

10th February, 2022

To,
BSE Limited,
Floor 25, Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai-400 001.

National Stock Exchange
Exchange Plaza,
Bandra-Kurla Complex, Bandra (East),
Mumbai-400 051.

Security Code- 539978

Symbol: QUESS

Dear Sir/ Madam,

Sub: Increase in equity stake in Heptagon Technologies Private Limited from 49% to 60.67% and intimation for signing of Share Subscription Agreement and Amended Shareholders' Agreement

With reference to the captioned subject, we would like to inform that Quess Corp Limited (**Company**) has signed a Share Subscription Agreement and Amended Shareholders' Agreement today with Heptagon Technologies Private Limited (**Heptagon**) and Vijayramkumar Veeraraghavan, Vignesh Rangasamy and Rajesh Sankarappan (**Promoters**) pursuant to which the Company has agreed to make an additional investment in Heptagon through subscription of 6,342 (six thousand three hundred and forty four) equity shares for a consideration of INR 15,768 (Indian Rupees Fifteen Thousand Seven Hundred and Sixty Eight) per equity share aggregating to INR 10,00,00,656 (Indian Rupees Ten Crore Six Hundred and Fifty Six).

The Company and Heptagon had also entered into a loan agreement dated 5 September 2018 for an amount of INR 3,00,00,000 (Indian Rupees Three Crore) (**Loan Agreement**). Pursuant to the Loan Agreement, the Company (the lender) is exercising the Lender's Conversion Right (as defined under the Loan Agreement) and has issued the requisite notice to Heptagon (as required under the Loan Agreement). Accordingly, Heptagon shall issue 1,902 (one thousand nine hundred and two) equity shares at a price of INR 15,768 (Indian Rupees Fifteen Thousand Seven Hundred and Sixty Eight) per equity share to the Company in lieu of the loan amount.

On the Closing Date (as defined under the Share Subscription Agreement), upon the issue and allotment by Heptagon of the aforementioned equity shares, i.e. cumulatively 8244 (eight thousand two hundred and forty four) equity shares to the Company, it shall hold 60.67% in Heptagon.

The information as per Regulation 30 of SEBI Listing Regulations read with SEBI Circular No. CIR/CFD/CMD/4/2015, dated 9 September 2015 is annexed as Annexure I and Annexure II.

You are requested to kindly take the same on your records.

Yours sincerely,
For Quess Corp Limited


Kundan K Lal
Company Secretary & Compliance Officer



Quess Corp Limited

Quess House, 3/3/2, Bellandur Gate, Sarjapur Road, Bengaluru-560103, Karnataka, India
Tel: +91 80 6105 6001 | connect@quesscorp.com | CIN No.L74140KA2007PLC043909

ANNEXURE I

Information as per Regulation 30 of Listing Regulations read with SEBI Circular No. CIR/CFD/CMD/4/2015, dated 9 September 2015

S. No.	Particulars	Details
1.	Name of the target entity, details in brief such as size, turnover etc.	<p>Heptagon Technologies Private Limited (Heptagon)</p> <p>Heptagon is engaged in the business of niche software development specialising in digital consulting, digital transformation and product engineering.</p> <p>Heptagon had INR 17.40 crores of revenues for FY 2020-21.</p>
2.	Whether the acquisition would fall within related party transaction(s) and whether the promoter/ promoter group/ group companies have any interest in the entity being acquired? If yes, nature of interest and details thereof and whether the same is done at “arms length”	<p>Yes, the investment shall be a related party transaction and prior to the investment the Company holds 49% in Heptagon.</p> <p>The transaction shall be done at arm’s length.</p>
3.	Industry to which the entity being acquired belongs.	Software development.
4.	Objects and effects of acquisition (including but not limited to, disclosure of reasons for acquisition of target entity, if its business is outside the main line of business of the listed entity).	<p>The investment is in line with Qess’ digital first strategy to boost overall digital revenues.</p> <p>Controlling stake will enable Qess acquire IP of key digital assets.</p>
5.	Brief details of any governmental or regulatory approvals required for the acquisition.	No governmental or regulatory approvals required.
6.	Indicative time period for completion of the acquisition.	Prior to 28 February 2022.
7.	Nature of consideration - whether cash consideration or share swap and details of the same.	<p>Cash consideration.</p> <p>The total investment for the subscription of equity shares is INR 10,00,00,656.</p> <p>Additionally, the loan given by the Company to Heptagon of INR 3,00,00,000 shall be converted into fully paid up equity shares at the same valuation.</p>
8.	Cost of acquisition or the price at which the shares are acquired.	Each equity share shall be issued at an issue price of INR 15,768, aggregating to INR 10,00,00,656.

