QUESS
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QCL/SEC/2026-27/19

May 07, 2026

To,

BSE Limited	**National Stock Exchange of India Limited**
Phiroze Jeejeebhoy Towers,	Exchange Plaza,
Dalal Street,	Bandra- Kurla Complex,
Mumbai – 400 001	Bandra (East), Mumbai – 400 051
Security Code – 539978	**NSE Symbol – QUESS**

Dear Sir/ Madam,

Sub: Transcript of the Earnings Call – Q4 FY26

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Transcript of the Earnings Call held on May 05, 2026.

The above information is also available on the website of the Company at www.quesscorp.com.

Kindly take the same on record and oblige.

Yours sincerely,

For Quess Corp Limited

KUNDAN KUMAR LAL

Digitally signed by KUNDAN KUMAR LAL
Date: 2026.05.07 18:28:25 +05'30'

Kundan K Lal
Company Secretary & Compliance Officer
Membership No.: F8393

Encl: as above

“Quess Corp Limited Q4 & FY'26 Earnings Conference Call”

May 05, 2026

MANAGEMENT:	**MR. GURUPRASAD SRINIVASAN – EXECUTIVE DIRECTOR** **MR. LOHIT BHATIA – CHIEF EXECUTIVE OFFICER** **MR. NEERAJ JAIN – CHIEF FINANCIAL OFFICER** **MR. KAPIL JOSHI – CHIEF EXECUTIVE OFFICER, QUESS IT STAFFING** **MR. NITIN DAVE – CHIEF EXECUTIVE OFFICER, QUESS STAFFING SOLUTIONS** **MR. KUSHAL MAHESHWARI – HEAD, (INVESTOR RELATIONS & TREASURY)**
MODERATOR:	**MR. SIDDHARTH ZABAK – IIFL CAPITAL SERVICES LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to the Quess Corp Q4 FY26 Earnings Conference Call, hosted by IIFL Capital Services Limited.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing "*" then "0" on your touchstone phone.

Please note that this conference is being recorded. I now hand the conference over to Mr. Siddharth Zabak from IIFL Capital Services Limited. Thank you and over to you, sir.

Siddharth Zabak: Thank you. Ladies and gentlemen, good morning and thank you for joining us on the Post-Q4-FY26 & FY26 Results Conference Call for Quess Corp Limited.

It is my pleasure to introduce the Senior Management Team of Quess Corp who are here with us today to discuss the Results:

We have Mr. Guruprasad Srinivasan – Executive Director, Mr. Lohit Bhatia – CEO, Mr. Kushal Maheshwari – Head (Investor Relations & Treasury), Mr. Neeraj Jain – CFO, Mr. Kapil Joshi – CEO of Quess IT Staffing; and Mr. Nitin Dave – CEO of Quess Staffing Solutions.

We will begin the call with opening remarks by the Management Team, and thereafter, we will open the call for a Q&A session.

I would like to now hand over the call to Mr. Kushal Maheshwari to take the proceedings forward. Thank you, and over to you, Kushal.

Kushal Maheshwari: Thank you, Siddharth. Good morning, everyone, and thank you for joining us for our Q4-FY26 and FY26 Earnings Call.

The information, data, and outlook shared by the Management during the call are forward-looking and subject to prevailing business conditions and government policy.

All forward-looking statements are subject to economic growth or other risks faced by the Company. Please refer to Slide #2 of the investor presentation for the Safe Harbor Clause.

With that Safe Harbor Clause, I will now hand over the call to our CEO – Mr. Lohit Bhatia, for his opening statements.

Over to you, Lohit.

Lohit Bhatia: Thank you, Kushal. Good morning, everyone, and thank you for joining us for Quess Corp's Q4 and full-year FY26 Earnings Call today.

We are pleased to report a quarter and year with steady execution, strong margin expansion, and improved quality of earnings.

For Q4 FY26, we delivered a revenue of INR 3,892 crores, reflecting a 6% year-on-year growth, while the EBITDA came in at INR 86 crores up 28% year-on-year, with the margins expanding to 2.2%. PAT stood at INR 64 crores, with an EPS of INR 4.3.

For the full-year FY26, revenues stand at INR 15,305 crores, with an EBITDA at INR 3,12 crores, reflecting 19% growth in EBITDA and a PAT excluding one-time exceptional item at INR 230 crores, up 10% year-on-year. This marks a healthy ROE of 20%.

Importantly, our EBITDA-to-operating cash flow conversion remains strong at 80%, highlighting the disciplined working capital management and high-quality earnings. The Board has thus approved a special dividend of INR 3 per share on account of the 10th Anniversary of our IPO and a final dividend of INR 3 per share, staying true to our commitments to reward our shareholders.

Now moving to business performance – This reflects scale with improving quality:

FY26 reflects a clear shift in our business towards higher margin, more sustainable segments, even as we maintained our leadership position in co-staffing. We ended the year with a headcount of approximately 4,78,594 associates, reinforcing our position as India's largest staffing platform. During the year, we added 281 new contracts in General Staffing, continued scaling high margin Professional Staffing with strong GCC traction, adding 61 new logos during the year. We added 125 new logos in Overseas business as well.

At a portfolio level, high margin businesses now contribute 50% of the total profitability, a structural shift that is beginning to reflect in our margin trajectory as well.

