

November 06, 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 November 06, 2023

Time of Commencement : 07:00 P.M.
Time of Conclusion : 09:30 P.M.

This is to inform you that the Board of Directors (“**Board**”) at their meeting held today, i.e. Monday, November 06, 2023, *inter-alia*, considered and approved the following:

1. Unaudited Financial Results (Standalone and Consolidated) for the second quarter and half year ended September 30, 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 second quarter and half year ended September 30, 2023 as “**Annexure 1**”.
2. Purchase of 4.5% equity shares of Vedang Cellular Services Private Limited (“**Vedang**”), a subsidiary of the Company from its erstwhile Promoter, Mr. Ashish Kapoor as per the Promoter's Put Option in the Shareholder's Agreement dated October 25, 2017 for ₹ 6.05 crores as determined pursuant to the aforesaid Agreement. Consequently, the Company will hold 96.97% equity shares in Vedang upon completion of the aforementioned transfer of shares.

The information as per Regulation 30 of Listing Regulations read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 09, 2015 read along with SEBI Master Circular no. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023 is annexed as **Annexure 2**.

3. Increase in equity stake in Stellarslog Technovation Private Limited (“**Taskmo**”), a subsidiary company from 53.91% to 100% and execution of a Share Purchase Agreement in connection thereto. Post-acquisition from the Founders’ of Taskmo, the Company’s shareholding would increase from 53.91% to 100%. Consequently, Taskmo would be a wholly-owned subsidiary of the Company.

The information as per Regulation 30 of Listing Regulations read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 09, 2015 read along with SEBI Master Circular no. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023 is annexed as **Annexure 3 (Execution of Share Purchase Agreement) and 4 (Acquisition of additional shares)**.

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 STANDALONE FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF QUESS CORP LIMITED

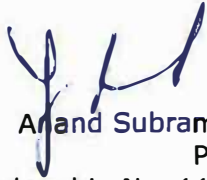
1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **QUESS CORP LIMITED** ("the Company"), for the quarter and half year ended 30 September 2023 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing 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.

5. Emphasis of Matters Paragraph

- i. We draw attention to Note 5 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 6 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, 2019 and 2020 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)


Arund Subramanian
Partner
(Membership No. 110815)
(UDIN:23110815BGXVMT8096)

Place: Bengaluru
Date: 6 November 2023

Quess Corp Limited

Registered Office: Quess 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 and half year ended 30 September 2023

(INR in million except per share data)

Sl. No.	Particulars	Standalone					
		Quarter ended			Half year ended		Year ended
		30 September 2023	30 June 2023	30 September 2022	30 September 2023	30 September 2022	31 March 2023
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Income						
	a) Revenue from operations	34,527.82	33,326.82	30,309.19	67,854.64	58,632.19	1,21,963.45
	b) Other income	435.04	144.02	31.82	579.06	58.52	707.62
	Total income (a + b)	34,962.86	33,470.84	30,341.01	68,433.70	58,690.71	1,22,671.07
2	Expenses						
	a) Cost of material and stores and spare parts consumed	518.47	406.80	447.50	925.26	861.14	1,773.52
	b) Employee benefits expense	31,068.72	30,232.67	27,244.34	61,301.39	52,335.70	1,09,156.31
	c) Finance costs	167.02	159.35	133.71	326.37	239.46	574.89
	d) Depreciation and amortisation expense	165.84	164.55	136.00	330.39	268.81	651.10
	e) Other expenses	2,534.16	2,214.70	2,212.74	4,748.86	4,355.39	9,094.63
	Total expenses (a + b + c + d + e)	34,454.21	33,178.07	30,174.29	67,632.27	58,060.50	1,21,250.45
3	Profit before exceptional items and tax (1 - 2)	508.65	292.77	166.72	801.43	630.21	1,420.62
4	Exceptional items loss/(gain) (refer note 7)	143.04	(30.33)	-	112.71	-	83.04
5	Profit before tax (3 - 4)	365.61	323.10	166.72	688.72	630.21	1,337.58
6	Tax expense/ (credit)						
	Current tax	-	-	-	-	-	134.88
	Income tax relating to previous year	-	-	-	-	-	(55.23)
	Deferred tax	(129.25)	(12.07)	(38.64)	(141.32)	(47.55)	(43.73)
	Total tax (credit)/expense	(129.25)	(12.07)	(38.64)	(141.32)	(47.55)	35.92
7	Profit for the period (5 - 6)	494.86	335.17	205.36	830.04	677.76	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	(125.34)	(83.20)	67.04	(208.56)	86.93	67.53
	Income tax expense/(credit) relating to items that will not be reclassified to profit or loss	31.55	20.94	(16.87)	52.49	(21.87)	(16.99)
	Other comprehensive (loss)/ income for the period, net of tax	(93.79)	(62.26)	50.17	(156.07)	65.06	50.54
9	Total comprehensive income for the period (7 + 8)	401.07	272.91	255.53	673.97	742.82	1,352.20
10	Paid-up equity share capital (Face value of INR 10.00 per share)	1,484.20	1,483.87	1,481.49	1,484.20	1,481.49	1,482.29
11	Reserves i.e. Other equity						20,234.52
12	Earnings per equity share	(not annualised)	(not annualised)	(not annualised)	(not annualised)	(not annualised)	(annualised)
	(a) Basic (in INR)	3.33	2.26	1.39	5.60	4.58	8.79
	(b) Diluted (in INR)	3.31	2.25	1.38	5.56	4.54	8.72

