

July 29, 2024

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 – 400 051
NSE Symbol – QUESS

Dear Sir/Madam,

Sub.: Outcome of Board Meeting of the Company held on July 29, 2024

Time of Commencement : 05:20 PM

Time of Conclusion : 08:05 PM

This is to inform you that the Board of Directors at their meeting held today, i.e., Monday, July 29, 2024, *inter-alia*, considered and approved the Unaudited Financial Results (Standalone and Consolidated) for the first quarter ended June 30, 2024. Pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), we are enclosing herewith the Unaudited (Standalone and Consolidated) financial results along with the Limited Review Report issued by the Statutory Auditors of the Company for the first quarter ended June 30, 2024 as “**Annexure 1**”.

The same will be made available on the Company’s website www.quesscorp.com.

Kindly take the above information on record.

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 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"), for the quarter ended 30 June, 2024 ("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 ("the Listing Regulations").
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 and in compliance with Listing Regulations. 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 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 Listing Regulations to the extent applicable.

4. The Statement includes the results of the entities listed in Annexure 1 to this report.

5. Basis for Qualified Conclusion

As stated in note 5 to the Statement, certain tax deductions claimed by the Parent and recognised in computation of income tax expense in the current and preceding periods have been disallowed by the Income Tax Authority. The disallowance has been challenged by the Parent in a judicial forum. The Parent, supported by external opinions from legal counsel and other tax experts, has assessed the basis of the disallowances and concluded that it is probable that these deductions will be accepted upon ultimate resolution.

In January 2024, as described in note 5, another regulatory authority has made certain observations (referred to as "new information") on the applicability of

certain deductions in the Income Tax Act and related reports submitted to the Income Tax Authority in respect of these deductions. The Parent has taken into consideration this new information and continues to believe that it is probable that these deductions upon ultimate resolution will be accepted by the Income Tax Authority.

As a result of the uncertainty in respect of the outcome in the aforesaid matter, pending ultimate resolution and acceptance by the Income Tax Authority, we are unable to comment whether any adjustments are necessary.

This matter was also qualified in our report on the consolidated financial results for the quarter and year ended 31 March 2024.

6. Qualified Conclusion

Based on our review conducted and procedures performed as stated in paragraph 3 above, except for the possible effects of the matter described in paragraph 5 above, nothing has come to our attention that causes us to believe that the accompanying Statement, has not been 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, and has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

7. Emphasis of Matter

We draw attention to note 4 of the Statement, regarding the demands received by the Parent in respect of provident fund and contingency related to the pending litigation on the said matter.

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

8. We did not review the interim financial information/financial results of 19 subsidiaries included in the Group, whose interim financial information/financial results reflect total revenues of Rs. 6,282.81 million for the quarter ended 30 June 2024, total net profit after tax of Rs. 200.48 million for the quarter ended 30 June 2024 and total comprehensive income of Rs. 197.26 million for the quarter ended 30 June 2024, 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 report of other auditors and the procedures performed by us as stated in paragraph 3 above.

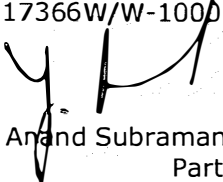
Our conclusion on the Statement is not modified in respect of this matter.

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Haskins & Sells LLP**

9. The consolidated unaudited financial results includes the interim financial information/ financial results of 16 subsidiaries which have not been reviewed by their auditors, whose interim financial information/financial results reflect total revenues of Rs. 346.68 million for the quarter ended 30 June 2024, total net loss after tax of Rs. 0.08 million for the quarter ended 30 June 2024 and total comprehensive loss of Rs. 6.41 million for the quarter ended 30 June 2024, as considered in the Statement. 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-100/18)



Anand Subramanian
Partner

(Membership No. 110815)
(UDIN: 24110815BKFIEU5130)

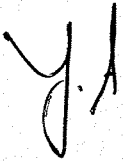
Place: Bengaluru
Date: 29 July 2024

ANNEXURE 1:

Nature	S. No.	Entity name
Subsidiaries/Step-down subsidiaries:	1.	Brainhunter Systems Ltd.
	2.	Mindwire Systems Limited
	3.	MFX Infotech Private Limited (Merged with Quess Corp Ltd w.e.f. 1 December 2023)
	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.	Connct Business Solutions Limited (Merged with Quess Corp Ltd w.e.f. 1 December 2023)
	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.	Quess Malaysia Digital Sdn Bhd (formerly known as 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.	Qdigi Services Limited (till 31 March 2024)
	25.	Greenpiece Landscapes India Private Limited (Merged with Quess Corp Ltd w.e.f. 1 December 2023)
	26.	Quesscorp Management Consultancies (formerly known as StyraCorp Management Services)
	27.	Quesscorp Manpower Supply Services LLC [formerly known as S M S Manpower Supply Services (LLC)]
	28.	Allsec Technologies Limited
	29.	Allsectech Inc., USA
	30.	Allsectech Manila Inc., Philippines
	31.	Quess Services Limited (till 20 March 2024)
	32.	Trimax Smart Infraprojects Private Limited
	33.	Terrier Security Services (India) Private Limited
	34.	Heptagon Technologies Private Limited

