

August 02, 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.: Outcome of Board Meeting of the Company held on August 02, 2023

Time of Commencement : 05.45 PM

Time of Conclusion : 08.40 PM

This is to inform you that the Board of Directors ("**Board**") at their meeting held today i.e. Wednesday, August 02, 2023, *inter-alia*, considered and approved the following:

1. Unaudited Financial Results (Standalone and Consolidated) for the first quarter ended 30th June, 2023. Pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**"), we are enclosing herewith the Unaudited (Standalone and Consolidated) financial results along with the Limited Review Report issued by the Statutory Auditors of the Company for the first quarter ended June 30, 2023 as "**Annexure 1**".

2. Based on the recommendation of the Audit Committee, the Board approved re-appointment of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No. 117366W/W-100018) as the Statutory Auditors of the Company, for further consecutive term of five years, from the conclusion of the sixteenth Annual General Meeting till the conclusion of twenty first Annual General Meeting, subject to the approval of the members at the ensuing Annual General Meeting. The Statutory Auditors presently hold office till the conclusion of the ensuing Annual General Meeting.

The details as required under Regulation 30 of the Listing Regulations read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015 are given in "**Annexure 2**"

3. Appointment of M/s. Grant Thornton Bharat LLP as the Internal Auditors of the Company for the financial year 2023-24.

The details as required under Regulation 30 of the Listing Regulations read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015 are given in "**Annexure 3**"

The same will be made available on the Company's website www.quesscopy.com.

Kindly take the above information on record and oblige.

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@quesscopy.com | CIN No.L74140KA2007PLC043909

INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF QUESS CORP LIMITED

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of **QUESS CORP LIMITED** ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), and its share of the net profit after tax and total comprehensive income of its associates and joint venture company for the quarter ended 30 June 2023 ("the Statement") being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India (ICAI). A review of interim financial information consists of making inquiries, primarily of Parent's management and personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.
5. The Statement includes the interim financial information of the entities listed in Annexure 1 to this report.
6. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditors referred to in paragraph 7 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015,

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as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

7. **Emphasis of Matters Paragraph**

- i. We draw attention to Note 4 of the Statement, regarding the demands received by the Company in respect of Provident Fund and the contingency related to the pending litigation on the said matter.
- ii. We draw attention to Note 6 of the Statement relating to disallowances by the Income Tax authorities primarily relating to depreciation on goodwill and deduction under section 80JJAA of the Income Tax Act, 1961 for financial year ended 31 March 2018 and 2019 in respect of the Parent and the consequent contingency relating to these disallowances.

Our conclusion on the Statement is not modified in respect of these matters.

8. We did not review the interim financial information/financial results of 21 subsidiaries included in the consolidated unaudited financial results, whose interim financial information/financial results reflect total revenues of Rs. 6,924.88 million for the quarter ended 30 June 2023, total net profit after tax of Rs. 76.87 million for the quarter ended 30 June 2023, and total comprehensive income of Rs. 43.41 million for the quarter ended 30 June 2023, as considered in the Statement. These interim financial information/financial results have been reviewed by other auditors whose reports have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

Our conclusion on the Statement is not modified in respect of this matter.

9. The consolidated unaudited financial results include the interim financial information/financial results of 13 subsidiaries which have not been reviewed by their auditors, whose interim financial information/financial results reflect total revenues of Rs. 747.59 million for the quarter ended 30 June 2023, total loss after tax of Rs. 11.31 million for the quarter ended 30 June 2023, and total comprehensive loss of Rs. 16.41 million for the quarter ended 30 June 2023, as considered in the Statement. The consolidated unaudited financial results also includes the Group's share of net profit after tax of Rs. 0.11 million for the quarter ended 30 June 2023, and total comprehensive income of Rs. 0.11 million for the quarter ended 30 June 2023, as considered in the Statement, in respect of two associates, based on their interim financial information/ results which have not been reviewed by their auditors. The consolidated unaudited financial results also include one joint venture company having no operations, whose financial information/ results have not been reviewed by their auditors.

