

September 27, 2019

The General Manager
Department of Corporate Services,
BSE Limited,
1st Floor, New Trading Ring,
Rotunda Building, PJ Towers, Dalal
Street,
Mumbai - 400 001
Security Code - 539978

The Manager
Department of Corporate Services,
**National Stock Exchange of India
Limited**
Exchange Plaza,
Bandra- Kundra Complex,
Bandra (East), Mumbai - 400 001
NSE Symbol - QUESS

Dear Sir / Madam,

Sub: Investor update on Trimax Resolution

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing Investor update on Trimax resolution.

The above said update is also made available on the Company's website.

Thanking you,

Yours faithfully,
For Quess Corp Limited



Kundan K Lal
Company Secretary and Compliance Officer
M. No.: F8393



Encl: a/a

INVESTOR UPDATE ON TRIMAX RESOLUTION

BACKGROUND

Trimax IT Infrastructure and Services Limited ("Trimax IT") was contracted to implement the Smart City project of Ahmedabad by Smart City Ahmedabad Development Limited ("SCADL") a government undertaking. To implement this project, Qess Corp had entered into a Joint Venture with Trimax IT to create Trimax Smart Infraprojects Private Limited ("TSIPL"), with Qess owning 51% and Trimax IT 49%. Trimax IT, TSIPL and Axis Bank entered into a tripartite agreement to create an Escrow Account, where the amounts recoverable from SCADL were to be deposited.

The project commenced in 2017 and currently is about 90% complete, with Field Acceptance Testing (FAT) for various facets of the project having been executed. Further, the Project, which is now largely operational, was awarded the best Smart City Project across all the states in India for 2018.

ISSUE

NCLT had ordered the commencement of Corporate Insolvency Resolution Process for Trimax IT and declared it as an NPA in Feb 2019.

From the Trimax project, Qess had total outstanding dues of Rs. 179 Cr (Rs.117 Cr as debt and Rs. 61Cr as receivables) from TSIPL.

The Resolution Professional (RP) had sought the permission of the Committee of Creditors (COC) to release the amounts from the escrow to TSIPL. However, the COC had been awaiting the outcome of the NCLT decision in this matter and hence, these amounts did not flow through to TSIPL and consequently to Qess.

RESOLUTION

Qess had been in discussions with the COC and RP to successfully arrive at a resolution, which we have successfully closed. All parties have entered into definitive agreements to give effect to the following:

1. Acquisition of 49% stake in TSIPL by Qess, for a consideration of Rs. 13 Crores.
2. Relinquishment of rights in the escrow account by Trimax IT and TSIPL becoming 100% owner of rights in the escrow account, thereby securing the entire receivables from SCADL.
3. Resolution Professional to work with SCADL & TSIPL for transfer of Smart City projects contract from Trimax IT in favour of TSIPL.

IMPACT

Ques, through its 100% shareholding in TSIPL, now has complete ownership of the amounts flowing into the escrow account. The entire amount of Rs. 179 Crores (which had been a combination of loans to TSIPL and receivables outstanding) and any future payments into this escrow account, will flow only to Ques. Trimax IT will no longer be a beneficiary or owner of the sums in the escrow account. It is expected that a significant portion of these outstanding amounts would flow to Ques between Q3 and Q4 of FY19-20.

This is a testimony of Ques' ability to work through emerging business complexities and collaborate with multiple stakeholders to arrive at solutions which add to shareholder value.

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