Quess Corp Limited and subsidiaries

(formerly known as IKYA HUMAN CAPITAL SOLUTIONS LIMITED)

Consolidated Balance Sheet

(Amount in Rs)

	Note	As at 31 March 2015	As at 31 December 2013
Equity and Liabilities			
Shareholders' funds			
Share capital	2	257,737,640	961,759,270
Reserves and surplus	3	2,249,597,655	854,945,233
		2,507,335,295	**1,816,704,503**
Non-current liabilities			
Long-term borrowings	4	-	31,939,934
Other long-term liabilities	5	6,666,667	23,133,333
Long-term provisions	6	85,113,793	10,637,058
		91,780,460	**65,710,325**
Current liabilities			
Short-term borrowings	7	2,169,602,739	608,919,379
Trade payables	8	417,275,456	47,828,054
Other current liabilities	9	1,930,929,828	1,391,913,825
Short-term provisions	10	62,049,244	22,102,803
		4,579,857,267	**2,070,764,061**
TOTAL		**7,178,973,022**	**3,953,178,889**
Assets			
Non-current assets			
Fixed assets	11		
Tangible assets		145,855,063	75,843,301
Intangible assets		42,936,341	42,227,283
Capital work-in-progress		-	4,359,970
		188,791,404	**122,430,554**
Goodwill on consolidation	12	**1,104,219,485**	**729,475,013**
Investment in associate	13	-	-
Deferred tax assets (net)	14	29,610,368	40,268,063
Long-term loans and advances	15	540,617,961	645,177,112
Other non-current assets	16	4,329,637	445,604
		574,557,966	**685,890,779**
Current assets			
Inventories	17	4,390,088	4,425,263
Trade receivables	18	2,746,872,780	1,232,890,287
Cash and bank balances	19	818,248,248	290,843,421
Short-term loans and advances	20	436,731,927	63,390,679
Other current assets	21	1,305,161,124	823,832,893
		5,311,404,167	**2,415,382,543**
TOTAL		**7,178,973,022**	**3,953,178,889**

Significant accounting policies 1

The notes referred to above form an integral part of the consolidated financial statements

As per our report of even date attached

for **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No.: 116231 W/W-100024

for and on behalf of Board of Directors of
Quess Corp Limited
(formerly known as IKYA HUMAN CAPITAL SOLUTIONS LIMITED)

Vineet Dhawan
Partner
Membership No. 092084

Ajit Isaac
Managing Director

Subrata Nag
Director

N.V.S.Pavan Kumar
Company Secretary

Place: Bengaluru
Date: 27 May 2015

Place: Bengaluru
Date: 22 May 2015

Quess Corp Limited and subsidiaries
(formerly known as IKYA HUMAN CAPITAL SOLUTIONS LIMITED)
Consolidated Statement of Profit and Loss

(Amount in Rs)

	Note	For the period from 1 January 2014 to 31 March 2015	For the period from 1 April 2013 to 31 December 2013
Revenue			
Revenue from operations	22	25,670,568,920	10,060,133,011
Other income	23	77,461,711	22,991,515
		25,748,030,631	**10,083,124,526**
Expenses			
Cost of services	24	519,674,893	226,358,476
Employee benefits expenses	25	22,736,331,567	9,097,284,414
Finance cost	26	218,296,777	89,231,132
Depreciation and amortisation expense	11	101,411,354	42,347,064
Other expenses	27	1,124,566,480	346,571,075
Share of loss from an investment in associate	13	3,064	-
		24,700,284,135	**9,801,792,161**
Profit before tax		**1,047,746,496**	**281,332,365**
Tax expense:			
- Current tax		(271,677,872)	(94,490,249)
- Minimum alternate tax credit (utilization) / entitlement		(19,104,550)	6,183,650
- Tax for earlier years		-	(1,937,973)
- Deferred tax (credit) / charge for the period		(68,039,362)	14,215,096
Profit before minority interest		**688,924,712**	**205,302,889**
Minority interest		-	13,006,448
Profit after tax		**688,924,712**	**192,296,441**
Earnings per share (equity shares, par value of Rs 10 each)	30		
- Basic		32.63	12.93
- Diluted		25.84	7.34
Significant accounting policies	1		

The notes referred to above form an integral part of the consolidated financial statements

As per our report of even date attached

for **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No.: 116231 W/W-100024

for and on behalf of Board of Directors of
Quess Corp Limited
(formerly known as IKYA HUMAN CAPITAL SOLUTIONS LIMITED)

Vineet Dhawan
Partner
Membership No. 092084

Ajit Isaac
Managing Director

Subrata Nag
Director

N.V.S.Pavan Kumar
Company Secretary

Place: Bengaluru
Date: 27 May 2015

Place: Bengaluru
Date: 22 May 2015

Quess Corp Limited and subsidiaries
(formerly known as IKYA HUMAN CAPITAL SOLUTIONS LIMITED)
Consolidated Cash Flow Statement

		(Amount in Rs)
	For the period from 1 January 2014 to 31 March 2015	**For the period from 1 April 2013 to 31 December 2013**
Cash flows from operating activities		
Profit before tax	1,047,746,496	281,332,365
Adjustments for:		
Depreciation and amortisation expense	101,411,354	42,347,064
Profit on sale of fixed assets	(395,852)	(609,922)
Bad debts written off	3,794,073	3,844,546
Provision for doubtful debts	21,391,860	19,330,030
Deposits written off	1,000,000	-
Provision no longer required written back	(28,107,845)	-
Share of loss from an investment in associate	3,064	-
Expense on employee stock option scheme	-	21,256,866
Interest income on term deposits	(8,595,584)	(6,872,312)
Finance cost	218,296,777	89,231,132
Uniform deposits no longer payable written back	-	(1,633,846)
Operating cash flows before working capital changes	**1,356,544,343**	**448,225,923**
Changes in trade receivables	(701,344,906)	317,826,728
Changes in inventories	35,175	(638,363)
Changes in long-term loans and advances	(99,541,853)	2,044,665
Changes in short-term loans and advances	(93,304,004)	(296,174,205)
Changes in non-current liabilities and long-term provisions	(15,217,399)	(410,198)
Changes in current liabilities and short-term provisions	42,220,121	(103,150,647)
Cash generated from operations	**489,391,477**	**367,723,903**
Direct taxes paid, net of refund	(341,102,914)	(248,968,227)
Net cash provided by operating activities (A)	**148,288,563**	**118,755,676**
Cash flows from investing activities		
Purchase of fixed assets	(150,288,503)	(83,606,103)
Proceeds from sale of fixed assets	1,413,379	1,222,000
Acquisition of subsidiaries and associate	(524,753,513)	(656,627,500)
Bank deposits (having original maturity of more than three months)	(20,139,222)	32,446,813
Bank deposits (having maturity of more than twelve months)	-	7,079,108
Interest received	8,843,623	12,675,633
Net cash used in investing activities (B)	**(684,924,236)**	**(686,810,049)**
Cash flows from financing activities		
Proceeds from borrowings	911,898,463	190,931,284
Repayments of borrowings	(30,000,000)	-
Proceeds from issue of equity shares	-	965,341,940
Repayment of inter corporate deposits	-	(400,000,000)
Repayment of unsecured loan	-	(8,617,086)
Interest paid	(218,296,777)	(90,517,021)
Net cash provided by financing activities (C)	**663,601,686**	**657,139,117**
Net increase in cash and cash equivalents (A+B+C)	126,966,013	89,084,744
Cash and cash equivalents acquired from subsidiaries	388,959,510	-
Effect of exchange differences on foreign currency cash balances	(8,659,918)	(319,500)
Cash and cash equivalents at the beginning of the period (refer note 19)	253,010,714	164,245,470
Cash and cash equivalents at the end of the period (refer note 19)	**760,276,319**	**253,010,714**

The notes referred to above form an integral part of the consolidated financial statements

As per our report of even date attached

for **B S R & Associates LLP**
Chartered Accountants
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for and on behalf of Board of Directors of
Quess Corp Limited
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Vineet Dhawan
Partner
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Ajit Isaac
Managing Director

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Director

N.V.S.Pavan Kumar
Company Secretary

Place: Bengaluru
Date: 22 May 2015

Company overview

Quess Corp Limited (formerly known as IKYA HUMAN CAPITAL SOLUTIONS LIMITED) (‘the Company’) is a Company incorporated under the provisions of the Companies Act, 1956 (‘the Act’) on 19 September 2007 originally as a ‘Private Limited Company’ and subsequently converted into a ‘Limited Company’ on 2 July 2013. The Company has its registered office in Bangalore, India. The Company is engaged in the business of executive search, contingency recruitment, training services and temporary staffing services. The Company changed its name to Quess Corp Limited effective from 2 January 2015. With effect from 14 May 2013 Thomas Cook (India) Limited ('TCIL') has become the parent company and Fairfax Financial Holdings Limited has become the ultimate holding company of the Company. These consolidated financial statements are for the period from 1 January 2014 to 31 March 2015 (“the period”).

The Company holds 99.99% interest in Avon Facility Management Services Limited (‘the subsidiary’), a Company incorporated under the provisions of the Companies Act, 1956 on 2 July 2008 originally as a ‘Private Limited Company’ and subsequently converted into a ‘Limited Company’ on 3 July 2013. The Company has its registered office in Bangalore, India. The subsidiary is engaged in the business of providing facility management services to customers. The subsidiary changed its name to Avon Facility Management Services Limited effective from 3 July 2013.

The Company holds 100% interest in MAGNA INFOTECH LIMITED (formerly Magna Infotech Private Limited) (‘the subsidiary’), a Company incorporated under the provisions of Companies Act, 1956 on 30 April 1997 originally as a ‘Private Limited Company’ and subsequently converted into a ‘Limited Company’ on 10 July 2013. The Company has its registered office in Hyderabad, India. The subsidiary is engaged in the business of providing temporary staffing services to customers in the information technology space. The subsidiary changed its name to MAGNA INFOTECH LIMITED effective from 10 July 2013.

On 27 June 2014, the Company acquired 100% interest in Hofincons Infotech & Industrial Services Private Limited (‘the subsidiary’), from Transfield Services Ltd, Australia through its subsidiary Transfield Services (India) Pty Limited. The subsidiary is engaged in the business of rendering operation, maintenance, facility and asset management consultancy services to various industries.

The Honorable High Court of Karnataka approved the Scheme of Amalgamation (‘the Scheme’) between the Company and Avon Facility Management Services Limited, MAGNA INFOTECH LIMITED and Hofincons Infotech & Industrial Services Private Limited under sections 391 to 394 of the Companies Act, 1956. The appointed date of the Scheme is 1 January 2014 for Avon Facility Management Services Limited and MAGNA INFOTECH LIMITED and 1 July 2014 for Hofincons Infotech & Industrial Services Private Limited.

The Company holds 100% interest in Co-Achieve Solutions Private Limited (‘the subsidiary’), a Private Limited Company incorporated on 8 August 2017 under the provisions of Companies Act, 1956 with its registered office in New Delhi, India. The subsidiary is engaged in the business of providing facility management services to customers.

On 23 October 2014, the Company acquired 100% interest in Brainhunter Systems Ltd (formerly known as Zylog Systems (Canada) Ltd.) (‘the subsidiary’) from ICICI Bank, Canada. The subsidiary is engaged in staffing and consulting services in the information technology and engineering sectors. The subsidiary was incorporated on 2 October 2009 under the Business Corporations Act of the Province of Ontario.

Company Overview (continued)

On 17 October 2014 the Company subscribed to all the shares of MFX INFOTECH PRIVATE LIMITED (‘the subsidiary’), a Company incorporated under the provisions of the Companies Act, 2013 on 20 June 2014 as a ‘Private Limited Company’ with its registered office in Bangalore, India. The subsidiary is engaged in the business of software support services.

The Company holds 99.99% interest in Magna Ikya Infotech Inc. Philippines (‘the subsidiary’). The Subsidiary was incorporated and registered with the Security and Exchange Commission (SEC) of Republic of Philippines on 13 March 2013. The subsidiary is engaged in the business of rendering consultancy and Information Technology services.

Quess Corp (USA) Inc. (formerly known as Magna Infotech Inc.) (‘the subsidiary’) is incorporated under General Corporation Law of State of Delaware on 19 November 2013. The Company subscribed to all the shares of Quess Corp (USA) Inc. (formerly known as Magna Infotech Inc.) on 18 December 2014. The subsidiary is an investment company.

Quess Corp Limited, together with its subsidiaries is hereinafter referred to as ‘the Group’.

1 Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements.

1.1 Basis of preparation of Consolidated financial statements

These financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting and comply with the mandatory Accounting Standards as prescribed in the Companies (Accounting Standards) Rules, 2006, issued by the Central Government, the relevant provisions of the Companies Act, 2013 (as applicable) and the Companies Act, 1956 (as applicable) and other accounting principles generally accepted in India. The financial statements are presented in Indian rupees (“Rs”). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The financial statements are prepared in accordance with the principles and procedures required for the preparation and presentation of consolidated financial statements as laid down under the Accounting Standard 21 (Consolidated Financial Statements).

The Group has prepared these financial statements for the period from 1 January 2014 to 31 March 2015 to align its financial year in terms of the provisions of Section 2 (41) of the Companies Act, 2013.

1.2 Principles of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries, which are more than 50% owned or controlled (together referred to as ‘the Group’).

The financial statements of the parent company and its majority owned / controlled subsidiaries have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, incomes and expenses after eliminating intra-group balances / transactions and resulting unrealized gain / loss in full.

1.2 Principles of consolidation (continued)

The consolidated financial statements are prepared using uniform accounting policies for similar transactions and other events in similar circumstances.

The Company has taken the view that the amalgamation within the Group (between the Company and its subsidiaries) does not have any economic substance and therefore amalgamation has to be ignored while preparing the consolidated financial statements.

1.3 Use of estimates

The preparation of financial statements in accordance with Generally Accepted Accounting Principles in India requires Management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities as at the date of the financial statements. The estimates and assumption used in the accompanying consolidated financial statement are based upon management's evaluation of the relevant facts and circumstances as on the date of the financial statements. Actual results could differ from those estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

1.4 Fixed assets and depreciation

Tangible fixed assets

Tangible fixed assets are stated at the cost of acquisition or construction less accumulated depreciation up to the reporting date. The cost of an item of tangible asset comprises its purchasing price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price.

Borrowing costs directly attributable to acquisition or construction of those fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalized.

Tangible fixed assets under construction are disclosed as capital work-in-progress.

Depreciation

Depreciation is provided on straight-line method. The rates of depreciation prescribed in Schedule XIV to the Companies Act, 1956 are considered as minimum rates. If the management's estimate of useful life of a fixed asset at the time of acquisition of the fixed asset or of the remaining useful life on a subsequent review is shorter than that envisaged in the aforesaid schedule, depreciation is provided at a higher rate based on Management's estimate of useful life/remaining useful life. Pursuant to this policy, depreciation has been provided on various categories of fixed assets based on estimated useful life as mentioned below which is higher than the corresponding rates prescribed in Schedule XIV.

Asset description	Useful life
Computer equipment	3 – 4 years
Furniture and fixtures	4 - 5 years
Vehicles	3 years
Office equipment	4 - 5 years
Plant and machinery	3 years

1.4 Fixed assets and depreciation (continued)

Depreciation is provided on a proportionate basis for all assets purchased and sold during the period. Individual assets costing Rs 5,000 or less are depreciated at the rate of 100%.

Leasehold improvements are amortized over the lease term or estimated useful life, whichever is lower.

Intangible fixed assets

Acquired intangible assets are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less any accumulated amortisation and any accumulated impairment loss. Subsequent expenditure is capitalized only when it increases the future economic benefits from the specific asset to which it relates.

Goodwill on acquisition has been recorded to the extent the cost of acquisition of the business exceeds the value of net assets acquired. Goodwill arising on acquisition is amortised over its estimated life or five years whichever is shorter. It is tested for impairment on a periodic basis and written-down if found impaired.

Goodwill arising on consolidation/acquisition of assets is not amortised but is tested for impairment.

Intangible assets are amortised in the statement of profit or loss over their estimated useful lives, from the date they are available for use based on the expected pattern of consumption of economic benefits of the asset.

The amortisation rate are as follows:

Asset description	Useful life
Goodwill	5 years or estimated useful life whichever is lower.
Software	3 years

Amortisation rate and useful lives are estimated at each reporting date.

1.5 Impairment of Assets

The Management assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Management estimates the recoverable amount of the asset.

For the purpose of impairment testing, assets are grouped together into smallest group of assets (cash generating unit (CGU)) that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill is allocated to CGUs only when allocation can be done on a reasonable and consistent basis. If this requirement is not met for a specific CGU under review, the smallest CGU to which the carrying amount of goodwill can be allocated on a reasonable and consistent basis is identified and the impairment testing is carried out at that level.

The recoverable amount of an asset or CGU is the greater of its value in use and its net selling price. 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 or CGU.

1.5 Impairment of Assets (continued)

Impairment losses are recognized in the statement of profit or loss. However, an impairment loss on a revalued asset is recognized directly against any revaluation surplus to the extent that the impairment loss does not exceed the amount held in the revaluation surplus for that same asset. Impairment loss recognized in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. An impairment loss is reversed only to the extent that the carrying amount of asset does not exceed the net book value that would have been determined, if no impairment loss had been recognized.

1.6 Leases

Leases under which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Assets acquired under finance lease are capitalised at the fair value of the asset or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments are apportioned between finance charges and outstanding liability. The finance charge is allocated to periods during the lease term at a constant periodic rate of interest on the remaining balance of the liability.

Leases under which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease payments are charged to the statement of profit and loss on a straight line basis over the lease term.

1.7 Investment

The Group has accounted for Investment in Associates enterprise using Equity accounting method as per Accounting Standard 23 (Accounting for Investments in Associates in Consolidated Financial Statements). Equity method of accounting requires the carrying amount of the investment is adjusted thereafter for the post acquisition change in the investor’s share of net assets of the investee. The consolidated statement of profit and loss reflects the investor’s share of the results of operations of the investee. As permitted by Accounting Standard 23 the Group has accounted for its share of losses arising from the associate enterprises to the extent of its investments.

1.8 Inventories

Inventories which comprise of finished goods are valued at the lower of cost and net realisable value. Cost of inventories comprises purchase price, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In determining the cost weighted average cost method is used. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

The comparison of cost and net realisable value is made on an item-by-item basis.

Inventories are stated net of write down or allowances on account of obsolete, damaged or slow moving items.

1.9 Employee benefits

Gratuity, a defined benefit for employees of the Indian entity, is accrued based on an actuarial valuation at the balance sheet date, carried out by an independent actuary. The Company has an employees' gratuity fund managed by the Life Insurance Corporation of India ('LIC') and SBI Life Insurance. Provision for gratuity liabilities, pending remittance to the fund, is carried in the balance sheet. Actuarial gains and losses are charged to the statement of profit and loss.

Compensated absences, a defined employee benefit, is accrued based on an actuarial valuation at the balance sheet date, carried out by an independent actuary. The Group accrues for the expected cost of short-term compensated absences in the period in which the employee renders services. Contributions payable to the recognized Provident Fund, employee pension and social security schemes in certain overseas subsidiaries, which are defined contribution schemes, are charged to the statement of profit and loss.

Contributions payable to the recognized provident fund, which is a defined contribution scheme, is charged to the statement of profit and loss.

1.10 Revenue recognition

People and services

Revenue related to temporary staffing services are negotiated and invoiced on a monthly basis. Salary and incidental expenses of temporary associates along with service charges are billed in accordance with the agreed terms. Temporary staffing service revenue are recognised as the related services are performed.

Revenue related to recruitment services are recognised at the time the candidate begins full time employment.

Revenue related to executive search and trainings are recognised upon rendering of the service.

Revenue from skill development and training services is recognised as income over the period of instruction as and when the obligation associated with the sanction is performed and right to receive money is established.

Global technology solutions

Revenue related to staffing services are negotiated and invoiced on a monthly basis. Salary and incidental expenses of employees of Information Technology / Information Technology Enabled Services along with service charges are billed in accordance with the agreed terms. Staffing service revenues are recognized as the related services are performed and are reported net of taxes.

Integrated facility management

Revenue for housekeeping services, material reimbursement, training fee, food services and machinery rentals are negotiated and invoiced on a monthly basis to the customers. Revenues from the above services are recognised as services are performed as per the terms of the arrangement with the customer.

Revenue from skill development and training services is recognised as income over the period of instruction as and when the obligation associated with the sanction is performed and right to receive money is established.

Engineering services

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Arrangements with customers for operation and maintenance and facility management services are predominantly based on time, material and fixed-price contracts. Revenue from technical and consultancy services comprise of time and fixed-price contracts.

1.10 Revenue recognition (continued)

Service income from time-and-material contracts are recognized as the related services are performed and revenue from the end of the last billing to the balance sheet date is recognized as unbilled revenue. Revenue from fixed price contracts, where there is no uncertainty as to the measurement or collectability of the consideration is recognized as per the proportionate completion method. Where there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved.

Interest income

Interest income is recognized using the time-proportion method, based on underlying interest rates.

1.11 Foreign exchange transactions

Foreign exchange transactions are recorded using the exchange rates prevailing on the dates of the respective transactions. Exchange differences arising from foreign exchange transactions settled during the year are recognized in the statement of profit and loss for the year.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date; the resultant exchange differences are recognized in the statement of profit and loss. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

All the subsidiaries of the Group have been identified as non-integral operations in accordance with the requirements of Accounting Standard 11 (The Effects of Changes in Foreign Exchange Rates). The financial statements of such non-integral foreign operations are translated into Indian Rupees as follows:

- All assets and liabilities, both monetary and non- monetary are translated using the closing rate.
- Revenue items are translated at the respective monthly average rates.
- The resulting net exchange difference is presented as "foreign currency translation reserve" under Reserves and surplus.
- Contingent liabilities are translated at the closing rate.

1.12 Provisions, contingent liabilities and contingent assets

A provision is recognised if, as a result of a past event, the Group has a present 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 balance sheet date. The provisions are measured on an undiscounted basis.

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.

Contingent assets are neither recognized nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which the change occurs.

1.12 Provisions, contingent liabilities and contingent assets (continued)

Warranties

Warranty costs are estimated on the basis of a technical evaluation and past experience. Provision is made for estimated liability in respect of warranty costs in the year of rendering of services.

Onerous contracts

A contract is considered as onerous when the expected economic benefits to be derived by the Group from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

1.13 Taxation

The Current income tax charge is determined in accordance with the relevant tax regulations applicable to respective entities within the Group.

Deferred tax charge or credit are recognized for the future tax consequences attributable to timing difference that result between the profit offered for income taxes and the profit as per the financial statements. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, when there is a brought forward loss or unabsorbed depreciation under taxation laws, deferred tax assets are recognized only if there is virtual certainty of realisation or such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably/virtually certain to be realized.

Minimum Alternate Tax (MAT) paid in accordance with the Indian Income Tax laws, which gives rise to future economic benefits in the form of tax credit against future income tax liability, is recognized as an asset in the balance sheet if there is convincing evidence that the Group will pay normal tax after the tax holiday period and the resultant assets can be measured reliably.

The entities within the Group offset, on a year on year basis, the current tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

1.14 Earnings per share

In determining the earnings per share, the net profit after tax is divided by the weighted average number of shares outstanding during the year. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as at the beginning of the period unless issued at a later date. In computing dilutive earning per share, only potential equity shares that are dilutive i.e. which reduces earnings per share or increases loss per share are included.

1.15 Cash flow statement

Cash flow statement is reported using indirect method, whereby net profits before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows arising from operating, investing and financing activities of the Group are segregated.

2 Share capital

(Amount in Rs)

Particulars	As at 31 March 2015	As at 31 December 2013
Authorised		
113,104,631 (31 December 2013 : 18,996,807) equity shares of par value of Rs 10 each*	1,131,046,310	189,968,070
Nil (31 December 2013 : 3,529,675) 0.005% Compulsorily convertible preference shares of par value of Rs 40 each*	-	141,187,000
Nil (31 December 2013 : 1,873,336) 0.005% Compulsorily convertible preference shares of par value of Rs 15 each*	-	28,100,040
Nil (31 December 2013 : 7,717,912) 0.001 % Compulsorily convertible preference shares of par value of Rs 100 each*	-	771,791,200
	1,131,046,310	**1,131,046,310**
Issued, subscribed and paid-up		
25,773,764 (31 December 2013 : 18,996,807) equity shares of par value of Rs 10 each, fully paid up	257,737,640	189,968,070
Nil (31 December 2013 : 7,717,912) 0.001% Compulsorily convertible preference shares of par value of Rs 100 each fully paid up	-	771,791,200
	257,737,640	**961,759,270**

*During the year the Company obtained approval of the Board and shareholders vide EGM dated 14 October 2014 to reclassify authorised share capital of convertible preference shares to ordinary equity shares.