General Staffing – Scale Leadership with Execution Discipline:

The General Staffing business continued to demonstrate resilience and strong execution at scale.

For the year FY26, we added approximately 26,000 net-add in our headcount in the Staffing Solutions business. However, discontinued projects have resulted in a 7,000 loss during the year as well. Revenue has come out at INR 13,176 crores, growing modestly year-on-year despite a year marked by structural transitions including the Labor Code implementation, the geopolitical instability and portfolio recalibration.

EBITDA remained stable at INR 189 crores with significant investments made in verticalization, technology investments and hiring of recruiters to make our business future proof and future ready.

During Q4, we added 59 new contracts, taking FY26 total addition of new contracts and customers to 281. The headcount growth remained measured owing to global factors and supply-side talent shrinkage, especially in the latter part of the financial year.

DSO remained tightly managed at 24 days, including 9 days of UBR days as well. This also shows strong collection discipline within the unit. While certain verticals such as BFSI and CRT saw near-term softness, this was offset by the stability in other lines of businesses recently created in the last few years, including manufacturing and the infrastructure-led construction demand.

Our focus will continue to be improving profit per associate, enhancing client mix, driving operational efficiency at scale.

Moving to our Professional Staffing business – The High-Quality Growth Engine:

Professional Staffing has delivered another record strong quarter for us and a year of profitable growth.

The revenue for the year has come out at INR 930 crores, which is up 13% year-on-year. EBITDA increased sharply to INR 111 crores, up 43% year-on-year. Margins have expanded to (+12%).

In Quarter 4, EBITDA has grown 47% year-on-year with continued margin strength. GCCs continue to account for 71% of total headcount deployment in our Professional Staffing business, reflecting our strategic position in high-value niche roles and segments. This performance has been driven by the focus on high-margin digital and technology roles, rationalization of low-yield engagements, and strong demand from GCCs.

We believe the double-digit margin in this segment are sustainable, supported by the structural demand and disciplined execution.

Moving to our Overseas Business – Diversified Growth with Margin Expansion:

Our Overseas business continued to deliver consistent growth and improving margin.

For the year FY26, the revenue stands at INR 1,197 crores, up 5% year-on-year. EBITDA increased to INR 77 crores, up 21% year-on-year. For Q4, revenue grew 16% year-on-year. EBITDA grew 28% year-on-year with steady margins above 6% at a blended rate.

The key highlights for international are:

- 125 new logos added during the year.

- Middle East has closed FY26 with 11% EBITDA margin, posting revenue and EBITDA growth of 27% and 40% respectively.
- Quess Singapore, General Staffing has added 68 new contracts and an over 491 local headcounts, taking our total headcount in the geography to over 1,026.
- Malaysia has delivered strong revenue growth of 83% year-on-year, scaling to 900 headcount and an EBITDA margin of 4.3%.
- Philippines posted 49% revenue growth at a 10% EBITDA margin, crossing over 700 headcount milestone.

Overall, the international portfolio is now better balanced, structurally more profitable as well.

Our digital platforms continue to remain investment-focused with a layer of AI. We have sharpened our focus towards AI-led solutions with a plan for the coming three years.

We are building a blue-collar marketplace, AI-driven recruitment and workforce solutions. This will further strengthen our long-term position in technology-led workforce management platforms.

Moving on to people and ESG highlights:

I am proud to share that Quess has been certified as a **"Great Place to Work"** for 7th consecutive year, with recognition across India, Singapore and Middle East. We were also recognized with "**LinkedIn Talent Award 2025"** for "**AI Pioneer**", reflecting our focus on innovation in talent acquisition.

Closing remarks:

To summarize FY26, the year has been led by margin expansion, improved profitability, strong cash flow generation, portfolio shift towards higher-margin businesses, disciplined execution across segments. While revenue growth remained moderate, the quality of growth has significantly improved, positioning us well for the next phase. As we move into FY27, our focus will be on scaling Professional Staffing and Overseas business, drive margin expansion across segments, leveraging technology and AI platforms, and continuing our disciplined capital allocation.

We remain confident in our ability to deliver sustainable, profitable growth with improving return ratios.

With that, I will now hand over to Neeraj to walk you through the financials in more detail.

Neeraj Jain: Thank you Lohit. Good morning, everyone and thank you for joining us on Quess Corp Q4 & Full Year FY26 Earnings call.

I will begin with our headline financial performance for the quarter and full year and then I will follow with segment-wise financial review and conclude it with key balance sheet, cash flow and capital allocation highlights.

I will start with financial highlights for the quarter:

Q4 FY26 was a quarter of strong margin expansion, improved profitability, reflecting continued benefits from our focus on our mixed improvement, operating discipline and cost optimization.

Consolidated revenues for the quarter stood at INR 3,892 crore, representing 6% year-on-year growth with broadly stable sequential performance. EBITDA for the quarter came in at INR 86 crore, up 28% year-on-year and 8% sequentially, with EBITDA margins improving to 2.2%, representing an expansion of 37 basis points year-on-year. This margin expansion indicates improved operating leverage, a more favorable business mix, and sustained cost discipline across the organization, reflecting in operating margins for all businesses combined and crossing INR 100 crore for the quarter.

Reported PAT stood at INR 64 crore, reflecting a 167% year-on-year increase, supported by operating leverage and lower exceptional impacts. On an adjusted basis, PAT remained stable sequentially, reflecting underlying business strength and consistency in earnings quality.