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Our Conclusion on the Statement is not modified in respect of our reliance on the interim financial information/financial results certified by the Management.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Anand Subramanian
Partner
(Membership No. 110815)
(UDIN: 23110815BGXVLZ6986)

Place: Mumbai
Date: August 2, 2023

Deloitte Haskins & Sells LLP

ANNEXURE 1:

Nature	S. No.	Entity name
Subsidiaries/Step-down subsidiaries:	1.	Brainhunter Systems Ltd.
	2.	Mindwire Systems Limited
	3.	MFX Infotech Private Limited
	4.	Quess (Philippines) Corp.
	5.	Quess Corp (USA) Inc.
	6.	Quess Corp Holdings Pte Ltd
	7.	Quessglobal (Malaysia) Sdn. Bhd.
	8.	MFXchange Holdings Inc.
	9.	MFXchange US, Inc.
	10.	Quess Corp Lanka (Private) Limited
	11.	Quesscorp Singapore Pte Limited (formerly known as Comtel Solutions Pte. Limited)
	12.	Quess East Bengal FC Private Limited
	13.	Excelus Learning Solutions Private Limited
	14.	Conneqt Business Solutions Limited (formerly known as Tata Business Support Services Limited)
	15.	Vedang Cellular Services Private Limited
	16.	Quess International Services Private Limited (formerly known as Golden Star Facilities and Services Private Limited)
	17.	Quess Selection & Services Pte Limited (formerly known as Comtelpro Pte. Ltd.)
	18.	Comtelink Sdn. Bhd.
	19.	Monster.com.SG PTE Limited
	20.	Monster.com.HK Limited
	21.	Agensi Pekerjaan Monster Malaysia Sdn. Bhd (formerly known as Monster Malaysia Sdn Bhd)
	22.	Monster.com (India) Private Limited
	23.	Quess Corp Vietnam LLC
	24.	Simpliance Technologies Private Limited (till 20 October 2022)
	25.	Qdigi Services Limited (formerly known as HCL Computing Products Limited)
	26.	Greenpiece Landscapes India Private Limited
	27.	Quesscorp Management Consultancies (formerly known as StyraCorp Management Services)
	28.	Quesscorp Manpower Supply Services LLC [formerly known as S M S Manpower Supply Services (LLC)]
	29.	Allsec Technologies Limited
	30.	Allsectech Inc., USA
	31.	Allsectech Manila Inc., Philippines
	32.	Quess Services Limited

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Nature	S. No.	Entity name
	33.	Trimax Smart Infraprojects Private Limited
	34.	Terrier Security Services (India) Private Limited
	35.	Heptagon Technologies Private Limited
	36.	Billion Careers Private Limited
	37.	Quess Corp NA LLC (w.e.f 17 May 2022)
	38.	Stellarslog Technovation Private Limited (w.e.f. 7 April 2022)
Associates:	1.	Quess Recruit, Inc.
	2.	Agency Pekerjaan Quess Recruit Sdn. Bhd
Joint Venture Company:	1.	Himmer Industrial Services (M) Sdn. Bhd

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Qness Corp Limited

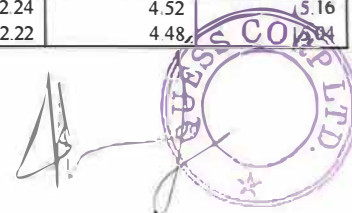
Registered Office: Qness House, 3/3/2, Bellandur Gate, Sarjapur Road, Bengaluru 560 103;
CIN No. L74140KA2007PLC043909

Part 1: Statement of consolidated unaudited financial results for the quarter ended 30 June 2023

(INR in million except per share data)