(a) Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period

	As at 31 March 2015		As at 31 December 2013	
Particulars	**Number of shares**	**Amount**	**Number of shares**	**Amount**
Equity shares				
At the commencement of the period	18,996,807	189,968,070	12,059,608	120,596,080
Shares issued on exercise of employee stock options	-	-	429,000	4,290,000
Shares issued on conversion of CCPS	6,776,957	67,769,570	6,403,005	64,030,050
Shares issued during the period	-	-	105,194	1,051,940
At the end of the period	**25,773,764**	**257,737,640**	**18,996,807**	**189,968,070**
0.005% Compulsorily convertible preference shares of par value Rs 40 each				
At the commencement of the period	-	-	3,529,672	141,186,880
Shares converted to equity shares	-	-	(3,529,672)	(141,186,880)
At the end of the period	-	-	-	-
0.005% Compulsorily convertible preference shares of par value Rs 15 each				
At the commencement of the period	-	-	1,873,333	28,099,995
Shares converted to equity shares	-	-	(1,873,333)	(28,099,995)
At the end of the period	-	-	-	-
0.001% Compulsorily convertible preference shares of par value Rs 100 each				
At the commencement of the period	7,717,912	771,791,200	-	-
Shares issued during the period	-	-	7,717,912	771,791,200
Conversion to equity shares*	(7,717,912)	(771,791,200)	-	-
At the end of the period	-	-	**7,717,912**	**771,791,200**

* The Company issued 0.001% Compulsorily convertible preference shares (CCPS) of Rs 100.00 each to Thomas Cook (India) Limited at a premium of Rs 24.39 vide Share Subscription Agreement dated 5 February 2013. As per clause 4(a) of the Schedule 4 of the agreement, the shareholders may, at any time issue a notice to the Company for conversion of CCPS into equity shares and the Company shall be under an obligation to convert such CCPS into equity shares at a price provided in this clause. The terms of conversion shall be equity shares of Rs 142.00 each, if the Company achieves the FY 2014 EBITDA and cash flows target. During the current year, CCPS were converted into 6,776,957 equity shares of face value of Rs 10.00 each at a premium of Rs 131.66 per share vide Board approval dated 14 October 2014. Out of the total premium of Rs 892,230,430.00 arising on this arrangement, Rs 188,208,800.00 collected on the initial issue of CCPS as above, was adjusted against the share premium due on conversion at the above rate, and balance of Rs 704,021,630.00 was recognized as premium on conversion of CCPS.

(b) 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 in proportion to the number of equity shares held.

(c) Shares held by holding company

	As at 31 March 2015		As at 31 December 2013	
Particulars	**Number of shares**	**Amount**	**Number of shares**	**Amount**
(i) Equity shares				
Equity shares of par value Rs 10 each				
Thomas Cook (India) Limited	19,705,874	197,058,740	12,928,917	129,289,170
(ii) Preference shares				
CCPS of par value Rs 100 each				
Thomas Cook (India) Limited	-	-	7,717,912	771,791,200

(d) Details of shareholders holding more than 5% shares in the Company

	As at 31 March 2015		As at 31 December 2013	
Particulars	**Number of shares**	**% held**	**Number of shares**	**% held**
(i) Equity shares				
Equity shares of par value Rs 10 each				
Thomas Cook (India) Limited	19,705,874	76.46%	12,928,917	68.06%
Ajit Isaac	4,646,490	18.03%	4,607,965	24.26%
Net Resource Investments Private Limited	1,294,100	5.02%	1,294,100	6.81%
(ii) Preference shares				
CCPS of par value Rs 100 each				
Thomas Cook (India) Limited	-	-	7,717,912	100%

(e) The Company has not made a buy back of shares or issued any bonus shares or issued any shares for consideration other than cash, during the period of five years immediately preceding the balance sheet date.

3 Reserves and surplus

(Amount in Rs)

Particulars	As at 31 March 2015	As at 31 December 2013
Securities premium account - Opening balance	554,307,289	239,436,034
Add: Premium received on issue of preference shares	-	188,208,800
Add: Premium on employee stock options	-	11,405,630
Add: Premium on conversion of preference shares to equity shares	704,021,630	115,256,825
Securities premium account- Closing balance	**1,258,328,919**	**554,307,289**
Share options outstanding account - Opening balance	**56,137,381**	**46,286,145**
Add: Employee compensation expense for the period	-	21,256,866
Less: Transferred to securities premium account on exercise of employee stock options	-	(11,405,630)
Stock options outstanding account - Closing balance	**56,137,381**	**56,137,381**
Foreign currency translation reserve	**1,386,580**	**(319,500)**
Surplus		
At the commencement of the period	244,820,063	52,523,622
Add: Amount transferred from statement of profit and loss	688,924,712	192,296,441
Balance in statement of profit and loss - Closing balance	**933,744,775**	**244,820,063**
Total reserves and surplus	**2,249,597,655**	**854,945,233**

4 Long-term borrowings

(Amount in Rs)

Particulars	As at 31 March 2015	As at 31 December 2013
Secured		
Long term maturities of vehicle loan*	-	1,939,934
Loan from NSDC**	-	30,000,000
	-	**31,939,934**

* The vehicle loan is taken from HDFC Bank which carries interest rate of 9.03% p.a. It is repayable in 36 equal monthly installments of Rs 129,146 (including interest) commencing 5 May 2013. The vehicle loan is secured by way of hypothecation of vehicles purchased using the loan facility. Principal amount outstanding as at 31 March 2015 is Rs 1,593,698 (31 December 2013 : Rs 3,249,573). Current maturities as at 31 March 2015 is Rs 1,593,698 (31 December 2013: Rs 1,309,639). Refer current maturities of long-term borrowings under other current liabilities.

**Loan received from National Skill Development Centre ('NSDC') is secured against hypothecation of project assets. The loan was taken at 6% p.a simple interest. Refer current maturities of long-term borrowings under other current liabilities.

5 Other long-term liabilities

(Amount in Rs)

Particulars	As at 31 March 2015	As at 31 December 2013
Others	-	9,800,000
Payable to the erstwhile minority shareholders*	6,666,667	13,333,333
	6,666,667	**23,133,333**

*The Company acquired the remaining shares from the erstwhile minority shareholders of Avon Facility Management Services Limited on 14 May 2013. Based on the terms and conditions of the 'Share Purchase Agreement' (SPA), an unconditional bonus of Rs 29,200,000 is payable to the erstwhile minority shareholders, who continue to be employees of the Company, as part of the purchase consideration. The SPA states that the bonus will be paid by Avon Facility Management Services Limited on behalf of the Company for their past services. In accordance with the terms of SPA, Avon Facility Management Services Limited has paid Rs 9,200,000 to the erstwhile minority shareholders on 14 May 2013 and the balance of Rs 20,000,000 is payable over a period of 3 years within 30 days of adoption of accounts. Accordingly the first installment was paid in June 2014 and out of the balance payable an amount of Rs 6,666,667 (31 December 2013 Rs 13,333,333) is disclosed as 'non-current liabilities' and an amount of Rs 6,666,666 (previous year Rs 6,666,667) as 'other current liabilities' as on 31 March 2015.

6 Long-term provisions

(Amount in Rs)

Particulars	As at 31 March 2015	As at 31 December 2013
Provision for gratuity (refer note 35)	61,395,081	10,637,058
Provision for disputed claims (refer note 36)	22,626,824	-
Provision for rent escalation	1,091,888	-
	85,113,793	**10,637,058**

7 Short-term borrowings

(Amount in Rs)

Particulars	**As at 31 March 2015**	**As at 31 December 2013**
Loans from bank repayable on demand		
Secured		
Cash credit and overdraft facilities [refer note (a) below]	1,410,726,760	374,069,500
Bill discounting facility from bank [refer note (b) below]	228,875,979	234,849,879
Working capital loan [refer note (c) below]	530,000,000	-
	2,169,602,739	**608,919,379**

(a)(i) Cash credit from banks of Rs 307,152,845 is secured primarily by way of exclusive first charge on receivables and other chargeable current assets of the company and additionally by way of hypothecation of tangible fixed assets of the company. The rate of interest is the rate applicable to "BBB" rated corporate deposits.

(a)(ii) Cash credit from banks of Rs 83,086,655 is secured primarily by way of pari passu first charge on the entire current assets of the company both present future and additionally by way of pari passu first charge on the movable fixed assets of the company (excluding vehicles which are under hypothecation) both present and future. The rate of interest is bank's base rate plus 1.00% p.a.

(a)(iii) Cash credit from banks of Rs 298,870,472 is secured primarily by way of pari passu first charge on the entire current assets of the company both present and future and additionally by way of pari passu first charge on the entire movable fixed assets other than vehicles or equipments purchased or to be purchased under lease or hire purchase arrangements of the company both present and future. The rate of interest is bank's base rate plus 1.50% p.a.

(a)(iv) Cash credit from banks of Rs 69,790,351 is secured by way of pari passu first charge on the entire current assets of the company both present and future. The rate of interest is bank's base rate plus 1.75% p.a.

(a)(v) Cash credit from banks of Rs 71,638,685 is secured by way of pari passu first charge on the entire current assets and fixed assets of the company both present and future. The rate of interest is bank's base rate plus 1.75% p.a.

(a)(vi) Cash credit from banks of Rs 54,988,869 is secured by way of pari passu first charge on the entire current assets of the company both present and future except vehicles purchased on hire purchase basis and additionally by way of pledging a term deposit of Rs 7,500,000 in the name of the lender. The rate of interest is bank's base rate plus 2.75% p.a.

(a)(vii) Cash credit from banks of Rs 30,241,397 is secured by way of pari passu first charge on the entire current assets of the company both present and future. The rate of interest is bank's base rate plus 1.75% p.a. Additional rate of 2.00% p.a in case of default in repayment or breach of any of the conditions attached to sanction.

(a)(viii) Brainhunter Systems Limited, a subsidiary of the Company has availed a working capital credit facility of CAD 10 million from ICICI Bank, Canada. The balance outstanding as of 31 March 2015 is CAD 9,995,143 (Rs 494,957,486). The credit facility is secured by a guarantee given by the Company. The facility requires to meet certain financial ratios and other covenants. The rate of interest is Canadian Dealer Offered Rate plus 3.50%.

(b)(i) Credit availed on bills discounted from banks of Rs 2,804,770 is secured primarily by way of pari passu first charge on the entire current assets of the company both present future and additionally by way of pari passu first charge on the all the fixed assets of the company both present and future. The rate of interest is bank's base rate plus 1.75% p.a.

(b)(ii) Credit availed on bills discounted from banks of Rs 62,768,495 is secured primarily by way of pari passu first charge on the entire current assets of the company both present and future and additionally by way of pari passu first charge on the entire movable fixed assets other than vehicles or equipments purchased or to be purchased under lease or hire purchase arrangements of the company both present and future. The rate of interest is bank's base rate plus 1.25% p.a.

(b)(iii) Credit availed on bills discounted from banks of Rs 30,308,879 is secured primarily by way of pari passu first charge on the entire current assets of the company both present and future. The rate of interest is bank's base rate plus 1.75% p.a.

(b)(iv) Credit availed on bills discounted from banks of Rs 68,831,511 is secured by way of pari passu first charge on the entire current assets and fixed assets of the company both present and future. The rate of interest is bank's base rate plus 1.50% p.a.

(b)(v) Credit availed on bills discounted from banks of Rs 40,134,225 is secured by way of pari passu first charge on the entire current assets of the company both present and future. The rate of interest is bank's base rate plus 1.75% p.a. Additional rate of 2.00% p.a in case of default in repayment or breach of any of the conditions attached to sanction.

(b)(vi) Credit availed on bills discounted from banks of Rs 24,028,099 is packing credit in foreign currency (PCFC) & post shipment credit in foreign currency (PSFC) facilities from Yes bank Limited. The facility is secured by way of pari passu first charge on the entire current assets of the company. The rate of interest is bank's base rate plus 1.75% p.a.

(c)(i) Short term loan from bank of Rs 30,000,000 is secured by way of pari passu first charge on the entire current assets of the company both present and future. The original loan amount of Rs 40,000,000 was sanctioned on 23 June 2014 and repayable in 12 equal monthly instalments starting from January 2015. The rate of interest is bank's base rate plus 1.75% p.a.

(c)(ii) Short term loan from banks of Rs 500,000,000 is secured primarily by way of pari passu first charge on the entire current assets of the company both present and future and additionally by way of pari passu first charge on entire movable fixed assets of the company both present and future. All amounts outstanding under this facility are payable on demand but until such demand is made repayment is made at the maturity of each drawdown. The rate of interest is 10.50% p.a.

8 Trade payables

(Amount in Rs)

Particulars	As at 31 March 2015	As at 31 December 2013
Trade payables - others*	417,275,456	47,828,054
Dues to micro and small enterprises**	-	-
	417,275,456	**47,828,054**

*Refer note 33 for payables due to related parties.
** 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. Accordingly, the disclosure in respect of the amounts payable to such enterprise as at 31 March 2015 has been made in the financial statements based on information received and available with the Company. The Company has not received any claim for interest from any supplier under the Micro, Small and Medium Enterprises Development Act, 2006.

(Amount in Rs)

Particulars	As at 31 March 2015	As at 31 December 2013
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the accounting period / year;	-	-
The amount of interest paid by the Company along with the amounts of the payment made to the supplier beyond the appointed day during the period / 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 period / year) but without adding the interest specified under this Act;	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting period / 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.	-	-
	-	-

9 Other current liabilities

(Amount in Rs)

Particulars	As at 31 March 2015	As at 31 December 2013
Current maturities of long term borrowings*	31,593,698	1,309,639
Unearned income	305,137,734	33,017,500
Advance received from customers	117,980,823	2,824,278
Balances payable to government authorities	336,551,564	319,337,778
Book overdraft	60,849,571	182,610,165
Payable to erstwhile minority shareholders (refer note 5)	6,666,667	74,273,667
Accrued salaries and benefits	955,478,220	737,693,007
Provision for expenses	68,528,593	26,491,644
Interest accrued and not due	1,578,966	450,000
Uniform deposits	1,837,670	2,906,147
Amount payable to related parties**	34,663,860	-
Provision for rent escalation	891,691	-
Other liabilities	9,170,771	11,000,000
	1,930,929,828	**1,391,913,825**

*This includes term loan from National Skill Development Centre ('NSDC') of Rs 30,000,000 which is secured against hypothecation of project assets. The loan is taken at 6% p.a simple interest. The principal amount was repayable in equal quarterly installments over a period of 10 years beginning January 2016. As the specific project for which the loan was sanctioned could not be implemented and the entire loan became due for repayment in May 2015, this has been classified as other current liabilities.

**Amount payable to related parties represents Rs 34,663,860 (CAD 700,000) payable to Fairfax Financial Holdings Limited. The balance payable represents funds received to support the operations of Brainhunter Systems Limited, a subsidiary of Quess Corp Limited.

10 Short-term provisions

(Amount in Rs)

Particulars	As at 31 March 2015	As at 31 December 2013
Provision for employee benefits		
Provision for gratuity (refer note 35)	878,664	1,089,558
Provision for compensated absences	48,092,774	13,191,764
Others		
Provision for service tax	-	5,000,000
Provision for warranty (refer note 36)	12,000,000	-
Provision for tax (net of advance tax)	-	2,821,481
Provision for loss on onerous contracts (refer note 36)	1,077,806	-
	62,049,244	**22,102,803**

Quess Corp Limited and subsidiaries
(formerly known as IKYA HUMAN CAPITAL SOLUTIONS LIMITED)
Notes to the consolidated financial statements for the period from 1 January 2014 to 31 March 2015

11 Fixed assets

(Amount in Rs.)

	Gross block					Accumulated Depreciation/Amortisation					Net block	
Particulars	**As at 1 January 2014**	**Additions on acquistion**	**Additions during the period***	**Deletions / Capitalization**	**As at 31 March 2015**	**As at 1 January 2014**	**Additions on acquistion**	**Charge for the period**	**Deletions during the period***	**As at 31 March 2015**	**As at 31 March 2015**	**As at 31 December 2013**
A. Tangible assets												
Leasehold improvements	60,387,166	21,010,678	7,278,717	7,839,944	80,836,617	38,774,317	17,351,079	19,298,965	7,839,944	67,584,417	13,252,200	21,612,849
Furniture and fixtures	29,893,557	25,018,130	21,807,430	904,170	75,814,947	25,817,147	21,619,008	5,896,982	904,170	52,428,967	23,385,980	4,076,410
Vehicles	8,425,656	410,446	-	-	8,836,102	2,696,426	361,470	3,930,591	-	6,988,487	1,847,615	5,729,230
Office equipment	20,755,402	-	41,174,352	-	61,929,754	16,193,809	-	4,888,153	-	21,081,962	40,847,792	4,561,593
Plant and machinery	63,527,899	12,082,612	17,171,295	1,363,786	91,418,020	36,185,136	6,279,769	20,527,987	1,335,904	61,656,988	29,761,032	27,342,763
Computer equipment	55,306,888	62,378,368	34,948,361	1,036,000	151,597,617	42,786,432	56,003,937	16,093,159	46,355	114,837,173	36,760,444	12,520,456
Total (A)	**238,296,568**	**120,900,234**	**122,380,155**	**11,143,900**	**470,433,057**	**162,453,267**	**101,615,263**	**70,635,837**	**10,126,373**	**324,577,994**	**145,855,063**	**75,843,301**
B. Intangible assets												
Goodwill (refer note 37)	51,281,280	15,267,028	-	-	66,548,308	18,431,377	15,267,029	18,280,801	-	51,979,207	14,569,101	32,849,903
Computer software	29,132,497	6,091,379	31,484,575	-	66,708,451	19,755,117	6,091,378	12,494,716	-	38,341,211	28,367,240	9,377,380
Total (B)	**80,413,777**	**21,358,407**	**31,484,575**	**-**	**133,256,759**	**38,186,494**	**21,358,407**	**30,775,517**	**-**	**90,320,418**	**42,936,341**	**42,227,283**
Grand Total (A+B)	**318,710,345**	**142,258,641**	**153,864,730**	**11,143,900**	**603,689,816**	**200,639,761**	**122,973,670**	**101,411,354**	**10,126,373**	**414,898,412**	**188,791,404**	**118,070,584**
Previous period	*243,752,528*	-	*76,438,986*	*1,481,169*	*318,710,345*	*159,161,788*	-	*42,347,064*	*869,091*	*200,639,761*	*118,070,584*	

** Includes the effect of translation of assets held by foreign subsidiaries.*

C. Capital work-in-progress

Particulars	**As at 1 January 2014**	**Additions during the period**	**Capitalised during the period**	**As at 31 March 2015**
Leasehold improvement	3,250,147	-	3,250,147	-
Plant and machinery	352,800	-	352,800	-
Computer software	757,023	-	757,023	-
Total (C)	**4,359,970**	**-**	**4,359,970**	**-**
Previous period	-	*4,359,970*	-	*4,359,970*

12 Goodwill on consolidation

Goodwill on consolidation represents the excess of purchase consideration over net asset value of acquired subsidiaries on the date of such acquisition. Such goodwill is tested for impairment annually or more frequently, if there are indications for impairment. An amount of Rs 1,104,219,485 has been recognised as Goodwill on consolidation as per the requirements of AS 21 (Consolidated Financial Statements). The movement in goodwill is summarised as under:

Particulars	Amount in Rs
Opening balance as at 31 December 2013	**729,475,013**
Add: Goodwill on acquisition of Hofincons Infotech & Industrial Services Private Limited (refer note 41)	101,053,539
Add: Goodwill on acquisition of Brainhunter Systems Limited (net of adjustment against FCTR, refer note 40)	273,690,933
Closing balance as at 31 March 2015	**1,104,219,485**

During the year the Honorable High Court of Karnataka approved the Scheme of Amalgamation (‘the Scheme’) between the Company and Avon Facility Management Services Limited, Magna Infotech Limited and Hofincons Infotech & Industrial Services Private Limited ('collectively referred as Transferor Companies') under sections 391 to 394 of the Companies Act, 1956. The appointed date of the Scheme is 1 January 2014 for Magna Infotech Limited and Avon Facility Management Services Limited and 1 July 2014 for Hofincons Infotech & Industrial Services Private Limited.
As per the Scheme, the assets and liabilities of the Transferor Companies shall be incorporated in the books of the Company at their values and shall also include intangible assets (including brand, business and commercial rights etc), which were not recognised previously in the books of the Transferor Companies. The Company assessed the fair values of all the assets and liabilities and further identified Brand. The Company based on external valuation assessed the value of the Brand for the three transferor companies at Rs 968,200,000 and has recognised the Brand in the standalone financial statements for the period ended 31 March 2015. The Company has amortised an amount of Rs 73,590,000 towards brand during the period in the standalone financial statements. While giving effect to the Scheme in the standalone financial statements, the Company recognised a Capital Reserve of Rs 380,474,415. The Company has taken the view that the amalgamation within the group (between the Company and its subsidiaries) does not have any economic substance and therefore amalgamation has to be ignored while preparing the consolidated financial statements. Thereby the opening balance of goodwill arising on consolidation/acquisition of Transferor Companies shall continue to be disclosed at their original amounts.

The Brand which was recognised in the standalone financial statements of the Company, the amortisation of the Brand and the capital reserve created on amalgation have been reversed.

13 Investment in associate

(Amount in Rs)

Particulars	As at 31 March 2015	As at 31 December 2013
(at cost, unless otherwise specified)		
- MFxchange Holdings Inc, Canada, US$ 49 (31 December 2013 : nil) 49 % of paid up capital	3,064	-
Less: Share of loss limited to cost of investment	(3,064)	-
	-	-

14 Deferred tax assets (net)

(Amount in Rs)

Particulars	As at 31 March 2015	As at 31 December 2013
Gratuity and compensated absences	37,485,684	7,845,333
Fixed assets	(25,607,945)	19,936,748
Provision for doubtful debts	6,644,135	9,766,820
Provision for disputed claims	7,690,857	-
Expenditure covered by section 43B of the Income-tax Act,1961	-	1,707,437
Provision for rent escalation	674,219	1,011,725
Others	2,723,418	-
	29,610,368	**40,268,063**

15 Long-term loans and advances

(Amount in Rs)

Particulars	As at 31 March 2015	As at 31 December 2013
(Unsecured and considered good)		
Security deposits	61,000,864	28,914,275
Other loans and advances		
Advance income tax (net of provision for tax)	449,711,273	593,070,021
Minimum alternate tax credit entitlement	1,281,119	20,385,669
Balances with government authorities	18,672,377	-
Prepaid expenses	6,292,323	-
Capital advances	3,064,498	2,807,147
Advance to employees	595,507	-
	540,617,961	**645,177,112**

16 Other non-current assets

(Amount in Rs)

Particulars	As at 31 March 2015	As at 31 December 2013
Bank deposits (due to mature after 12 months from the reporting date)	4,329,637	445,604
	4,329,637	**445,604**

Bank deposits include Rs 4,329,637 (31 December 2013 : Rs 445,604) being fixed deposit placed as margin money with banks.

17 Inventories

(Amount in Rs)

Particulars	As at 31 March 2015	As at 31 December 2013
Consumables and other supplies	4,390,088	4,425,263
	4,390,088	**4,425,263**

18 Trade receivables

(Amount in Rs)

Particulars	As at 31 March 2015	As at 31 December 2013
Receivable outstanding for a period exceeding six months from the date they become due for payment		
- Unsecured, considered good	372,842,668	4,638,350
- Unsecured, considered doubtful	81,896,536	30,291,375
	454,739,204	34,929,725
Other receivables		
- Unsecured, considered good	2,374,030,112	1,228,251,937
Less: provision for trade receivables	(81,896,536)	(30,291,375)
	2,746,872,780	**1,232,890,287**

Refer note 33 for receivables outstanding from related parties.

19 Cash and bank balances

(Amount in Rs)

Particulars	As at 31 March 2015	As at 31 December 2013
Cash and cash equivalents		
Cash on hand	1,198,556	3,097,992
Balances with banks		
In current accounts	742,221,863	239,301,087
In EEFC accounts	-	10,611,635
In deposit accounts*	16,855,900	-
	760,276,319	**253,010,714**
Other bank balances		
In deposit accounts**/***	57,971,929	37,832,707
	818,248,248	**290,843,421**

*Includes deposits with original maturity of 3 months or less	16,855,900	-
**Includes deposits with original maturity of more than 3 months and less than 12 months	57,971,929	37,832,707
***Includes restricted cash balance	26,144,565	37,832,707

Brainhunter Systems Limited, a subsidiary of the Company has availed working capital credit facility of CAD 10 million from ICICI Bank, Canada. As per the terms of the agreement the Company is required to restrict an amount of cash to cover interest payment under the facilities.