See accompanying notes to the financial results

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Qness Corp Limited

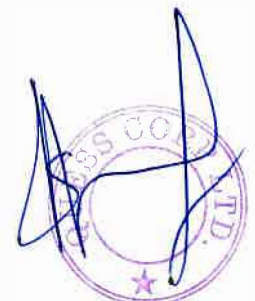
Registered Office: Qness House, 3/3/2, Bellandur Gate, Sarjapur Road, Bengaluru 560 103;
CIN No. L74140KA2007PLC043909

Standalone Balance Sheet as at 30 September 2023

(INR in million)

Particulars	As at	As at
	30 September 2023 (Unaudited)	31 March 2023 (Audited)
A ASSETS		
1 Non-current assets		
Property, plant and equipment	323.21	384.77
Right-of-use assets	999.32	775.49
Goodwill	2,777.73	2,777.73
Other intangible assets	629.38	730.07
Intangible assets under development	9.33	12.47
Financial assets		
Investments	12,471.95	12,346.53
Loans	705.67	670.07
Other financial assets	681.48	628.28
Deferred tax assets (net)	646.58	452.77
Income tax assets (net)	3,935.10	3,976.22
Other non-current assets	327.18	225.37
Total non-current assets	23,506.93	22,979.82
2 Current assets		
Inventories	66.24	71.11
Financial assets		
Trade receivables		
- Billed	9,149.03	8,653.67
- Unbilled	9,287.79	8,073.81
Cash and cash equivalents	989.55	403.85
Bank balances other than cash and cash equivalents above	252.88	441.57
Loans	428.11	371.22
Other financial assets	299.28	457.54
Other current assets	779.71	637.34
Total current assets	21,252.59	19,110.11
Total Assets	44,759.52	42,089.93
B		
1 Equity		
Equity share capital	1,484.20	1,482.29
Other equity	21,154.40	20,234.52
Total Equity	22,638.60	21,716.81
2 Liabilities		
Non-current liabilities		
Financial liabilities		
Lease liabilities	818.75	603.82
Provisions	2,635.46	2,160.82
Total non-current liabilities	3,454.21	2,764.64
3 Current liabilities		
Financial liabilities		
Borrowings	4,151.20	4,670.33
Lease liabilities	242.35	232.37
Trade payables		
Total outstanding dues of micro enterprises and small enterprises	31.64	36.05
Total outstanding dues of creditors other than micro enterprises and small enterprises	544.42	442.14
Other financial liabilities	9,921.60	7,947.30
Income tax liabilities	381.89	381.89
Other current liabilities	3,375.00	3,733.31
Provisions	18.61	165.09
Total current liabilities	18,666.71	17,608.48
Total Liabilities	22,120.92	20,373.12
Total Equity and Liabilities	44,759.52	42,089.93

See accompanying notes to the financial results



Statement of standalone cash flows for the half year ended 30 September 2023

(INR in million)

Particulars	For the half year ended	
	30 September 2023	30 September 2022
	(Unaudited)	(Unaudited)
Cash flows from operating activities		
Profit after tax	830.04	677.76
Adjustments to reconcile net profit / (loss) to net cash provided by operating activities:		
Tax expense	(141.32)	(47.55)
Interest on tax refunds received	(75.17)	-
Interest income on term deposits	(18.76)	(17.78)
Amortised cost adjustments for financial instruments	(5.15)	(4.17)
Loss on sale of property, plant and equipment, net	7.74	7.04
Dividend income on investments in subsidiaries	(406.32)	-
Interest on loans given to related parties	(32.37)	(27.83)
Expense on employee stock option scheme	33.37	50.24
Finance costs	326.37	239.46
Depreciation and amortisation expense	330.39	268.81
Loss allowance on financial assets, net	369.13	82.69
Impairment of investment in subsidiaries	-	43.27
Exceptional items	112.71	-
Foreign exchange gain	(0.21)	-
Bad debts written off	6.02	6.90
Operating profit before working capital changes	1,336.47	1,278.84
Changes in inventories	4.87	(6.16)
Changes in trade receivables and unbilled revenue	(2,073.30)	(2,069.50)
Changes in loans, other financial assets and other assets	(216.30)	(264.09)
Changes in trade payables	97.87	(42.80)
Changes in other financial liabilities, other liabilities and provisions	2,061.97	3,615.74
Cash generated from operations	1,211.58	2,512.04
Income tax refunds/(paid), net	116.34	(691.38)
Net cash flows from operating activities (A)	1,327.92	1,820.66
Cash flows from investing activities		
Expenditure on property, plant and equipment and intangibles	(134.26)	(62.72)
Proceeds from sale of property, plant and equipment and intangibles	34.26	(0.52)
Investment in associate	-	(38.36)
Investment in debentures in subsidiaries, net of provision	(274.96)	-
Placement of bank deposits	(23.98)	(64.38)
Redemption of bank deposits	231.57	86.44
Loans and advances given to related parties	(757.65)	(950.57)
Repayment of loans and advances by related parties	851.36	514.91
Dividend received	406.32	-
Interest received on term deposits	17.30	14.04
Net cash from/(used in) in investing activities (B)	349.96	(501.16)
Cash flows from financing activities		
Proceeds from working capital	3,321.63	18,992.14
Repayments of working capital	(3,541.26)	(19,241.57)
Proceeds/(repayments) from short term borrowings	(299.51)	(58.24)
Payment of stamp duty in relation to merger and issue of shares in earlier year	(124.64)	-
Shares issued on exercise of employee stock options	1.90	1.58
Payment of lease liability	(171.60)	(105.02)
Interest paid	(278.71)	(224.74)
Dividends paid	-	(591.96)
Net cash (used in)/from in financing activities (C)	(1,092.19)	(1,227.81)
Net increase in cash and cash equivalents (A+B+C)	585.70	91.69
Cash and cash equivalents at the beginning of the year	403.85	934.32
Cash and cash equivalents at the end of the year	989.55	1,066.01
Components of cash and cash equivalents		
Cash and cash equivalents		
Cash on hand	4.20	4.08
Balances with banks		
In current accounts	972.92	1,061.93
In deposit accounts (with original maturity of less than 3 months)	12.43	-
Cash and cash equivalents in standalone balance sheet	989.55	1,066.01

