

August 11, 2022

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 11, 2022

Time of Commencement : 06.00 PM

Time of Conclusion : 09.15 PM

This is to inform you that the Board of Directors at their meeting held today i.e. Thursday, August 11, 2022, *inter-alia*, considered and approved:

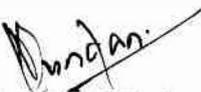
1. Unaudited (Standalone and Consolidated) financial results for the first quarter ended June 30, 2022. Pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**"), we are enclosing herewith the Unaudited (Standalone and Consolidated) financial results along with limited review report issued by the Statutory Auditors of the Company for the first quarter ended June 30, 2022 as **Annexure-1**
2. With a view to disclose better segmental performance and pursuant to internal reorganization, the Company has decided to report its segmental performance under the following four segments:
 - a. Workforce Management,
 - b. Global Technology Solutions,
 - c. Operating Asset Management, and
 - d. Product-led Business (**New Segment**)

This change complies with the IND AS segment reporting principles, and the reporting has been made effective from April 01, 2022, which has been reflected in the quarterly financial results for the quarter ended June 30, 2022.

Kindly take the above information on record and oblige.

Yours sincerely,

For Quess Corp Limited


Kundan K. Lal

Company Secretary & Compliance Officer



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 2022 ("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 financials results of the entities as given 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

- 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.

- We draw attention to Note 8 of the Statement regarding completion of special audit under section 142(2A) of Income-tax Act, 1961 ('Act') and receipt of draft assessment order under section 144C of the Act resulting in certain disallowances for financial year 2017-18, Company's submission of its objections to the Dispute Resolution Panel and the prima facie evaluation 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 16 subsidiaries included in the consolidated unaudited financial results, whose interim financial information/financial results reflect total revenues of Rs. 9,073.44 million for the quarter ended 30 June 2022, total net profit after tax of Rs. 255.13 million for the quarter ended 30 June 2022, and total comprehensive income of Rs. 276.43 million for the quarter ended 30 June 2022, 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 20 subsidiaries which have not been reviewed by their auditors, whose interim financial information/financial results reflect total revenues of Rs. 1,364.56 million for the quarter ended 30 June 2022, total loss after tax of Rs. 120.84 million for the quarter ended 30 June 2022, and total comprehensive loss of Rs. 125.70 million for the quarter ended 30 June 2022, as considered in the Statement. The consolidated unaudited financial results also includes the Group's share of net profit after tax of Rs. 0.88 million for the quarter ended 30 June 2022, and total comprehensive income of Rs. 0.88 million for the quarter ended 30 June 2022, as considered in the Statement, in respect of two associates and one joint venture company, based on their interim financial information/financial results which have not been reviewed by their auditors. According to the information and explanations given to us by the Management, these interim financial information/financial results are not material to the Group.

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: 22110815AOUOVG6096)

Place: Bengaluru
Date: 11 August 2022

Deloitte Haskins & Sells LLP

ANNEXURE 1:

Nature	S. No.	Entity name
Subsidiary/Step-subsubsidiary:	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.	Connqt 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
	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 (w.e.f 17 May 2022)
	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

Y.K

Quess Corp Limited
Registered Office: Quess 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 2022

(INR in million except per share data)