20 Short-term loans and advances

(Amount in Rs)

Particulars	As at 31 March 2015	As at 31 December 2013
(Unsecured, considered good)		
Advance income tax (net of provision for tax)	272,150,952	-
Security deposits	56,759,295	20,842,765
Prepaid expenses	43,139,608	18,005,786
Balances with government authorities	610,859	-
Advances to suppliers	3,599,983	3,417,604
Other loans and advances		
- Employee advances	41,513,646	9,949,013
- Travel advances	2,860,991	153,400
- Advance recoverable from insurance companies	38,048	3,357,510
- Other advances	16,058,545	7,664,601
	436,731,927	**63,390,679**

21 Other current assets

(Amount in Rs)

Particulars	As at 31 March 2015	As at 31 December 2013
Unbilled revenue	1,303,487,846	822,679,141
Interest accrued but not due	1,673,278	1,153,752
	1,305,161,124	**823,832,893**

22 Revenue from operations

(Amount in Rs)

Particulars	For the period from 1 January 2014 to 31 March 2015	For the period from 1 April 2013 to 31 December 2013
Staffing services	21,115,100,880	8,621,017,800
Selection business	305,892,925	153,754,961
Training fees	201,195,750	29,561,803
Facility management services	2,090,703,126	993,932,732
Food service	562,209,237	261,865,715
Operation and maintenance	1,104,149,849	-
Technical and consultancy	126,426,212	-
Solution business	64,266,504	-
Software business	56,872,748	-
IT consultancy services	43,751,689	-
	25,670,568,920	**10,060,133,011**

23 Other income

(Amount in Rs)

Particulars	For the period from 1 January 2014 to 31 March 2015	For the period from 1 April 2013 to 31 December 2013
Interest on term deposits	8,595,584	6,872,312
Uniform deposits no longer payable written back	-	1,633,846
Provision no longer required written back	28,107,845	-
Profit on sale of fixed assets, net	395,852	609,922
Interest income on income tax refund	16,049,615	7,862,498
Foreign exchange gain, net	8,858,964	5,984,805
Miscellaneous income	15,453,851	28,132
	77,461,711	**22,991,515**

24 Cost of services

(Amount in Rs)

Particulars	For the period from 1 January 2014 to 31 March 2015	For the period from 1 April 2013 to 31 December 2013
Cost of materials consumed	507,993,469	221,200,347
Other direct costs	11,681,424	5,158,129
	519,674,893	**226,358,476**

25 Employee benefits expenses

(Amount in Rs)

Particulars	For the period from 1 January 2014 to 31 March 2015	For the period from 1 April 2013 to 31 December 2013
Salaries and wages	20,946,021,824	8,481,926,782
Contribution to provident and other funds	1,534,845,911	579,578,685
Expense on employee stock option scheme	-	21,256,866
Staff welfare expense	255,463,832	14,522,081
	22,736,331,567	**9,097,284,414**

26 Finance cost

(Amount in Rs)

Particulars	For the period from 1 January 2014 to 31 March 2015	For the period from 1 April 2013 to 31 December 2013
Interest expense	205,837,382	85,903,691
Other borrowing costs	12,459,395	3,327,441
	218,296,777	**89,231,132**

27 Other expenses

(Amount in Rs)

Particulars	**For the period from 1 January 2014 to 31 March 2015**	**For the period from 1 April 2013 to 31 December 2013**
Services reimbursement expenses	47,802,276	24,839,313
Power and fuel	28,791,723	14,015,288
Rent	193,871,002	67,622,332
Equipment hire charges	30,984,651	-
Repairs and maintenance		
- buildings	11,908,393	5,432,680
- plant and machinery	1,637,017	1,016,439
- others	22,093,484	10,955,949
Insurance	11,770,772	196,106
Rates and taxes	10,452,390	10,290,251
Bank charges	8,031,852	2,571,464
Legal and professional fees	83,030,876	25,270,777
Sub-contractor charges	226,033,040	57,250,101
Stores and tools consumed	41,891,443	-
Support service charges	6,565,713	-
Travelling and conveyance	169,944,558	37,131,186
Communication expenses	55,449,548	22,646,714
Training expenses	60,409,814	13,875,147
Bad debts written off	3,794,073	3,844,546
Provision for doubtful debts	21,391,860	19,330,030
Printing and stationery	37,219,539	14,543,000
Database access charges	16,030,311	7,241,326
Business promotion and advertisement expenses	7,151,712	977,237
Security charges	9,368,720	1,699,167
CSR contributions	4,954,031	-
Deposits written off	1,000,000	-
Miscellaneous expenses	12,987,682	5,822,022
	1,124,566,480	**346,571,075**

28 Contingent liabilities and commitments

(Amount in Rs)

Particulars	As at 31 March 2015	As at 31 December 2013
Corporate guarantee issued to banks for the cash credit and overdraft facility availed by Avon Facility Management Services Limited.*	-	110,000,000
Corporate guarantee issued to banks for the cash credit and overdraft facility availed by Magna Infotech Limited*	-	350,000,000
Corporate guarantee issued to banks for the cash credit and overdraft facility availed by MFX INFOTECH PRIVATE LIMITED	30,000,000	-
Arrears of Cumulative Preference Dividend**	6,640	4,884
Bank guarantees issued against performance of contract	95,715,846	6,538,534
Indirect tax demands***	6,058,748	-
Direct tax demands (based on assessment orders)	1,919,098	-
Guarantees issued in favour of Commercial tax authorities	100,000	100,000
	133,800,332	**466,643,418**

* Effective 1 January 2014, the subsidiaries Avon Facility Management Services Limited and Magna Infotech Limited has been amalgamated with the Company. Accordingly the Company is in the process of getting the intercompany corporate guarantees released.

**This refers to arrears of Cumulative Preference Dividend of 0.001% for mandatorily convertible preference shares issued to Thomas Cook (India) Limited.

*** The Company has preferred an appeal with CESTAT aggrieved by the order of Commissioner of Service tax authority imposing a penalty of Rs 6,058,748 u/s 76 and 77 of the Service tax provisions. CESTAT has allowed the Stay Petition filed by Company, accordingly the same is shown as contingent liability.

29 Auditors' remuneration (included in legal and professional fees)

(Amount in Rs)

Particulars	For the period from 1 January 2014 to 31 March 2015	For the period from 1 April 2013 to 31 December 2013
Statutory audit fees	5,000,000	2,625,000
Tax audit fees	1,000,000	750,000
Others*	1,000,000	1,100,000
Out of pocket expenses	325,312	260,750
	7,325,312	**4,735,750**

* Others includes fee for consolidation and group reporting.

30 Earnings per share

(Amount in Rs)

Particulars	For the period from 1 January 2014 to 31 March 2015	For the period from 1 April 2013 to 31 December 2013
Net profit for the period attributed to equity shareholder (Rs)	688,924,712	192,296,441
Weighted average number of shares used in computing basic earnings per share	21,111,813	14,866,509
Basic earnings per share (Rs)	**32.63**	**12.93**
Weighted average number of shares used in computing diluted earnings per share	26,659,658	26,215,706
Diluted earnings per share (Rs)	**25.84**	**7.34**

31 Earnings in foreign currency

(Amount in Rs)

Particulars	For the period from 1 January 2014 to 31 March 2015	For the period from 1 April 2013 to 31 December 2013
Income from staffing services	351,640,598	84,840,097
Income from search services	303,370,186	2,247,843
	655,010,784	**87,087,940**

32 Segment reporting

Business Segment

Segments are identified in line with AS-17 “Segment Reporting”. The Group is engaged in the business of temporary staffing services, executive search, contingency recruitment, housekeeping and facility management services, food services, asset management services, engineering services, skill development and training services.

Business segments are defined as the distinguishable component of an enterprise that is engaged in providing a group of related products or services that is subject to differing risks and returns and about which separate financial information is available. The information is renewed and evaluated regularly by management in deciding how to allocate resources and in assessing the performance.

The Group is organized by business segment. For management purposes, the Group is primarily organized into four business segments based on services offered to customers. Accordingly, revenues represented along industry segments comprise the primary basis of segmental information set out in the financial statements.

The accounting principles consistently used in the preparation of the financial statements are also consistently applied to record income and expenditure in individual segments. These are set out in the note on significant accounting policies.
Industry segments catered to by the Group’s services are people and services, global technology solutions, integrated facility management and engineering services has been identified as a separate business segment.

Income and direct expenses in relation to segments are categorised based on items that are individually identifiable to that segment, while the remainder of costs are apportioned on an appropriate basis. Certain expenses are not specifically allocable to individual segments as the underlying services are used interchangeably. The Group therefore believes that it is not practical to provide segment disclosures relating to such expenses and accordingly such expenses are separately disclosed as “Unallocable expenses” and directly charged against total income.

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'.

All fixed assets of the Company are located in India.

	For the period from 1 January 2014 to 31 March 2015					
Particulars	**People and services**	**Global technology solutions**	**Integrated facility management**	**Engineering services**	**Unallocated**	**Total**
Segment revenue	14,035,422,933	7,355,981,311	3,008,573,891	1,270,590,785	-	25,670,568,920
Direct cost	(13,031,873,018)	(6,018,042,840)	(2,591,888,395)	(973,946,927)	-	(22,615,751,180)
Operating expenses, net	(586,691,879)	(718,875,432)	(226,446,973)	(140,080,330)	(92,727,146)	(1,764,821,760)
Segment result	**416,858,036**	**619,063,039**	**190,238,523**	**156,563,528**	**(92,727,146)**	**1,289,995,980**
Other income	16,671,969	16,429,301	18,075,326	26,285,115	-	77,461,711
Finance charges	(120,819,854)	(55,465,050)	(36,953,085)	(5,058,788)	-	(218,296,777)
Depreciation	(27,670,062)	(25,711,677)	(45,077,148)	(2,952,467)	-	(101,411,354)
Share of loss from an investment in associate	-	-	-	-	(3,064)	(3,064)
Profit before taxation	**285,040,089**	**554,315,613**	**126,283,616**	**174,837,388**	**(92,730,210)**	**1,047,746,496**
Taxation	-	-	-	-	(358,821,784)	(358,821,784)
Profit after taxation	**285,040,089**	**554,315,613**	**126,283,616**	**174,837,388**	**(451,551,994)**	**688,924,712**
Segment assets	2,010,749,194	2,746,887,820	736,561,408	861,693,228	823,081,372	7,178,973,022
	2,010,749,194	2,746,887,820	736,561,408	861,693,228	823,081,372	7,178,973,022
Segment liabilities	1,926,331,977	1,875,589,334	484,121,503	385,594,913	-	4,671,637,727
	1,926,331,977	1,875,589,334	484,121,503	385,594,913	-	4,671,637,727

Quess Corp Limited and subsidiaries
(formerly known as IKYA HUMAN CAPITAL SOLUTIONS LIMITED)
Notes to the consolidated financial statements for the period from 1 January 2014 to 31 March 2015

Segment reporting (continued)

	For the period from 1 April 2013 to 31 December 2013					
Particulars	**People and services**	**Global technology solutions**	**Integrated facility management**	**Engineering services**	**Unallocated**	**Total**
Segment revenue	6,175,268,276	2,616,707,408	1,268,157,327	-	-	10,060,133,011
Direct cost	(5,979,468,232)	(2,275,985,529)	(1,116,010,368)	-	-	(9,371,464,129)
Operating expenses, net	(40,894,379)	(137,532,586)	-	-	(120,322,871)	(298,749,836)
Segment result	**154,905,665**	**203,189,293**	**152,146,959**	**-**	**(120,322,871)**	**389,919,046**
Other income	8,252,573	11,315,416	3,423,526	-	-	22,991,515
Finance charges	(53,928,980)	(24,714,045)	(10,588,107)	-	-	(89,231,132)
Depreciation	(8,111,647)	(13,927,366)	(20,308,051)	-	-	(42,347,064)
Profit before taxation	**101,117,611**	**175,863,298**	**124,674,327**	**-**	**(120,322,871)**	**281,332,365**
Taxation	-	-	-	-	(76,029,476)	(76,029,476)
Profit after taxation	**101,117,611**	**175,863,298**	**124,674,327**	**-**	**(196,352,347)**	**205,302,889**
Segment assets	1,571,820,175	799,897,963	424,735,522	-	1,156,725,229	3,953,178,889
	1,571,820,175	799,897,963	424,735,522	-	1,156,725,229	3,953,178,889
Segment liabilities	(430,154,862)	(647,433,819)	(219,927,061)	-	(838,958,644)	(2,136,474,386)
	(430,154,862)	(647,433,819)	(219,927,061)	-	(838,958,644)	(2,136,474,386)

The following geographic segments individually contribute 10 percent or more of the Group's revenue or segment assets:

	Revenue		Segment assets	
Geographic segments	**For the period from 1 January 2014 to 31 March 2015**	**For the period from 1 April 2013 to 31 December 2013**	**As at 31 March 2015**	**As at 31 December 2013**
- in India (Domestic)	23,446,166,929	9,973,045,071	5,641,796,210	3,949,097,635
- Outside India (Export)	2,224,401,991	87,087,940	1,537,176,812	4,081,254
Total	**25,670,568,920**	**10,060,133,011**	**7,178,973,022**	**3,953,178,889**

33 Related party disclosure

(A) Name of related parties and description of relationship:

- Ultimate Holding Company	Fairfax Financial Holdings Limited
- Holding Company	Thomas Cook (India) Limited
- Subsidiaries	Avon Facility Management Services Limited (amalgamated effective 1 January 2014) Co-Achieve Solutions Private Limited Magna Infotech Limited (amalgamated effective 1 January 2014) Hofincons Infotech & Industrial Services Private Limited (amalgamated effective 1 July 2014) MFX INFOTECH PRIVATE LIMITED Brainhunter Systems Limited Brainhunter Systems (Ottawa) Limited Brainhunter Companies (Canada) Limited Brainhunter Companies LLC (USA) Magna Ikya Infotech Inc. (Philippines) Quess Corp (USA) Inc. (formerly known as Magna Infotech Inc.)
- Associate enterprise	MFxchange Holdings Inc., Canada *Subsidiaries of MFxchange Holdings Inc., Canada* - MFXchange (Ireland) Limited - MFXchange Inc., USA - MFX Roanoke Inc., USA
- Entity having common directors	Net Resource Investments Private Limited

Key management personnel:
The Company has also entered into transactions with the key management personnel. The Key management personnel are mentioned below:

Key executive management personnel represented on the Board

Ajit Isaac	Chairman, Managing Director and CEO
Subrata Nag	Director and Chief Financial Officer

Directors of subsidiary companies

a) MFX INFOTECH PRIVATE LIMITED	
Ajit Isaac	Director
Subrata Nag	Director
b) Co-Achieve Solutions Private Limited	
Ajit Isaac	Director
Subrata Nag	Director
c) Brainhunter Systems Limited	
Ajit Isaac	Director
Subrata Nag	Director
John Mehermann	Director
Siva Cherla	Director
d) Magna Ikya Infotech Inc. (Philippines)	
Ajit Isaac	Director
Subrata Nag	Director
Randall C Tabayoyong	Director
Frances Liaa C Mendiola	Director
Jeffrey B Constantino	Director
e) Quess Corp (USA) Inc. (formerly Magna Infotech Inc.)	
Subrata Nag	Director
Vikram Gulati	Director

(B) Related party transactions during the period

(Amount in Rs)

Particulars	For the period from 1 January 2014 to 31 March 2015	For the period from 1 April 2013 to 31 December 2013
Rendering of services to		
- Thomas Cook (India) Limited	139,948,983	27,001,950
- Net Resource Investments Private Limited	191,280	-
Rendering of services by		
- Thomas Cook (India) Limited	30,858,570	2,245,438
- Net Resource Investments Private Limited	20,332,392	-
Repayment of intercorporate deposit		
- Thomas Cook (India) Limited	-	400,000,000
Unsecured loan repaid		
- Pradeep Kumar Mittal	-	6,594,557
Investment in associate		
- MFxchange Holdings Inc., Canada	3,064	-
Share of loss from an investment in associate		
- MFxchange Holdings Inc., Canada	3,064	-
Loans and advances received		
- Fairfax Financial Holdings Limited	34,663,860	-

(C) Balance receivable from and payable to related parties as at the balance sheet date:

(Amount in Rs)

Particulars	As at 31 March 2015	As at 31 December 2013
Debts due from		
- Thomas Cook (India) Limited	14,139,953	3,487,356
- Net Resource Investments Private Limited	214,923	-
Debts due to		
- Thomas Cook (India) Limited	2,194,187	-
Unconditional bonus payable to key managerial personnel		
- Pradeep Kumar Mittal	-	16,000,000
- Ramachandran Balan	-	20,000,000
Loans and advances payable		
- Fairfax Financial Holdings Limited	34,663,860	-

(D) Remuneration paid to key managerial personnel*

(Amount in Rs)

Particulars	For the period from 1 January 2014 to 31 March 2015	For the period from 1 April 2013 to 31 December 2013
- Ajit Isaac	14,898,351	8,358,108
- Subrata Nag	8,898,287	6,069,733

* Managerial remuneration does not include cost of employee benefits such as gratuity and compensated absences since provision for these are based on an actuarial valuation carried out for the Company as a whole.

34 Leases

Operating leases

The Company is obligated under cancellable and non-cancellable lease for office and residential premises, which are renewable at the option of lessor and lessee. Total rental expense under cancellable and non-cancellable operating leases entered amounted to Rs 193,871,002 (31 December 2013 : Rs 67,622,332).

Non-cancellable operating lease rentals payable (minimum lease payments) under these leases are as follows:

(Amount in Rs)

Particulars	As at 31 March 2015	As at 31 December 2013
Payable within 1 year	109,861,505	26,094,040
Payable between 1-5 years	208,008,464	20,076,312
Payable later than 5 years	50,070,193	-
Total	**367,940,162**	**46,170,352**

Finance leases

The Company has purchased vehicles under finance lease. Future minimum lease payments under finance lease obligations are as follows:

(Amount in Rs)

Particulars	As at 31 March 2015	As at 31 December 2013
Payable within 1 year	1,593,691	1,309,639
Payable between 1-5 years	-	1,939,927
Payable later than 5 years	-	-
Total	**1,593,691**	**3,249,566**

35 Employee benefits

The following table set out the status of the gratuity plan as required under AS 15 (revised).

(Amount in Rs)

Particulars	As at 31 March 2015	As at 31 December 2013
Change in defined benefit obligation		
Obligation at the period beginning	13,102,428	11,935,799
Balances on acquisition	67,299,880	-
Service cost	20,866,940	2,991,149
Interest cost	6,104,044	910,952
Liabilities assumed on acquisition/ (settled on divestiture)	(135,279)	
Benefit settled	(10,114,772)	(1,452,366)
Actuarial (gain) / loss	9,158,003	(1,283,106)
Obligation at period end	**106,281,244**	**13,102,428**
Change in plan assets		
Plan assets at period beginning, at fair value	1,375,812	90,958
Balances on acquisition	37,474,260	-
Expected return on plan assets	2,931,954	-
Contributions	10,873,173	2,500,000
Benefit settled	(8,982,450)	(1,215,146)
Actuarial gain/(loss)	334,750	-
Plan assets at period end, at fair value	**44,007,499**	**1,375,812**
Reconciliation of present value of the obligation and the fair value of the plan assets		
Fair value of plan assets at the end of the period	(44,007,499)	(1,375,812)
Balances on acquisition	87,384,850	-
Present value of the defined benefit obligations at the end of the period	18,896,394	13,102,428
Liability recognised in the balance sheet	**62,273,745**	**11,726,616**
Amount recognised in the statement of profit and loss		
Service cost	20,866,940	2,991,149
Interest cost	5,809,247	910,952
Return on plan assets	(2,702,980)	-
Actuarial (gain) / loss	8,823,253	(1,283,106)
Net cost	**32,796,460**	**2,618,995**

Gratuity is funded through an insurance policy with LIC at Engineering services division and SBI Life Insurance at Global technology solutions division.

Assumptions

Particulars	As at 31 March 2015	As at 31 December 2013
Interest rate	7.80% - 9.25%	8.00% - 8.85%
Discount factor	7.80% - 9.25%	8.00% - 8.85%
Estimated rate of return on plan assets	8.75%	8.00% - 9.20%
Salary increase	6.00% - 10.00%	6.00% - 10.00%
Attrition rate	8.00% - 15.00%	5.00% - 15.00%
Retirement age	58 years	58 years

The estimate of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

History of defined benefit obligations and experience (gains) and losses

(Amount in Rs)

Particulars	As at 31 March 2015	As at 31 December 2013	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
Defined benefit obligation	106,281,244	13,102,428	11,935,799	7,315,784	2,528,150
Plan Assets	(44,007,499)	(1,375,812)	(90,958)	-	-
Surplus/ Deficit	(15,718,836)	(10,147,317)	(8,661,167)	(7,315,784)	(2,528,150)
Experience adjustments on plan liabilities	(6,662,940)	47,332	(54,746)	332,064	74,900
Experience adjustments on plan assets	(334,750)	-	-	-	-

36 Additional disclosures relating to certain provisions (as per AS 29)

(Amount in Rs)

	As at 31 March 2015			
Particulars	**Disputed claims**	**Retrenchment compensation**	**Warranty**	**Onerous contracts**
Opening balance	-	-	-	-
Add: Provision as part of acquisition (refer note 41)	22,626,824	20,030,608	13,395,000	2,760,043
Add: Provision made during the period	-	-	-	-
Less: Provision utilised during the period	-	-	-	1,682,237
Less: Unutilised provision written back during the period	-	20,030,608	1,395,000	-
Closing balance	**22,626,824**	**-**	**12,000,000**	**1,077,806**

37 Acquisition of food services business

During the previous period, the Company entered in to separate agreements with group entities of Apoorva Hospitality Services ('the Sellers') to acquire their existing food services business. The Company acquired tangible fixed assets, trademarks, resources, rights, privileges and customer contracts forming part of the food services business undertaken by the Sellers. Based on the fair market valuation, the assets taken over have been valued as below leading to goodwill of Rs 28,715,502 recorded in the Company's books during the nine months ended 31 December 2013. The purchase consideration including the terms of payment are as below and classified based on the due date of payment.

(Amount in Rs)

Seller and assets acquired	**Anapoorna Catering Services**	**Apoorva Hospitality Services**	**Manohar Caterers Private Limited**	**Apoorva Hospitality Services Private Limited**	**Total**
Furniture and fixtures	-	-	85,659	32,340	117,999
Plant and machinery	1,588,884	1,312,946	2,503,888	95,370	5,501,088
Vehicles	-	-	207,000	-	207,000
Computers	-	-	98,411	-	98,411
Total	**1,588,884**	**1,312,946**	**2,894,958**	**127,710**	**5,924,498**
Total purchase consideration for all the above businesses as per agreement					34,640,000
Goodwill capitalised					**28,715,502**

In accordance with the guidelines provided in Para 15.3 of 'Accounting Standard 10 - Accounting for Fixed assets' where several assets are purchased for a consolidated price, the consideration is apportioned to the various assets on a fair basis as determined by competent valuer. The Company has obtained the fair market valuation report for the acquired designated fixed assets. The amount paid in excess of the fair market value of the designated fixed assets has been recognised as goodwill and is being amortised over a period of 3 years as per the Company's accounting policy.

(Amount in Rs)

Payment Terms *	**360 Degree Haute**	**South India Caterers**	**Manohar Caterers Private Limited**	**Apoorva Hospitality Services Private Limited**	**Total**
Opening balance as on 1 January 2014	5,400,000	2,400,000	106,667	13,000,000	20,906,667
Paid during the year	(3,500,000)	(2,400,000)	(106,667)	(5,000,000)	(11,006,667)
Consideration foregone on re-negotiation (included under other income)	(1,900,000)	-	-	(4,000,000)	(5,900,000)
Balance as on 31 March 2015	-	-	-	**4,000,000**	**4,000,000**

*In accordance with the business purchase agreement, both the Sellers and the Company will on or before the end of twelve months from the acquisition date review the business performance. The Company may re-negotiate for the deferred payment schedule and the revise purchase consideration respectively. Accordingly both the parties (Seller and the company) have reviewed business performance and agreed to re-negotiate the purchase consideration payable to the sellers as indicated above.