Our EPS for the quarter stood at INR 4.3 per share. Importantly, our operating cash flow conversion remained robust at 80% of EBITDA, underscoring strong working capital discipline and high-quality earnings.

I will come to full year FY26 performance:

For the full year FY26, consolidated revenues stood at INR 15,305 crore, reflecting 2% year-on-year growth, while revenue growth remained calibrated during the year, the financial performance reflects a deliberate focus on profitability and earnings quality rather than volume-led expansion.

EBITDA increased to INR 312 crore, delivering a 19% year-on-year growth, with a margins expansion to 2%. Our adjusted PAT for the year stood at INR 250 crore, up 10% year-on-year, with adjusted EPS of INR 15.4 per share. Our return on equity remained strong at 20%, reflecting improving profitability and capital efficiency.

This reflects disciplined execution in a year of external transitions, particularly around Labor Code implementation.

I will now talk about segment-wise financial performance:

General Staffing – scaled with stable profitability:

Our General Staffing continues to provide scale, stability and strong cash flow generation, even as margins remain sensitive to mixed and sectoral demand. For Q4 FY26, our revenues stood at INR 3,328 crore, up 6% year-on-year, while quarter-on-quarter decline is due to one-time incentive pass-through and gratuity billing in Q3, which was because of the Labor Code implementation. Our segment EBITDA stood at INR 52 crore, reflecting 21% year-on-year growth.

For FY26, our revenues stood at INR 13,176 crore, contributing 86% of total revenue for the company. Our EBITDA stood at INR 189 crore for the segment.

Operationally, we added 59 new contracts in Q4, taking our total FY26 additions of new contracts to 281. Our DSO remained tightly controlled at 24 days, including unbilled revenue, with the ARDSO standing at 15 days. Our Collect & Pay mix remained strong at 76%.

Our margins remained stable, supported by pricing discipline and cost control, even as certain verticals such as BFSI and CRT saw moderate softness.

I will now talk about Professional Staffing:

I think the highlight for the segment was margin-led growth.

Professional Staffing continues to be our key driver for profitability and margin expansion. For Q4 FY26, the revenues stood at INR 232 crore. EBITDA stood at INR 30 crore, which is up by 47% year-on-year. And margins for Professional Staffing remained strong at (+12%).

For the full year, revenue grew to INR 930 crore, which is 13% year-on-year growth. And EBITDA increased to INR 111 crore, which is a 43% year-on-year increase.

Key highlights for the segment:

- GCC-led engagements now account for (+70%) headcount.
- Our continued focus on high-margin digital and technology roles.
- Strong operating leverage driven by portfolio rationalization.

Professional Staffing now contributes a high share of profitability relative to revenue, reinforcing its role as our structural margin driver for the company.

I will move on to the Overseas business:

The Overseas business delivered steady growth with continued margin improvement supported by diversification across geographies.

Starting with Q4:

Our revenues stood at INR 332 crore, which is up by 16% year-on-year. EBITDA was at INR 21 crore, which is up by 18% year-on-year.

And for the full year, revenue for Overseas business is INR 1,197 crore. And our EBITDA increased to INR 77 crore, which is a 21% year-on-year increase.

Moving on to operational highlights:

We added 125 new logos during the year. And maintained double-digit margins. Malaysia and Philippines showed strong growth and margin expansion. And Singapore performance stabilized during the year with improved revenue mix and cost efficiency.

The segment continues to demonstrate improving profitability and cash generation with EBITDA margins in the range of 6% to 7%. These results demonstrate consistent sequential execution and margin sustainability during the year.

Our portfolio mix and margin evolution from a portfolio perspective approximately now 50% of the total operating profitability comes from high margin businesses, namely Professional Staffing and overseas segments. This structural shift in mix combined with cost discipline and pricing optimization improved execution has been the primary driver of margin expansion for us during the year. The impact of this mix improvement complemented by cost management and delivery efficiencies has been our key driver for margin expansion during the year.

Importantly, this strategy has been executed without compromising our cash flows and with strong focus on capital efficiency and liquidity discipline.

I will move on now to balance sheet cash flow and capital allocation:

Our balance sheet remains strong and well-capitalized. The net cash position as of close is INR 271 crore. We have zero gross debt in the company. Our free cash flow generation remains healthy, supported by strong EBITDA growth and tight working capital management.

Talking about capital allocation and shareholders' return:

Based on our cash generation and balance sheet, the Board has proposed a final dividend of INR 3 along with a special dividend of INR 3 marking our 10 years of IPO.

This reflects confidence in our cash generation and our commitment to shareholder returns, continued discipline in capital allocation. This translates into a total payout aligned with free cash flow, reflecting our commitment to shareholder returns while maintaining adequate liquidity for our growth objectives.

In closing remarks, to summarize Q4 and FY26:

Consistent margin expansion despite modest revenue growth, strong EBITDA and profitability growth, high quality earnings with robust cash conversion, structurally improving our business mix and a strong balance sheet with disciplined capital allocation.

As we move into FY27, our financial priorities remain, sustaining our margin expansion trajectory while maintaining strong cash conversion, driving higher return on capital and supporting growth investments while ensuring capital discipline.

With that, I will now hand it over back to the moderator for Q&A.