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9.	Percentage of shareholding/ control acquired and/ or number of shares acquired.	After subscription of equity shares and conversion of the loan amount, the Company shall hold 60.67% in Heptagon.								
10.	Brief background about the entity acquired in terms of products/line of business acquired, date of incorporation, history of last 3 years turnover, country in which the acquired entity has presence and any other significant information (in brief).	<p>Heptagon is engaged in the business of niche software development specialising in digital consulting, digital transformation and product engineering.</p> <p>Heptagon was incorporated on 23 July 2015 in India.</p> <p><i>Values in INR crores</i></p> <table border="1" data-bbox="804 674 1390 752"> <thead> <tr> <th></th> <th>FY18-19</th> <th>FY19-20</th> <th>FY20-21</th> </tr> </thead> <tbody> <tr> <td>Revenue</td> <td>5.30</td> <td>6.38</td> <td>17.40</td> </tr> </tbody> </table>		FY18-19	FY19-20	FY20-21	Revenue	5.30	6.38	17.40
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ANNEXURE II

Information as per Regulation 30 of Listing Regulations read with SEBI Circular No. CIR/CFD/CMD/4/2015, dated 9 September 2015

S. No.	Particulars	Details
1.	Name(s) of parties with whom the agreement is entered.	Share Subscription Agreement executed amongst the Company, Heptagon and the Promoters. Amended Shareholders Agreement executed amongst the Company, Heptagon and the Promoters.
2.	Purpose of entering into the agreement.	Share Subscription Agreement entered into for the subscription of equity shares and conversion of loan amount in Heptagon by the Company. Amended Shareholders Agreement entered into for agreeing to the inter-se rights and obligations of the shareholders (the Company and the Promoters) of Heptagon and the management of Heptagon.
3.	Shareholding, if any, in the entity with whom the agreement is executed.	Prior to the present investment by the Company holds 49% in Heptagon. After subscription of equity shares and conversion of the loan amount, the Company shall hold 60.67% in Heptagon.
4.	Significant terms of the agreement (in brief) special rights like right to appoint directors, first right to share subscription in case of issuance of shares, right to restrict any change in capital structure etc.	The key terms/ rights provided in the Share Subscription Agreement and Amended Shareholders Agreement <i>inter alia</i> include the right of the Company to appoint directors, customary reserved matter rights to the Promoters, pre-emptive rights, anti-dilution rights, liquidation preference, superior rights, etc.
5.	Whether, the said parties are related to promoter/ promoter group/ group companies in any manner. If yes, nature of relationship.	Heptagon is an associate company of the Company.
6.	Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arm's length".	Yes, the investment shall be a related party transaction and prior to the investment the Company holds 49% in Heptagon. The transaction shall be done at arm's length.
7.	In case of issuance of shares to the parties, details of issue price, class of shares issued.	Under the Share Subscription Agreement, the Company shall invest INR 10,00,00,656 in Heptagon by subscribing to equity shares at an issue price of INR 15,768. Additionally, the loan given by the Company to Heptagon of INR

Quest Corp Limited

Quest House, 3/3/2, Bellandur Gate, Sarjapur Road, Bengaluru-560103, Karnataka, India
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		3,00,00,000 shall be converted into fully paid up equity shares at the same valuation.
8.	Any other disclosures related to such agreements, viz., details of nominee on the board of directors of the listed entity, potential conflict of interest arising out of such agreements, etc.	Not Applicable.
9.	In case of termination or amendment of agreement, listed entity shall disclose additional details to the stock exchange(s): (a) name of parties to the agreement; (b) nature of the agreement; (c) date of execution of the agreement; (d) details of amendment and impact thereof or reasons of termination and impact thereof.	Not Applicable.



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