38 Employee stock options

The Company introduced the 'IKYA Employee Stock Option Scheme 2009' ('the Option Scheme 2009') to reward employees for their past performance and association with the Company, as well as to retain, reward and motivate employees to contribute to the growth and profitability of the Company. The scheme was approved by the Board of Directors in its meeting held on 19 November 2009. The Option Scheme 2009 provides for the creation and issue of 1,300,000 options that would eventually convert into equity shares of Rs 10 each in the hands of the employees. The options are to be granted to employees and directors of the Company. The options generally vest annually in a graded manner over a three year period and are exercisable only upon the occurrence of the liquidity event. During the previous year, the Company has granted 633,540 options at an exercise price of Rs 10 per share. The scheme defines 'first 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 share holders. As per the 'grant agreement', on the occurrence of a liquidity event, all options granted shall become vested.

On 5 February 2013, the existing shareholders entered into a Share Purchase Agreement with Thomas Cook (India) Limited (TCIL) by which TCIL acquired majority share holding in the Company. On 14 May 2013, TCIL acquired majority shareholding in the Company which confirms the occurrence of this first liquidity event on which date the entire stock options granted got vested. Accordingly, the Company has accelerated the ESOP cost from 5 February 2013 to ensure the ESOP cost for the entire stock options granted gets vested by 14 May 2013. This has resulted in recognition of ESOP cost of Rs Nil and Rs 21,256,866 for the year ended 31 March 2015 and nine months ended 31 December 2013 respectively. As a result of first liquidation event, on 7 May 2013, the Company issued 429,000 shares to the employees resulting in the transfer of Rs 11,400,000 from share option outstanding account to securities premium account.

Option activity during the year and weighted average exercise price of stock options under the plan is given as below:

Particulars	As at 31 March 2015	As at 31 December 2013
Number of options		
Options outstanding - Opening balance	871,000	1,300,000
Granted during the period	-	-
Exercised during the period	-	429,000
Forfeited during the period	-	-
Options exercisable - Closing balance	871,000	871,000
Weighted average exercise price (Rs)		
Options outstanding - Opening balance	10	10
Granted during the period	10	10
Forfeited during the period	10	10
Options exercisable - Closing balance	10	10

39 Unhedged foreign currency exposures

Foreign currency exposures on account of trade receivables/ trade payables not hedged by derivative instruments are as follows:
(Amount in brackets represents foreign currency)

(Amount in Rs)

Particulars	As at 31 March 2015	As at 31 December 2013
Trade receivables	33,651,528	4,098,121
	(USD 553,201)	*(USD 72,389)*

40 Acquisition of Brainhunter Systems Limited

During the year the Company acquired from ICICI bank, Canada 100% interest (7,000,100 common stock) in Brainhunter Systems Limited. The date of acquisition is 23 October 2014. The Company disbursed Rs 5,503,000 (CAD 100,000) as purchase consideration. The fair value of net assets acquired and Goodwill recognised as at the date of acquisition are as under:

Particulars	Amount in Rs
Fixed assets	11,319,049
Trade receivables	675,322,510
Cash and bank balances	149,650,221
Short term loans and advances	11,881,676
Total assets (A)	**848,173,456**
Short term borrowings	544,099,586
Trade payables	399,483,028
Other current liabilities	199,796,781
Total liabilities (B)	**1,143,379,395**
Net assets acquired (A)-(B)	(295,205,939)
Less: purchase consideration	5,503,000
Goodwill	**300,708,939**

Goodwill of Rs 273,690,933 (CAD 5,526,899) has been translated at the spot rate existing on 31 March 2015. The resultant movement from the acquisition date to the reporting date has been adjusted against Foreign Currency Translation Reserve.

41 Acquisition of Hofincons Infotech & Industrial Services Private Limited

During the year the Company acquired 100% interest in Hofincons Infotech & Industrial Services Private Limited from Transfield Services Ltd, Australia through its subsidiary Transfield Services (India) Pty Limited on 27 June 2014. The Company disbursed Rs 503,000,000 as purchase consideration. The fair value of net assets acquired and Goodwill recognised as at the date of acquisition are as under:

Particulars	Amount in Rs
Fixed assets	7,965,921
Deferred tax asset (net)	57,372,039
Long term loans and advances	78,707,159
Trade receivables	217,393,258
Cash and bank balances	229,309,288
Short-term loans and advances	14,444,993
Other current assets	136,038,821
Total assets (A)	**741,231,479**
Long term provisions	89,968,375
Trade payables	47,423,771
Other current liabilities	141,537,188
Short-term provisions	60,355,684
Total liabilities (B)	**339,285,018**
Net assets acquired (A)-(B)	401,946,461
Less: purchase consideration	503,000,000
Goodwill	**101,053,539**

42 Subsequent event

Subsequent to the reporting date, the company has acquired 100% interests in Aramark India Private Limited from Aramark Corporation on 1 April 2015. Based out of Mumbai, Aramark India is a facility management company with niche offerings in hospitality and healthcare facility management. The company has operations in more than 80 sites pan-India and with a workforce of over 2,500 employees spread across 9 states. This acquisition will strengthen Company's position as a leading Pan India Facilities Management player with an integrated service offering spanning soft and hard services, pest control and catering.

43 Consolidated financial statements are for the period from 1 January 2014 to 31 March 2015, therefore are not strictly comparable with the financial statements for the previous period from 1 April 2013 to 31 Dec 2013. Previous year figures have been regrouped/ reclassified, wherever necessary, to conform to the current period classification.

As per our report of even date attached

for **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No.: 116231 W/W-100024

for and on behalf of Board of Directors of
Quess Corp Limited
(formerly known as IKYA HUMAN CAPITAL SOLUTIONS LIMITED)

Vineet Dhawan
Partner
Membership No.092084

Ajit Isaac
Managing Director

Subrata Nag
Director

N.V.S.Pavan Kumar
Company Secretary

Place: Bengaluru
Date: 27 May 2015

Place: Bengaluru
Date: 22 May 2015

Independent Auditor's Report
To the Members of Quess Corp Limited
(formerly known as IKYA HUMAN CAPITAL SOLUTIONS LIMITED)

Report on the Financial Statements

We have audited the accompanying financial statements of Quess Corp Limited (formerly known as IKYA HUMAN CAPITAL SOLUTIONS LIMITED) ('the Company'), which comprise the Balance Sheet as at 31 March 2015, and the Statement of Profit and Loss and the Cash Flow Statement of the Company for the period from 1 January 2014 to 31 March 2015 and a summary of significant accounting policies and other explanatory information, annexed thereto (in which the results of erstwhile AVON FACILITY MANAGEMENT SERVICES LIMITED ('Avon'), MAGNA INFOTECH LIMITED ('Magna') and Hofincons Infotech & Industrial Services Private Limited ('Hofincons') have been incorporated with appointed date of 1 January 2014 for Avon and Magna and 1 July 2014 for Hofincons on their amalgamation with the Company as fully explained in note 2).

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ('the Act') read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act 2013. This responsibility includes the design, implementation and maintenance of internal control 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independent Auditor's Report (continued)

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2015;

(ii) in the case of the Statement of Profit and Loss, of the profit for the period from 1 January 2014 to 31 March 2015; and

(iii) in the case of the Cash Flow Statement, of the cash flows for the period from 1 January 2014 to 31 March 2015.

Report on Other Legal and Regulatory Requirements

1 The Ministry of Corporate Affairs had on 1 April 2014, vide its General Circular No. 07/2014, Dissemination of Information with Regards to the Provisions of the Companies Act, 2013 as notified till date vis a vis Corresponding Provisions of the Companies Act, 1956, identified such sections of the Companies Act, 1956 that would cease/ continue to have effect from 1 April 2014. Accordingly, in terms of the aforesaid Circular, our reporting in respect of section 227(3)(f) of the Companies Act, 1956, and clauses (iii), (v)(a) and (b), (vi), (viii), (xiv), (xviii) of the Companies (Auditor's Report) Order, 2003 (dealing with sections 49, 58A, 58AA, 209(1)(d) and 301 of the Companies Act, 1956) is only for the period beginning from i.e. 1 January 2014 till 31 March 2014 since as per the aforementioned MCA Circular these sections have ceased to have effect from 1 April 2014.

2 As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

3 As required by section 227(3) of the Act, we report that:

a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account; and

d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013; and

Quess Corp Limited
(formerly known as IKYA HUMAN CAPITAL SOLUTIONS LIMITED)

Independent Auditor's Report (continued)

e. on the basis of written representations received from the directors of the Company, as on 31 March 2015, and taken on record by the Board of Directors, we report that none of the Directors are disqualified during the period from 1 January 2014 to 31 March 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

for **B S R & Associates LLP**
Chartered Accountants
Firm's Registration Number: 116231W/W-100024

Vineet Dhawan
Partner
Membership No. 092084

Place: Bengaluru
Date: 27 May 2015

ANNEXURE TO THE AUDITORS' REPORT

The annexure referred to in the auditors' report to the members of Quess Corp Limited (formerly known as IKYA HUMAN CAPITAL SOLUTIONS LIMITED) ('the Company') for the period from 1 January 2014 31 March 2015 ("the period"). We report that:

(i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its business.

(c) Fixed assets disposed off during the period were not substantial, and therefore, do not affect the going concern assumption.

(ii) (a) The inventories have been physically verified by the management during the period. In our opinion, the frequency of such verification is reasonable.

(b) The procedures for the physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.

(iii) (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained till 31 March 2014 under Section 301 of the Companies Act, 1956. Accordingly, paragraph 4(iii) (a) to 4(iii) (d) of the Order is not applicable.

(e) The Company during the period had taken loans from its wholly owned subsidiaries, companies covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount outstanding during the period was Rs 24,171,444. The Company has repaid the loans during the period.

(f) In our opinion, the rate of interest and other terms and conditions on which above loans have been taken are not, prima facie, prejudicial to the interest of the Company.

(g) As per the information and explanations given to us, the above interest free loans are repayable on demand. The Company has been regular in repaying principal amounts as demanded.

(iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventories and fixed assets and with regard to the sale of goods and services. *However, for its food business division the internal control system relating to the purchase of inventories needs to be strengthened.* We have not observed any major weakness in the internal control system during the course of the audit.

(v) (a) In our opinion, and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in the register maintained till 31 March 2014 under section 301 of the Companies Act, 1956 have been entered in the register.

(b) In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of contracts and arrangements referred to in (a) above and exceeding the value of Rs 5 Lakhs in respect of any party during the period have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

(vi) The Company has not accepted any deposits from the public.

(vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(viii) The Central Government of India has not prescribed the maintenance of cost records maintained till 31 March 2014 under section 209(1) (d) of the Companies Act, 1956 for any of the services rendered by the Company.

(ix) (a) According to the information and explanations given to us and on the basis of the examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Sales-tax and other material statutory dues have generally been regularly deposited during the fifteen months period by the Company with the appropriate authorities. *According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed income tax, Service-tax dues and Professional tax have been deposited with certain delays during the period with the appropriate authorities.* As explained to us, the Company did not have any dues on account of Investor Education and Protection Fund, Wealth tax, Customs duty and Excise duty.

According to the information and explanations given to us, there are no other undisputed amounts payable in respect of Income-tax, Service tax, Provident Fund, Employees' State Insurance, Professional tax, Sales-tax and other material statutory dues, which are outstanding as at 31 March 2015 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, dues stated in *Annexure I* relating to Income tax, Service-tax and Provident Fund have not been deposited by the Company on account of disputes. There are no dues in respect of Employees' State Insurance, Sales-tax, Professional tax and other statutory dues which have not been deposited with the appropriate authorities on account of any dispute.

(x) The Company does not have any accumulated loss at the end of the financial period and has not incurred cash losses in the financial period and in the immediately preceding financial years.

(xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institution or banks during the year.

(xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) In our opinion and according to the information and explanations given to us, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society.

(xiv) According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.

(xv) In our opinion and according to the information and explanations given to us, the terms and conditions on which the Company has given guarantees for loans taken by others from banks or financial institutions are not prejudicial to the interest of the Company.

(xvi) In our opinion and according to the information and explanations given to us, the term loans taken by the company have been applied for the purpose for which they were raised.

(xvii) According to the information and explanations given to us, and on an overall examination of the balance sheet of the Company, we are of the opinion that the funds raised on short-term basis have not been used for long-term investment.

(xviii) The Company has not made any preferential allotment of shares to companies/firms/parties covered in the register maintained till 31 March 2014 under Section 301 of the Companies Act, 1956.

(xix) The Company did not have any outstanding debentures during the period.

(xx) The Company has not raised any money by public issues during the period.

(xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

for **B S R & Associates LLP**
Chartered Accountants
Firm's Registration Number: 116231W/W-100024

Vineet Dhawan
Partner
Membership No. 092084

Place: Bengaluru
Date: 27 May 2015

Annexure I as referred to in Clause 4 (ix) of Annexure to the Auditor's Report				
Name of the Statute	**Nature of Dues**	**Amount (INR)**	**Period to which the amount relates (Financial Year)**	**Forum where dispute is pending**
Provident Fund and Miscellaneous Provisions Act, 1952	Provident fund	42,887,523	April 2008 to February 2012	Employees' Provident Fund Appellate Tribunal, New Delhi
Income-tax Act, 1961	Income-tax	3,929,705	2004-05	Commissioner of IT (appeals), Chennai
Finance Act, 1994	Service-tax	4,659,970 *(4,649,301)**	April 2009 to September 2011	Commissioner of Central Excise (Appeals)
Income-tax Act, 1961	Income-tax / interest demanded	3,048,445 *(3,048,445)***	AY 2005-06	Income Tax Appellate Tribunal, Hyderabad
Income-tax Act, 1961	Income-tax / interest demanded	1,478,522 *(1,478,522)**	AY 2006-07	Income Tax Appellate Tribunal, Hyderabad
Chapter V, The Finance Act 1994	Service-tax	6,048,798 *(1,000,000)**	April 2008 to June 2009	Commissioner of Central Excise, Customs and Service Tax

* Represents payment made under protest.
**Indicates the amounts adjusted with the refunds of subsequent years by the Income-tax department.

Quess Corp Limited
(formerly known as IKYA HUMAN CAPITAL SOLUTIONS LIMITED)
Balance sheet

(Amount in Rs)

	Note	As at 31 March 2015	As at 31 December 2013
Equity and Liabilities			
Shareholders' funds			
Share capital	3	257,737,640	961,759,270
Reserves and surplus	4	2,337,129,583	615,280,459
		2,594,867,223	**1,577,039,729**
Non-current liabilities			
Long-term borrowings	5	-	1,939,934
Other long-term liabilities	6	6,666,667	13,333,333
Long-term provisions	7	85,113,793	7,291,614
		91,780,460	**22,564,881**
Current liabilities			
Short-term borrowings	8	1,650,617,154	303,464,294
Trade payables	9	124,693,712	4,002,034
Other current liabilities	10	1,753,881,567	935,959,445
Short-term provisions	11	61,967,175	7,029,498
		3,591,159,608	**1,250,455,271**
TOTAL		**6,277,807,291**	**2,850,059,881**
Assets			
Non-current assets			
Fixed assets	12		
Tangible assets		131,896,938	17,554,660
Intangible assets		937,546,341	6,985,314
		1,069,443,279	**24,539,974**
Non-current investments	13	46,030,077	1,056,027,500
Deferred tax asset (net)	14	27,866,769	8,660,280
Long-term loans and advances	15	533,125,343	495,553,616
Other non-current assets	16	3,746,941	-
		610,769,130	**1,560,241,396**
Current assets			
Inventories	17	4,390,088	-
Trade receivables	18	2,156,665,643	445,910,597
Cash and bank balances	19	706,914,320	212,607,827
Short-term loans and advances	20	432,484,747	217,349,483
Other current assets	21	1,297,140,084	389,410,604
		4,597,594,882	**1,265,278,511**
TOTAL		**6,277,807,291**	**2,850,059,881**
Significant accounting policies	1		

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

for **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No.: 116231 W/W-100024

for and on behalf of Board of Directors of
Quess Corp Limited
(formerly known as IKYA HUMAN CAPITAL SOLUTIONS LIMITED)

Vineet Dhawan
Partner
Membership No. 092084

Ajit Isaac
Managing Director

Subrata Nag
Director

N.V.S.Pavan Kumar
Company Secretary

Place: Bengaluru
Date: 27 May 2015

Place: Bengaluru
Date: 22 May 2015

Quess Corp Limited
(formerly known as IKYA HUMAN CAPITAL SOLUTIONS LIMITED)
Statement of Profit and Loss

(Amount in Rs)

	Note	For the period from 1 January 2014 to 31 March 2015	For the period from 1 April 2013 to 31 December 2013
Revenue			
Revenue from operations	22	23,732,826,261	6,164,281,157
Other income	23	74,416,800	8,253,602
		23,807,243,061	**6,172,534,759**
Expenses			
Cost of services	24	519,674,893	-
Employee benefits expenses	25	20,865,520,465	5,933,973,827
Finance cost	26	209,270,038	53,928,980
Depreciation and amortisation expense	12	170,225,530	8,111,647
Other expenses	27	1,045,203,944	118,159,896
		22,809,894,870	**6,114,174,350**
Profit before tax		**997,348,191**	**58,360,409**
Tax expense:			
- Current tax		(271,627,934)	(12,430,500)
- Minimum alternate tax credit (utilization) / entitlement		(19,104,550)	6,183,650
- Deferred tax (credit)/charge for the period		(69,262,628)	8,660,280
Profit after tax		**637,353,079**	**60,773,839**
Earnings per share (equity shares, par value of Rs 10 each)	29		
- Basic		30.19	4.09
- Diluted		23.91	2.32
Significant accounting policies	1		

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

for **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No.: 116231 W/W-100024

for and on behalf of Board of Directors of
Quess Corp Limited
(formerly known as IKYA HUMAN CAPITAL SOLUTIONS LIMITED)

Vineet Dhawan
Partner
Membership No. 092084

Place: Bengaluru
Date: 27 May 2015

Ajit Isaac
Managing Director

Subrata Nag
Director

N.V.S.Pavan Kumar
Company Secretary

Place: Bengaluru
Date: 22 May 2015

Quess Corp Limited
(formerly known as IKYA HUMAN CAPITAL SOLUTIONS LIMITED)
Cash Flow Statement

(Amount in Rs)

	For the period from 1 January 2014 to 31 March 2015	For the period from 1 April 2013 to 31 December 2013
Cash flows from operating activities		
Profit before tax	997,348,191	58,360,409
Adjustments for:		
Depreciation and amortisation	170,225,530	8,111,647
Profit on sale of fixed assets	(395,852)	(22,000)
Bad debts written off	4,816,175	632,813
Deposits written off	1,000,000	-
Provision no longer required written back	(28,107,845)	-
Provision for bad and doubtful debts	21,391,860	3,768,040
Expense on employee stock option scheme	-	21,256,866
Interest income on term deposits	(8,418,650)	(369,104)
Finance costs	209,270,038	53,928,980
Operating cash flows before working capital changes	**1,367,129,447**	**145,667,651**
Changes in trade receivables	(735,028,734)	370,789,141
Changes in inventories	35,175	-
Changes in long-term loans and advances	(96,487,756)	(4,193,491)
Changes in short-term loans and advances	(59,204,851)	(160,752,814)
Changes in non-current liabilities and long-term provisions	(15,217,399)	14,649,142
Changes in current liabilities and short-term provisions	92,963,582	(126,811,119)
Cash generated from operations	**554,189,464**	**239,348,510**
Direct taxes paid, net of refund	(341,094,530)	(191,828,438)
Net cash provided by operating activities (A)	**213,094,934**	**47,520,072**
Cash flows from investing activities		
Purchase of fixed assets	(142,250,887)	(18,882,904)
Proceeds from sale of fixed assets	1,413,379	22,000
Acquisition of subsidiaries	(524,756,577)	(676,627,500)
Repayment of loans from subsidiaries	-	(5,949,035)
Bank deposits (having original maturity of more than three months)	(51,856,279)	60,775,825
Interest income on term deposits	8,431,822	7,031,363
Net cash used in investing activities (B)	**(709,018,542)**	**(633,630,251)**
Cash flows from financing activities		
Proceeds from borrowings	888,266,151	154,625,045
Repayments of borrowings	(30,000,000)	-
Repayment of inter corporate deposits	-	(400,000,000)
Proceeds from issue of equity shares	-	965,341,940
Interest paid	(209,270,038)	(55,664,870)
Net cash provided by financing activities (C)	**648,996,113**	**664,302,115**
Net increase in cash and cash equivalents (A+B+C)	153,072,505	78,191,936
Cash and cash equivalents at the beginning of the period	206,492,177	128,300,241
Cash and cash equivalents acquired on amalgamation	289,377,709	-
Cash and cash equivalents at the end of the period (refer note 19)	**648,942,391**	**206,492,177**

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

***for* B S R & Associates LLP**
Chartered Accountants
Firm's Registration No.: 116231 W/W-100024

for and on behalf of Board of Directors of
Quess Corp Limited
(formerly known as IKYA HUMAN CAPITAL SOLUTIONS LIMITED)

Vineet Dhawan
Partner
Membership No. 092084

Ajit Isaac
Managing Director

Subrata Nag
Director

N.V.S.Pavan Kumar
Company Secretary

Place: Bengaluru
Date: 27 May 2015

Place: Bengaluru
Date: 22 May 2015

Quess Corp Limited
(formerly known as IKYA HUMAN CAPITAL SOLUTIONS LIMITED)
Notes to the financial statements for the period from 1 January 2014 to 31 March 2015

Company Overview

Quess Corp Limited (*formerly known as IKYA HUMAN CAPITAL SOLUTIONS LIMITED)* ('the Company') is a Company incorporated under the provisions of the Companies Act, 1956 ('the Act') on 19 September 2007 originally as a 'Private Limited Company' and subsequently converted into a 'Limited Company' on 2 July 2013. The Company has its registered office in Bangalore, India. The Company is engaged in the business of executive search, contingency recruitment, training services and temporary staffing services. The Company changed its name to Quess Corp Limited effective from 2 January 2015. With effect from 14 May 2013, Thomas Cook (India) Limited ('TCIL') has become the parent company and Fairfax Financial Holdings Limited has become the ultimate holding company of the Company.

1 Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements.

1.1 Basis of preparation of financial statements

The Honorable High Court of Karnataka approved the Scheme of Amalgamation ('the Scheme') between the Company and Avon Facility Management Services Limited, Magna Infotech Limited and Hofincons Infotech & Industrial Services Private Limited under sections 391 to 394 of the Companies Act, 1956. The appointed date of the Scheme is 1 January 2014 for Magna Infotech Limited and Avon Facility Management Services Limited and 1 July 2014 for Hofincons Infotech & Industrial Services Private Limited.

These financial statements have been prepared in accordance with the Indian Generally Accepted Accounting Principles ('GAAP') under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards referred to in sub-section (3C) of Section 211 of the Act read with the general circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013, other pronouncements of the Institute of Chartered Accountants of India ("ICAI") and the relevant provisions of the Companies Act 1956, to the extent applicable. The financial statements are presented in Indian rupees and rounded off to nearest rupee. The Company has prepared its financial statements for the period 1 January 2014 to 31 March 2015 to align its financial year in terms of the provisions of Section 2 (41) of the Companies Act, 2013.

1.2 Use of estimates

The preparation of financial statements in accordance with generally accepted accounting principles in India requires management to make judgment, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. The estimates and assumption used in the accompanying financial statement are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results could differ from those estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognized prospectively in current and future periods.

1.3 Accounting for Amalgamation in the nature of purchase

The Company ("also called the Transferee Company") has accounted for amalgamation of Avon Facility Management Services Limited, Magna Infotech Limited and Hofincons Infotech & Industrial Services Private Limited ("The Transferor Company") in the nature of purchase. The amalgamation is

1.3 Accounting for Amalgamation in the nature of purchase (continued)

accounted as amalgamation in the nature of Purchase as point no. (v) of the following conditions is not met as the Company has taken over the assets at fair values:

i. All the assets and liabilities of the Transferor Company become, after amalgamation, the assets and liabilities of the Transferee Company.

ii. Shareholders holding not less than 90% of the face value of the equity shares of the Transferor Company (other than the equity shares already held therein, immediately before the amalgamation, by the Transferee Company or its subsidiaries or their nominees) become equity shareholders of the Transferee Company by virtue of the amalgamation.

iii. The consideration for the amalgamation receivable by those equity shareholders of the Transferor Company who agree to become equity shareholders of the Transferee Company is discharged by the Transferee Company wholly by the issue of equity shares in the Transferee Company, except that cash may be paid in respect of any fractional shares.

iv. The business of the Transferor Company is intended to be carried on, after the amalgamation, by the Transferee Company.

v. No adjustment is intended to be made to the book values of the assets and liabilities of the Transferor Company when they are incorporated in the financial statements of the Transferee Company except to ensure uniformity of accounting policies.