The disclosure for the half year ended 30 September 2023 and 30 September 2022 are prepared in compliance with Indian Accounting Standard (Ind AS 34) Interim Financial Reporting.

Quess Corp Limited

Registered Office: Quess House, 3/3/2, Bellandur Gate, Sarjapur Road, Bengaluru 560 103;

CIN No. L74140KA2007PLC043909

Standalone unaudited financial results for the quarter and half year ended 30 September 2023

Notes relating to current quarter and half year ended 30 September 2023:

- 1 The standalone financial information of Quess Corp Limited ("the Company") for the quarter and half year ended 30 September 2023 have been taken on record by the Board of Directors at its meeting held on 6 November 2023. The statutory auditors have expressed an unqualified review conclusion on the financial results for the quarter and half year ended 30 September 2023. These standalone financial results have been extracted from the interim standalone financial information.
- 2 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.quescorp.com.
- 3 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.
- 4 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 in the hearing held on 8 September 2023 has reserved the order.
- 5 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-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 10 November 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.

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 quarter and half year ended 30 September 2023, the Company received a final assessment order for fiscal year 2018-2019 under section 143(3) read with section 144C(13) 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 will file an appeal against the said adjustments before the Income Tax Appellate Tribunal against the final assessment order.

Further during the quarter, the Company has received draft assessment order under section 144C(1) for fiscal year 2019-2020, in which the primary deduction under section 80JJAA of the Income Tax Act and depreciation on goodwill has been disallowed. The Company has filed objections before the Dispute Resolution Panel against the draft assessment order.

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 1,747.60 million for fiscal 2017-2018, fiscal 2018-2019 and fiscal 2019-2020, towards tax demands including interest in the order. 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 (reduced from taxable income) of INR 686.52 million is claimed for the quarter and INR 1,081.80 million for the half year ended 30 September 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 a) During the quarter and half year ended 30 September 2023, the Company reassessed the recoverable value of investment made in Stellarslog Technologies Private Limited ("SLPL"), and recognised an investment impairment of INR 138.36 million, disclosed as exceptional item in the above results.
b) During the quarter ended 30 September 2023, the Company has recognised a net additional impairment of INR 4.68 million towards advance given to Excelus Learning Solutions Private Limited net of collection, disclosed as exceptional item in the above results.
- 8 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: 6 November 2023

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

TO THE BOARD OF DIRECTORS OF QESS CORP LIMITED

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of **QESS CORP LIMITED** ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), and its share of the net loss after tax and total comprehensive loss of its associates and joint venture company for the quarter and half year ended 30 September 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.

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.

4. The Statement includes the interim financial information of the entities listed in Annexure 1 to this report.
5. 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, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. Emphasis of Matters Paragraph

- i. We draw attention to Note 3 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 5 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, 2019 and 2020 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.

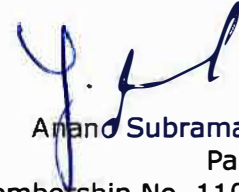
7. We did not review the interim financial information/financial results of 21 subsidiaries included in the consolidated unaudited financial results, whose interim financial information/financial results reflect total assets of Rs. 16,355.77 million as at 30 September 2023, total revenues of Rs. 7,153.64 million and Rs. 14,078.52 million for the quarter and half year ended 30 September 2023 respectively, total net profit after tax of Rs. 342.24 million and 419.11 million for the quarter and half year ended 30 September 2023 respectively, and total comprehensive income of Rs. 360.42 million and Rs. 403.83 million for the quarter and half year ended 30 September 2023 respectively, and net cash outflows of Rs. 91.82 for the half year ended 30 September 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.