Moderator: Ladies and gentlemen, we will now begin the question-and-answer session. We will take the first question from the line of Siddharth Zabak from IIFL Capital Services Ltd. Please go ahead.

Siddharth Zabak: Thank you. Congratulations on the strong set of results and thank you for taking my question. I have two questions. Firstly, on Overseas business, we saw a sharp uptick in Q4. Could you help us understand what were the drivers behind this growth and to what extent is this sustainable versus being one-off in nature? Additionally, any color on how the Middle East business could be impacted by the ongoing geopolitical situation? And secondly, on General Staffing margins, margins expanded by 20 basis points year-on-year. What are the key drivers behind this improvement, and should we view this level of margins as sustainable going forward?

Lohit Bhatia: Thank you, Siddharth. This is Lohit here. I will take that question and then hand over briefly to my colleague. Your first question was on overseas and how sustainable is the margin profile and the growth that we have seen in the 4th Quarter. Fourth Quarter has been particularly aided by the revenue jump from INR 290 crores to INR 332 crores. This is actually demonstrated by three moving parts and segments. #1. Core organic revenue growth as well as one-time pass-through put together that has expanded the book. #2. The second has been expanded by new customer addition during this quarter as well. #3. And third has been an advantage of the currency devaluation of the Indian rupee against the currencies that we are operating in all of these geographies. So, it is a combination of three factors. If I were to moderate the one-time pass-through out of the INR 42 crore revenue jump during this quarter, about INR 10 crores is the one-time. The rest INR 32 is because of organic revenue growth, new customer growth and FOREX gain.

Your second question you briefly asked was about Middle East and what do we see there. As the Middle East issues unfolded in front of all of us at Quess Corp also, first we were absolutely cognizant of the fact that both our core employees as well as our associate employees have to remain safe. Our treasury operations balance sheet and finance has to be robust, take care of all eventualities and to be able to pay everyone as per the laws on time. I must tell you that we have had a record revenue closing even in Q4 in Middle East. In spite of all of these factors, we have had a record collection at almost 172%. Our OCF has been healthy this year and we have crossed at an operating level, we have crossed our AOP targets at revenue, EBITDA and margin, all three during the quarter in Middle East. We remain concerned and we continue to keep watching that situation extremely carefully. We are also in touch with all of our customers. One of the things that when we deep dive our Middle East results has been something that we have been structurally doing for the last 7 to 8 years. We are not embedded to any one segment, any one customer or any one market there. We are actually in mostly essential services which is technology, insurance, telecommunications, e-commerce and logistics, banking and then retail. So, the portfolio diversification in the last 7-8 years and the strength of the quality of customers that we work with, backed up by the essential services, nature of the work we have done, we continue to close Middle East for this financial year and this quarter at a high point of more than 2,200 contractors. We will continue to watch the situation as it unfolds very, very closely. I will briefly move to the General Staffing.

Kushal Maheshwari: I believe you were asking the question on overall margin at 2.2%. Am I right, Siddharth?

Siddharth Zabak: No, for General Staffing.

Lohit Bhatia: General Staffing margins are at 1.5%. So, General Staffing, Siddharth, very specifically if you look at a very holistic picture of Quess as it has been unfolding in the last 3 or 4 years, this has been backed up by the 3 distinct platforms. The second you would notice that in each platform we have a volume and a value strategy. The third you would notice that while we are chasing growth at a volume level specifically in the General Staffing business as well, in each of the segments and platforms including General Staffing, we are also going after the higher margin businesses. GS also has modeled their next 4-year trajectory on value and volume. We have today customers in construction, we have customers in value-added services and manufacturing which has been yielding slightly higher margin than the margins that we have seen traditionally in this business.

Siddharth Zabak: Got it. Thank you so much and all the best for the coming quarter.

Lohit Bhatia: Thank you.

Moderator: Thank you. We will take the next question from the line of Vikas Ahuja from Antique Stock Broking. Please go ahead.

Vikas Ahuja: Hi, thank you for the opportunity and congrats on good execution. So, I have a couple of questions on margin and then one related to that discontinued project which resulted in 7,000 headcount loss. So, firstly, on Professional Staffing margins are now 12.7% and we have seen this improvement. It is a consistent improvement we have seen over last 5-6 quarters. Do we think there is more room to improve these margins further? And overseas at 6.2% as well while General Staffing remains at 1.5%. As the higher margin segment scale, what is the expected blended margins we expect over next 2-3 years? That is my first question. Thank you.

Kushal Maheshwari: Thank you, Vikas. For the Professional Staffing, I will ask Lohit to give you a color on this.

Lohit Bhatia: Vikas, thanks for that question. To your question on Professional Staffing and how did we scale to 12.7% and is this something which will remain for the long term or are we further anticipating uptick in margin? This has been a structural story which Quess has been working in our Professional Staffing side since 2020-2021. We have done multiple things. One, we have moved away from the low margin 0-3 years of experience category. Second, we have pivoted ourselves to GCCs and today our book is almost 71% built on the back of GCCs followed by another 20% on IT customers within enterprises followed by 9-10% only from the IT services pack. The third is we have gone higher on the execution capability both with the niche segment as well as with the experience skill set. All of this has yielded to higher margin, which is a plan that our Professional Staffing team has made. We will continue to remain with that focus and that trajectory in times to come. As far as the guidance is concerned, it would be safe to say that we would continue to remain and measure ourselves in the 11-12% margin category for the medium term as well. As far as overseas is concerned, the book is today built on multiple countries. Middle East and Philippines both are double digit margins at 11-10% today. Singapore which had some challenges in the last six quarters which we have spoken about in every call in the past has now come out of that trough and has built a General Staffing business as well. It yields close to a 5.5% margin profile, and Malaysia yields about a 4.3% margin profile. So, the blended margin is at about 6.2%. We would continue to keep working ourselves towards a (+6%) margin as far as our international mix and book is concerned. You briefly mentioned that you wanted to know about the 7K discontinued project.