Sl. No.	Particulars	Consolidated			
		Quarter ended		Year ended	
		30 June 2023	31 March 2023	30 June 2022	31 March 2023
		(Unaudited)	Refer Note 2	(Unaudited)	(Audited)
1	Income				
	a) Revenue from operations	46,002.10	44,402.05	39,793.18	1,71,583.87
	b) Other income	40.72	36.36	72.14	263.35
	Total income (a + b)	46,042.82	44,438.41	39,865.32	1,71,847.22
2	Expenses				
	a) Cost of material and stores and spare parts consumed	1,119.01	1,128.30	975.68	4,794.39
	b) Employee benefits expense	39,953.41	37,972.14	33,952.74	1,46,595.61
	c) Finance costs	272.44	308.98	204.02	1,066.08
	d) Depreciation and amortisation expense	685.69	764.90	609.91	2,746.12
	e) Other expenses	3,390.88	3,781.91	3,331.39	14,337.25
	Total expenses (a + b + c + d + e)	45,421.43	43,956.23	39,073.74	1,69,539.45
3	Profit before share of profit of equity accounted investees, exceptional items and tax (1 - 2)	621.39	482.18	791.58	2,307.77
4	Share of profit of equity accounted investees (net of income tax)	0.11	0.71	0.88	0.84
5	Profit before exceptional items and tax (3 + 4)	621.50	482.89	792.46	2,308.61
6	Exceptional items	-	-	-	(535.03)
7	Profit before tax (5 - 6)	621.50	482.89	792.46	2,843.64
8	Tax expense/(credit)				
	Current tax	165.65	333.11	118.15	843.35
	Income tax relating to previous years	-	(55.92)	0.08	(55.84)
	Deferred tax	(25.32)	(94.18)	(2.78)	(172.96)
	Total tax expense	140.33	183.01	115.45	614.55
9	Profit for the period (7 - 8)	481.17	299.88	677.01	2,229.09
10	Other comprehensive income				
	<i>(i) Items that will not be reclassified subsequently to profit or loss</i>				
	Remeasurement of defined benefit plans	(67.08)	(115.93)	17.01	106.61
	Income tax relating to items that will not be reclassified to profit or loss	20.81	4.16	(4.25)	(24.63)
	<i>(ii) Items that will be reclassified subsequently to profit or loss</i>				
	Exchange differences in translating financial statements of foreign operations	(86.86)	9.26	78.89	472.56
	Other comprehensive (loss)/income for the period, net of taxes	(133.13)	(102.51)	91.65	554.54
11	Total comprehensive income for the period (9 + 10)	348.04	197.37	768.66	2,783.63
12	Profit/(loss) attributable to:				
	Owners of the Company	478.11	331.23	668.50	2,244.18
	Non-controlling interests	3.06	(31.35)	8.51	(15.09)
13	Other comprehensive income attributable to:				
	Owners of the Company	(138.45)	(130.50)	84.88	546.74
	Non-controlling interests	5.32	27.99	6.77	7.79
14	Total comprehensive income/(loss) attributable to:				
	Owners of the Company	339.66	200.73	753.38	2,790.92
	Non-controlling interests	8.38	(3.36)	15.28	(7.30)
15	Paid-up equity share capital (Face value of INR 10.00 per share)	1,483.39	1,482.29	1,480.80	1,482.29
16	Reserves i.e. Other equity				24,205.22
17	Earning per equity share	(not annualised)	(not annualised)	(not annualised)	(annualised)
	(a) Basic (in INR)	3.23	2.24	4.52	5.16
	(b) Diluted (in INR)	3.21	2.22	4.48	5.14

See accompanying notes to the financial results



Quess Corp Limited

Registered Office: Quess House, 3/3/2, Bellandur Gate, Sarjapur Road, Bengaluru 560 103;
CIN No. L74140KA2007PLC043909

Based on the "management approach" as defined in Ind AS 108 - Operating Segments, the Chief Operating Decision Maker evaluates the Group performance and allocates resources based on an analysis of various performance indicators by business segments.

Statement of consolidated unaudited segment wise revenue, results, assets and liabilities for the quarter ended 30 June 2023 (INR in million)