Sl. No.	Particulars	Consolidated			
		Quarter ended		Year ended	
		30 June 2022	31 March 2022	30 June 2021	31 March 2022
		(Unaudited)	Refer Note 2	(Unaudited)	(Audited)
1	Income				
	a) Revenue from operations	39,793.18	37,920.47	29,869.14	1,36,917.78
	b) Other income	72.14	46.79	48.47	198.01
	Total income (a + b)	39,865.32	37,967.26	29,917.61	1,37,115.79
2	Expenses				
	a) Cost of material and stores and spare parts consumed	975.68	837.22	474.31	2,787.25
	b) Employee benefits expense	33,952.74	32,281.58	25,988.82	1,16,869.92
	c) Finance costs	204.02	195.24	217.89	792.15
	d) Depreciation and amortisation expense	609.91	642.84	497.47	2,120.47
	e) Other expenses	3,331.39	2,953.39	1,937.32	11,025.76
	Total expenses (a + b + c + d + e)	39,073.74	36,910.27	29,115.81	1,33,595.55
3	Profit before share of profit of equity accounted investees, exceptional items and tax (1 - 2)	791.58	1,056.99	801.80	3,520.24
4	Share of profit/(loss) of equity accounted investees (net of income tax)	0.88	(6.65)	0.19	(16.87)
5	Profit before exceptional items and tax (3 + 4)	792.46	1,050.34	801.99	3,503.37
6	Exceptional items	-	13.95	-	(72.24)
7	Profit before tax (5 - 6)	792.46	1,036.39	801.99	3,575.61
8	Tax expense/(credit)				
	Current tax	118.15	120.40	279.64	644.14
	Income tax relating to previous year	0.08	21.65	13.62	35.28
	Deferred tax	(2.78)	128.05	62.43	386.42
	Total tax expense	115.45	270.10	355.69	1,065.84
9	Profit for the period (7 - 8)	677.01	766.29	446.30	2,509.77
10	Other comprehensive income				
	(i) Items that will not be reclassified subsequently to profit or loss				
	Remeasurement of defined benefit plans	17.01	62.64	(74.44)	(98.62)
	Income tax relating to items that will not be reclassified to profit or loss	(4.25)	(5.53)	18.76	32.91
	(ii) Items that will be reclassified subsequently to profit or loss				
	Exchange differences in translating financial statements of foreign operations	78.89	39.19	80.04	81.97
	Other comprehensive income for the period, net of taxes	91.65	96.30	24.36	16.26
11	Total comprehensive income for the period (9 + 10)	768.66	862.59	470.66	2,526.03
12	Profit/(loss) attributable to:				
	Owners of the Company	668.50	736.80	461.88	2,412.25
	Non-controlling interests	8.51	29.49	(15.58)	97.52
13	Other comprehensive income attributable to:				
	Owners of the Company	84.88	90.82	18.31	16.15
	Non-controlling interests	6.77	5.48	6.05	0.11
14	Total comprehensive income/(loss) attributable to:				
	Owners of the Company	753.38	827.62	480.19	2,428.40
	Non-controlling interests	15.28	34.97	(9.53)	97.62
15	Paid-up equity share capital (Face value of INR 10.00 per share)	1,480.80	1,479.91	1,476.79	1,479.91
16	Reserves i.e. Other equity				22,897.64
17	Earning per equity share	(not annualised)	(not annualised)	(not annualised)	(annualised)
	(a) Basic (in INR)	4.52	4.98	3.13	16.32
	(b) Diluted (in INR)	4.48	4.94	3.07	16.18

See accompanying notes to the financial results



Qess Corp Limited

Registered Office: Qess 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.

Consequent to internal reorganisation, the Group during the quarter ended 30 June 2022, changed the composition of its reportable segments. The revised reportable segments of the Group comprise of:

- a) Workforce management
- b) Operating asset management
- c) Global technology solutions
- d) Product led business

Product led business comprises of business relating to Monster.com (India) Private Limited, Monster.com SG PTE Limited, Monster.com.HK Limited, Agensi Pekerjaan Monster Malaysia Sdn. Bhd, Qdigi Services Limited and Billion Careers Private Limited which were hitherto included under Global Technology Solutions. Additionally, Brainhunter Systems Ltd. is now included under Work force management from Global technology solutions.

The information relating to reportable segments for the prior quarters and year ended 31 March 2022 are restated to reflect the change in reportable segments.

Statement of consolidated unaudited segment wise revenue, results, assets and liabilities for the quarter ended 30 June 2022 (INR in million)