Vikas Ahuja: So, before that, I wanted to get some understanding on overall blended margins for the next two to three years. And the question on that 7,000 was can you provide more details on the revenue and margin impact of this discontinuation? And also, are we largely done with this restructuring or do we think that in FY27 there could be some revenue hit because of further discontinuation of the project?

Kushal Maheshwari: So, for the question on the overall margin, basically is it sustainable for the next two to three years, I will ask Lohit to answer this thing followed by the question on discontinuity.

Lohit Bhatia: So, as you see, Vikas, this year started with a range of 1.6% to 1.8% margin. Across our various quarterly calls, we had said that we want to be at 2% and create that as a new baseline and foundation for our company. Today, we are glad that at a full financial year FY26 basis, we have crossed the 2% mark. But as we exited Q4, it was 2.2%. If the blending of our current portfolio remains where it is, a 2.2% is possible. However, given the fact that General Staffing is a 1.5% EBITDA margin business, we are anticipating a higher clip rate growth in FY27 and thereafter in terms of headcount. So, it would be safe to say that in an immediate term, a (+2%) margin in a medium-term going towards a 2.4%. As far as medium term is concerned, I would call it a three-year period. That would be a medium term. So, that is how we should kind of look at it. To your question on the discontinued project, as you would remember, closer to our demerger timeline, we had said any business which does not meet the financial metrics of the company and does not yield us the cash realization, we will exit and discontinue such businesses. This was one of the projects which we were doing, which was 7,000-odd resources, but a milestone-based project, which in this financial year we have completely closed and dialed down. The impact of revenue from this is roughly about 1.3% at about INR 200 crores. We do not have any such known event in front of us.

Vikas Ahuja: Okay, thank you. And my final question is, then I will go back to the queue, that GCC within Professional Staffing now contributes 71% of the headcount. How does GCC margin profile compare to the broader Professional Staffing? And is there further GCC-led margin upside we foresee? Also, do we see any risk to this GCC story we have seen in the last couple of years, as many of the large US companies are talking about reducing headcounts this year. So, that could be trickling down to their GCCs as well and could have some indirect impact on us. Thanks a lot.

Lohit Bhatia: Vikas, let us understand this difference, and I think it is an important point that you raised. Why are GCCs slightly different from IT services? I think it is a very different business that both these are in. IT services are primarily in the digital transaction as well as transformation space, but a lot of volume is gathered at the entry level, which is 0 to 3 years and 3 to 5 years. When you look at GCCs, they are coming to India to solve a certain technology problem for themselves, and they are not just looking at India as a cheap base to solve talent, but they are also looking at India for transformation and beyond transformation as well. In GCCs, you need ready talent which comes with skills, which comes with experience, and which comes with minimum 7 to 8 years of exposure and more. Hence, it is a very different segment of talent that we deal with. Likewise, for a higher experience, automatically the revenues and thus the complexity of that enhances. Because we have created a high value verticalization team within our Professional Staffing practice as well, we are able to yield the kind of results that we do.

Neeraj Jain: I think there was a question around softness of GCC in the US for Professional Staffing. Maybe what we are also seeing from our side is the time and the opportunity for overall GCCs that we can tap in India, but more importantly, we are seeing a wider GCC demand coming in from the Asia-Pacific. As a company, we are looking at new corridors where we can tap the GCC demand for this vertical.

Vikas Ahuja: Okay, thank you. Thank you.

Moderator: Thank you. We will take the next question from the line of Dipesh Mehta from Emkay Global. Please go ahead.

Dipesh Mehta: Thanks for the opportunity and congrats on strong execution. My question is largely linked with the revenue growth side and headcount side. First on General Staffing, if I look revenue growth for '26 is largely muted and even if one adjusts for the accounting for Labor Code, which we did on revenue expenses side and adjusted for 7,000 project-related impact, which you indicated, it is largely flattish. So, can you provide some sense how you expect the General Staffing growth to play out considering your margin focus and case conversion, whether you find enough double-digit growth kind of opportunities starting FY27 or growth is likely to be tepid particularly on revenue side in General Staffing? That is question one. Second question on Professional Staffing, if I look at it over the last few quarters, growth started tapering off on revenue side. How do you expect this revenue growth to play out even though our focus remains on GCC and all those things, but largely seems to be now growth is tapering out so, trying to get your sense on revenue growth side. And third question is on the Labor Code kind of thing. What percentage of our revenue or client would have accepted, let us say, revised terms or revised rate based on the new Labor Code-related revision and where discussions are still, let us say, happening? If you can provide some sense on it. Thank you.