The Purchase Method

Under the purchase method, the transferee company accounts for the amalgamation either by incorporating the assets and liabilities at their existing carrying amounts or by allocating the consideration to individual identifiable assets and liabilities of the transferor company on the basis of their fair values at the date of amalgamation. The identifiable assets and liabilities may include assets and liabilities not recorded in the financial statements of the transferor company.

1.4 Revenue recognition

People and services

Revenue related to temporary staffing services are negotiated and invoiced on a monthly basis. Salary and incidental expenses of temporary associates along with service charge are billed in accordance with the agreed terms. Temporary staffing service revenue are recognised as the related services are performed.

Revenue related to recruitment services are recognised at the time the candidate begins full time employment.

Revenue related to executive search and trainings are recognised upon rendering of the service.

Revenue from skill development and training services is recognised as income over the period of instruction as and when the obligation associated with the sanction is performed and right to receive money is established.

1.4 Revenue recognition (continued)

Global technology solutions

Revenue related to staffing services are negotiated and invoiced on a monthly basis. Salary and incidental expenses of employees information technology or information technology enabled services along with service charge are billed in accordance with the agreed terms. Staffing service revenue are recognized as the related services are performed and are reported net of taxes.

Integrated facility management

Revenue for housekeeping services, material reimbursement, training fee, food services and machinery rentals are negotiated and invoiced on a monthly basis to the customers. Revenue from the above services are recognised as services are performed as per the terms of the arrangement with the customer.

Revenue from skill development and training services is recognised as income over the period of instruction as and when the obligation associated with the sanction is performed and right to receive money is established.

Engineering services

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Arrangements with customers for operation and maintenance and facility management services are predominantly based on time, material and fixed price contracts. Revenue from technical and consultancy services comprise of time and fixed-price contracts.

Service income from time-and-material contracts is recognized as the related services are performed and revenue from the end of the last billing to the balance sheet date is recognized as unbilled revenue. Revenue from fixed price contracts, where there is no uncertainty as to the measurement or collectability of the consideration is recognized as per the proportionate completion method. Where there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved.

1.5 Interest income

Interest income is recognised using the time-proportion method, based on underlying interest rates.

1.6 Fixed assets and depreciation

Tangible fixed assets

Tangible fixed assets are stated at the cost of acquisition or construction less accumulated depreciation up to the date of the balance sheet. The cost of an item of tangible asset comprises its purchasing price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price.

Borrowing costs directly attributable to acquisition or construction of those fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalized.

Cost of the fixed assets not ready for their intended use before such date, are disclosed as capital work-in-progress.

1.6 Fixed assets and depreciation (continued)

Intangible fixed assets

Acquired intangible assets are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less any accumulated amortisation and any accumulated impairment loss. Subsequent expenditure is capitalized only when it increases the future economic benefits from the specific asset to which it relates.

Goodwill on acquisition has been recorded to the extent the cost of acquisition of the business, comprising purchase consideration and transaction costs, exceeds the value of net assets acquired. Goodwill arising on acquisition is amortized over its estimated useful life or five years whichever is shorter. It is tested for impairment on a periodic basis and written-down, if found impaired.

Corporate brand names acquired as part of acquisitions of businesses are capitalized separately from goodwill 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.

The carrying value of these intangible assets is reviewed at least annually for impairment and adjusted to the recoverable amount if required.

Amortisation is provided at rates calculated to write off the cost less estimated residual value of each asset on a straight-line basis over its estimated useful life.

The amortisation rate are as follows:

Asset description	Useful life
Goodwill	5 years or estimated useful life whichever is lower.
Brand	15 years
Software	3 years

Amortisation rate and useful lives are estimated at each reporting date.

Amortisation of Brand

During the year as part of Scheme of Amalgamation of Avon Facility Management Services Limited, Magna Infotech Limited and Hofincons Infotech and Industrial Services Private Limited with the Company, the Company recognised value of brand of the aforesaid amalgamated companies. The Company's management have assessed that the market presence created by the amalgamated companies will result in inflow of future economic benefits over a period of 15 years.

Depreciation

Depreciation is provided on straight-line method. The rates of depreciation prescribed in Schedule XIV to the Companies Act, 1956 are considered as minimum rates. If the management's estimate of useful life of a fixed asset at the time of acquisition of the fixed asset or of the remaining useful life on a subsequent review is shorter than that envisaged in the aforesaid schedule, depreciation is provided at a higher rate based on management's estimate of useful life/remaining useful life. Pursuant to this policy, depreciation has been provided on various categories of fixed assets based on estimated useful life as mentioned below which is higher than the corresponding rates prescribed in Schedule XIV.

1.6 Fixed assets and depreciation (continued)

Asset description	Useful life
Plant and machineries	3 years
Computer equipments	3 years
Furniture and fixtures	5 years
Vehicles	3 years
Office equipments	5 years

Depreciation is provided on a proportionate basis for all assets purchased and sold during the period. Individual assets costing Rs 5,000 or less are depreciated at the rate of 100%.

Leasehold improvements are amortised over the lease term or estimated useful life, whichever is lower. Assets acquired on finance leases are depreciated over the lease term or the useful life, whichever is shorter.

1.7 Impairment of assets

The Management assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Management estimates the recoverable amount of the asset. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash generating unit to which asset belongs. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss.

If at the reporting date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. An impairment loss is reversed only to the extent that the carrying amount of asset does not exceed the net book value that would have been determined, if no impairment loss had been recognised.

1.8 Inventory

Inventories which comprise of food, operating supplies and cleaning consumables are valued at the lower of cost and net realisable value. Cost of inventories comprises purchase price, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In determining the cost weighted average cost method is used. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

The comparison of cost and net realisable value is made on an item-by-item basis.

Inventories are stated net of write down or allowances on account of obsolete, damaged or slow moving items.

1.9 Foreign exchange transactions

Revenue from overseas clients and collections deposited in bank accounts are recorded at the exchange rates as of the date of the respective transactions. Expenditure in foreign currency is accounted at the

1.9 Foreign exchange transactions (continued)

exchange rate prevalent when such expenditure is incurred. Disbursements made out of bank accounts are reported at a rate that approximates the actual monthly rate. Exchange differences are recorded when the amount actually received on sales or actually paid when expenditure is incurred is converted into Indian rupees. The exchange differences recorded in foreign currency transactions are recognised as income or expense in the period in which they arise.

Monetary assets and monetary liabilities denominated in foreign currencies as at the balance sheet date are translated at the exchange rates on that date; the resultant exchange differences are recognized in the profit and loss account.

Non-monetary assets and non-monetary 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.

1.10 Investments

Long term investments are valued at cost less any other than temporary diminution in value, determined on the specific identification basis.

1.11 Employee benefits

Post employment benefits

Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards employee provident fund to Government administered provident fund scheme which is a defined contribution plan. The Company's contribution is recognised as an expense in the statement of profit and loss during the period in which the employee renders the related service.

Defined benefit plan

Gratuity

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service costs and the fair value of any plan assets are deducted. The calculation of the Company's obligation is performed annually by an independent actuary using the projected unit credit method as at the reporting date.

The Company recognises all actuarial gains and losses arising from defined benefit plans immediately in the Statement of Profit and Loss. All expenses related to defined benefit plans are recognised in employee benefits expense in the Statement of Profit and Loss. The Company recognises gains and losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs.

1.11 Employee benefits (continued)

Compensated absences

The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which he employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of an independent actuarial valuation using the projected unit credit method as at the reporting date.

1.12 Employee stock options

The Company applies the intrinsic value-based method of accounting prescribed by Accounting Research Committee of the Institute of Chartered Accountants of India, Accounting for employee share based payments, to account for its fixed plan stock options. Under this method, compensation expense is recorded on the date of grant only if the current market price of the underlying stock exceeds the exercise price. The options vest on a graded basis.

1.13 Leases

Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Assets acquired under finance lease are capitalized at the fair value of the asset or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments are apportioned between finance charges and outstanding liability. The finance charge is allocated to periods during the lease term at a constant periodic rate of interest on the remaining balance of the liability.

Leases under which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease payments are charged to the statement of profit and loss on a straight line basis over the lease term.

1.14 Earnings per share

In determining the earning per share, the net profit after tax is divided by the weighted average number of shares outstanding during the year. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period unless issued at a later date. In computing dilutive earning per share, only potential equity shares that are dilutive i.e. which reduces earnings per share or increases loss per share are included.

1.15 Taxation

The current charge for income taxes is calculated in accordance with the relevant tax regulations applicable to the Company.

Deferred tax assets and liabilities are recognised for the future tax consequences attributable to timing differences that result between the profit offered for income taxes and the profit as per the financial statements of the Company. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in the period of change. Deferred tax assets on the timing differences are recognised only if there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. However, deferred tax assets on the timing differences when unabsorbed depreciation and losses carried forward exist, are recognised only to the extent that there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets are reassessed for the appropriateness of their respective carrying values at each balance sheet date. The Company offsets, on a year on year basis, the current tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

In accordance with the provisions of Section 115JAA of the Income-tax Act, 1961, the Company is allowed to avail credit equal to the excess of Minimum Alternate Tax (MAT) over normal income tax for the assessment year for which MAT is paid. MAT credit so determined can be carried forward for set-off for ten succeeding assessment years from the year in which such credit becomes allowable. MAT credit can be set-off only in the year in which the Company is liable to pay tax as per the normal provisions of the Income-tax Act, 1961 and such tax is in excess of MAT for that year. Accordingly, MAT credit entitlement is recognized only to the extent there is convincing evidence that the Company will pay normal tax during the specified period.

1.16 Provisions and contingent liabilities

A provision is recognised if, as a result of a past event, the Company has a present 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. The provisions are measured on an undiscounted basis.

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.

Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

Warranties and retrenchment

Warranty costs are estimated on the basis of a technical evaluation and past experience. Provision is made for estimated liability in respect of warranty costs in the year of rendering of services.

1.16 Provisions and contingent liabilities (continued)

Onerous contracts

A contract is considered as onerous when the expected economic benefits to be derived by the company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

1.17 Cash flow statement

Cash flow statement is reported using indirect method, whereby net profits before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows arising from operating, investing and financing activities of the Company are segregated.

2 Scheme of Amalgamation

Amalgamation of Magna Infotech Limited ('Magna'), Avon Facility Management Services Limited ('Avon') and Hofincons Infotech & Industrial Services Private Limited ('Hofincons') with Quess Corp Limited (formerly known as Ikya Human Capital Solutions Limited) ('Quess' or the 'Company').

2.1 Background

A Scheme of Amalgamation pursuant to Section 391 to 394 of the Companies Act, 1956 (the Act) and other applicable provisions of the Act and Rules was approved by the Honorable High Court of Karnataka for the amalgamation of Avon, Magna and Hofincons **(collectively referred as the Transferor Companies)** with the Company.

The Scheme of Amalgamation was approved by the Board of the Transferor Companies on 3 November 2014. The Honorable High Court of Karnataka sanctioned the Scheme vide its Order dated 29 April 2015.

Avon was incorporated on 2 July 2008 originally as a 'Private limited company' and subsequently converted into a 'Limited Company' on 3 July 2013. Avon is primarily engaged in the business of providing facility management and catering services.

Magna was incorporated on 30 April 1997 originally as a 'Private limited company' and subsequently converted into a 'Limited Company' on 10 July 2013. Magna is primarily engaged in the business of providing staffing services to IT / ITES companies.

Hofincons was incorporated on 20 February 1978 as a 'Private limited company'. On 27 June 2014 Hofincons was acquired by the Company from Transfield Services (India) PTY Limited. Hofincons is primarily engaged in the business of rendering operation, maintenance, facility and asset management consultancy services to various industries.

2.2 Salient features of the Scheme of Amalgamation

The salient features of the Scheme are as follows:

a. The Appointed Date of the Scheme is 1 January 2014 for Avon and Magna and, 1 July 2014 for Hofincons or such other date as may be approved by the Honorable High Court of Karnataka.

b. All assets of the Transferor Companies as on the Appointed Date shall, without any further act, instrument or deed and pursuant to Section 391 to 394 of the Companies Act, 1956 be transferred to and vested in or be deemed to have been transferred to and vested in the Company on a going concern basis, but subject to all charges, liens, mortgages, if any, then affecting the same or part thereof.

c. All liabilities of the Transferor Companies as on the Appointed Date shall also stand transferred to and vested in or be deemed to have been transferred to and vested in the Company on a going concern basis, without any further act or deed so as to become the liabilities, debts, duties and obligations, dues, loans and responsibilities of the Company on the same terms and conditions as was applicable to the Transferor Companies.

d. The assets of the Transferor Company, which are movable in nature or otherwise capable of transfer by manual delivery or by endorsementand delivery, shall be so transferred by the Transferor Company and shall become the property of the Company without requiring anyfurther deed or instrument or act.

e. Any statutory and other licences, registrations, permissions, approvals or consents to carry on the operations, whether in India or any other authorities in India, including quality certifications of the Transferor Companies shall stand vested in or transferred to the Company without any further act or deed and shall be appropriately mutated by the statutory and other authorities concerned in favour of the Company upon the Scheme becoming effective.

f. All liabilities and obligations arising out of guarantees executed by the Transferor Companies relating to its assets in favour of third party shall become liability/obligation of the Company which it undertakes to meet, discharge and satisfy.

g. Subject to the provisions of the Scheme, all contracts, license, deeds, bonds, agreements, arrangements, insurance policies and other instruments of the Transferor Companies are party, or to the benefit of which the Transferor Companies may be eligible shall be in full force and effect in favour of or against the Company.

h. Subject to the provisions of the Scheme, all agreements entered into by the Transferor Companies with their bankers, distributors, stockiest, agents, etc. if any, unless terminated shall continue to be in full force and effect and may be enforced by or against the Transferee Company.

i. Subject to the provisions of this Scheme, all subsisting agreements/arrangements of the Transferor Companies relating to the use of patents, patent applications, trademarks (including logos), brands, copyrights and/or technology and all other intellectual and/or industrial properties and rights, shall accrue to and ensure for the benefit of the Company.

2.3 Accounting treatment

On the Scheme becoming effective, the Company shall account for the amalgamation under the Purchase Method in accordance with Accounting Standard 14 – "Accounting for Amalgamations" and other applicable Accounting Standards issued by the Institute of Chartered Accountants of India. The Company shall account for the amalgamation of Transferor Companies in its books as given below:
• All the assets and liabilities of the Transferor Companies shall become, after amalgamation, the assets and liabilities of the Company;
• The assets and liabilities of the Transferor Companies shall be incorporated in the books of the Company at their fair values;
• The assets of the Transferor Companies recorded in the books of the Company shall include intangible assets (including brands, business & commercial rights, etc.), which were not recognized previously in the books of Transferor Companies;
• The amount of investments in the Transferor Companies appearing in the books of accounts of the Company shall stand cancelled;
• Any excess of the book value of the investment cancelled over the fair value of the net assets of the Transferor Companies acquired (including intangible assets) shall be treated as goodwill arising on amalgamation. If the amount of the consideration is lower than the fair value of the net assets acquired, the difference should be treated as Capital Reserve.

Details of fair values of Net Assets acquired as part of the Scheme of Amalgamation with Quess Corp Limited

Amount in Rs.

Particulars	Avon	Magna	Hofincons	Total
Effective Date of Amalgamation	1 January 2014	1 January 2014	1 July 2014	
Surplus/(deficit) on amalgamation				
Assets:				
Non current assets				
Tangible fixed assets (including capital work-in-progress)	40,098,990	22,388,501	7,965,921	70,453,412
Intangible fixed assets	33,250,361	1,991,608	-	35,241,969
Brand recognised on Amalgamation (refer note 2.4)	220,200,000	535,200,000	212,800,000	968,200,000
Non-current investments	-	12,273,500	-	12,273,500
Deferred tax asset (net)	13,382,791	17,714,914	57,372,039	88,469,744
Long term loans and advances	11,833,629	135,920,362	78,707,159	226,461,150
Other non-current assets	13,778,937	-	-	13,778,937
	332,544,708	**725,488,885**	**356,845,119**	**1,414,878,711**
Current assets				
Inventories	4,425,263	-	-	4,425,263
Trade receivables	328,028,782	456,394,723	217,393,258	1,001,816,763
Cash and bank balances	58,604,328	1,464,092	229,309,288	289,377,708
Short-term loans and advances	192,514,430	274,202,206	14,444,993	481,161,629
Other current assets	16,811,521	121,000,000	136,038,821	273,850,342
	600,384,324	**853,061,021**	**597,186,360**	**2,050,631,705**
Total assets (A)	**932,929,032**	**1,578,549,906**	**954,031,479**	**3,465,510,416**
Non current liabilities				
Long-term borrowings	30,000,000	-	-	30,000,000
Other long term liabilities	23,133,333	-	-	23,133,333
Long term provisions	1,963,499	1,381,945	89,968,375	93,313,819
	55,096,832	**1,381,945**	**89,968,375**	**146,447,152**
Current liabilities				
Short-term borrowings	285,520,775	201,710,058	-	487,230,833
Trade payables	33,028,086	10,732,558	47,423,771	91,184,415
Other current liabilities	167,347,108	428,914,885	141,537,188	737,799,181
Short-term provisions	5,300,788	9,690,448	60,355,684	75,346,920
	491,196,757	**651,047,949**	**249,316,643**	**1,391,561,349**
Total liabilities (B)	**546,293,589**	**652,429,894**	**339,285,018**	**1,538,008,501**
Net assets acquired (C=A-B)	**386,635,443**	**926,120,012**	**614,746,461**	**1,927,501,915**
Cost of investment	(162,627,500)	(881,400,000)	(503,000,000)	(1,547,027,500)
Capital reserve	**224,007,943**	**44,720,012**	**111,746,461**	**380,474,415**

The Company, pursuant to the Scheme of Amalgamation, has identified Brand amounting to Rs 968,200,000.

Background:
The management of Quess Corp Limited appointed external valuer to provide a valuation of the Magna brand, Avon brand and Hofincons brand ("Brand") as on 31 December 2013 (applicable for Magna and Avon) and 30 June 2014 (applicable for Hofincons) ("Valuation Date") in connection with restructuring exercise.

Assumptions:
Following are the brief assumptions used in the valuation of Brand;

Method: Relief from Royalty Method
Under this method, the valuer has discounted the royalty that could potentially be derived from the sales forecasted for the brand. The method assumes that a company gives a right to use the brand to a third party and receives only the royalty for assigning the brand related rights. The royalty is expressed as a percentage of the brand's sales. The Net Present Value of cash flows from the royalty income is then determined by discounting these future expected royalty streams, after providing for taxes. Valuer's have estimated the cash flows and used this method for the valuation of the Brand.

Discount Rate of the Entity
Discount rate reflects the risks of the cash flows, risks associated with the overall business and the industry. The risks associated with the specific assets analysed vary with the asset being valued. Discount rates used to estimate the value of an intangible asset are normally higher because of a larger variance in cash flows related to the intangible asset than either current assets or fixed tangible assets. The discount rate for a specific intangible asset is estimated through its relationship with other assets and the weighted average cost of capital of the business enterprise as a whole.

Discount rate for the Brand
The valuers have considered the following Weighted Average Cost of Capital for valuing the Brand :

Particulars	WACC
Magna	18.70%
Avon	19.70%
Hofincons	19.00%

Projections
The valuers have considered financial projections of Avon, Magna for the Financial Year 2015 (15 months) to FY 2019 and Hofincons for the period 1 July 2014 to FY 2019.

Valuation of Brand – Relief from Royalty Method

Profit Split Method
The method often employed to estimate fair royalty rates is commonly known as the profit split method, which uses the projected pre-tax profitability (EBIT) rate relevant to the licensed income stream as the profit that would be shared by a licensor and licensee and, as a starting point, assigns 25.0% to 33.3% to the licensor, with the remaining profit going to the licensee. The profit split method represents a means of estimation by which an element of realism is introduced into royalty rate deliberations.

Royalty Rates
The valuers have considered the following Royalty rates to be applied on the revenues to arrive at royalty cash flows of Magna, Avon and Hofincons:

Particulars	Rates
Magna	1.40%
Avon	1.10%
Hofincons	2.20%

Present valuation of projected post -tax cash flows and terminal cash flows
Apart from the Royalty Rates, the valuers have also considered have also considered Brand Maintenance Expenses of 5%, required for the support, upkeep and maintenance of the brand. Projected tax expense has been computed based on full corporate tax rate of 32.45%. Brand shall enjoy tax amortization benefit over a 10 year period. The present values of post – cash flows and terminal values from the Brand as on the Valuation Date is estimated as under:

Particulars	The present values of post – cash flows and terminal values (Rs millions)
Magna	535.20
Avon	220.20
Hofincons	212.80
Total	**968.20**

3 Share capital

(Amount in Rs)

Particulars	As at 31 March 2015	As at 31 December 2013
Authorised		
113,104,631 (31 December 2013 : 18,996,807) equity shares of par value of Rs 10 each*	1,131,046,310	189,968,070
Nil (31 December 2013 : 3,529,675) 0.005% Compulsorily convertible preference shares of par value of Rs 40 each*	-	141,187,000
Nil (31 December 2013 : 1,873,336) 0.005% Compulsorily convertible preference shares of par value of Rs 15 each*	-	28,100,040
Nil (31 December 2013 : 7,717,912) 0.001 % Compulsorily convertible preference shares of par value of Rs 100 each*	-	771,791,200
	1,131,046,310	**1,131,046,310**
Issued, subscribed and paid-up		
25,773,764 (31 December 2013 : 18,996,807) equity shares of par value of Rs 10 each, fully paid up	257,737,640	189,968,070
Nil (31 December 2013 : 7,717,912) 0.001% Compulsorily convertible preference shares of par value of Rs 100 each fully paid up	-	771,791,200
	257,737,640	**961,759,270**

*During the year the Company obtained approval of the Board and Shareholders vide EGM dated 14 October 2014 to reclassify authorised share capital of convertible preference shares to ordinary equity shares.

(a) Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31 March 2015		As at 31 December 2013	
	Number of shares	Amount	Number of shares	Amount
Equity shares				
At the commencement of the period	18,996,807	189,968,070	12,059,608	120,596,080
Shares issued on exercise of employee stock options	-	-	429,000	4,290,000
Shares issued on conversion of CCPS	6,776,957	67,769,570	6,403,005	64,030,050
Shares issued during the period	-	-	105,194	1,051,940
At the end of the period	**25,773,764**	**257,737,640**	**18,996,807**	**189,968,070**
0.005% Compulsorily convertible preference shares of par value Rs 40 each				
At the commencement of the period	-	-	3,529,672	141,186,880
Shares converted to equity shares	-	-	(3,529,672)	(141,186,880)
At the end of the period	-	-	-	-
0.005% Compulsorily convertible preference shares of par value Rs 15 each				
At the commencement of the period	-	-	1,873,333	28,099,995
Shares converted to equity shares	-	-	(1,873,333)	(28,099,995)
At the end of the period	-	-	-	-
0.001% Compulsorily convertible preference shares of par value Rs 100 each				
At the commencement of the period	7,717,912	771,791,200	-	-
Shares issued during the period	-	-	7,717,912	771,791,200
Conversion to equity shares*	(7,717,912)	(771,791,200)	-	-
At the end of the period	-	-	**7,717,912**	**771,791,200**

* The Company issued 0.001% compulsory convertible preference shares (CCPS) of Rs 100.00 each to Thomas Cook (India) Limited at a premium of Rs 24.39 vide Share Subscription Agreement dated 5 February 2013. As per clause 4(a) of the Schedule 4 of the agreement, the shareholders may, at any time issue a notice to the Company for conversion of CCPS into equity shares and the Company shall be under an obligation to convert such CCPS into equity shares at a price provided in this clause. The terms of conversion shall be equity shares of Rs 142.00 each, if the Company achieves the FY 2014 EBITDA and cash flows target. During the current year, CCPS were converted into 6,776,957 equity shares of face value of Rs 10.00 each at a premium of Rs 131.66 per share vide Board approval dated 14 October 2014. Out of the total premium of Rs 892,230,430.00 arising on this arrangement, Rs 188,208,800.00 collected on the initial issue of CCPS as above, was adjusted against the share premium due on conversion at the above rate, and balance of Rs 704,021,630.00 was recognized as premium on conversion of CCPS.

(b) (i) 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 in proportion to the number of equity shares held.