Sl. No.	Particulars	Consolidated			
		Quarter ended		Year ended	
		30 June 2023	31 March 2023	30 June 2022	31 March 2023
		(Unaudited)	(Refer note 2)	(Unaudited)	(Audited)
1	Segment revenue				
	a) Workforce management	32,206.21	30,618.21	27,578.83	1,18,308.95
	b) Operating asset management	6,899.36	6,842.75	5,966.62	26,215.77
	c) Global technology solutions	5,632.60	5,710.40	5,073.64	21,722.63
	d) Product led business	1,263.93	1,230.69	1,174.09	5,336.52
	Total Income from operations	46,002.10	44,402.05	39,793.18	1,71,583.87
2	Segment results				
	a) Workforce management	832.25	860.18	942.01	3,452.82
	b) Operating asset management	308.10	300.15	304.01	1,195.71
	c) Global technology solutions	1,001.75	952.77	825.91	3,540.78
	d) Product led business	(256.01)	(202.23)	(239.73)	(964.27)
	Total	1,886.09	1,910.87	1,832.20	7,225.04
	Less: (i) Unallocated corporate expenses	347.29	391.17	298.83	1,368.42
	Less: (ii) Depreciation and amortisation expense	685.69	764.90	609.91	2,746.12
	Less: (iii) Finance costs	272.44	308.98	204.02	1,066.08
	Add: (iv) Other income	40.72	36.36	72.14	263.35
	Add: (v) Share of profit of equity accounted investees (net of income tax)	0.11	0.71	0.88	0.84
	Profit before exceptional items and tax	621.50	482.89	792.46	2,308.61
	Exceptional item (gain)	-	-	-	(535.03)
	Profit before tax	621.50	482.89	792.46	2,843.64
3	Segment assets				
	a) Workforce management	19,012.01	18,077.36	16,955.59	18,077.36
	b) Operating asset management	14,308.79	13,926.15	12,726.27	13,926.15
	c) Global technology solutions	14,861.48	14,461.28	14,030.83	14,461.28
	d) Product led business	2,369.74	2,409.32	2,024.03	2,409.32
	e) Unallocated	12,078.68	12,313.60	10,532.31	12,313.60
	Total	62,630.70	61,187.71	56,269.03	61,187.71
4	Segment liabilities				
	a) Workforce management	13,892.97	12,475.72	10,525.90	12,475.72
	b) Operating asset management	5,252.28	4,943.18	4,079.31	4,943.18
	c) Global technology solutions	7,205.24	7,534.30	6,483.32	7,534.30
	d) Product led business	2,301.87	2,390.37	2,042.89	2,390.37
	e) Unallocated	6,265.08	6,536.12	7,058.95	6,536.12
	Total	34,917.44	33,879.69	30,190.37	33,879.69

See accompanying notes to the financial results

Quess Corp Limited

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CIN No. L74140KA2007PLC043909

Consolidated unaudited financial results for the quarter ended 30 June 2023

Notes for the quarter ended 30 June 2023:

- 1 The consolidated financial result of Quess Corp Limited ("the Company") including its subsidiaries (collectively known as the "Group"), its associates and its joint venture (as mentioned in Appendix 1 to these notes) for the quarter ended 30 June 2023 has been taken on record by the Board of Directors at its meeting held on 02 August 2023. The statutory auditors have expressed an unqualified conclusion on the financial results for the quarter ended 30 June 2023. These consolidated financial results have been extracted from the interim consolidated financial information.
- 2 The Statement includes the results for the quarter ended 31 March 2023 being the balancing figure of audited figures in respect of full financial year and published unaudited year to date figures upto the end of third quarter of the financial year.
- 3 The consolidated unaudited financial results and the review report of the Statutory Auditors is being filed with Bombay Stock Exchange ("BSE") and National Stock Exchange ("NSE") and will be made available on the Company's website www.quescorp.com.
- 4 During fiscal year 2020, the Regional PF Commissioner ("RPFC") passed an order under Section 7-A of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 ("Act") demanding INR 716.56 million on the grounds that it failed to remit Provident Fund ("PF") on wages for its employees for the period from April 2018 to March 2019 for certain components of salary. The Group filed an appeal before the Central Government Industrial Tribunal ("CGIT") under section 7-I of the Act challenging the Employees' Provident Fund Organisation's ("EPFO") order along with the application under Section 7-O of the Act seeking a waiver from pre-deposit of the alleged Provident fund Contributions till the final disposal of the Appeal. The CGIT after hearing the submissions made by the parties passed an Order allowing complete waiver from any pre-deposit and also staying the operation of the EPFO order. The matter has been adjourned to 11 August 2023. The Company has taken external independent legal advice as per which the EPFO's order is prima facie erroneous and unsustainable in law and the liability has been incorrectly determined by the RPFC and therefore, the Group considers the claim to be remote.
- 5 The Board of Directors of the Company at its meeting held on 7 July 2021 considered and approved the revised Scheme of Amalgamation ("Scheme AAA") among Quess Corp Limited ("Transferee Company") with three of its wholly owned subsidiaries viz. MFX Infotech Private Limited ("MFXI") and Greenpiece Landscape India Private Limited ("GLPL") and Conneqt Business Solutions Limited ("CBSL") together known as ("Transferor Companies") and their respective shareholders and creditors under the provisions of Section 230-232 of the Companies Act, 2013 subject to the necessary approvals by the National Company Law Tribunal (NCLT), Bengaluru bench. The Scheme AAA will be effected in the consolidated financial results once it is approved by National Company Law Tribunal ("NCLT"), Bengaluru Bench. The applicant companies had filed the application before Hon'ble NCLT, Bengaluru bench on 21 January 2022 and received order dated 30 November 2022 for dispensation of the meetings of Equity Shareholders, Secured Creditors and Unsecured Creditors of Applicant Companies and direction to issue notices to the creditors and the statutory authorities specified in the order. Further, the applicant companies after the due compliance filed the Company petition on 9 January 2023 for sanctioning of the Scheme. The Hon'ble NCLT has admitted the petition and the next date of hearing is 11 August 2023.