Lohit Bhatia: Dipesh, I will answer the questions and then hand over to my colleagues, Nitin and Kapil, to throw some more light on the specifics that you have asked. The first thing you have asked is revenue and headcount growth related to General Staffing. Let me clarify a few points. 1) With the year which kept us so busy in India, starting from the 2nd Quarter of GST 2.0, 3rd Quarter Labor Code and 4th Quarter global factors including state elections, in spite of that fact, our General Staffing team this year has added 26,000 net addition to employment. While our historical average has always been 45,000 to 50,000 and we continue to run investments, teams and technology to be able to deliver those kind of numbers, we see that this 26,000 has further been muted by the 7,000, which as a leadership team, we took a conscious call to decline from those businesses. And hence, the like-for-like number for an entire organization you are noticing is only at 19,000. At 26,000, I would say we have performed at 50% of our installed capacity. But this 50% of installed capacity is in spite of the structural things which were happening both on the demand and the supply side as far as India is concerned in the last couple of years. I will ask Nitin to throw some more light on the kind of capacity that we have from a sales, execution, sourcing, and reach perspective.

Nitin Dave: Thank you, Dipesh. This is Nitin Dave. We in General Staffing are well invested in terms of verticalization, new lines of business, and recruiters. We have a very resilient sales team that is in a position to deliver 275 to 300 new logos every year. In fact, in the last 12 quarters, they have added more than 100,000 new headcounts. The same is true for our recruitment team. We have a very stable recruitment team which can consistently deliver headcount. So, in a stable environment, this team can consistently deliver headcount growth going forward. And new lines of business where also we are working, they can also start kicking in as we go forward. Kapil?

Lohit Bhatia: We will hand over to Kapil for the PS questions, Professional Staffing that you asked.

Kapil Joshi: So, Professional Staffing I understand your concern, but it is very cyclic. If you see H1 versus H2, what happened in H2, we have furlough impact and the number of working days since we work on T&M model in Professional Staffing, number of working days also impact our revenue. And Q3 and Q4, specifically Q4 has the lowest working days in a whole year. So, probably the real efforts what we put in the sales or what we do headcount addition all the year does not reflect in Q3, Q4 performance because of the furlough and less working days. But just to let you know, we have acquired 61 logos in a whole year. Out of this, (+50%) has already gone active and we have 200 plus resources already deployed in this account, which are acquired in this year only. So, the real impact probably will be visible in H1.

Dipesh Mehta: Sorry to interrupt, but let us say both the General Staffing and Professional Staffing, let us say in Professional Staffing, I am referring to YoY growth. So, seasonality, which you are referring to, I think should not have any impact when you look YoY growth. Your YoY growth in specialized or Professional Staffing is double digit, your exit is half of it, Quarter 4 YoY growth. So, I was referring to that. On General Staffing, you indicated, let us say around 10K to 15K per quarter kind of net addition, which is what the capacity which we have. And we achieve roughly half of it when you look, let us say somewhere around 25K for the year in terms of net addition, excluding the 7000 lows. My question is, it is not getting captured when I look, let us say revenue number, right? You are saying that an addition happened, but let us say at the end of the day, when I look full year headcount addition or changes, at least in '26 not played out, are we confident '27, the kind of capacity 10K to 15K addition per quarter should actually start getting reflected into your net revenue growth?

Kushal Maheshwari: I will ask Lohit to answer your question on the General Staffing and eventual reflection in the revenue growth for the company.

Lohit Bhatia: So, Dipesh, two quick points. One) On the General Staffing business, you might remember there was a base decline effect about a year ago. In Q4 of last financial year, there was a BFSI regulatory-based impact which caused a 37,000 decline. While this happened more than a year ago, the shrinkage of revenue from that was to the tune of 7%. Today, like-for-like, when you see the growth created by this year is actually 10% for the year. In spite of the three broad structural changes which happened in our economy in quick succession one after the other, which is GST 2.0, which is Labor Code, as well as global factors and elections, all happened in a matter of seven months in the last seven months of the economy. Yet, if you negate for that one-time event last year, you will actually notice that the business has grown 10% year-on-year. Negated for that, the number on the balance sheet obviously comes to 2%. To a quick follow-on on what Kapil has already explained from a GCC perspective, I also like to bring to your notice that two quarters ago, we had said that we had one of the projects in our MSP, which was run rating at close to about 10 crores revenue line. And that project was for one year. That project ended in that quarter. And hence, that is the one which has had a drop, if you see it from the slide itself, from INR 244 crores revenue to INR 224 crores. From INR 224 crores, we have been increasing and enhancing and come back to INR 232 crores per quarter. And rest, as Kapil explained, 61 new contracts and logos, predominantly 90% of those are GCC customers itself, have given us new mandates. And we feel that this year, we will be able to come back on a 10% to 11% headcount growth and 12% to 13% revenue growth.

Dipesh Mehta: I think that answer, double-digit growth you are indicating to return. And last part which is unanswered is about the Labor Code, how many clients or percentage of revenue agreed to and where you intend some effort to be made in subsequent period?

Neeraj Jain: This is Neeraj. So, we are closely monitoring the Labor Code situation. I think, given our expectation, the law is also evolving. So, rules are yet to be notified. And to specifically answer your question, I think we expect more and more responses to pick up in Q1 and Q2 from confirmation from the client side in terms of which approach they want to take. So, hopefully by Q1 and most likely by end of Q2, we should be able to have full confirmation from clients and accordingly, we will take that impact.