8. The consolidated unaudited financial results include the interim financial information/financial results of 14 subsidiaries which have not been reviewed by their auditors, whose interim financial information/financial results reflect total assets of Rs. 1,500.28 million as at 30 September 2023, total revenues of Rs. 701.22 million and Rs. 1,448.80 million for the quarter and half year ended 30 September 2023 respectively, total loss after tax of Rs. 19.04 million and Rs. 30.35 million for the quarter and half year ended 30 September 2023 respectively, and total comprehensive loss of Rs. 26.08 million and Rs. 42.41 for the quarter and half year ended 30 September 2023 respectively, and net cash outflows of Rs. 53.52 million for the half year ended 30 September 2023, as considered in the Statement. The consolidated unaudited financial results also includes the Group's share of net loss after tax of Rs. 0.47 million and Rs. 0.36 million for the quarter and half year ended 30 September 2023 respectively, and total comprehensive loss of Rs. 0.47 million and Rs. 0.36 million for the quarter and half year ended 30 September 2023 respectively, as considered in the Statement, in respect of 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.

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:23110815BGXVMU7704)

Place: Bengaluru
Date: 6 November 2023

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

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)
	39.	Agency Pekerjaan Quess Recruit Sdn. Bhd (w.e.f 1 July 2023)
Associates:	1.	Quess Recruit, Inc.
	2.	Agency Pekerjaan Quess Recruit Sdn. Bhd (till 1 July 2023)
Joint Venture Company:	1.	Himmer Industrial Services (M) Sdn. Bhd

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

Part I: Statement of consolidated unaudited financial results for the quarter and half year ended 30 September 2023

(INR in million except per share data)

Sl. No.	Particulars	Consolidated					
		Quarter ended			Half year ended		Year ended
		30 September 2023	30 June 2023	30 September 2022	30 September 2023	30 September 2022	31 March 2023
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	
1	Income						
	a) Revenue from operations	47,483.40	46,002.10	42,733.08	93,485.50	82,526.26	1,71,583.87
	b) Other income	151.34	40.72	88.05	192.06	160.19	263.35
	Total income (a + b)	47,634.74	46,042.82	42,821.13	93,677.56	82,686.45	1,71,847.22
2	Expenses						
	a) Cost of material and stores and spare parts consumed	1,391.87	1,119.01	1,293.11	2,510.88	2,268.79	4,794.39
	b) Employee benefits expense	40,775.33	39,953.41	36,577.84	80,728.74	70,530.58	1,46,595.61
	c) Finance costs	281.27	272.44	263.43	553.71	467.45	1,066.08
	d) Depreciation and amortisation expense	696.59	685.69	675.96	1,382.28	1,285.87	2,746.12
	e) Other expenses	3,680.59	3,390.88	3,513.18	7,071.47	6,844.57	14,337.25
	Total expenses (a + b + c + d + e)	46,825.65	45,421.43	42,323.52	92,247.08	81,397.26	1,69,539.45
3	Profit before share of profit of equity accounted investees, exceptional items and tax (1 - 2)	809.09	621.39	497.61	1,430.48	1,289.19	2,307.77
4	Share of profit/(loss) of equity accounted investees (net of tax)	(0.47)	0.11	(1.85)	(0.36)	(0.97)	0.84
5	Profit before exceptional items and tax (3 + 4)	808.62	621.50	495.76	1,430.12	1,288.22	2,308.61
6	Exceptional items (refer note 6)	15.87	-	-	15.87	-	(535.03)
7	Profit before tax (5 - 6)	792.75	621.50	495.76	1,414.25	1,288.22	2,843.64
8	Tax expense/(credit)						
	Current tax	203.44	165.65	145.68	369.09	263.83	843.35
	Income tax relating to previous year	-	-	-	-	0.08	(55.84)
	Deferred tax	(120.15)	(25.32)	(46.12)	(145.47)	(48.90)	(172.96)
	Total tax expense	83.29	140.33	99.56	223.62	215.01	614.55
9	Profit for the period (7 - 8)	709.46	481.17	396.20	1,190.63	1,073.21	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	(127.38)	(67.08)	130.69	(194.46)	147.70	106.61
	Income tax (expense)/credit relating to items that will not be reclassified to profit or loss	26.88	20.81	(19.67)	47.69	(23.92)	(24.63)
	<i>(ii) Items that will be reclassified subsequently to profit or loss</i>						
	Exchange differences in translating financial statements of foreign operations	29.40	(86.86)	7.73	(57.46)	86.62	472.56
	Other comprehensive income/(loss) for the period, net of tax	(71.10)	(133.13)	118.75	(204.23)	210.40	554.54
11	Total comprehensive income for the period (9 + 10)	638.36	348.04	514.95	986.40	1,283.61	2,783.63
12	Profit/(loss) attributable to:						
	Owners of the Company	719.26	478.11	420.66	1,197.37	1,089.16	2,244.17
	Non-controlling interests	(9.80)	3.06	(24.46)	(6.74)	(15.95)	(15.08)
13	Other comprehensive income/(loss) attributable to:						
	Owners of the Company	(59.79)	(138.45)	117.61	(198.24)	202.49	546.75
	Non-controlling interests	(11.31)	5.32	1.14	(5.99)	7.91	7.79
14	Total comprehensive income/(loss) attributable to:						
	Owners of the Company	659.47	339.66	538.27	999.13	1,291.65	2,790.93
	Non-controlling interests	(21.11)	8.38	(23.32)	(12.73)	(8.04)	(7.30)
15	Paid-up equity share capital (Face value of INR 10.00 per share)	1,484.20	1,483.87	1,481.49	1,484.20	1,481.49	1,482.29
16	Reserves i.e. Other equity						24,205.22
17	Earning per equity share	(not annualised)	(not annualised)	(not annualised)	(not annualised)	(not annualised)	(annualised)
	(a) Basic (in INR)	4.85	3.23	2.84	8.07	7.36	15.16
	(b) Diluted (in INR)	4.82	3.22	2.82	8.03	7.30	15.04