6 Income Tax Matters:

During the year ended 31 March 2023, the Company received assessment order ('Order') under section 143(3) read with section 144C(13) of the Income Tax Act after completion of Dispute Resolution Panel ('DRP') proceedings for fiscal 2017-2018 resulting in disallowances primarily relating to deduction under section 80JJAA of the Income Tax Act and depreciation on goodwill. The Company has filed appeal with the Income Tax Appellate Tribunal relating to these disallowances. Further, during the year ended 31 March 2023, the Company also received a draft assessment order for fiscal 2018-2019 under section 144C(1) of the Income Tax Act in which primarily deduction under section 80JJAA of the Income Tax Act and depreciation on goodwill has been disallowed. The Company has filed objections before the DRP against the draft assessment order and submitted additional information in respect of arguments made by the Company.

The Company intends to vigorously contest its position and interpretative stance of these sections on merits, including judicial precedents, and believes it can strongly defend its position through the legal process as defined under the Income Tax Act. Based on its internal evaluation, the Company has disclosed a contingent liability of INR 740 million for fiscal 2017-2018 and fiscal 2018-2019, excluding interest and penalties if any. The contingent liability will be updated as developments unfold in future.

The Company continues to maintain its stand on the manner of claiming the 80JJAA deduction and accordingly 80JJAA deduction of INR 395.28 million is claimed for the quarter ended 30 June 2023. The Company believes that such deduction, including its quantum, has been validly and consistently claimed, in conformity with its interpretation of the statute.

- 7 The Code on Social Security, 2020 ("Code") relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

for and on behalf of Board of Directors of

Quess Corp Limited



Guruprasad Srinivasan

Executive Director (Whole-time director) and Group Chief Executive Officer

DIN: 07596207

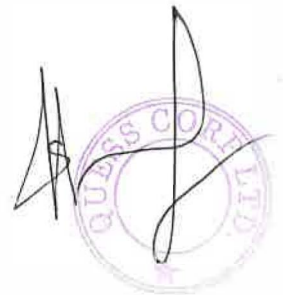
Place: Bengaluru

Date: 02 August 2023



Appendix - I

Nature	S. No. Entity name
Subsidiary/Step-subsiary:	1 Brainhunter Systems Ltd. 2 Mindwire Systems Limited 3 MFX Infotech Private Limited 4 Quess (Philippines) Corp. 5 Quess Corp (USA) Inc. 6 Quess Corp Holdings Pte. Ltd. 7 Quessglobal (Malaysia) Sdn. Bhd. 8 MFXchange Holdings, Inc. 9 MFXchange US, Inc. 10 Quess Corp Lanka (Private) Limited 11 Quesscorp Singapore Pte Ltd (formerly known as Comtel Solutions Pte. Limited) 12 Quess East Bengal FC Private Limited 13 Excelus Learning Solutions Private Limited 14 Conneqt Business Solutions Limited (formerly known as Tata Business Support Services Limited) 15 Vedang Cellular Services Private Limited 16 Quess International Services Private Limited (formerly known as Golden Star Facilities and Services Private Limited) 17 Quess Selection & Services Pte Ltd (formerly known as Comtelpro Pte. Ltd.) 18 Comtelink Sdn. Bhd. 19 Monster.com.SG PTE Limited 20 Monster.com.HK Limited 21 Agensi Pekerjaan Monster Malaysia Sdn. Bhd (formerly known as Monster Malaysia Sdn Bhd) 22 Monster.com (India) Private Limited 23 Quess Corp Vietnam LLC 24 Simpliance Technologies Private Limited (till 20 October 2022) 25 Qdigi Services Limited (formerly known as: HCL Computing Products Limited) 26 Greenpiece Landscapes India Private Limited 27 Quesscorp Management Consultancies (formerly known as Styracorp Management Services) 28 Quesscorp Manpower Supply Services LLC [formerly known as S M S Manpower Supply Services (LLC)] 29 Allsec Technologies Limited 30 Allsectech Inc., USA 31 Allsectech Manila Inc., Philippines 32 Quess Services Limited 33 Trimax Smart Infraprojects Private Limited 34 Terrier Security Services (India) Private Limited 35 Heptagon Technologies Private Limited 36 Billion Careers Private Limited 37 Quess Corp NA LLC 38 Stellarslog Technovation Private Limited
Associate:	1 Quess Recruit, Inc. 2 Agency Pekerjaan Quess Recruit Sdn. Bhd.
Joint venture:	1 Himmer Industrial Services (M) Sdn. Bhd.



INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM STANDALONE FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF QUESS CORP LIMITED

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **QUESS CORP LIMITED** ("the Company"), for the quarter ended 30 June 2023 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India (ICAI). A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

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Deloitte Haskins & Sells LLP

5. Emphasis of Matters Paragraph

- i. We draw attention to Note 6 of the Statement, regarding the demands received by the company in respect of provident fund and contingency related to the pending litigation on the said matter.
- ii. We draw attention to Note 7 of the Statement relating to disallowance by the Income Tax authorities primarily relating to depreciation on goodwill and deduction under section 80JJAA of the Income Tax Act, 1961 for financial year ended 31 March 2018 and 2019 and consequent contingency relating to these disallowances.

Our conclusion on the Statement is not modified in respect of these matters.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Anand Subramanian
Partner
(Membership No. 110815)
(UDIN: 23110815BGXVLY6661)

Place: Mumbai
Date: August 2, 2023

Qess Corp Limited

Registered Office: Qess House, 3/3/2, Bellandur Gate, Sarjapur Road, Bengaluru 560 103
CIN No. L74140KA2007PLC043909

Part 1: Statement of standalone unaudited financial results for the quarter ended 30 June 2023

(INR in million except per share data)

Sl. No.	Particulars	Standalone			
		Quarter ended		Year ended	
		30 June 2023 (Unaudited)	31 March 2023 Refer Note 2	30 June 2022 (Unaudited)	31 March 2023 (Audited)
1	Income				
	a) Revenue from operations	33,326.82	31,645.96	28,323.00	1,21,963.45
	b) Other income	144.02	409.25	26.70	707.62
	Total income (a + b)	33,470.84	32,055.21	28,349.70	1,22,671.07
2	Expenses				
	a) Cost of material and stores and spare parts consumed	406.80	432.82	413.64	1,773.52
	b) Employee benefits expense	30,232.67	28,508.01	25,091.36	1,09,156.31
	c) Finance costs	159.35	174.53	105.75	574.89
	d) Depreciation and amortisation expense	164.55	211.93	132.81	651.10
	e) Other expenses	2,214.70	2,331.02	2,142.65	9,094.63
	Total expenses (a + b + c + d + e)	33,178.07	31,658.31	27,886.21	1,21,250.45
3	Profit before exceptional items and tax (1 - 2)	292.77	396.90	463.49	1,420.62
4	Exceptional items (gain)/loss (refer note 8)	(30.33)	278.22	-	83.04
5	Profit before tax (3 + 4)	323.10	118.68	463.49	1,337.58
6	Tax expense/ (credit)				
	Current tax	-	134.88	-	134.88
	Income tax relating to previous year	-	(55.23)	-	(55.23)
	Deferred tax	(12.07)	3.82	(8.91)	(43.73)
	Total tax expense/ (credit)	(12.07)	83.47	(8.91)	35.92
7	Profit for the period (5 - 6)	335.17	35.21	472.40	1,301.66
8	Other comprehensive income				
	<i>Items that will not be reclassified subsequently to profit or loss</i>				
	Remeasurement of defined benefit plans	(83.20)	(70.11)	19.89	67.53
	Income tax relating to items that will not be reclassified to profit or loss	20.94	17.64	(5.00)	(16.99)
	Other comprehensive income/(loss) for the period, net of tax	(62.26)	(52.47)	14.89	50.54
9	Total comprehensive income/(loss) for the period (7 + 8)	272.91	(17.26)	487.29	1,352.20
10	Paid-up equity share capital (Face value of INR 10.00 per share)	1,483.87	1,482.29	1,480.80	1,482.29
11	Reserves i.e. Other equity				20,234.52
12	Earnings per equity share	(not annualised)	(not annualised)	(not annualised)	(annualised)
	(a) Basic (in INR)	2.26	0.24	3.19	8.79
	(b) Diluted (in INR)	2.25	0.24	3.17	8.72