Dipesh Mehta: Understood. Thank you.

Moderator: Thank you. We will take the next question from the line of Amit Chandra from HDFC Securities. Please go ahead.

Amit Chandra: Yes, thanks for the opportunity. So, the first question is on the Professional Staffing side, obviously, now you have answered upon the margin expansion piece, but it is very heartening to see the margin expansion coming back in the sector at an overall level after a very long time. But if I just compare the Professional Staffing margins to the competition, we are just almost like double of that irrespective of the GCC contribution being in the 70% range for the competition also. So, what exactly we are doing differently here and what gives us the confidence that these kinds of margins in the Professional Staffing is sustainable over a medium-to-long term.

Kushal Maheshwari: Thank you Amit for your question. I will ask Lohit to answer your question followed by Kapil.

Lohit Bhatia: Thanks Amit for the question. Amit, I would like to speak for Quess, I would not be able to speak on behalf of any other organization in the industry. Having said that, I think structurally what you are seeing as a result today in FY26 is very tireless efforts and execution which has been put way back in 2020-2021. Post-COVID, we were of a clear realization that the market will under vamped on margin side across the entire industry and our Professional Staffing team led by Kapil Joshi and his entire leadership team worked very hard on the facts of what would create future growth in India. The clear message there was coming out to be was GCCs followed by IT within enterprise customers and then followed by IT services. That is the way Quess was looking at demand for itself. I am not talking about the Indian IT industry, I am saying this is how Quess was viewing what opportunities Quess will want to partake in. The second point was we also realized that as the GCC customers will arrive in India, they will want solutions with experience skill set, whether it is in data centre, whether it is in artificial intelligence, whether it is in cyber security, whether it is in product based and those skill sets will be niche skill sets which will require different delivery, different recruitments, a lot of technology embedded value in how we source and how we screen candidates, how do we onboard, how do we retain the talent with us and that was the work which is being done for the last five years. Way back in 2020-2021, the EBITDA from the Professional Staffing business was at 4.7% if I remember correctly and it has taken approximately five years to get to a 12% mark. During this period, it is not just margin expansion, it is a revamp and a rebalance of the nature of customer and type of contracts we have signed. It is the kind of revenue per person that we are doing. It is the niche skill set that we are working on and we have strategically exited a few projects along the way. So, it is a structural story led by five years of intense execution.

Amit Chandra: Okay. So, just to follow up on the Professional Staffing thing, obviously FY26 has been a very strong year but the exit was a bit weak in terms of the YoY has been highlighted earlier. So, in terms of the overall growth for the next year in the Professional Staffing, especially in view of that the last two years or three years rather has been very strong for the number of GCCs opening up in India and most of this demand has been created by opening up of newer GCCs. But once that slows down and because of the AI impact, we are not seeing any hiring at the net level from the existing ones or the existing GCCs and obviously from the IT services. Do we foresee any kind of a slowdown in terms of the headcount addition here and any change in strategy for the Professional Staffing?

Kapil Joshi: So, first let me answer you on Quarter 4. Like I said, Quarter 4 has the lowest ever working days and we have some spillover in the first week of January on furlough also. So, that revenue does not truly reflect our net addition and the margin improvement for the Quarter 4 and hopefully it should reflect in next one. Now, second question on AI impact on GCC and the kind of work we do. So, what is happening and Lohit has already briefed about it. We have actually in last two years, we have moved from volume to value business. Earlier, most of the contracting used to happen for your low-end L1, L2 support, maintenance job, voice, non-voice kind of support and testing kind of role. What has happened because of the GCC penetration and because of the AI impact, the skill requirement has completely changed. Two years back, there was only 30% demand in AI data, cloud, cyber security space. Now, this contributes almost 60% of total demand where we have better build rate and better margin. Second thing, what happened in GCC space, which Lohit has already briefed that GCC do totally very different business than IT services. So, the contract staffing earlier used to be in zero-to-four-year experience bracket. Now, it happens 4 year plus up to 10 years. So, these two things actually have changed the entire landscape and probably a result of AI impact also. More importantly, there is a huge demand-supply gap on all this emerging technology and that is where staffing company play a big role. None of this large organization has a branch resource, are ready to deploy talent available and our strong delivery engine actually fuel this growth and somewhere it helps us in new sales also.

Amit Chandra: And my last question on the General Staffing. Obviously, we have some impact of the restructuring but in the base that we have right now, have we any further risk of any regulatory-led or any further restructuring which can impact the additions because we have strong growth additions but it is not showing up in the net because of the higher leakage or the higher addition, whatever you want to put it. And also the margin expansion that we are seeing is also a result of only exiting the lower margin businesses or is it that we are moving up in terms of the value-add and also Collect & Pay because the Collect & Pay, we are not seeing any improvement. So, in terms of business model is there any changes or just exiting lower margin business?