Sl. No.	Particulars	Consolidated			
		Quarter ended		Year ended	
		30 June 2022	31 March 2022	30 June 2021	31 March 2022
		(Unaudited)	Refer Note 2	(Unaudited)	(Audited)
1	Segment revenue				
	a) Workforce management	27,578.83	26,441.46	20,731.72	94,759.76
	b) Operating asset management	5,966.62	5,772.31	4,645.47	21,095.03
	c) Global technology solutions	5,073.64	4,710.80	3,893.05	17,535.57
	d) Product led business	1,174.09	995.90	598.90	3,527.42
	Total Income from operations	39,793.18	37,920.47	29,869.14	1,36,917.78
2	Segment results				
	a) Workforce management	942.01	942.76	729.59	2,914.29
	b) Operating asset management	304.01	255.65	406.81	1,198.80
	c) Global technology solutions	825.91	860.31	619.62	3,048.50
	d) Product led business	(239.73)	(76.25)	(59.17)	2.47
	Total	1,832.20	1,982.47	1,696.85	7,164.06
	Less: (i) Unallocated corporate expenses	298.83	134.19	228.16	929.21
	Less: (ii) Depreciation and amortisation expense	609.91	642.84	497.47	2,120.47
	Less: (iii) Finance costs	204.02	195.24	217.89	792.15
	Add: (iv) Other income	72.14	46.79	48.47	198.01
	Add: (v) Share of profit/(loss) of equity accounted investees (net of income tax)	0.88	(6.65)	0.19	(16.87)
	Total profit before tax	792.46	1,050.34	801.99	3,503.37
3	Segment assets				
	a) Workforce management	16,955.59	18,094.94	13,889.15	18,094.94
	b) Operating asset management	12,726.27	12,066.50	11,079.62	12,066.50
	c) Global technology solutions	14,030.83	12,694.94	10,921.60	12,694.94
	d) Product led business	2,024.03	1,859.97	1,313.06	1,859.97
	e) Unallocated	10,532.31	8,993.22	9,933.55	8,993.22
	Total	56,269.03	53,709.57	47,136.98	53,709.57
4	Segment liabilities				
	a) Workforce management	10,525.90	10,621.74	6,681.06	10,621.74
	b) Operating asset management	4,079.31	3,843.26	2,824.14	3,843.26
	c) Global technology solutions	6,483.32	6,372.84	5,023.94	6,372.84
	d) Product led business	2,042.89	1,817.22	1,327.32	1,817.22
	e) Unallocated	7,058.95	5,367.16	7,477.35	5,367.16
	Total	30,190.37	28,022.22	23,333.81	28,022.22

See accompanying notes to the financial results



Consolidated unaudited financial results for the quarter ended 30 June 2022

Notes relating to current quarter:

- 1 The consolidated financial information of Ques 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 30 June 2022 have been taken on record by the Board of Directors at its meeting held on 11 August 2022. The statutory auditors have expressed an unqualified review conclusion on the financial results for the quarter ended 30 June 2022. 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 2022 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 7-1 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 19 October 2022. 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.
- 5 The Board of Directors of the Company at its meeting held on 03 June 2021 considered and approved the Scheme of Amalgamation ("Scheme AAA") among Ques Corp Limited ("Transferee Company") with two of its wholly owned subsidiaries viz. MFX Infotech Private Limited ("MFXI") and Greenpiece Landscape India Private Limited ("GLPL") 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 approval of the shareholders and the National Company Law Tribunal ("NCLT"), Bengaluru branch. On 7 July 2021, the Board of Directors approved revision in Scheme AAA by adding another wholly owned Subsidiary Conneqt Business Solutions Limited ("CBSL") as an additional Transferor Company. The new Scheme AAA will be effected in the consolidated financial results once it is approved by National Company Law Tribunal ("NCLT"), Bengaluru Bench. The Company has filed the application before Hon'ble NCLT, Bengaluru bench on 21 January 2022.
- 6 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.
- 7 The Board of Directors at their meeting held on 31 May 2022 declared interim dividend of INR 4.00 per equity share (face value of INR 10.00 each) aggregating to INR 591.96 million which was paid on 21 June 2022.
- 8 As disclosed in quarter ended 30 June 2021, the Income Tax Department ("Department") conducted survey operations at the Company's registered office from 08 July 2021 to 10 July 2021. The queries during the survey for financial year (FY) 2016-17 to FY 2019-20 were primarily related to the manner of availing deduction under section 80JJAA of the Income Tax Act ("Act") and the claim of tax depreciation on goodwill arising from acquisition/ mergers. Further, as disclosed in quarter ended 30 September 2021, a special audit under section 142(2A) of the Act was initiated by the Income Tax Department for FY 2017-18. During the quarter ended 31 March 2022, special audit was completed; and report was submitted to the Income Tax Department.

As per due process, and following the issue of the special audit report, the Department has issued a draft assessment order under section 144C of the Act on 24 May 2022. The draft assessment order indicates that, among others, the entire deduction under 80JJAA claimed by the Company is disallowed, along with the depreciation of goodwill arising on mergers and acquisitions. Further receipts in the nature of reimbursement of expenses from customers reduced from revenues as per applicable Accounting Standards have also been added to taxable income. During the quarter ended 30 June 2022, the Company filed its objection before the Dispute Resolution Panel. Further, a special audit under section 142(2A) of the Act was initiated by the Department for FY 2018-19 during the quarter ended 30 June 2022 which is under progress.