(c) Shares held by holding company

Particulars	As at 31 March 2015		As at 31 December 2013	
	Number of shares	Amount	Number of shares	Amount
(i) Equity shares				
Equity shares of par value Rs 10 each				
Thomas Cook (India) Limited	19,705,874	197,058,740	12,928,917	129,289,170
(ii) Preference shares				
CCPS of par value Rs 100 each				
Thomas Cook (India) Limited	-	-	7,717,912	771,791,200

(d) Details of shareholders holding more than 5% shares in the Company

Particulars	As at 31 March 2015		As at 31 December 2013	
	Number of shares	% held	Number of shares	% held
(i) Equity shares				
Equity shares of par value Rs 10 each				
Thomas Cook (India) Limited	19,705,874	76.46%	12,928,917	68.06%
Ajit Isaac	4,646,490	18.03%	4,607,965	24.26%
Net Resource Investments Private Limited	1,294,100	5.02%	1,294,100	6.81%
(ii) Preference shares				
CCPS of par value Rs 100 each				
Thomas Cook (India) Limited	-	-	7,717,912	100%

(e) The Company has not made a buy back of shares or issued any bonus shares or issued any shares for consideration other than cash, during the period of five years immediately preceding the balance sheet date.

4 Reserves and surplus

(Amount in Rs)

Particulars	As at 31 March 2015	As at 31 December 2013
Securities premium account - Opening balance	554,307,289	239,436,034
Add: premium received on issue of preference shares	-	188,208,800
Add: premium on employee stock options	-	11,405,630
Add: premium on conversion of preference shares to equity shares (refer note 3)	704,021,630	115,256,825
Securities premium account- Closing balance	**1,258,328,919**	**554,307,289**
Share options outstanding account - Opening balance	56,137,381	46,286,145
Add: employee compensation expense for the period	-	21,256,866
Less: transferred to securities premium account on exercise of employee stock options	-	(11,405,630)
Stock options outstanding account - Closing balance	**56,137,381**	**56,137,381**
Capital reserve		
Balance at the beginning of the period	-	-
Add: resulting from amalgamation (refer note 2)	380,474,415	-
Balance at the end of the period	**380,474,415**	**-**
Surplus/(Deficit) (balance in statement of profit and loss)		
At the commencement of the period	4,835,789	(55,938,050)
Add: Amount transferred from statement of profit and loss	637,353,079	60,773,839
Balance in statement of profit and loss- Closing balance	**642,188,868**	**4,835,789**
Total reserves and surplus	**2,337,129,583**	**615,280,459**

5 Long-term borrowings

(Amount in Rs)

Particulars	As at 31 March 2015	As at 31 December 2013
Secured		
Long term maturities of vehicle loan*	-	1,939,934
	-	**1,939,934**

* The vehicle loan is taken from HDFC Bank which carries interest rate of 9.03% p.a. It is repayable in 36 equal monthly instalments of Rs 129,146 (including interest) commencing 5 May 2013. The vehicle loan is secured by way of hypothecation of vehicles purchased using the loan facility. Principal amount outstanding as at 31 March 2015 is Rs 1,593,698 (31 December 2013 : Rs 3,249,573). Current maturities as at 31 March 2015 is Rs 1,593,698 (31 December 2013 : Rs 1,309,639). Refer current maturities of long term borrowings under other current liabilities.

6 Other long-term liabilities

(Amount in Rs)

Particulars	As at 31 March 2015	As at 31 December 2013
Payable to erstwhile minority shareholders*	6,666,667	13,333,333
	6,666,667	**13,333,333**

*The Company acquired the remaining shares from the erstwhile minority shareholders of Avon Facility Management Services Limited on 14 May 2013. Based on the terms and conditions of the 'Share Purchase Agreement' (SPA), an unconditional bonus of Rs 29,200,000 is payable to the erstwhile minority shareholders, who continue to be employees of the Company, as part of the purchase consideration. The SPA states that the bonus will be paid by Avon Facility Management Services Limited on behalf of the Company for their past services. In accordance with the terms of SPA, Avon Facility Management Services Limited has paid Rs 9,200,000 to the erstwhile minority shareholders on 14 May 2013 and the balance of Rs 20,000,000 is payable over a period of 3 years within 30 days of adoption of accounts. Accordingly the first installment was paid in June 2014 and out of the balance payable an amount of Rs 6,666,667 (previous year Rs 13,333,333) is disclosed as 'non-current liabilities' and an amount of Rs 6,666,666 (previous year Rs 6,666,667) as 'other current liabilities' as on 31 March 2015.

7 Long-term provisions

(Amount in Rs)

Particulars	As at 31 March 2015	As at 31 December 2013
Provision for gratuity (refer note 35)	61,395,081	7,291,614
Provision for disputed claims (refer note 36)	22,626,824	-
Provision for rent escalation	1,091,888	-
	85,113,793	**7,291,614**

8 Short-term borrowings

(Amount in Rs)

Particulars	As at 31 March 2015	As at 31 December 2013
Loans from bank repayable on demand		
Secured		
Cash credit and overdraft facilities [refer note (a) below]	915,769,274	103,464,294
Bill discounting facility from bank [refer note (b) below]	204,847,880	200,000,000
Working capital loan [refer note (c) below]	530,000,000	-
	1,650,617,154	**303,464,294**

(a)(i) Cash credit from banks of Rs 307,152,845 is secured primarily by way of exclusive first charge on receivables and other chargeable current assets of the company and additionally by way of hypothecation of tangible fixed assets of the company. The rate of interest is the rate applicable to "BBB" rated corporate deposits.

(a)(ii) Cash credit from banks of Rs 83,086,655 is secured primarily by way of pari passu first charge on the entire current assets of the company both present future and additionally by way of pari passu first charge on the movable fixed assets of the company (excluding vehicles which are under hypothecation) both present and future. The rate of interest is bank's base rate plus 1.00% p.a.

(a)(iii) Cash credit from banks of Rs 298,870,472 is secured primarily by way of pari passu first charge on the entire current assets of the company both present and future and additionally by way of pari passu first charge on the entire movable fixed assets other than vehicles or equipments purchased or to be purchased under lease or hire purchase arrangements of the company both present and future. The rate of interest is bank's base rate plus 1.50% p.a.

(a)(iv) Cash credit from banks of Rs 69,790,351 is secured by way of pari passu first charge on the entire current assets of the company both present and future. The rate of interest is bank's base rate plus 1.75% p.a.

(a)(v) Cash credit from banks of Rs 71,638,685 is secured by way of pari passu first charge on the entire current assets and fixed assets of the company both present and future. The rate of interest is bank's base rate plus 1.75% p.a.

(a)(vi) Cash credit from banks of Rs 54,988,869 is secured by way of pari passu first charge on the entire current assets of the company both present and future except vehicles purchased on hire purchase basis and additionally by way of pledging a term deposit of Rs 7,500,000 in the name of the lender. The rate of interest is bank's base rate plus 2.75% p.a.

(a)(vii) Cash credit from banks of Rs 30,241,397 is secured by way of pari passu first charge on the entire current assets of the company both present and future. The rate of interest is bank's base rate plus 1.75% p.a. Additional rate of 2.00% p.a in case of default in repayment or breach of any of the conditions attached to sanction.

(b)(i) Credit availed on bills discounted from banks of Rs 2,804,770 is secured primarily by way of pari passu first charge on the entire current assets of the company both present future and additionally by way of pari passu first charge on the all the fixed assets of the company both present and future. The rate of interest is bank's base rate plus 1.75% p.a.

(b)(ii) Credit availed on bills discounted from banks of Rs 62,768,495 is secured primarily by way of pari passu first charge on the entire current assets of the company both present and future and additionally by way of pari passu first charge on the entire movable fixed assets other than vehicles or equipments purchased or to be purchased under lease or hire purchase arrangements of the company both present and future. The rate of interest is bank's base rate plus 1.25% p.a.

(b)(iii) Credit availed on bills discounted from banks of Rs 30,308,879 is secured primarily by way of pari passu first charge on the entire current assets of the company both present and future. The rate of interest is bank's base rate plus 1.75% p.a.

(b)(iv) Credit availed on bills discounted from banks of Rs 68,831,511 is secured by way of pari passu first charge on the entire current assets and fixed assets of the company both present and future. The rate of interest is bank's base rate plus 1.50% p.a.

(b)(v) Credit availed on bills discounted from banks of Rs 40,134,225 is secured by way of pari passu first charge on the entire current assets of the company both present and future. The rate of interest is bank's base rate plus 1.75% p.a. Additional rate of 2.00% p.a in case of default in repayment or breach of any of the conditions attached to sanction.

(c)(i) Short term loan from banks of Rs 30,000,000 is secured by way of pari passu first charge on the entire current assets of the company both present and future. The original loan amount of Rs 40,000,000 was sanctioned on 23 June 2014 and repayable in 12 equal monthly instalments starting from January 2015. The rate of interest is bank's base rate plus 1.75% p.a.

(c)(ii) Short term loan from banks of Rs 500,000,000 is secured primarily by way of pari passu first charge on the entire current assets of the company both present and future and additionally by way of pari passu first charge on entire movable fixed assets of the company both present and future. All amounts outstanding under this facility are payable on demand but until such demand is made repayment is made at the maturity of each drawdown. The rate of interest is 10.50% p.a.

9 Trade payables

(Amount in Rs)

Particulars	As at 31 March 2015	As at 31 December 2013
Trade payables - Others*	124,693,712	4,002,034
Dues to micro and small enterprises**	-	-
	124,693,712	**4,002,034**

*Refer note 31 for payables due to related parties
** 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. Accordingly, the disclosure in respect of the amounts payable to such enterprise as at 31 March 2015 has been made in the financial statements based on information received and available with the Company. The Company has not received any claim for interest from any supplier under the Micro, Small and Medium Enterprises Development Act, 2006.

(Amount in Rs)

Particulars	As at 31 March 2015	As at 31 December 2013
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the accounting period / year;	-	-
The amount of interest paid by the Company along with the amounts of the payment made to the supplier beyond the appointed day during the period / 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 period / year) but without adding the interest specified under this Act;	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting period / 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.	-	-

10 Other current liabilities

(Amount in Rs)

Particulars	As at 31 March 2015	As at 31 December 2013
Current maturities of long term borrowings *	31,593,698	1,309,639
Unearned income	295,985,411	33,017,500
Advance received from customers	117,954,022	-
Balances payable to government authorities	336,563,853	213,025,847
Book overdraft	55,296,579	179,453,359
Payable to the erstwhile minority shareholders (refer note 6)	6,666,667	-
Accrued salaries and benefits	832,432,329	366,687,362
Provision for expenses	63,154,944	5,599,071
Interest accrued and not due	1,578,966	-
Uniform deposits	1,837,670	-
Amount payable to related parties	-	136,866,667
Provision for rent escalation	891,691	-
Other liabilities	9,925,737	-
	1,753,881,567	**935,959,445**

*This includes term loan from National Skill Development Centre ('NSDC') of Rs 30,000,000 which is secured against hypothecation of project assets. The loan is taken at 6% p.a simple interest. The principal amount was repayable in equal quarterly installments over a period of 10 years beginning January 2016. As the specific project for which the loan was sanctioned could not be implemented and the entire loan became due for repayment in May 2015 this has been classified as other current liabilities.

11 Short-term provisions

(Amount in Rs)

Particulars	As at 31 March 2015	As at 31 December 2013
Provision for employee benefits		
Provision for gratuity (refer note 35)	821,798	328,044
Provision for compensated absences (refer note 35)	48,067,571	6,701,454
Others		
Provision for warranty (refer note 36)	12,000,000	-
Provision for loss on onerous contracts (refer note 36)	1,077,806	-
	61,967,175	**7,029,498**

Quess Corp Limited
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Notes to financial statements for the period from 1 January 2014 to 31 March 2015

12 Fixed assets

(Amount in Rs.)

	Gross block					Accumulated Depreciation/Amortisation					Net block	
Particulars	**As at 1 January 2014**	**Additions on Amalgamation***	**Additions during the period**	**Deletions during the period**	**As at 31 March 2015**	**As at 1 January 2014**	**Additions on Amalgamation***	**Charge for the period**	**Deletions during the period**	**As at 31 March 2015**	**As at 31 March 2015**	**As at 31 December 2013**
A. Tangible assets												
Leasehold improvements	4,532,538	63,694,572	7,278,717	7,839,944	67,665,883	4,206,063	42,408,198	18,538,736	7,839,944	57,313,053	10,352,830	326,475
Furniture and fixtures	2,070,656	30,204,688	21,807,430	904,170	53,178,604	873,502	26,673,939	4,327,545	904,170	30,970,816	22,207,788	1,197,154
Vehicles	5,579,610	3,256,492	-	-	8,836,102	1,248,281	1,809,615	3,930,591	-	6,988,487	1,847,615	4,331,329
Office equipment	6,524,187	14,231,215	39,165,651	-	59,921,053	3,179,695	13,014,114	4,726,146	-	20,919,955	39,001,098	3,344,492
Plant and machinery	-	75,610,511	17,171,295	1,363,786	91,418,020	-	42,464,905	20,527,987	1,335,904	61,656,988	29,761,032	-
Computer equipment	22,860,686	43,178,836	29,703,189	1,036,000	94,706,711	14,505,476	37,712,007	13,809,008	46,355	65,980,136	28,726,575	8,355,210
Total (A)	**41,567,677**	**230,176,314**	**115,126,282**	**11,143,900**	**375,726,373**	**24,013,017**	**164,082,778**	**65,860,013**	**10,126,373**	**243,829,435**	**131,896,938**	**17,554,660**
Previous period	*27,508,858*	-	*14,080,819*	*22,000*	*41,567,677*	*18,428,199*	-	*5,606,818*	*22,000*	*24,013,017*	*17,554,660*	*9,080,659*
B. Intangible assets												
Goodwill (refer note 37)	-	66,548,308	-	-	66,548,308	-	33,698,406	18,280,801	-	51,979,207	14,569,101	-
Brand value of business acquired (refer note 2)	-	968,200,000	-	-	968,200,000	-	-	73,590,000	-	73,590,000	894,610,000	-
Computer software	17,166,832	18,057,044	31,484,575	-	66,708,451	10,181,518	15,664,977	12,494,716	-	38,341,211	28,367,240	6,985,314
Total (B)	**17,166,832**	**1,052,805,352**	**31,484,575**	**-**	**1,101,456,759**	**10,181,518**	**49,363,383**	**104,365,517**	**-**	**163,910,418**	**937,546,341**	**6,985,314**
Previous period	*12,364,747*	-	*4,802,085*	-	*17,166,832*	*7,676,689*	-	*2,504,829*	-	*10,181,518*	*6,985,314*	*4,688,058*
Grand Total (A+B)	**58,734,509**	**1,282,981,666**	**146,610,857**	**11,143,900**	**1,477,183,132**	**34,194,535**	**213,446,161**	**170,225,530**	**10,126,373**	**407,739,853**	**1,069,443,279**	**24,539,974**
Previous period	*39,873,605*	-	*18,882,904*	*22,000*	*58,734,509*	*26,104,888*	-	*8,111,647*	*22,000*	*34,194,535*	*24,539,974*	*13,768,717*

** Refer note 2*

C. Capital work-in-progress

Particulars	**As at 1 January 2014**	**Additions on Amalgamation***	**Capitalized during the year**	**As at 31 March 2015**
Leasehold improvement	-	3,250,147	3,250,147	-
Plant and machinery	-	352,800	352,800	-
Computer software	-	757,023	757,023	-
Total (C)	**-**	**4,359,970**	**4,359,970**	**-**
Previous period	-	-	-	-

** Refer note 2*

13 Non-current investments

(Amount in Rs)

Particulars	As at 31 March 2015	As at 31 December 2013
(at cost, unless otherwise specified)		
In Subsidiaries - unquoted		
Nil (31 December 2013: 3,256,296) fully paid up equity shares of par value of Rs 10 each of Avon Facility Management Services Limited [1]	-	162,627,500
3,110,000 (31 December 2013: 3,110,000) fully paid up equity shares of par value of Rs 10 each of Co-Achieve Solutions Private Limited	12,000,000	12,000,000
Nil (31 December 2013: 5,233,194) fully paid up equity shares of par value of Rs 10 each of Magna Infotech Limited [1]	-	881,400,000
Nil (31 December 2013 : Nil) fully paid up equity shares of par value of Rs 10 each of Hofincons Infotech & Industrial Services Private Limited [2]	-	-
1,000,000 (31 December 2013 : Nil) fully paid up equity shares of par value of Rs 10 each of MFX INFOTECH PRIVATE LIMITED [3]	10,000,000	-
7,000,100 Common Shares (31 December 2013 : Nil) of Brainhunter Systems Limited, [formerly known as Zylog Systems (Canada) Limited] fully paid up [4]	5,503,000	-
100,000 (31 December 2013 : Nil) Common Stock of Quess Corp (USA) Inc. (formerly known as Magna Infotech Inc.) of US $ 1.00 each, fully paid-up [5]	6,253,577	-
Investments acquired through Amalgamation (refer note 2)		
86,000 (31 December 2013: Nil) fully paid up equity shares of par value of 100 pesos each of Magna Ikya Infotech Inc	12,273,500	-
	46,030,077	**1,056,027,500**

1. Effective 1 January 2014, the Honorable High Court of Karnataka approved the Scheme of Amalgamation between the Company and its subsidiaries Avon Facility Management Services Limited and Magna Infotech Limited. Refer note 2.
2. The Company acquired 100% interest in Hofincons Infotech & Industrial Services Private Limited on 27 June 2014 for a consideration of Rs 503,000,000 from Transfield Services Ltd, Australia through its subsidiary Transfield Services (India) Pty Limited. Effective 1 July 2014, the Honorable High Court of Karnataka approved the Scheme of Amalgamation between the Company and its subsidiary Hofincons Infotech & Industrial Services Private Limited. Refer note 2.
3. The Company acquired 100% interest in MFX INFOTECH PRIVATE LIMITED on 26 August 2014 for a consideration of Rs 100,000. Additionally the Company by fully exercising the rights issued by MFX INFOTECH PRIVATE LIMITED on 17 October 2014 subscribed for 990,000 equity shares for a total consideration of Rs 9,900,000
4. The Company acquired 100% interest in Brainhunter Systems Limited [formerly known as Zylog Systems (Canada) Limited] on 23 October 2014 based on the Share Purchase Agreement entered with ICICI Bank Limited for a consideration of Rs 5,503,000 (Canadian Dollar 100,000 converted at 1 CAD = 55.03 INR).
5. The Company acquired 100% interest in Quess Corp (USA) Inc. on 3 November 2014 for a consideration of Rs 6,253,577 (USD 100,000 converted at 1 USD=62.53 INR).

14 Deferred tax assets (net)

(Amount in Rs)

Particulars	As at 31 March 2015	As at 31 December 2013
Gratuity	21,147,517	2,741,419
Compensated absences	16,338,167	1,529,798
Fixed assets	(25,607,945)	460,856
Provision for doubtful debts	6,644,135	3,928,207
Provision for disputed claims	7,690,857	-
Provision for rent escalation	674,219	-
Others	979,819	-
	27,866,769	**8,660,280**

15 Long-term loans and advances

(Amount in Rs)

Particulars	As at 31 March 2015	As at 31 December 2013
(Unsecured and considered good)		
Security deposits	60,823,154	13,467,350
Other loans and advances		
Advance income tax (net of provision for tax)	447,323,320	462,981,716
Minimum alternate tax credit entitlement	-	19,104,550
Balances with government authorities	15,397,340	-
Prepaid expenses	5,921,524	-
Capital advances	3,064,498	-
Advance to employees	595,507	-
	533,125,343	**495,553,616**

16 Other non-current assets

(Amount in Rs)

Particulars	As at 31 March 2015	As at 31 December 2013
Bank deposits (due to mature after 12 months from the reporting date)	3,746,941	-
	3,746,941	**-**

Bank deposits include Rs 3,746,941 (31 December 2013 : Rs Nil) being fixed deposit placed as margin money with banks.

Quess Corp Limited
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17 Inventories

(Amount in Rs)

Particulars	As at 31 March 2015	As at 31 December 2013
Consumables and other supplies	4,390,088	-
	4,390,088	**-**

18 Trade receivables

(Amount in Rs)

Particulars	As at 31 March 2015	As at 31 December 2013
Receivables outstanding for a period exceeding six months from the date they become due for payment		
- Unsecured, considered good	18,981,900	546,813
- Unsecured, considered doubtful	78,466,795	12,105,413
	97,448,695	12,652,226
Other receivables		
- Unsecured, considered good	2,137,683,743	445,363,784
Less: Provision for trade receivables	(78,466,795)	(12,105,413)
	2,156,665,643	**445,910,597**

Refer note 31 for receivables outstanding from related parties

19 Cash and bank balances

(Amount in Rs)

Particulars	As at 31 March 2015	As at 31 December 2013
Cash and cash equivalents		
Cash on hand	828,190	42,542
Balances with banks		
In current accounts	631,258,301	206,449,635
In deposit accounts*	16,855,900	-
	648,942,391	**206,492,177**
Other bank balances		
In deposit accounts**/***	57,971,929	6,115,650
	706,914,320	**212,607,827**

*Includes deposits with original maturity of 3 months or less	16,855,900	-
**Includes deposits with original maturity of more than 3 months and less than 12 months	57,971,929	6,115,650
***Includes restricted cash balance	26,144,565	6,115,650

20 Short-term loans and advances

(Amount in Rs)

Particulars	As at 31 March 2015	As at 31 December 2013
(Unsecured, considered good)		
Advance income tax (net of provision for tax)	272,150,952	-
Security deposits	52,174,215	10,436,903
Prepaid expenses	35,314,864	13,764,673
Balances with government authorities	610,859	-
Advances to suppliers	3,299,661	-
Loans and advances to related party (refer note 31)	9,042,096	186,949,757
Other loans and advances		
- Employee advances	41,373,391	2,687,240
- Travel advances	2,609,707	153,400
- Advance recoverable from insurance companies	38,048	3,357,510
- Other advances	15,870,954	-
	432,484,747	**217,349,483**

21 Other current assets

(Amount in Rs)

Particulars	As at 31 March 2015	As at 31 December 2013
Unbilled revenue	1,295,466,806	389,201,707
Interest accrued but not due	1,673,278	208,897
	1,297,140,084	**389,410,604**

22 Revenue from operations

(Amount in Rs)

Particulars	For the period from 1 January 2014 to 31 March 2015	For the period from 1 April 2013 to 31 December 2013
Staffing services	19,342,249,162	5,993,323,273
Selection business	305,892,925	153,754,961
Training fees	201,195,750	17,202,923
Facility management services	2,090,703,126	-
Food service	562,209,237	-
Operation and maintenance	1,104,149,849	-
Technical and consultancy	126,426,212	-
	23,732,826,261	**6,164,281,157**

23 Other income

(Amount in Rs)

Particulars	For the period from 1 January 2014 to 31 March 2015	For the period from 1 April 2013 to 31 December 2013
Interest on term deposits	8,418,650	369,104
Provision no longer required written back	28,107,845	-
Profit on sale of fixed assets, net	395,852	22,000
Interest income on income tax refund	16,044,378	7,862,498
Foreign exchange gain, net	6,021,676	-
Miscellaneous income	15,428,399	-
	74,416,800	**8,253,602**

24 Cost of Services

(Amount in Rs)

Particulars	For the period from 1 January 2014 to 31 March 2015	For the period from 1 April 2013 to 31 December 2013
Cost of materials consumed	507,993,469	-
Other direct costs	11,681,424	-
	519,674,893	**-**

25 Employee benefits expense

(Amount in Rs)

Particulars	For the period from 1 January 2014 to 31 March 2015	For the period from 1 April 2013 to 31 December 2013
Salaries and wages	19,276,170,061	5,467,002,663
Contribution to provident and other funds	1,517,889,763	440,666,896
Staff welfare expense	71,460,641	5,047,402
Expense on employee stock option scheme	-	21,256,866
	20,865,520,465	**5,933,973,827**

26 Finance costs

(Amount in Rs)

Particulars	For the period from 1 January 2014 to 31 March 2015	For the period from 1 April 2013 to 31 December 2013
Interest expense	197,081,538	50,601,539
Other borrowing costs	12,188,500	3,327,441
	209,270,038	**53,928,980**

27 Other expenses

(Amount in Rs)

Particulars	For the period from 1 January 2014 to 31 March 2015	For the period from 1 April 2013 to 31 December 2013
Services reimbursement expenses	47,802,276	-
Power and fuel	28,403,451	6,781,479
Rent (refer note 34)	160,240,106	35,235,574
Equipment hire charges	30,984,651	-
Repairs and maintenance		
- buildings	11,578,610	5,432,680
- plant and machinery	1,637,017	-
- others	21,482,394	1,400,954
Insurance	9,682,182	196,106
Rates and taxes	7,318,379	8,499,101
Bank charges	8,031,852	2,571,464
Legal and professional fees	76,554,174	7,731,426
Sub-contractor charges	226,033,040	-
Stores and tools consumed	41,891,443	-
Support service charges	893,901	-
Travelling and conveyance	162,504,358	15,556,552
Communication expenses	50,879,971	9,839,687
Recruitment and training expenses	53,335,637	7,594,115
Bad debts written off	4,816,175	632,813
Provision for doubtful debts	21,391,860	3,768,040
Printing and stationery	37,152,383	8,069,676
Database access charges	16,030,311	2,191,776
Business promotion and advertisement expenses	4,755,392	167,869
Security charges	4,253,184	1,699,167
Foreign exchange loss, net	-	1,029
CSR Contributions	4,954,031	-
Deposits written off	1,000,000	-
Miscellaneous expenses	11,597,166	790,388
	1,045,203,944	**118,159,896**

28 Contingent liabilities and commitments

(Amount in Rs)

Particulars	As at 31 March 2015	As at 31 December 2013
Corporate guarantee issued to banks for the cash credit and overdraft facility availed by Avon Facility Management Services Limited.*	-	110,000,000
Corporate guarantee issued to banks for the cash credit and overdraft facility availed by Magna Infotech Limited*	-	350,000,000
Corporate guarantee issued to banks for the cash credit and overdraft facility availed by MFX INFOTECH PRIVATE LIMITED	30,000,000	-
Arrears of Cumulative Preference Dividend**	6,640	4,884
Indirect tax demands***	6,058,748	-
Bank Guarantees issued against performance of contract	95,715,846	-
Direct tax demands (based on assessment orders)	1,919,098	-
Guarantees issued in favor of Commercial tax authorities	100,000	100,000
	133,800,332	**460,104,884**

* Effective 1 January 2014, the subsidiaries Avon Facility Management Services Limited and Magna Infotech Limited has been amalgamated with the Company. Accordingly the Company is in the process of getting the intercompany corporate guarantees released.
**This refers to arrears of Cumulative Preference Dividend of 0.001% for mandatorily convertible preference shares issued to Thomas Cook (India) Limited.
*** The Company has preferred an appeal with CESTAT aggrieved by the order of Commissioner of Service tax authority imposing a penalty of Rs 6,058,748 u/s 76 and 77 of the Service tax provisions. CESTAT has allowed the Stay Petition filed by Company, accordingly the same is shown as contingent liability.

