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'Watsa's quess targets 25k deliveries per day'

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Watsa's Quess targets 25k deliveries per day

The Company, Via Its Logistics Arm, Will Serve Clients Such As Amazon And Grofers

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Bengaluru: Business service provider Quess Corp, controlled by Canadian investor Prem Watsa, has recently entered the logistics business to bank on the e-commerce boom and is targeting 25,000 deliveries a day.

The company, which filed for an IPO and is expected to make its debut early July, has set up a logistics arm, Dependo Logistics, to serve its e-commerce clients such as Amazon, grocery start up Grofers and online furniture and home décor startup Urban Ladder, through last mile delivery. "We are not only supplying people but also taking ownership for last mile delivery of supply chain. You order something and it is probable that a Quess employee is delivering it to you under the supervision of an e-commerce firm" CEO Ajit Issac said.

Quess also provides manpower to e-commerce companies and has deployed 11,000 employees till date. But, the headcount growth has remained constant since the festive season last year, which Issac says is due to seasonality. He



Prem Watsa

expects the demand to go up again towards end of the year.

Bengaluru-based Quess employed more than 120,000 employees, including over 3,400 core employees and more than 117,000 associate employees, as of February this year. The company, which has 47 offices across 26 cities including operations in North America, Middle East and South East Asia, has more than 1,300 clients.

The company's people and services business, which provides temporary staffing in IT companies among others, is expected to be the growth driver going forward, Issac said. "People business is one of the older businesses, contributing about 57% of our total income and is a key to our growth in future."

According to industry body Nasscom, IT industry added 2.3 lakh jobs in fiscal 2015 with aggressive hiring seen in some of the large marquee IT companies. The percentage of temporary manpower in the total manpower today ranges between 10 to 15% in leading Indian IT companies.

Quess expects to raise about Rs 400 crore from the IPO and the proceeds will be used for additional working capital, acquisitions, repayment of debt and capital expenses. Thomas Cook India, through which Watsa exercises control, will own 60% of the company while Issac will own 26% after the offering. Quess's anchor issue on Tuesday saw an allocation of 56.78 lakh shares at Rs 317 per share aggregating to Rs 180 crore to 15 anchor investors including Fidelity Investments, Kuwait Investment Authority, Nomura and DSP BlackRock.

Quess' restated net profit rose to Rs 88.5 crore, for the fiscal ended Mar 31, compared to Rs 67.2 crore for the fifteen months ended March 2015. Revenue from operations rose 33.8% to Rs 3442.4 crore during the same period.