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 Act. Based on its initial internal evaluation, the Company has disclosed a contingent liability of INR 166.60 million, excluding interest and penalties if any. This estimate 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 an 80JJAA deduction of INR 734.08 million is claimed for the quarter ended 30 June 2022. The Company believes that such deduction, including its quantum, has been validly and consistently claimed, in conformity with its interpretation of the statute.

- 9 During the quarter ended 30 June 2022, the Company acquired additional 5% stake in Stellarslog Technovation Private Limited (STPL) for purchase consideration of INR 38.36 million. Consequent to additional 5% acquisition, the total shareholding in STPL has increased from 49% to 54% and STPL has become subsidiary of the Company.
- 10 The Board of Directors of the Company and Allsec Technologies Limited ("Allsec") in their respective meetings held on 22 June 2022 have approved the Scheme of Amalgamation which inter alia provides for the merger of Allsec into the Company ("Scheme"). The merger is subject to the approval of the respective shareholders and creditors of the Company and Allsec, Stock Exchanges, Securities and Exchange Board of India, the National Company Law Tribunal and other regulatory authorities as may be required. Shareholders of Allsec (other than the Company) to be issued equity shares of the Company in the ratio of 0.74:1. Till the Scheme becomes effective, the Company and Allsec will continue to function independently.

for and on behalf of Board of Directors of

Ques Corp Limited



Guruprasad Srinivasan
Executive Director and Group Chief Executive Officer

Place: Bengaluru

Date: 11 August 2022



Appendix - 1

Nature	S. No.	Entity name
Subsidiary/Step-subsubsidiary:	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
	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 (w.e.f 17 May 2022)
	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 2022 ("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 7 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 8 of the Statement regarding completion of special audit under section 142(2A) of Income-tax Act, 1961 ('Act') and receipt of draft assessment order under section 144C of the Act resulting in certain disallowances for financial year 2017-18, Company's submission of its objections to the Dispute Resolution Panel and the prima facie evaluation 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: 22110815AOUOIY6523)

Place: Bengaluru
Date: 11 August 2022

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 ended 30 June 2022 (INR in million except per share data)

Sl. No.	Particulars	Standalone			
		Quarter ended		Year ended	
		30 June 2022 (Unaudited)	31 March 2022 (Refer note 2)	30 June 2021 (Unaudited)	31 March 2022 (Audited)
1	Income				
	a) Revenue from operations	28,323.00	27,225.71	21,250.06	97,584.98
	b) Other income	26.70	386.55	186.51	1,315.70
	Total income (a + b)	28,349.70	27,612.26	21,436.57	98,900.68
2	Expenses				
	a) Cost of material and stores and spare parts consumed	413.64	305.22	240.05	1,110.39
	b) Employee benefits expense	25,091.36	24,169.11	19,194.98	87,045.27
	c) Finance costs	105.75	109.61	127.80	476.99
	d) Depreciation and amortisation expense	132.81	137.12	106.62	481.04
	e) Other expenses	2,142.65	2,003.20	1,282.92	7,558.23
	Total expenses (a + b + c + d + e)	27,886.21	26,724.26	20,952.37	96,671.92
3	Profit before exceptional items and tax (1 - 2)	463.49	888.00	484.20	2,228.76
4	Exceptional items	-	220.32	-	422.52
5	Profit before tax (3 - 4)	463.49	667.68	484.20	1,806.24
6	Tax expense / (credit)				
	Current tax	-	-	-	-
	Deferred tax	(8.91)	138.79	66.73	357.96
	Total tax expense / (credit)	(8.91)	138.79	66.73	357.96
7	Profit for the period (5 - 6)	472.40	528.89	417.47	1,448.28
8	Other comprehensive income				
	<i>Items that will not be reclassified subsequently to profit or loss</i>				
	Remeasurement of defined benefit plans	19.89	24.32	(80.39)	(104.79)
	Income tax relating to items that will not be reclassified to profit or loss	(5.00)	(6.12)	20.23	26.37
	Other comprehensive income/ (loss) for the period, net of taxes	14.89	18.20	(60.16)	(78.42)
9	Total comprehensive income for the period (7 + 8)	487.29	547.09	357.31	1,369.86
10	Paid-up equity share capital (Face value of INR 10.00 per share)	1,480.80	1,479.91	1,476.79	1,479.91
11	Reserves i.e. Other equity				20,608.77
12	Earnings per equity share	(not annualised)	(not annualised)	(not annualised)	(annualised)
	(a) Basic (in INR)	3.19	3.58	2.83	9.80
	(b) Diluted (in INR)	3.17	3.55	2.78	9.71

See accompanying notes to the financial results

The image shows a handwritten signature in black ink over a circular purple stamp. The stamp contains the text "QUESS CORP LTD." around the perimeter and a small star at the bottom.