29 Earnings per share

(Amount in Rs)

Particulars	For the period from 1 January 2014 to 31 March 2015	For the period from 1 April 2013 to 31 December 2013
Net profit for the period attributed to equity shareholder (Rs)	637,353,079	60,773,839
Weighted average number of shares used in computing basic earnings per share	21,111,813	14,866,509
Basic earnings per share (Rs)	**30.19**	**4.09**
Weighted average number of shares used in computing diluted earnings per share	26,659,658	26,215,706
Diluted earnings per share (Rs)	**23.91**	**2.32**

30 Segment reporting

Business Segment

Segments are identified in line with AS-17 "Segment Reporting". The Company is engaged in the business of temporary staffing services, executive search, contingency recruitment, housekeeping and facility management services, food services, skill development and training services.

Business segments are defined as the distinguishable component of an enterprise that is engaged in providing a group of related products or services that is subject to differing risks and returns and about which separate financial information is available. The information is renewed and evaluated regularly by management in deciding how to allocate resources and in assessing the performance.

The Company is organized by business segment. For management purposes, the Company is primarily organized into four business segments based on services offered to customers. Accordingly, revenues represented along industry segments comprise the primary basis of segmental information set out in the financial statements.

The accounting principles consistently used in the preparation of the financial statements are also consistently applied to record income and expenditure in individual segments. These are set out in the note on significant accounting policies.
Industry segments catered to by the Company's services are people and services, global technology solutions, integrated facility management and engineering services has been identified as a separate business segment.

Income and direct expenses in relation to segments are categorised based on items that are individually identifiable to that segment, while the remainder of costs are apportioned on an appropriate basis. Certain expenses are not specifically allocable to individual segments as the underlying services are used interchangeably. The Company therefore believes that it is not practical to provide segment disclosures relating to such expenses and accordingly such expenses are separately disclosed as "Unallocable expenses" and directly charged against total income.

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 Company 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'.

All fixed assets of the Company are located in India.

	For the period from 1 January 2014 to 31 March 2015					
Particulars	**People and services**	**Global technology solutions**	**Integrated facility management**	**Engineering services**	**Unallocated**	**Total**
Segment revenue	14,018,712,079	5,434,949,506	3,008,573,891	1,270,590,785	-	23,732,826,261
Direct cost	(13,031,873,018)	(4,325,153,580)	(2,591,888,395)	(973,946,928)	-	(20,922,861,921)
Operating expenses, net	(586,691,879)	(494,451,392)	(226,446,972)	(140,080,330)	(59,866,808)	(1,507,537,381)
Segment result	**400,147,182**	**615,344,534**	**190,238,524**	**156,563,527**	**(59,866,808)**	**1,302,426,959**
Other income	16,641,280	13,415,079	18,075,326	26,285,115	-	74,416,800
Finance charges	(120,818,654)	(46,439,511)	(36,953,085)	(5,058,788)	-	(209,270,038)
Depreciation	(27,649,052)	(65,556,863)	(63,427,148)	(13,592,467)	-	(170,225,530)
Profit before taxation	**268,320,756**	**516,763,239**	**107,933,617**	**164,197,387**	**(59,866,808)**	**997,348,191**
Taxation	-	-	-	-	359,995,112	359,995,112
Profit after taxation	**268,320,756**	**516,763,239**	**107,933,617**	**164,197,387**	**(419,861,920)**	**637,353,079**
Segment asset	2,000,757,078	1,818,841,037	736,561,408	864,159,347	857,488,420	6,277,807,290
	2,000,757,078	**1,818,841,037**	**736,561,408**	**864,159,347**	**857,488,420**	**6,277,807,290**
Segment liabilities	1,916,339,861	894,417,668	484,121,503	388,061,035	-	3,682,940,067
	1,916,339,861	**894,417,668**	**484,121,503**	**388,061,035**	**-**	**3,682,940,067**

Segment reporting (continued)

	For the period from 1 April 2013 to 31 December 2013					
Particulars	**People and services**	**Global technology solutions**	**Integrated facility management**	**Engineering services**	**Unallocated**	**Total**
Segment revenue	6,164,281,157	-	-	-	-	6,164,281,157
Direct cost	(5,901,395,360)	-	-	-	-	(5,901,395,360)
Operating expenses, net	(150,738,363)	-	-	-	-	(150,738,363)
Segment result	**112,147,434**	**-**	**-**	**-**	**-**	**112,147,434**
Other income	8,253,602	-	-	-	-	8,253,602
Finance charges	(53,928,980)	-	-	-	-	(53,928,980)
Depreciation	(8,111,647)	-	-	-	-	(8,111,647)
Profit before taxation	**58,360,409**	**-**	**-**	**-**	**-**	**58,360,409**
Taxation	-	-	-	-	2,413,430	2,413,430
Profit after taxation	**58,360,409**	**-**	**-**	**-**	**2,413,430**	**60,773,839**
Segment assets	2,359,313,335	-	-	-	490,746,546	2,850,059,881
	2,359,313,335	-	-	-	490,746,546	2,850,059,881
Segment liabilities	1,273,020,152	-	-	-		1,273,020,152
	1,273,020,152	-	-	-	-	1,273,020,152

The following geographic segments individually contribute 10 percent or more of the Company's revenue or segment assets:

	Revenue		Segment assets	
Geographic segments	**For the period from 1 January 2014 to 31 March 2015**	**For the period from 1 April 2013 to 31 December 2013**	**As at 31 March 2015**	**As at 31 December 2013**
- in India (Domestic)	23,429,456,075	6,162,033,314	6,266,707,537	2,849,097,617
- Outside India (Export)	303,370,186	2,247,843	11,099,753	962,264
Total	**23,732,826,261**	**6,164,281,157**	**6,277,807,290**	**2,850,059,881**

31 Related party disclosures

(A) Name of related parties and description of relationship:

- Ultimate Holding Company	Fairfax Financial Holdings Limited
- Holding Company	Thomas Cook (India) Limited
- Subsidiaries	Avon Facility Management Services Limited (amalgamated effective 1 January 2014) Co-Achieve Solutions Private Limited Magna Infotech Limited (amalgamated effective 1 January 2014) Hofincons Infotech & Industrial Services Private Limited (amalgamated effective 1 July 2014) MFX INFOTECH PRIVATE LIMITED Brainhunter Systems Limited Brainhunter Systems (Ottawa) Limited Brainhunter Companies (Canada) Limited Brainhunter Companies LLC (USA) Magna Ikya Infotech Inc (Philippines) Quess Corp (USA) Inc. (formerly known as Magna Infotech Inc.)
- Associate enterprise	MFxchange Holdings Inc, Canada *Subsidiaries of MFxchange Holdings Inc, Canada* - MFXchange (Ireland) Limited - MFXchange Inc, USA - MFX Roanoke Inc, USA
- Entity having common directors	Net Resource Investments Private Limited

Key management personnel:
The Company has also entered into transactions with the key management personnel. The Key management personnel are mentioned below:

Key executive management personnel

Ajit Isaac	Chairman, Managing Director and CEO
Subrata Nag	Director and Chief Financial Officer

(B) Related party transactions during the period

(Amount in Rs)

Particulars	**For the period from 1 January 2014 to 31 March 2015**	**For the period from 1 April 2013 to 31 December 2013**
Rendering of services to enterprises owned by directors and major shareholders		
- Thomas Cook (India) Limited	138,315,889	20,762,361
- MFX INFOTECH PRIVATE LIMITED	2,466,120	-
Rendering of services by enterprises owned by directors and major shareholders		
- Thomas Cook (India) Limited	30,858,570	2,245,438
- Net Resource Investments Private Limited	20,332,392	-
Reimbursement of expenses incurred by subsidiaries		
- Co-Achieve Solutions Private Limited	-	80,910
- Magna Infotech Limited (amalgamated effective 1 January 2014)	-	5,174,009
Investment made in subsidiaries		
- Avon Facility Management Services Limited (amalgamated effective 1 January 2014)	-	115,627,500
- Magna Infotech Limited (amalgamated effective 1 January 2014)	-	561,000,000
Share transfer expenses		
- Avon Facility Management Services Limited (amalgamated effective 1 January 2014)	-	29,200,000
- Magna Infotech Limited (amalgamated effective 1 January 2014)	-	121,000,000
Unsecured loan given to subsidiaries		
- Avon Facility Management Services Limited (amalgamated effective 1 January 2014)	-	205,000,000
- Magna Infotech Limited (amalgamated effective 1 January 2014)	-	1,012,456,766
Unsecured loan repaid by subsidiaries		
- Avon Facility Management Services Limited (amalgamated effective 1 January 2014)	-	138,937,716
- Magna Infotech Limited (amalgamated effective 1 January 2014)	-	1,062,103,745
Repayment of intercorporate deposit		
- Thomas Cook (India) Limited	-	400,000,000
Unsecured loan received from subsidiaries		
- Co-Achieve Solutions Private Limited	-	1,140,489
Unsecured loan repaid to subsidiaries		
- Co-Achieve Solutions Private Limited	-	7,170,434
Guarantees provided to the bank on behalf of the subsidiaries for cash credit and overdraft facility availed		
- Avon Facility Management Services Limited (amalgamated effective 1 January 2014)	-	110,000,000
- Magna Infotech Limited (amalgamated effective 1 January 2014)	-	350,000,000

(C) Balance receivable from and payable to related parties as at the balance sheet date:

(Amount in Rs)

Particulars	As at 31 March 2015	As at 31 December 2013
Debts due from		
- Thomas Cook (India) Limited	14,071,331	741,086
- Net Resource Investments Private Limited	214,923	-
- MFX Infotech Private Limited	2,466,120	-
Debts due to		
- Thomas Cook (India) Limited	2,194,187	-
Unsecured loan receivable		
- Avon Facility Management Services Limited (amalgamated effective 1 January 2014)	-	181,775,748
- Magna Infotech Limited (amalgamated effective 1 January 2014)	-	5,174,009
Amount payable towards share transfer		
- Avon Facility Management Services Limited (amalgamated effective 1 January 2014)	-	29,200,000
- Magna Infotech Limited (amalgamated effective 1 January 2014)	-	121,000,000
Amount receivable towards reimbursement of expenses incurred by subsidiaries		
- Magna Infotech Limited (amalgamated effective 1 January 2014)	-	5,174,009

(D) Remuneration paid to key managerial personnel*

(Amount in Rs)

Particulars	For the period from 1 January 2014 to 31 March 2015	For the period from 1 April 2013 to 31 December 2013
- Ajit Isaac	14,898,351	8,358,108
- Subrata Nag	8,898,287	6,069,733

* Managerial remuneration does not include cost of employee benefits such as gratuity and compensated absences since provision for these are based on an actuarial valuation carried out for the Company as a whole.

32 Earnings in foreign currency

(Amount in Rs)

Particulars	For the period from 1 January 2014 to 31 March 2015	For the period from 1 April 2013 to 31 December 2013
Income from staffing services	351,640,598	-
Income from search services	303,370,186	2,247,843
	655,010,784	**2,247,843**

33 Auditors remuneration (included in legal and professional fees)

(Amount in Rs)

Particulars	For the period from 1 January 2014 to 31 March 2015	For the period from 1 April 2013 to 31 December 2013
Statutory audit fees	5,000,000	1,000,000
Tax audit fees	1,000,000	225,000
Others*	1,000,000	1,100,000
Out of pocket expenses	325,312	162,736
	7,325,312	**2,487,736**

* Others includes fees for consolidation and group reporting.

34 Leases

Operating Leases

The Company is obligated under cancellable and non-cancellable lease for office and residential premises, which are renewable at the option of lessor and lessee. Total rental expense under cancellable and non-cancellable operating leases amounted to Rs 160,240,106 (31 December 2013 : Rs 35,235,574).

Non-cancellable operating lease rentals payable (minimum lease payments) under these leases are as follows:

(Amount in Rs)

Particulars	As at 31 March 2015	As at 31 December 2013
Payable within 1 year	52,072,295	-
Payable between 1-5 years	98,976,362	-
Payable later than 5 years	50,070,193	-
Total	**201,118,850**	**-**

Finance leases

The Company has purchased vehicles under finance lease. Future minimum lease payments under finance lease obligations are as follows:

(Amount in Rs)

Particulars	As at 31 March 2015	As at 31 December 2013
Payable within 1 year	1,593,691	1,309,639
Payable between 1-5 years	-	1,939,927
Payable later than 5 years	-	-
Total	**1,593,691**	**3,249,566**

35 Employee benefits

The following table set out the status of the gratuity plan as required under AS 15 (revised).

(Amount in Rs)

Particulars	**As at 31 March 2015**	**As at 31 December 2013**
Change in defined benefit obligation		
Obligation at the period beginning	7,619,658	6,448,131
Balances on amalgamation	72,725,784	-
Service cost	20,866,940	1,829,153
Interest cost	6,104,044	535,271
Liabilities assumed on acquisition/ (settled on divestiture)	(135,279)	-
Benefit settled	(10,114,772)	(216,346)
Actuarial (gain) / loss	9,158,003	(976,551)
Obligation at period end	**106,224,378**	**7,619,658**
Change in plan assets		
Plan assets at period beginning, at fair value	-	-
Balances on amalgamation	38,850,072	-
Expected return on plan assets	2,931,954	-
Contributions	10,873,173	-
Benefit settled	(8,982,450)	-
Actuarial gain/(loss)	334,750	-
Plans assets at period end, at fair value	**44,007,499**	**-**
Reconciliation of present value of the obligation and the fair value of the plan assets		
Fair value of plan assets at the end of the period	(44,007,499)	-
Balances on amalgamation	93,560,360	-
Present value of the defined benefit obligations at the end of the period	12,664,018	-
Liability recognised in the balance sheet	**62,216,879**	**-**
Gratuity cost for the period		
Service cost	20,866,940	1,829,153
Interest cost	6,104,044	535,271
Return on plan assets	(2,931,954)	-
Actuarial (gain) / loss	8,823,253	(976,551)
Net gratuity cost	**32,862,283**	**1,387,873**

Gratuity is funded through an insurance policy with LIC at Engineering services division and SBI life insurance at Global technology solutions division.

Assumptions

Particulars	**As at 31 March 2015**	**As at 31 December 2013**
Interest rate	7.80% - 9.25%	8.85%
Discount factor	7.80% - 9.25%	8.85%
Estimated rate of return on plan assets	8.75%	8.00%
Salary increase	6.00% - 10.00%	6.00%
Attrition rate	8.00% - 15.00%	5.00%
Retirement age	58 years	58 years

The estimate of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

History of defined benefit obligations and experience (gains) and losses

(Amount in Rs)

Particulars	**As at 31 March 2015**	**As at 31 December 2013**	**As at 31 March 2013**	**As at 31 March 2012**	**As at 31 March 2011**
Defined benefit obligation	106,224,378	7,619,658	6,448,131	3,505,640	-
Plan Assets	(44,007,499)	-	-	-	-
Surplus/ Deficit	(15,661,970)	(7,619,658)	(6,448,131)	(3,505,640)	-
Experience adjustments on plan liabilities	(6,662,940)	-	-	-	-
Experience adjustments on plan assets	(334,750)	290,329	(162,423)	-	-

36 Additional disclosures relating to certain provisions (as per AS 29)

	As at 31 March 2015			
Particulars	**Disputed claims**	**Retrenchment compensation**	**Warranty**	**Onerous contracts**
Opening balance	-	-	-	-
Add: Additions through amalgamation (refer note 2)	22,626,824	20,030,608	13,395,000	2,760,043
Add: Provision made during the year			-	
Less: Provision utilised during the year	-	-	-	1,682,237
Less: Unutilised provision written back during the year	-	20,030,608	1,395,000	-
Closing balance	**22,626,824**	**-**	**12,000,000**	**1,077,806**

37 Acquisition of food services business

As part of Scheme of Amalgamation of Avon Facility Management Services Limited ('Avon') with the Company with effect from 1 January 2014, the Company acquired intangible assets consisting of Goodwill. During the period ended 31 December 2013, Avon entered in to separate agreements with group entities of Apoorva Hospitality Services ('the Sellers') to acquire their existing food services business. Avon acquired tangible fixed assets, trademarks, resources, rights, privileges and customer contracts forming part of the food services business undertaken by the Sellers. Based on the fair market valuation, the assets taken over have been valued as below leading to goodwill of Rs 28,715,502 recorded in Avon's books during the nine months ended 31 December 2013. The purchase consideration including the terms of payment are as below and classified based on the due date of payment.

(Amount in Rs)

Seller and assets acquired	Anapoorna Catering Services	Apoorva Hospitality Services	Manohar Caterers Private Limited	Apoorva Hospitality Services Private Limited	Total
Furniture and fixtures	-	-	85,659	32,340	117,999
Plant and machinery	1,588,884	1,312,946	2,503,888	95,370	5,501,088
Vehicles	-	-	207,000	-	207,000
Computers	-	-	98,411	-	98,411
Total	**1,588,884**	**1,312,946**	**2,894,958**	**127,710**	**5,924,498**
Total purchase consideration for all the above businesses as per agreement					34,640,000
Goodwill capitalised*					**28,715,502**

* Closing balance of the above goodwill as at 31 March 2015 net of amortisation is Rs 14,569,101.

In accordance with the guidelines provided in Para 15.3 of 'Accounting Standard 10 - Accounting for Fixed assets' where several assets are purchased for a consolidated price, the consideration is apportioned to the various assets on a fair basis as determined by competent values'. The Company has obtained the fair market valuation report for the acquired designated fixed assets. The amount paid in excess of the fair market value of the designated fixed assets has been recognised as goodwill and is being amortised over a period of 3 years as per the Company's accounting policy.

(Amount in Rs)

Payment Terms *	360 Degree Haute	South India Caterers	Manohar Caterers Private Limited	Apoorva Hospitality Services Private Limited	Total
Opening balance as on 1 January 2014	5,400,000	2,400,000	106,667	13,000,000	20,906,667
Paid during the year	(3,500,000)	(2,400,000)	(106,667)	(5,000,000)	(11,006,667)
Consideration foregone on re-negotiation (included under other income)	(1,900,000)	-	-	(4,000,000)	(5,900,000)
Balance as on 31 March 2015	-	-	-	**4,000,000**	**4,000,000**

*In accordance with the business purchase agreement, both the Sellers and the Company will on or before the end of twelve months from the acquisition date review the business performance. The Company may re-negotiate for the deferred payment schedule and the revise purchase consideration respectively. Accordingly both the parties (Seller and the Company) have reviewed business performance and agreed to re-negotiate the purchase consideration payable to the sellers as indicated above.

38 Employee stock options

The Company introduced the 'IKYA Employee Stock Option Scheme 2009' ('the Option Scheme 2009') to reward employees for their past performance and association with the Company, as well as to retain, reward and motivate employees to contribute to the growth and profitability of the Company. The scheme was approved by the Board of Directors in its meeting held on 19 November 2009. The Option Scheme 2009 provides for the creation and issue of 1,300,000 options that would eventually convert into equity shares of Rs 10 each in the hands of the employees. The options are to be granted to employees and directors of the Company. The options generally vest annually in a graded manner over a three year period and are exercisable only upon the occurrence of the liquidity event. During the previous year, the Company has granted 633,540 options at an exercise price of Rs 10 per share. The scheme defines 'first 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 share holders. As per the 'grant agreement', on the occurrence of a liquidity event, all options granted shall become vested.

On 5 February 2013, the existing shareholders entered into a Share Purchase Agreement with Thomas Cook (India) Limited (TCIL) by which TCIL acquired majority share holding in the Company. On 14 May 2013, TCIL acquired majority shareholding in the Company which confirms the occurrence of this first liquidity event on which date the entire stock options granted got vested. Accordingly, the Company has accelerated the ESOP cost from 5 February 2013 to ensure the ESOP cost for the entire stock options granted gets vested by 14 May 2013. This has resulted in recognition of ESOP cost of Rs Nil and Rs 21,256,866 for the year ended 31 March 2015 and nine months ended 31 December 2013 respectively. As a result of first liquidation event, on 7 May 2013, the Company issued 429,000 shares to the employees resulting in the transfer of Rs 11,400,000 from share option outstanding account to securities premium account.

Option activity during the year and weighted average exercise price of stock options under the plan is given as below:

Particulars	As at 31 March 2015	As at 31 December 2013
Number of options		
Options outstanding - Opening balance	871,000	1,300,000
Granted during the year	-	-
Exercised during the period	-	429,000
Forfeited during the year	-	-
Options exercisable - Closing balance	871,000	871,000
Weighted average exercise price (Rs)		
Options outstanding - Opening balance	10	10
Granted during the period	10	10
Forfeited during the period	10	10
Options exercisable - Closing balance	10	10

39 Unhedged foreign currency exposure

Foreign currency exposures on account of trade receivables/ trade payables not hedged by derivative instruments are as follows:
(Amount in brackets represents foreign currency) *(Amount in Rs)*

Particulars	As at 31 March 2015	As at 31 December 2013
Trade receivables	33,651,528	962,264
	(USD 553,201)	*(USD 15,680)*

40 Subsequent event

Subsequent to the reporting date, the company has acquired 100% interests in Aramark India Private Limited from Aramark Corporation on 1 April 2015. Based out of Mumbai, Aramark India is a facility management company with niche offerings in hospitality and healthcare facility management. The company has operations in more than 80 sites pan-India and with a workforce of over 2,500 employees spread across 9 states. This acquisition will strengthen Company's position as a leading Pan India Facilities Management player with an integrated service offering spanning soft and hard services, pest control and catering.

41 Financial statements for the period from 1 January 2014 to 31 March 2015 have been prepared after considering amalgamation of certain wholly owned subsidiaries with the Company therefore are not strictly comparable with the financial statements for the previous period from 1 April 2013 to 31 Dec 2013. Previous period figures have been regrouped or reclassified, wherever necessary, to conform to the current period classification.