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

Consolidated Balance Sheet as at 30 September 2023

(INR in million)

Particulars	As at	As at
	30 September 2023	31 March 2023
	(Unaudited)	(Audited)
A ASSETS		
1 Non-current assets		
Property, plant and equipment	2,026.33	2,090.97
Capital work-in-progress	2.03	1.02
Right-of-use assets	4,446.15	4,365.47
Goodwill	10,407.36	10,427.46
Other intangible assets	928.76	1,073.74
Intangible assets under development	169.57	180.11
Investments in equity accounted investees	10.50	10.86
Financial assets		
Investments	16.55	16.55
Other financial assets	1,723.83	1,598.98
Deferred tax assets (net)	1,259.98	1,064.11
Income tax assets (net)	4,959.63	4,904.52
Other non-current assets	462.78	355.64
Total non-current assets	26,413.47	26,089.43
2 Current assets		
Inventories	311.19	281.57
Financial assets		
Investments	549.69	467.79
Trade receivables		
-Billed	15,500.98	14,853.27
-Unbilled	13,588.26	12,032.64
Cash and cash equivalents	4,767.54	4,375.74
Bank balances other than cash and cash equivalents above	788.08	1,285.34
Loans	36.95	36.79
Other financial assets	189.57	213.63
Other current assets	1,791.97	1,551.51
Total current assets	37,524.23	35,098.28
Total Assets	63,937.70	61,187.71
B EQUITY AND LIABILITIES		
1 Equity		
Equity share capital	1,484.20	1,482.29
Other equity	25,549.41	24,205.22
Total equity attributable to equity holders of the Company	27,033.61	25,687.51
Non-controlling interests	1,607.78	1,620.51
Total equity	28,641.39	27,308.02
2 Liabilities		
Non-current liabilities		
Financial liabilities		
Borrowings	49.22	94.72
Lease liabilities	3,495.15	3,379.30
Other financial liabilities	-	-
Provisions	3,321.28	2,743.40
Total non-current liabilities	6,865.65	6,217.42
3 Current liabilities		
Financial liabilities		
Borrowings	4,676.75	5,216.09
Lease liabilities	1,391.11	1,423.23
Trade payables	1,323.57	1,249.38
Other financial liabilities	15,128.36	13,051.08
Income tax liabilities (net)	630.15	693.23
Other current liabilities	5,127.39	5,692.42
Provisions	153.33	336.84
Total current liabilities	28,430.66	27,662.27
Total Liabilities	35,296.31	33,879.69
Total Equity and Liabilities	63,937.70	61,187.71

See accompanying notes to the financial results



Qess Corp Limited
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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 and half year ended 30 September 2023 (INR in million)

Sl. No.	Particulars	Consolidated					
		Quarter ended			Half year ended		Year ended
		30 September 2023	30 June 2023	30 September 2022	30 September 2023	30 September 2022	31 March 2023
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Segment revenue						
	a) Workforce management	33,152.73	32,206.21	29,428.64	65,358.94	57,007.47	1,18,308.95
	b) Operating asset management	7,054.60	6,899.36	6,514.92	13,953.96	12,481.54	26,215.77
	c) Global technology solutions	5,842.65	5,632.60	5,287.04	11,475.25	10,360.68	21,722.63
	d) Product led business	1,433.42	1,263.93	1,502.48	2,697.35	2,676.57	5,336.52
	Total	47,483.40	46,002.10	42,733.08	93,485.50	82,526.26	1,71,583.87
2	Segment results						
	a) Workforce management	871.73	832.25	791.49	1,703.98	1,733.50	3,452.82
	b) Operating asset management	351.52	308.10	278.31	659.62	582.32	1,195.71
	c) Global technology solutions	1,041.17	1,001.75	845.11	2,042.92	1,671.02	3,540.78
	d) Product led business	(202.15)	(256.01)	(239.44)	(458.16)	(479.17)	(964.27)
	Total	2,062.27	1,886.09	1,675.47	3,948.36	3,507.67	7,225.04
	Less: (i) Unallocated corporate expenses	426.66	347.29	326.52	773.95	625.35	1,368.42
	Less: (ii) Depreciation and amortisation expense	696.59	685.69	675.96	1,382.28	1,285.87	2,746.12
	Less: (iii) Finance costs	281.27	272.44	263.43	553.71	467.45	1,066.08
	Add: (iv) Other income	151.34	40.72	88.05	192.06	160.19	263.35
	Add: (v) Share of profit/(loss) of equity accounted investees (net of tax)	(0.47)	0.11	(1.85)	(0.36)	(0.97)	0.84
	Profit before exceptional items and tax	808.62	621.50	495.76	1,430.12	1,288.22	2,308.61
	Exceptional item loss/(gain)	15.87	-	-	15.87	-	(535.03)
	Profit before tax	792.75	621.50	495.76	1,414.25	1,288.22	2,843.64
3	Segment assets						
	a) Workforce management	19,796.64	19,012.01	17,557.69	19,796.64	17,557.69	18,077.36
	b) Operating asset management	14,392.45	14,308.79	13,548.46	14,392.45	13,548.46	13,926.15
	c) Global technology solutions	15,240.84	14,861.48	14,351.97	15,240.84	14,351.97	14,461.28
	d) Product led business	2,555.57	2,369.74	2,330.26	2,555.57	2,330.26	2,409.32
	e) Unallocated	11,952.20	12,078.68	11,587.42	11,952.20	11,587.42	12,313.59
	Total	63,937.70	62,630.70	59,375.80	63,937.70	59,375.80	61,187.71
4	Segment liabilities						
	a) Workforce management	14,770.23	13,892.97	12,454.41	14,770.23	12,454.41	12,475.72
	b) Operating asset management	5,573.86	5,252.28	4,594.92	5,573.86	4,594.92	4,943.18
	c) Global technology solutions	7,402.74	7,205.24	6,783.79	7,402.74	6,783.79	7,534.30
	d) Product led business	2,311.83	2,301.87	2,369.10	2,311.83	2,369.10	2,390.37
	e) Unallocated	5,237.65	6,265.08	6,148.33	5,237.65	6,148.33	6,536.12
	Total	35,296.31	34,917.44	32,350.55	35,296.31	32,350.55	33,879.69

