

October 1, 2023

To,

BSE Limited,
1st Floor, New Trading Ring,
Rotunda Building, PJ Towers, Dalal Street,
Mumbai – 400 001
Security Code – 539978

National Stock Exchange of India Limited
Exchange Plaza,
Bandra- Kurla Complex,
Bandra (East), Mumbai – 400 001
NSE Symbol – QUESS

Dear Sir/Madam,

Sub.: Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulation”)

We refer to the disclosures made as part of consolidated Financial Results for year ended 31 March 2023 and the quarter ended 30 June 2023, and our intimation letter dated September 1, 2023 about the Dispute Resolution Panel Directions.

In continuance of the above, we wish to submit that the Company has received the assessment and demand orders dated September 30, 2023 for the Assessment Year 2019-2020 under the provisions of Sections 143(3) and 156 of the Income-tax Act, 1961 ('IT Act'), resulting in a tax demand of ₹300 crores (including interest) ('Assessment Order'). We would like to highlight that the Assessing Officer in the Assessment order did not provide TDS credit of ₹104 crores due to the technical issues in the Income Tax portal. The Company had brought to the notice of the Deputy Commissioner of Income Tax, Bengaluru, Income Tax Department ('DCIT') that an error has occurred during the computation of tax and that the DCIT has not granted credit for the TDS already issued vide intimation under Section 143(1) of the IT Act. In our opinion, the Assessing Officer has erroneously computed the tax demand, and if the TDS credit is appropriately adjusted and on re-computation of the alleged interest, the Company anticipates a significant reduction in the demand to approximately ₹140 crores. The Company will be filing the Rectification Application under Section 154 of the IT Act and will take other necessary action to get the same rectified.

While the Management is in the process of undertaking a detailed review of the Assessment Order, on a broad review of the Assessment Order, the major contributors to the demands raised in the Assessment Order are disallowance of deduction under Section 80JJAA of the IT Act and depreciation on goodwill claimed by the Company. The Company continues to rely on strong legal advice, precedents & various court decisions and believes that its position is legally defensible. The Management shall take appropriate steps to challenge the Assessment Order with the appropriate forum.

The disclosure will be made available on the official website of the Company:
<https://www.quesscorp.com/announcements/>

This is for your information and record.

Yours sincerely,
For Quess Corp Limited

Kundan K Lal
Company Secretary & Compliance Officer

Quess Corp Limited

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