As per our report of even date attached
for **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No.: 116231 W/W-100024

Vineet Dhawan
Partner
Membership No.092084

Place: Bengaluru
Date: 27 May 2015

for and on behalf of Board of Directors of
Quess Corp Limited
(formerly known as IKYA HUMAN CAPITAL SOLUTIONS LIMITED)

Ajit Isaac	**Subrata Nag**	**N.V.S.Pavan Kumar**
Managing Director	*Director*	*Company Secretary*

Place: Bengaluru
Date: 22 May 2015

To,

The Board of Directors,
Quess Corp limited
3/3/2, Bellandur Gate,
Sarjapur Road, Bangalore

Independent Auditors' Report on Unaudited Proforma Consolidated Condensed Financial Information

Dear Sirs,

1. This report is issued in accordance with the terms of our engagement letter dated 31st July 2017.

2. The accompanying Unaudited Proforma Consolidated Condensed Financial Information (hereinafter referred to as the "Unaudited Proforma Consolidated Condensed Financial Information") of Quess Corp Limited (hereinafter referred to as the "Company", "Quess"),its subsidiaries, and its share of the profit / (loss) of its associates and its joint venture(together constituting "the Group"), comprising of the Unaudited Proforma Consolidated Condensed Statement of Profit and Loss for the year ended March 31, 2017, read with the notes thereto, have been prepared by the Management of the Company for the purpose of inclusion in the Red Herring Prospectus and the Prospectus to reflect the impact of significant acquisitions made by the Company during the year from April 01, 2016 to March 31, 2017 and as further set out in the basis of preparation stated in notes to the Unaudited Proforma Consolidated Condensed Financial Information.

3. We have examined the Unaudited Proforma Consolidated Condensed Financial Information. For our examination, we have placed reliance on the following:

   a. the audited Consolidated balance sheet and statement of profit and loss of the Company prepared in accordance with Indian Accounting Standards ("Ind AS") as of and for the year ended March 31, 2017 on which the statutory auditors of the Company had expressed an unmodified audit opinion in their report date May 16, 2017;

   b. the unaudited Consolidated balance sheet and statement of profit and loss of the Identified Business of MIS as of and for the year ended 31 March 2017 are prepared in accordance with Indian GAAP (hereinafter referred to as "Indian GAAP Unaudited Consolidated Financial Statements of MIS Identified Business"). The same has been subjected to limited review by us vide our report dated July 28, 2017 which had no observations;

   c. the statement of reconciliation of Indian GAAP Unaudited Consolidated Financial Statements of MIS Identified Business to the unaudited Consolidated balance sheet and statement of profit and loss of the Identified Business of MIS as of and for the year ended 31 March 2017 prepared in accordance with Ind AS (hereinafter referred to as "Ind AS Unaudited Consolidated Financial Statements of MIS Identified Business") prepared by us under a separate engagement form the Company.

4. For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Proforma Consolidated Condensed Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used by the Management in the compilation of the Unaudited Proforma Consolidated Condensed Financial Information.

Managements' Responsibility for the Unaudited Proforma Consolidated Condensed Financial Information

5. The preparation of the Unaudited Proforma Consolidated Condensed Financial Information, which is to be included in the Red Herring Prospectus and the Prospectus, is the responsibility of the Management of the Company and has been approved by the Board of Directors of the Company (hereinafter referred to as the "Board of Directors"), in their meeting dated August 08, 2017. The Board of Directors' responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Unaudited Proforma Consolidated Condensed Financial Information. The Board of Directors is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities.

Auditors' Responsibilities

6. Our responsibility is to express an opinion on whether the Unaudited Proforma Consolidated Condensed Financial Information of the Group for the year ended March 31, 2017 as attached to this report, read with the notes thereto have been properly prepared by the Management of the Company as set out in the basis of preparation stated in notes to the Unaudited Proforma Consolidated Condensed Financial Information.

7. We conducted our engagement in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India.

8. The purpose of the Unaudited Proforma Consolidated Condensed Financial Information is to reflect the impact of significant acquisitions made by the Company during the year from April 01, 2016 to March 31, 2017, as set out in the basis of preparation stated in notes to the Unaudited Proforma Consolidated Condensed Financial Information and solely to illustrate the impact of a significant event on the historical financial information of the Group, as if the event had occurred at an earlier date selected for purposes of illustration and based on the judgements and assumptions of the Management of the Company to reflect the hypothetical impact, and, because of its hypothetical nature, does not provide any assurance or indication that any event will take place in the future and may not be indicative of the consolidated statement of profit and loss of the Group, for year ended March 31, 2017 or any future periods.

9. Our work consisted primarily of comparing the respective columns in the Unaudited Proforma Consolidated Condensed Financial Information to the underlying historical financial information, as the case may be, referred to in paragraph 3 above, considering the evidence supporting the adjustments and reclassifications, performing procedures to assess whether the basis of preparation of the Unaudited Proforma Consolidated Condensed Financial Information as stated in notes to the Unaudited Proforma Consolidated Condensed Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the acquisition and discussing the Unaudited Proforma Consolidated Condensed Financial Information with the Management of the Company.

10. We have not audited any financial statements of the Group as of any date or for any period subsequent to March 31, 2017. Accordingly, we do not express any opinion on the financial position, results or cash flows of the Group as of any date or for any period subsequent to March 31, 2017.

11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

12. We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with sufficient evidence to issue this report.

13. This engagement did not involve independent examination of any of the underlying financial information.

14. We believe that the procedures performed by us provide a reasonable basis for our opinion.

Opinion

15. In our opinion the Unaudited Proforma Consolidated Condensed Financial Information of the Group for the year ended March 31, 2017 as attached to this report, read with the notes thereto have been properly prepared by the Management of the Company on the basis of preparation stated in notes to the Unaudited Proforma Consolidated Condensed Financial Information.

16. We did not audit or review the consolidated financial statements of the Company as of and for the year ended March 31, 2017 as considered in the Unaudited Proforma Consolidated Condensed Financial Information. The consolidated financial statements of the Company as of and for the year ended March 31, 2017have been examined by the statutory auditors of the Company whose reports have been furnished to us by management, and our opinion on the Unaudited Proforma Consolidated Condensed Financial Information, in so far it relates to the amounts and disclosures included in respect of the Company, is solely on the reports of such other auditors.

Restrictions on Use

17. This report is addressed to and is provided to enable the Board of Directors of the Company to include this report in the Red Herring Prospectus and the Prospectus prepared in connection with the proposed institutional placement programme of the Company, to be filed by the Company with the concerned Registrar of Companies, the Securities and Exchange Board of India, the BSE Limited and the National Stock Exchange of India Limited.

For Sriramulu Naidu & Co.
Chartered Accountants
Firm Registration No 008975S

S Deenadayal
Partner
Membership No. 205194

Place: Bangalore
Date: August 08, 2017

Unaudited Pro forma Consolidated Condensed Balance Sheet as at 31 March 2017

(Rupees in lakhs)

	Particulars	Quess As at 31 March 2017	MIS As at 31 March 2017	Proforma Adjustments	Total
A	**ASSETS**				
1	**Non-current assets**				
	Property, plant and equipment	5,043.56	536.72	-	5,580.28
	Goodwill	37,875.28	2,754.58	63,171.16	103,801.02
	Other intangible assets	790.38	-	-	790.38
	Intangible assets under development	771.68	-	-	771.68
	Financial assets				
	(i) Investments	29,763.82	-	(22,000.00)	7,763.82
	(ii) Non-current loans	1,433.41	253.56	-	1,686.97
	(iii) Other non-current financial assets	131.13	-	-	131.13
	Deferred tax assets (net)	4,799.58	416.73	-	5,216.31
	Income tax assets (net)	11,780.15	353.42	-	12,133.57
	Other non-current assets	563.30	-	-	563.30
	Total non-current assets	**92,952.29**	**4,315.01**	**41,171.16**	**138,438.46**
2	**Current assets**				
	Inventories	572.74	135.92	-	708.66
	Financial assets				
	(i) Trade receivables	44,684.60	7,513.57	-	52,198.17
	(ii) Cash and cash equivalents	30,127.19	261.17	-	30,388.36
	(iii) Bank balances other than cash and cash equivalents above	15,833.46	11.92	-	15,845.38
	(iv) Current loans	2,302.32	28.70	-	2,331.02
	(v) Other current financial assets	259.86	5.53	-	265.39
	(vi) Unbilled revenue	38,682.58	168.84	-	38,851.42
	Other current assets	2,619.01	134.93	-	2,753.94
	Total current assets	**135,081.76**	**8,260.58**	**-**	**143,342.34**
	Total Assets	**228,034.05**	**12,575.59**	**41,171.16**	**281,780.80**
B	**EQUITY AND LIABILITIES**				
1	**Equity**				
	Equity share capital	12,679.10	-	714.93	13,394.03
	Other equity	70,938.29	3,802.29	40,456.23	115,196.81
	Total equity attributable to equity holders of the Company	**83,617.39**	**3,802.29**	**41,171.16**	**128,590.84**
	Non-controlling interests	88.20	273.01	-	361.21
	Total equity	**83,705.59**	**4,075.30**	**41,171.16**	**128,952.05**
2	**Liabilities**				
	Non-current liabilities				
	Financial liabilities				
	(i) Non-current borrowings	27,444.87	-	-	27,444.87
	(ii) Other non-current financial liabilities	13,279.03	-	-	13,279.03
	Non-current provisions	2,254.62	414.80	-	2,669.42
	Total non-current liabilities	**42,978.52**	**414.80**	**-**	**43,393.32**
3	**Current liabilities**				
	Financial liabilities				
	(i) Bank overdraft	34.22	-	-	34.22
	(ii) Current borrowings	45,565.52	1,390.90	-	46,956.42
	(iii) Trade payables	6,314.45	3,229.74	-	9,544.19
	(iv) Other current financial liabilities	28,638.61	220.82	-	28,859.43
	Income tax liabilities (net)	823.72	1,332.99	-	2,156.71
	Current provisions	2,272.23	618.60	-	2,890.83
	Other current liabilities	17,701.19	1,292.44	-	18,993.63
	Total current liabilities	**101,349.94**	**8,085.49**	**-**	**109,435.43**
	Total Equity and Liabilities	**228,034.05**	**12,575.59**	**41,171.16**	**281,780.80**

See accompanying notes to the financial results

For Sriramulu Naidu & Co.
Chartered Accountants
Firm Registration No. 008975S

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

S Deenadayal
Partner
Membership No. 205194

Authorised Signatory

Place : Bangalore
Date : August 08, 2017

Unaudited Pro forma Consolidated Condensed Statement of Profit and Loss for the year ended 31 March 2017

(Rupees in lakhs)

Sl. No.	Particulars	Quess For the year ended 31 March 2017	MIS For the year ended 31 March 2017	Proforma Adjustments	Total
1	**Income from operations**				
	a) Revenue from operations	415,735.95	45,541.74	-	461,277.69
	b) Other income,net	1,525.20	39.72	-	1,564.92
	Total income (a + b)	**417,261.15**	**45,581.45**	**-**	**462,842.60**
2	**Expenses**				
	a) Cost of material and stores and spare parts consumed	4,687.77	7,734.91	-	12,422.68
	b) Employee benefit expenses	354,350.85	21,656.33	-	376,007.19
	c) Finance costs	4,653.28	156.26	-	4,809.54
	d) Depreciation and amortisation expenses	2,644.20	381.00	-	3,025.20
	e) Other expenses	34,417.22	11,434.42	-	45,851.64
	Total expenses (a + b + c + d + e)	**400,753.32**	**41,362.92**	**-**	**442,116.24**
3	**Profit before share of profit of equity accounted investees, exceptional items and tax (1 - 2)**	**16,507.83**	**4,218.53**	**-**	**20,726.36**
4	Share of profit of equity accounted investees (net of tax expense)	12.46	-	-	12.46
5	**Profit before exceptional items and tax (3 + 4)**	**16,520.29**	**4,218.53**	**-**	**20,738.82**
6	Exceptional items	-	-	-	-
7	**Profit before income tax (5 + 6)**	**16,520.29**	**4,218.53**	**-**	**20,738.82**
8	**Tax expense**				
	a) Current tax	(3,720.74)	(1,672.68)	-	(5,393.42)
	b) Excess provision of tax relating to earlier years	-	(1.11)	-	(1.11)
	c) Deferred tax	(1,455.11)	287.68		(1,167.43)
	Total tax expenses	**(5,175.85)**	**(1,386.11)**	**-**	**(6,561.96)**
9	**Profit for the year (7 + 8)**	**11,344.44**	**2,832.42**	**-**	**14,176.86**
10	**Other comprehensive income/ (expense)**				
	(i) Items that will not be reclassified to profit or loss				
	Remeasurement of the net defined benefit liability/ asset	(340.47)	53.86	-	(286.61)
	Income tax relating to items that will not be reclassified to profit or loss	106.72	(17.80)	-	88.92
	Share of other comprehensive income of equity accounted investees (net of income tax)	54.44	-	-	54.44
	(ii) Items that will be classified to profit or loss				
	Exchange differences in translating financial statements of foreign operations	(333.91)	-	-	(333.91)
	Income tax relating to items that will be reclassified to profit or loss	-	-	-	-
	Other comprehensive income/ (expense) for the year, net of income tax	**(513.22)**	**36.06**	**-**	**(477.16)**
11	**Total comprehensive income for the year (9 + 10)**	**10,831.22**	**2,868.48**	**-**	**13,699.70**
12	**Profit attributable to:**				
	Owners of the Company	11,346.07	2,834.54	-	14,180.61
	Non-controlling interests	(1.63)	(2.12)	-	(3.75)
13	**Other comprehensive income attributable to:**				
	Owners of the Company	(513.22)	30.66	-	(482.56)
	Non-controlling interests	-	5.40	-	5.40
14	**Total comprehensive income attributable to:**				
	Owners of the Company	10,832.85	2,865.18	-	13,698.04
	Non-controlling interests	(1.63)	3.30	-	1.67
15	Paid-up equity share capital (Face value of Rs 10 per share)	12,679.10			13,394.03
16	Reserves i.e. Other equity	70,938.29			115,196.81
17	Earning Per Share (EPS)	(annualised)			(annualised)
	(a) Basic (Rs)	9.24			10.91
	(b) Diluted (Rs)	9.10			10.75

See accompanying notes to the financial results

For Sriramulu Naidu & Co.
Chartered Accountants
Firm Registration No. 008975S

S Deenadayal
Partner
Membership No. 205194

Place : Bangalore
Date : August 08, 2017

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

Authorised Signatory

Notes to the Unaudited Pro forma Consolidated Condensed Financial Information as at and for the year ended March 31, 2017 ("MIS Proforma")

1. **Background**

During the year ended March 31, 2017, Quess Corp Ltd. ("Company") has entered into definitive agreement with Manipal Integrated Services Private Limited ("MIS") dated November 28, 2016 to demerge the Facility Management Business and Catering Business (together means "Identified Business") of MIS through the Scheme of Arrangement (the "Scheme") into the Company. The acquisition is structured as a cash-cum-stock deal with an initial investment of INR 22000.00 lakhs by the Company to subscribe to Compulsorily Convertible Preference Shares (CCPS) of MIS for securing an interest in the Identified Business. Subsequently, the Identified Business of MIS will be demerged into the Company pursuant to a scheme of arrangement, whereby the Company issues approximately 7.15 million equity shares to equity shareholders of MIS.

The board of directors of the Company (hereinafter referred to as "Board") vide its meeting dated 28 November 2016 has approved the draft scheme of arrangement and filed the Scheme with BSE and NSE. The Company has received the approval from BSE and NSE dated March 23, 2017 and March 27, 2017 respectively and has further filed it with National Company Law Tribunal ("NCLT"), subsequent to March 31, 2017.

The Identified Business of MIS includes activities, operations, business division and undertaking of MIS and subsidiaries and investments of MIS, in each case, pertaining to the (i) Facility Management Business and (ii) Catering Business, on a going concern basis along with all related assets, liabilities, intangible assets, employees, rights, powers, licenses, statutory registrations, permissions and powers, leasehold rights, and all its debts, outstanding liabilities, duties, obligations as on the Appointed Date i.e. December 01, 2016.

The following table provides the information about Identified Business and the subsidiaries of MIS that form part of the Identified Business:

Entity Name	**Particulars**
Identified Business	Facility Management Business and Catering Business divisions of MIS
Master Staffing Solution Private Limited ("MSS")	Wholly owned subsidiary of MIS
Golden Star Facilities & Services Private Limited ("GSFS")	Subsidiary of MIS. MIS holds 60% equity in GSFS.

The completion of the transaction contemplated above is subject to various conditions, including the approval of the shareholders and creditors, the sanction of the scheme of arrangement by the National Company Law Tribunal as well as other relevant regulatory approvals.

2. Although MIS Proforma is not required as per Issue of Capital and Disclosure Requirements (ICDR) Regulations, 2009, as amended (the "SEBI Regulations"), the Company has prepared and disclosed MIS Proforma, for illustrative purposes only to reflect the impact of the transaction on the Company's historical consolidated financial statements assuming the transaction has been completed as on April 01, 2016

3. The MIS Proforma gives effect to the acquisition of the Identified Business of MIS by the Company for consideration of INR 63,966.13 lakhs which includes upfront investment of INR 22,000.00 lakhs in CCPS of MIS and issuance of 7,149,255 equity shares of the Company. To arrive at consideration for giving effect in MIS Proforma, value of INR 41,966.13 lakhs has been assigned to 7,149,255 equity shares of the Company based on fairness opinion and the share valuation considered for the computation of swap ratio for the Scheme.

4. **Basis of Preparation**

The MIS Proforma comprises of the proforma balance sheet as at March 31, 2017, the proforma statement of profit and loss for the year ended March 31, 2017, read with the notes there on, has been prepared to reflect the acquisition of the Identified Business of MIS as if the acquisition had taken place with effect from April 01, 2016.

Because of their nature, the proforma financial information addresses a hypothetical situation and, therefore, do not represent Company's actual consolidated financial position or results. They purport to indicate the results of operations and the consolidated financial position as at the year end, that would have resulted had the acquisition been completed at the beginning of the period presented , but are not intended to be indicative of expected results or operations in the future periods or the future financial position of the Company. The proforma adjustments are based upon available information and assumptions that the management of the Company believes to be reasonable.

The MIS Proforma involves various assumptions relating to the preparation of historical financial information of the Identified Business, including allocation of revenue, costs, assets and liabilities.

The rules and regulations related to the preparation of proforma financial information in jurisdictions other than India may vary significantly from the basis of preparation as set out in paragraphs below to prepare these proforma financial statements. Accordingly, the degree of reliance placed by investors from such jurisdictions on these proforma information should be limited.

The Unaudited Proforma Consolidated Condensed financial information is based on:

a. the audited Consolidated balance sheet and statement of profit and loss of the Company prepared in accordance with Indian Accounting Standards ("Ind AS") as of and for the year ended March 31, 2017 on which the statutory auditors of the Company had expressed an unmodified audit opinion in their report date May 16, 2017;

b. the unaudited Consolidated balance sheet and statement of profit and loss of the Identified Business of MIS as of and for the year ended 31 March 2017 are prepared in accordance with Indian GAAP (hereinafter referred to as "Indian GAAP Unaudited Consolidated Financial Statements of MIS Identified Business"). The same has been subjected to limited review by the statutory auditor of MIS and their report dated July 28, 2017 had no observations;

c. the statement of reconciliation of Indian GAAP Unaudited Consolidated Financial Statements of MIS Identified Business to the unaudited Consolidated balance sheet and statement of profit and loss of the Identified Business of MIS as of and for the year ended 31 March 2017 prepared in accordance with Ind AS (hereinafter referred to as "Ind AS Unaudited Consolidated Financial Statements of MIS Identified Business") prepared by Sriramulu Naidu & Co. under a separate engagement from the Company. MIS has been preparing the financial statements in accordance with Indian GAAP. The consolidated financial statements have been prepared under Ind AS following the guidance prescribed under Ind AS 101, First-time Adoption of Indian Accounting Standards considering April 01, 2016 as the transition date.

d. the group accounting policies of the Company which are based on Ind AS reporting framework.

5. **Proforma adjustments**
The following adjustments have been made to present the MIS Proforma:

a. **The audited consolidated Ind AS balance sheet and statement of profit and loss of the Company:** The audited consolidated Ind AS balance sheet and statement of profit and loss of the Company as of and for the 12 months period ended March 31, 2017 has been replicated as such from the audited consolidated Ind AS financial statements of the Company for the financial year ended 31 March 2017 which have been prepared in accordance with Ind AS and the provisions of the Companies Act, 2013 ("Act") and the relevant rules thereunder. The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. No adjustments, regrouping or reformatting has been performed on these financial statements.

b. **The unaudited consolidated Ind AS balance sheet and statement of profit and loss of the Identified Business of MIS:**

The Ind AS consolidated financial statements of the Identified Business of MIS ("Ind AS CFS of MIS") was prepared considering financials of the Identified Businesses prepared under Indian GAAP and subjected to limited review by the statutory auditors of MIS and transitioned under Ind AS. No adjustments, regrouping or reformatting has been performed on these financial statements.

c. **MIS Proforma:**

i. For the purposes of MIS Proforma, the acquisition of Identified Business of MIS by the Company has been assumed to have taken place as at April 01, 2016. The goodwill has been calculated as per Ind AS 103, Business Combinations based on the consolidated balance sheet of the Identified Business of MIS as at April 01, 2016 as follows:

Particulars	**Amount in Rs lakhs**
Net assets (A)	794.96
Purchase Consideration paid (B)	63,966.13
Goodwill (C=B-A)	63171.17

The purchase price allocation as per Ind AS 103 has not been done, resulting in reflection of the book value of the assets and liabilities acquired in the transaction.

ii. The MIS Proforma gives effect to the cancellation of CCPS of INR 22,000.00 lakhs and issuance of 7,149,255 equity shares of the Company in accordance with the Scheme. To arrive at consideration for giving effect in MIS Proforma, value of INR 41,966.13 lakhs has been assigned to 7,149,255 equity shares of the Company based on fairness opinion and the share valuation considered for the computation of swap ratio for the Scheme.

6. During the year ended March 31, 2017, apart from acquisition of Identified Business of MIS, the Company has also acquired 100% shareholding in Quess Corp Lanka (Pvt) Ltd, 64% shareholding in Comtel Solutions Pte Ltd. Singapore and 74% shareholding in Inticore VJP Advance Systems Private Limited and 49% shareholding in Terrier Security Services (India) Private Limited. The Company also announced to acquire 45% shareholding in Simpliance Technologies Pvt. Ltd. and 26% shareholding in Heptagon Technologies Pvt. Ltd. However, these acquisitions are not material to the consolidated financial position of the Company and therefore not considered by management in preparation of the MIS Proforma.

7. Other than as mentioned above, no additional adjustments have been made to the MIS Proforma to reflect any trading results or other transactions of the Company and its controlled entities or the acquired companies entered into.

DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act and the guidelines / regulations issued by the Government or the regulations / guidelines/circulars issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that this Prospectus contains all information specified under Chapter VIII-A and Schedule XVIII of the SEBI Regulations and such other information as is material and appropriate to enable the investors to make a well informed decision as to investment in the proposed Issue and further certify that all the statements in this Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

Ajit Abraham Isaac (*Chairman and Managing Director and CEO)*	**Chandran Ratnaswami** (*Non Executive Director)*
Madhavan Karunakaran Menon (*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)*	**Subrata Kumar Nag** (*Executive and Wholetime Director and Chief Financial Officer)*

Place: Bengaluru
Date: August 17, 2017

Registered and Corporate Office of the Company

Quess Corp Limited
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Bengaluru 560 103
Karnataka, India
Website:www.quesscorp.com
Tel: +91 80 6105 6000; **Fax**: +91 80 6105 6406

Statutory Auditor to the Company

BSR & Associates LLP
Chartered Accountants
Maruthi Info-Tech Centre
2nd floor, 11-12/1
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Karnataka, India

Book Running Lead Managers

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C-2, Wadia International Centre
Pandurang Budhkar Marg, Worli
Mumbai 400 025
Maharashtra, India

ICICI Securities Limited
ICICI Centre
H.T. Parekh Marg
Churchgate
Mumbai 400 020
Maharashtra, India

IIFL Holdings Limited
10th Floor, IIFL Centre
Kamala City
Senapati Bapat Marg, Lower Parel (West)
Mumbai 400 013
Maharashtra, India

Registrar to the Issue

Link Intime India Private Limited
C-101,1st Floor,
247Park, L.B.S. Marg
Vikhroli (West)
Mumbai 400 083
Maharashtra, India

Syndicate Member

India Infoline Limited
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Maharashtra, India

Public Issue Account Bank

Axis Bank Limited
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Domestic Legal Counsel to the Company

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