Lohit Bhatia: Yes, thank you for that question. So, if you see it from a General Staffing business and Nitin Dave, our leader was explaining prior to this that the way the business is modeled, we grow from new customers where we added 281 clients during this year. We continue to hold ourselves responsible for adding 275 to 300 unique clients every year. We have an installed capacity of sourcing of up to 50,000 people per quarter from our sourcing-led initiatives. The last two quarters, we have been able to deliver only 37,000 and 38,000 out of that installed capacity of 50,000. So, we have an upside play there as well in our capacities. The third is India's structural changes which were happening in the last seven months, more or less we feel this is done, unless something new comes up and obviously, Quess is a very integral part of Indian economy in many ways a backbone to 2,300 plus corporate clients. If something comes up, obviously, it will impact the entire economy and so it might impact us as well. But at this moment, we are poised for growth based on the capacities we have, the execution, the reach and the technology that we have.

Neeraj Jain: This is Neeraj, I think there was a question around Collect & Pay. Just wanted to update that General Staffing from a vertical standpoint is going to diversify and expand their business in construction and manufacturing as new verticals. So, as of today, our Collect & Pay 76% is a very healthy number and we basically have a target to maintain this as I said, given the fact that we are now expanding into high margin construction and manufacturing verticals where it is going to be at least 30 days to 60 days DSO trend. Overall, at a GS level, if we are able to peg ourselves between 70% to 76%, I think we are in good shape.

Amit Chandra: Okay, sir. Thank you and all the best.

Moderator: Thank youWe will take the next question from the line of Shankar Narayanan from ithoughtPMS. Please go ahead.

Shankar Narayanan: Good morning, sir. I wanted to understand the major drivers of the GCC segment. So, in terms of headcount, this year we have seen close to 7% of headcount addition in headcount growth in Professional Staffing segment. And do you think this number can inch up slowly to let us say 10% to 12% growing forward? And if so, will it be coming from the mature GCCs who are adding the headcount or the new GCC which are setting up in India for the first time and to the BOT model that we are engaging. So, I want to understand the difference between two and how it will impact the headcount in the business.

Kushal Maheshwari: Thanks, Shankar. I will ask Kapil to answer your question on GCC.

Kapil Joshi: Straightforward, we have added roughly 400 plus net addition was there on our billable associates for the last year. 50% of that actually came from the new signup, the 61 logo what we have signed for the year. So, the new sales is definitely driving the net addition. I am confident that the net addition for next couple of years will be in double digit 10% to 12% what you are expecting. And 50% of this should come from the new signup and 50% from existing logo where we are serving right now.

Shankar Narayanan: All right, sir. And in the engagement model, are we engaging directly with the client or are we partnering with any of the real estate developers who manage the property as well?

Lohit Bhatia: We look at every opportunity available in the market. There are consulting firms which bring businesses to India, but then they need a strong execution partner and Quess sits there. There are developers who have large mandates for the space that is taken. But again, on talent, which is 80% of the problem that a GCC wants to solve, again, Quess becomes a partner there. So, there are multiple ways direct as well as indirect with our teams, through our teams, as well as through partnerships in the market. We will continue to keep watching. Wherever an opportunity exists, we will find Quess being there.

Shankar Narayanan: And finally, to model into our estimates, what effective tax rate should we include for the next three years?

Kushal Maheshwari: Sorry, can you repeat your question?

Shankar Narayanan: I was asking on the effective tax rate to model for the next three years.

Kushal Maheshwari: I will ask Neeraj to answer this question.

Neeraj Jain: So, yes, I mean, given our business and business mix and the new sector that we are looking at, I would say from an ETR perspective, we should be looking at a 7% to 10% range.

Shankar Narayanan: 7% to 10% range?

Neeraj Jain: Yes.

Shankar Narayanan: Got it, sir. And regarding our contingent liability as well. So, if I go through the last year Annual Reports, majorly it was saying that the salaries that we are processing is higher than the 25,000 mark which is given in the 80JJAA Act. So, for the next two, three years, do you think this will increase the absolute tax amount that we are paying? Because wage inflation will also increase the salary of the associate.

Neeraj Jain: Okay, so from an ETR standpoint and contingent liability standpoint, contingent liability is a component of two elements. One is the 80JJAA litigation that I think it is an industry litigation. It is an industry-wide impact. As we say, while the matter is sub-judice and we expect some concrete progress to happen on this subject in this year, we continue to avail the 80JJAA exemption. So, I do not see any impact coming in from there. The other element of contingent liability is GST litigation that we have where in early stage litigation, I think it is going to be a little slow as we progress on this matter because the other parties, there are almost 10 insurance companies that are part of the litigation. So, there will be an element of progression that we will see in this year, but I do not expect a concrete conclusion on this matter. From a contingent liability, unfortunately, till the time we get a final conclusion at the next level, we have to maintain the current stand. But from an ETR standpoint, we do not expect any impact.

Shankar Narayanan: Got it, sir. Thank you.

Moderator: Thank you very much. Ladies and gentlemen, we will take that as the last question for today and with that concludes the question-and-answer session. I now hand the conference back to the management for closing comments. Over to you, sir.

Lohit Bhatia: Thank you everyone for joining us and continuing to support Quess Corp in this journey. As we said, we are foundationally strong in our 19th year and one year post our demerger. From a balance sheet perspective, there is strength in the organization and the balance both from a business and an execution point of view as well as from a treasury and a finance point of view. We will continue to keep looking forward for your questions and feedback as always. We will appreciate your continued interest and support and sincerely look forward to catching up with all of you again. Thank you very much.

Moderator: Thank you, members of the Management. On behalf of IIFL Capital Services Limited, that concludes this conference. Thank you all for joining with us today and you may now disconnect your lines. Thank you.