See accompanying notes to the financial results

Quess Corp Limited

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CIN No. L74140KA2007PLC043909

Standalone unaudited financial results for the quarter ended 30 June 2023


Notes for the quarter ended 30 June 2023:

- 1 The standalone financial results of Quess Corp Limited ("the Company") for the quarter ended 30 June 2023 has been taken on record by the Board of Directors at its meeting held on 02 August 2023. The statutory auditors have expressed an unqualified conclusion on the financial results for the quarter ended 30 June 2023. These standalone financial results have been extracted from the interim standalone financial information.
- 2 The Statement includes the results for the quarter ended 31 March 2023 being the balancing figure of audited figure in respect of the full financial year and published unaudited year to date figure upto the end of the third quarter of the financial year.
- 3 Pursuant to the provisions of the Listing Agreement, the Management has decided to publish consolidated unaudited financial results in the newspapers. The standalone unaudited financial results and the review report of the statutory auditors is being filed with Bombay Stock Exchange ("BSE") and National Stock Exchange ("NSE") and will be made available on the Company website www.uesscorp.com.
- 4 In accordance with Ind AS 108, Operating segments, segment information has been provided in the consolidated unaudited financial results of the Company and therefore no separate disclosure on segment information is given in these standalone unaudited financial results.
- 5 The Board of Directors of the Company at its meeting held on 7 July 2021 considered and approved the revised Scheme of Amalgamation ("Scheme AAA") among Quess Corp Limited ("Transferee Company") with three of its wholly owned subsidiaries viz. MFX Infotech Private Limited ("MFXI") and Greenpiece Landscape India Private Limited ("GLPL") and Conneqt Business Solutions Limited ("CBSL") together known as ("Transferor Companies") and their respective shareholders and creditors under the provisions of Section 230-232 of the Companies Act, 2013 subject to the necessary approvals by the national Company Law Tribunal (NCLT), Bengaluru bench. The Scheme AAA will be effected in the standalone financial results once it is approved by National Company Law Tribunal ("NCLT"), Bengaluru Bench. The applicant companies had filed the application before Hon'ble NCLT, Bengaluru bench on 21 January 2022 and received order dated 30 November 2022 for dispensation of the meetings of Equity Shareholders, Secured Creditors and Unsecured Creditors of Applicant Companies and direction to issue notices to the creditors and the statutory authorities specified in the order. Further, the applicant companies after the due compliance filed the Company petition on 9 January 2023 for sanctioning of the Scheme. The Hon'ble NCLT has admitted the petition and the next date of hearing is 11 August 2023.
- 6 During fiscal year 2020, the Regional PF Commissioner ("RPFC") passed an order under Section 7-A of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 ("Act") demanding INR 716.56 million on the grounds that it failed to remit Provident Fund ("PF") on wages for its employees for the period from April 2018 to March 2019 for certain components of salary. The Company filed an appeal before the Central Government Industrial Tribunal ("CGIT") under section 7-1 of the Act challenging the Employees' Provident Fund Organisation's ("EPFO") order along with the application under Section 7-O of the Act seeking a waiver from pre-deposit of the alleged Provident fund Contributions till the final disposal of the Appeal. The CGIT after hearing the submissions made by the parties passed an Order allowing complete waiver from any pre-deposit and also staying the operation of the EPFO order. The matter has been adjourned to 11 August 2023. The Company has taken external independent legal advice as per which the EPFO's order is prima facie erroneous and unsustainable in law and the liability has been incorrectly determined by the RPFC and therefore, the Company considers the claim to be remote.
- 7 **Income Tax matters:**
During the year ended 31 March 2023, the Company received assessment order ('Order') under section 143(3) read with section 144C(13) of the Income Tax Act after completion of Dispute Resolution Panel ('DRP') proceedings for fiscal 2017-2018 resulting in disallowances primarily relating to deduction under section 80JAA of the Income Tax Act and depreciation on goodwill. The Company has filed appeal with the Income Tax Appellate Tribunal relating to these disallowances. Further, during the year ended 31 March 2023, the Company also received a draft assessment order for fiscal 2018-2019 under section 144C(1) of the Income Tax Act in which primarily deduction under section 80JAA of the Income Tax Act and depreciation on goodwill has been disallowed. The Company has filed objections before the DRP against the draft assessment order and submitted additional information in respect of arguments made by the Company.