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 ended 30 June 2022

Notes relating to current quarter:

- 1 The standalone financial information of Quess Corp Limited ("the Company") for the quarter ended 30 June 2022 have been taken on record by the Board of Directors at its meeting held on 11 August 2022. The statutory auditors have expressed an unqualified review conclusion on the financial results for the quarter ended 30 June 2022. 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 2022 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 03 June 2021 considered and approved the Scheme of Amalgamation ("Scheme AAA") among Quess Corp Limited ("Transferee Company") with two of its wholly owned subsidiaries viz. MFX Infotech Private Limited ("MFPI") and Greenpiece Landscape India Private Limited ("GLPL") 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 approval of the shareholders and the National Company Law Tribunal ("NCLT"), Bengaluru branch. On 7 July 2021, the Board of Directors approved revision in Scheme AAA by adding another wholly owned Subsidiary Conneqt Business Solutions Limited ("CBSL") as an additional Transferor Company. The new Scheme AAA will be effected in the standalone financial results once it is approved by National Company Law Tribunal ("NCLT"), Bengaluru Bench. The Company has filed the application before Hon'ble NCLT, Bengaluru bench on 21 January 2022.
- 6 The Board of Directors at their meeting held on 31 May 2022 declared interim dividend of INR 4.00 per equity share (face value of INR 10.00 each) for the current financial year aggregating to INR 591.96 million which was paid on 21 June 2022.
- 7 During fiscal 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 19 October 2022. 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.
- 8 As disclosed in quarter ended 30 June 2021, the Income Tax Department ("Department") conducted survey operations at the Company's registered office from 08 July 2021 to 10 July 2021. The queries during the survey for financial year (FY) 2016-17 to FY 2019-20 were primarily related to the manner of availing deduction under section 80JJAA of the Income Tax Act ("Act") and the claim of tax depreciation on goodwill arising from acquisition/ mergers. Further, as disclosed in quarter ended 30 September 2021, a special audit under section 142(2A) of the Act was initiated by the Income Tax Department for FY 2017-18. During the quarter ended 31 March 2022, special audit was completed; and report was submitted to the Income Tax Department.

As per due process, and following the issue of the special audit report, the Department has issued a draft assessment order under section 144C of the Act on 24 May 2022. The draft assessment order indicates that, among others, the entire deduction under 80JJAA claimed by the Company is disallowed, along with the depreciation of goodwill arising on mergers and acquisitions. Further receipts in the nature of reimbursement of expenses from customers reduced from revenues as per applicable Accounting Standards have also been added to taxable income. During the quarter ended 30 June 2022, the Company filed its objection before the Dispute Resolution Panel. Further, a special audit under section 142(2A) of the Act was initiated by the Department for FY 2018-19 during the quarter ended 30 June 2022 which is under progress.

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 Act. Based on its initial internal evaluation, the Company has disclosed a contingent liability of INR 166.60 million, excluding interest and penalties if any. This estimate 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 an 80JJAA deduction of INR 727.26 million is claimed for the quarter ended 30 June 2022. The Company believes that such deduction, including its quantum, has been validly and consistently claimed, in conformity with its interpretation of the statute.

- 9 During the quarter ended 30 June 2022, the Company acquired additional 5% stake in Stellarslog Technovation Private Limited (STPL) for purchase consideration of INR 38.36 million. Consequent to additional 5% acquisition, the total shareholding in STPL has increased from 49% to 54% and STPL has become subsidiary of the Company.
- 10 The Board of Directors of the Company and Allsec Technologies Limited ("Allsec") in their respective meetings held on 22 June 2022 have approved the Scheme of Amalgamation which inter alia provides for the merger of Allsec into the Company ("Scheme"). The merger is subject to the approval of the respective shareholders and creditors of the Company and Allsec, Stock Exchanges, Securities and Exchange Board of India, the National Company Law Tribunal and other regulatory authorities as may be required. Shareholders of Allsec (other than the Company) to be issued equity shares of the Company in the ratio of 0.74:1. Till the Scheme becomes effective, the Company and Allsec will continue to function independently.
- 11 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 and Group Chief Executive Officer

Place: Bengaluru

Date: 11 August 2022