See accompanying notes to the financial results

Quess Corp Limited

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CIN No. L74140KA2007PLC043909

Statement of Consolidated Cash flows for the half year ended 30 September 2023

(Amount in INR million)

Particulars	For the half year ended	
	30 September 2023	30 September 2022
	(Unaudited)	(Unaudited)
Cash flows from operating activities		
Profit after tax	1,190.63	1,073.21
Adjustments to reconcile net profit to net cash provided by operating activities:		
Tax expenses	223.62	215.01
Exceptional items	15.87	-
Interest income on term deposits	(47.88)	(45.95)
Amortised cost adjustments for financial instruments	(6.76)	(5.08)
Interest on income tax refunds	(76.27)	(11.62)
Loss on sale of property, plant and equipment, net	6.34	6.16
Interest on loans given to related parties	-	(0.36)
Net gain on sale of investments in mutual funds	-	(9.77)
Net gain on financial assets designated at fair value through profit or loss	(20.52)	(8.04)
Expense on employee stock option scheme	124.79	193.75
Finance costs	553.71	467.45
Depreciation and amortisation expense	1,382.28	1,285.87
Loss allowance on financial assets, net	418.51	181.05
Bad debts written off	18.64	41.41
Foreign exchange gain, net	(26.74)	(64.97)
Share of loss of equity accounted investees	0.36	0.97
Operating cash flows before working capital changes	3,756.58	3,319.09
Changes in operating assets and liabilities		
Changes in inventories	(29.62)	(25.16)
Changes in trade receivables and unbilled revenue	(2,640.50)	(3,968.29)
Changes in loans, other financial assets and other assets	(431.85)	(394.23)
Changes in trade payables	74.19	(69.45)
Changes in other financial liabilities, other liabilities and provisions	2,001.69	4,205.24
Cash generated from operations	2,730.49	3,067.20
Income taxes (paid), net	(412.85)	(964.55)
Net cash flows from operating activities (A)	2,317.64	2,102.65
Cash flows from investing activities		
Expenditure on property, plant and equipment and intangibles	(471.25)	(480.12)
Acquisition of shares in subsidiaries	-	6.33
Purchase of mutual fund	(61.38)	(49.73)
Proceeds from sale of mutual funds	-	237.62
Placement of bank deposits	(67.80)	(453.28)
Redemption of bank deposits	583.98	86.44
Interest received on term deposits	70.67	37.02
Net cash from/(used in) in investing activities (B)	54.22	(615.72)
Cash flows from financing activities		
Proceeds from term loans	79.94	1.09
Repayment of term loans	(56.15)	(106.75)
Proceeds from short term borrowings	3,321.91	19,127.13
Repayment of short term borrowings	(3,630.99)	(19,241.57)
Proceeds from/(repayment of) short-term borrowings	(299.51)	(256.04)
Payment of lease liability	(941.28)	(772.45)
Proceeds from issue of equity shares, net of share issue expenses	2.45	1.66
Payment of stamp duty in relation to merger and issue of shares in earlier year	(124.64)	-
Changes in ownership interest in subsidiary not resulting in loss of control:		
- Dilution of existing stake	-	349.97
Dividends paid	-	(591.96)
Interest paid	(324.08)	(283.74)
Net cash (used in)/from in financing activities (C)	(1,972.35)	(1,772.66)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	399.51	(285.73)
Cash and cash equivalents at the beginning of the period	4,375.74	4,104.66
Effect of exchange rate fluctuations on cash and cash equivalents	(7.71)	13.21
Cash and cash equivalents at the end of the period	4,767.54	3,832.14
Components of cash and cash equivalents		
Cash in hand	9.39	10.63
Balances with banks		
In current accounts	4,701.98	3,809.74
In EEFC accounts	43.74	11.53
In deposit accounts (with original maturity of less than 3 months)	12.43	0.24
Cash and cash equivalents in consolidated balance sheet*	4,767.54	3,832.14

* Includes INR 4.05 million is presented as asset held for sale as at 30 September 2022.