The Company intends to vigorously contest its position and interpretative stance of these sections on merits, including judicial precedents, and believes it can strongly defend its position through the legal process as defined under the Income Tax Act. Based on its internal evaluation, the Company has disclosed a contingent liability of INR 740 million for fiscal 2017-2018 and fiscal 2018-2019, excluding interest and penalties if any. The contingent liability will be updated as developments unfold in future.

The Company continues to maintain its stand on the manner of claiming the 80JAA deduction and accordingly 80JAA deduction of INR 395.28 million is claimed for the quarter ended 30 June 2023. The Company believes that such deduction, including its quantum, has been validly and consistently claimed, in conformity with its interpretation of the statute.
- 8 During the current quarter, the Company has written back impairment allowance recorded in prior year relating to loan given to one of its subsidiary due to collections.
- 9 The Code on Social Security, 2020 ("Code") relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

for and on behalf of Board of Directors of
Quess Corp Limited


Guruprasad Srinivasan
Executive Director (Whole-time director) and Group Chief Executive Officer
DIN: 07596207
Place: Bengaluru
Date: 02 August 2023



Annexure 2

Disclosure Required	Information
Reason for change viz. appointment, resignation, removal, death or otherwise	Re-appointment of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No. 117366W/W-100018) as the Statutory Auditors of the Company upon completion of the 1 st term under Section 139 of the Companies Act, 2013 at the ensuing Annual General Meeting (AGM).
Date of appointment/cessation (as applicable) & term of appointment	Re-appointment will be for a period of 5 years commencing from the conclusion of the 16 th AGM till the conclusion of the 21 st AGM of the Company, subject to the approval of the shareholders at the ensuing AGM of the Company at such remuneration as may be determined by the Audit Committee and/or Board of Directors of the Company.
Brief profile (in case of appointment);	Deloitte Haskins & Sells was constituted in 1997 and was converted to a Limited Liability Partnership, Deloitte Haskins & Sells LLP (“DHS LLP” or “Firm”), in November 2013. DHS LLP is registered with the Institute of Chartered Accountants of India (Registration No. 117366W/W-100018). The Firm has around 3,000 professionals and staff. DHS LLP has offices in Mumbai, Delhi, Kolkata, Chennai, Bangalore, Ahmedabad, Hyderabad, Coimbatore, Kochi, Pune, Jamshedpur and Goa. The registered office of the Firm is One International Center, Tower 3, 27th to 32nd Floor, Senapati Bapat Marg, Elphinstone Road (West), Mumbai - 400013, Maharashtra, India. The firm has been engaged in statutory audits of some of the large companies in the service sector.
Disclosure of relationships between Directors (in case of appointment of Director)	Not Applicable

Disclosure Required	Information
Reason for change viz. appointment, resignation, removal, death or otherwise	Appointment to comply with the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
Date of appointment/cessation (as applicable) & term of appointment	Date: 2 nd August 2023 Term: for the financial year 2023-24.
Brief profile (in case of appointment);	<p>Grant Thornton Bharat is a member of Grant Thornton International Ltd and is recognized as a prominent professional services company in India. As a leading professional services firm in India with extensive international associations, they collaborate with businesses and government entities spanning various industries and domains. Their offerings encompass assurance, consulting, tax, risk management, as well as digital and technology transformation services.</p> <p>The organization has a workforce of over 9,000 skilled individuals and a widespread presence across 13 locations in India. Their expertise spans 25 different industries, allowing them to provide tailored solutions to meet the unique needs of various sectors. Remarkably, Grant Thornton Bharat offers more than 250 business solutions and services, addressing a wide range of challenges faced by clients.</p> <p>Grant Thornton Bharat has a strong presence in multiple cities across India. Their offices are located in Bangalore, Hyderabad, Chennai, Dehradun, Kochi, Mumbai, Pune, Delhi, Noida, Gurgaon, Chandigarh, Kolkata, and Ahmedabad. This extensive network enables them to serve clients from various regions and industries, offering a wide range of professional services and solutions to meet their diverse needs. With such widespread coverage, Grant Thornton is well-positioned to provide effective and efficient support to businesses across the country.</p>
Disclosure of relationships between Directors (in case of appointment of Director)	Not Applicable