The disclosure for the half year ended 30 September 2023 and 30 September 2022 are prepared in compliance with Indian Accounting Standard (Ind AS 34) Interim Financial Reporting.

Quess Corp Limited

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CIN No. L74140KA2007PLC043909

Consolidated unaudited financial results for the quarter and half year ended 30 September 2023

Notes for the quarter and half year ended 30 September 2023:

- 1 The consolidated financial information 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 and half year ended 30 September 2023 have been taken on record by the Board of Directors at its meeting held on 6 November 2023. The statutory auditors have expressed an unqualified review conclusion on the financial results for the quarter and half year ended 30 September 2023. These consolidated financial results have been extracted from the interim consolidated financial information.
- 2 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.
- 3 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 10 November 2023. The Group 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.
- 4 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 in the hearing held on 8 September 2023 has reserved the order.
- 5 **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 quarter and half year ended 30 September 2023, the Company received a final assessment order for fiscal year 2018-2019 under section 143(3) read with section 144C(13) 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 will file an appeal against the said adjustments before the Income Tax Appellate Tribunal against the final assessment order.

Further during the quarter, the Company has received draft assessment order under section 144C(1) for fiscal year 2019-2020, in which the primary deduction under section 80JJAA of the Income Tax Act and depreciation on goodwill has been disallowed. The Company has filed objections before the Dispute Resolution Panel against the draft assessment order.

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 1,821.48 million for fiscal 2017-2018, fiscal 2018-2019 and fiscal 2019-2020, towards tax demands including interest in the order. The contingent liability will be updated as developments unfold in future.

The Group continues to maintain its stand on the manner of claiming the 80JJAA deduction and accordingly 80JJAA deduction (reduced from taxable income) of INR 764.05 million is claimed for the quarter and INR 1,159.33 million for the half year ended 30 September 2023. The Group believes that such deduction, including its quantum, has been validly and consistently claimed, in conformity with its interpretation of the statute.
- 6 During the quarter and half year ended 30 September 2023, the Company reassessed the recoverable value with carrying value of Stellarislog Technologies Private Limited ("SLPL"), and recognised goodwill impairment of INR 15.87 million, disclosed as exceptional item in the above results.
- 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: 6 November 2023



Appendix - 1

Nature	S. No. Entity name
Subsidiary/Step-subsiary:	<ol style="list-style-type: none"> 1 Brainhunter Systems Ltd. 2 Mindwire Systems Limited 3 MFX Infotech Private Limited 4 Qess (Philippines) Corp. 5 Qess Corp (USA) Inc. 6 Qess Corp Holdings Pte. Ltd. 7 Qessglobal (Malaysia) Sdn. Bhd. 8 MFXchange Holdings, Inc. 9 MFXchange US, Inc. 10 Qess Corp Lanka (Private) Limited 11 Qesscorp Singapore Pte Ltd (formerly known as Comtel Solutions Pte Limited) 12 Qess 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 Qess International Services Private Limited (formerly known as Golden Star Facilities and Services Private Limited) 17 Qess 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 Qess 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 Qesscorp Management Consultancies (formerly known as Styrcorp Management Services) 28 Qesscorp 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 Qess 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 Qess Corp NA LLC (w.e.f 17 May 2022) 38 Stellarslog Technovation Private Limited 39 Agency Pekerjaan Qess Recruit Sdn. Bhd. (w.e.f. 1 July 2023)
Associate:	<ol style="list-style-type: none"> 1 Qess Recruit, Inc. 2 Agency Pekerjaan Qess Recruit Sdn. Bhd. (till 1 July 2023)
Joint venture:	<ol style="list-style-type: none"> 1 Himmer Industrial Services (M) Sdn. Bhd.



Information required under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 read with SEBI Circular No. CIR/CFD/CMD/4/2015, dated 9th September, 2015.

Sl. No	Particulars	Details
1.	Name of the target entity, details in brief such as size, turnover etc.;	<p>Name: Vedang Cellular Services Private Limited ("Vedang")</p> <p>Business: Vedang is in the business of Telecom Network planning and optimization, installation of Active components in Telecom Network and managed services in India.</p> <p>Size & Turnover: Vedang has a workforce of over 2,200+ skilled technicians and engineers deployed across different client sites and it reported revenue of ₹ 164.87 crores as on 31 March, 2023.</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 "arm's length";	<p>Yes, the proposed transaction would fall within related party transactions since Vedang is a subsidiary of Quess Corp Limited and is being undertaken on an arm's length basis.</p> <p>The promoter and promoter group of Quess do not have any interest in Vedang.</p>
3.	Industry to which the entity being acquired belongs;	Telecom Services
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);	<ul style="list-style-type: none"> Vedang is a key player in the Telecom Network Operations & Maintenance space, present across 20 Telecom circles with strong industry relations, superior service offerings and deep technical capability. The erstwhile Promoter has exercised his Put Option as per the Shareholder's Agreement.
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;	One month.
7.	Nature of consideration - whether cash consideration or share swap and details of the same;	Cash consideration up to ₹ 6.05 crores for acquiring additional 4.5% stake as per SHA.
8.	Cost of acquisition or the price at which the shares are acquired;	As mentioned in Point 7 above.
9.	Percentage of shareholding/ control acquired and / or number of shares acquired;	The Company's shareholding in Vedang will increase from existing 92.47% to 96.97%.
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>Vedang was incorporated on April 05, 2010.</p> <p>Background – Refer SI No. 1</p>

Sl. No	Particulars	Details			
		Key Financials			(In ₹ Crores)
		Particulars	FY 2023	FY 2022	FY 2021
		Revenue	164.87	102.46	81.16

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

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 Purchase Agreement dated 6 th November, 2023 executed amongst the Company, Taskmo and the Founders.
2.	Purpose of entering into the agreement.	The Company has entered into Share Purchase Agreement for acquisition of existing equity shares held by the Founders in Taskmo. Further, the Company has also exercised its option to convert its existing unsecured loan of ₹ 6.8 crores into equity shares of Taskmo in accordance with the Loan Agreement.
3.	Shareholding, if any, in the entity with whom the agreement is executed.	Post conversion of the loan into equity shares and acquisition of Founders' stake, the Company's shareholding in Taskmo would increase from current 53.91% to 100%, making it a wholly-owned subsidiary of the Company.
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 Share Purchase Agreement sets out the terms on which the Company shall acquire the shares held by the Founders in Taskmo and their inter-se rights and obligations and other matters in connection therewith.
5.	Whether, the said parties are related to promoter/ promoter group/ group companies in any manner. If yes, nature of relationship.	Taskmo is a subsidiary of the Company. Promoter/promoter group companies are not related in any manner.
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 53.91% in Taskmo. The transaction shall be done at arm's length basis.
7.	In case of issuance of shares to the parties, details of issue price, class of shares issued.	Conversion of unsecured loan advanced by the Company to Taskmo for ₹6.80 Crores shall be converted into fully paid up equity shares. Additionally, Company shall acquire the equity shares held by the Founders in the Company for a purchase consideration of ₹40 Lakhs. The valuation carried out by a chartered accountant in accordance with the Foreign Exchange Management (Non-Debt Instrument) Rules, 2019 and the Consolidated FDI Policy and a Registered Valuer.
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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Information required under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 read with SEBI Circular No. CIR/CFD/CMD/4/2015, dated 9th September, 2015.

Sl. No	Particulars	Details
1.	Name of the target entity, details in brief such as size, turnover etc.;	<p>Name: Stellarslog Technovation Private Limited (Taskmo)</p> <p>Business: Taskmo owns and operates a digital platform – Taskmo, which is an online marketplace for gig workers.</p> <p>Size & Turnover: The total turnover of the Taskmo as on March 31, 2023 was ₹19.07 Crores. It had 780 active Taskers/ registered users as on March, 2023</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 “arm’s length”;	<p>Yes, the proposed transaction would fall within related party transactions since Taskmo is a subsidiary of Quess Corp Limited and is being undertaken on an arm’s length basis.</p> <p>The promoter and promoter group of Quess do not have any interest in Taskmo.</p>
3.	Industry to which the entity being acquired belongs;	Provision of on-demand gig workers for task based assignments.
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);	<ul style="list-style-type: none"> Pursuant to the terms of the Loan Agreement dated 30 November 2022 entered into between the Company and Taskmo, the Company has the right to convert its existing unsecured loan into equity based on the fair market value. The Company has exercised this right of converting the loan into equity shares based on the valuation report. Further, the Company has entered into a Share Purchase Agreement with the Founders as they expressed their interest to exit from Taskmo and the business. The complete control over operations will lead to enhanced alignment to Quess overall strategy.
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;	One Month
7.	Nature of consideration - whether cash consideration or share swap and details of the same;	<ul style="list-style-type: none"> Conversion of Loan amount of ₹6.80 Crores into equity shares Cash consideration up to ₹40 Lacs for purchase of 2,00,000 (2 lakhs) shares held by the Founders collectively..
8.	Cost of acquisition or the price at which the shares are acquired;	As mentioned in Point 7 above.
9.	Percentage of shareholding/ control acquired and / or number of shares acquired;	The Company’s shareholding in Taskmo will increase from existing 53.91% to 100%.

Sl. No	Particulars	Details											
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>Taskmo is a leading platform that enables enterprises to outsource tasks to a distributed network of gig workers in India incorporated on December 8, 2015. It uses a proprietary algorithm for screening, training, deploying, and managing gig workers</p> <p>Key Financials (In ₹ Crores)</p> <table border="1" data-bbox="756 450 1406 515"> <thead> <tr> <th data-bbox="756 450 951 488">Particulars</th> <th data-bbox="951 450 1094 488">FY 2023</th> <th data-bbox="1094 450 1238 488">FY 2022</th> <th data-bbox="1238 450 1406 488">FY 2021</th> </tr> </thead> <tbody> <tr> <td data-bbox="756 488 951 515">Revenue</td> <td data-bbox="951 488 1094 515">19.07</td> <td data-bbox="1094 488 1238 515">11.71</td> <td data-bbox="1238 488 1406 515">1.22</td> </tr> </tbody> </table>				Particulars	FY 2023	FY 2022	FY 2021	Revenue	19.07	11.71	1.22
Particulars	FY 2023	FY 2022	FY 2021										
Revenue	19.07	11.71	1.22										