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	35.	Billion Careers Private Limited
	36.	Qess Corp NA LLC (w.e.f 17 May 2022)
	37.	Stellarslog Technovation Private Limited (w.e.f 7 April 2022)
	38.	Qess Recruit, Inc. (w.e.f 1 January 2024)
	39.	Agency Pekerjaan Qess Recruit Sdn. Bhd. (w.e.f 1 July 2023)
	40.	Qess GTS Canada Holdings Inc. (w.e.f 5 October 2023)
	41.	Digitide Solutions Limited (w.e.f 10 February 2024)
	42.	Bluspring Enterprises Limited (w.e.f 11 February 2024)
Associates:	1.	Qess Recruit, Inc. (till 31 December 2023)
	2.	Agency Pekerjaan Qess Recruit Sdn. Bhd. (till 30 June 2023)
Joint Venture Company:	1.	Himmer Industrial Services (M) Sdn. Bhd. (till 4 March 2024)

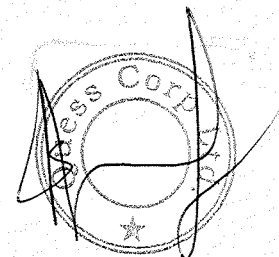


Part 1: Statement of consolidated unaudited financial results for the quarter ended 30 June 2024

(INR in million except per share data)

Sl. No.	Particulars	Consolidated			
		Quarter ended			Year ended
		30 June 2024	31 March 2024	30 June 2023	31 March 2024
		(Unaudited)	Refer note 2	(Unaudited)	(Audited)
1	Income				
	a) Revenue from operations	50,031.07	49,097.52	46,002.10	1,91,001.33
	b) Other income	101.50	50.44	40.72	294.53
	Total income (a + b)	50,132.57	49,147.96	46,042.82	1,91,295.86
2	Expenses				
	a) Cost of material and stores and spare parts consumed	461.69	1,082.59	1,119.01	4,771.95
	b) Employee benefits expense	44,440.43	42,733.28	39,953.41	1,65,567.73
	c) Finance costs	235.18	265.60	272.44	1,173.23
	d) Depreciation and amortisation expense	689.76	731.49	685.69	2,831.95
	e) Other expenses	3,291.20	3,329.96	3,390.88	13,726.55
	Total expenses (a + b + c + d + e)	49,118.26	48,142.92	45,421.43	1,88,071.41
3	Profit before share of profit of equity accounted investees, exceptional items and tax (1 - 2)	1,014.31	1,005.04	621.39	3,224.45
4	Share of profit/(loss) of equity accounted investees (net of income tax)	-	-	0.11	(0.69)
5	Profit before exceptional items and tax (3 + 4)	1,014.31	1,005.04	621.50	3,223.76
6	Exceptional items (gain)/loss (refer note 6)	(171.26)	57.05	-	271.59
7	Profit before tax (5 - 6)	1,185.57	947.99	621.50	2,952.17
8	Tax expense/(credit)				
	Current tax	108.31	144.68	165.65	518.40
	Income tax relating to previous years	(5.89)	(3.22)	-	0.69
	Deferred tax	(33.63)	(171.84)	(25.32)	(370.96)
	Total tax expense/(credit)	68.79	(30.38)	140.33	148.13
9	Profit for the period (7 - 8)	1,116.78	978.37	481.17	2,804.04
10	Other comprehensive (loss)/income				
	<i>(i) Items that will not be reclassified subsequently to profit or loss</i>				
	Remeasurement of defined benefit plans	19.43	(112.96)	(67.08)	(318.24)
	Income tax credit/(expenses) relating to items that will not be reclassified to profit or loss	(4.91)	32.58	20.81	81.75
	<i>(ii) Items that will be reclassified subsequently to profit or loss</i>				
	Exchange differences in translating financial statements of foreign operations	(84.34)	(72.12)	(86.86)	(19.12)
	Other comprehensive loss for the period, net of taxes	(69.82)	(152.50)	(133.13)	(255.61)
11	Total comprehensive income for the period (9 + 10)	1,046.96	825.87	348.04	2,548.43
12	Profit attributable to:				
	Owners of the Company	1,038.10	943.80	478.11	2,778.56
	Non-controlling interests	78.68	34.57	3.06	25.48
13	Other comprehensive (loss)/income attributable to:				
	Owners of the Company	(60.82)	(139.76)	(138.45)	(236.41)
	Non-controlling interests	(9.00)	(12.74)	5.32	(19.20)
14	Total comprehensive income attributable to:				
	Owners of the Company	977.28	804.04	339.66	2,542.15
	Non-controlling interests	69.68	21.83	8.38	6.28
15	Paid-up equity share capital (Face value of INR 10.00 per share)	1,485.10	1,485.10	1,483.39	1,485.10
16	Reserves i.e. other equity				26,504.83
17	Earnings per equity share	(not annualised)	(not annualised)	(not annualised)	(annualised)
	(a) Basic (in INR)	6.99	6.36	3.23	18.72
	(b) Diluted (in INR)	6.94	6.31	3.21	18.61

See accompanying notes to the financial results



Qess Corp Limited

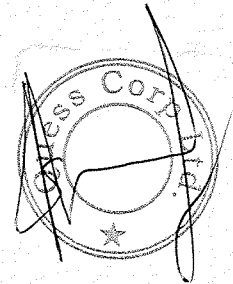
Registered Office: Qess House, 3/3/2, Bellandur Gate, Sarjapur Road, Bengaluru 560 103;
CIN No. L74140KA2007PLC043909

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.

Statement of consolidated unaudited segment wise revenue, results, assets and liabilities for the quarter ended 30 June 2024 (INR in million)

Sl. No	Particulars	Consolidated			
		Quarter ended		Year ended	
		30 June 2024 (Unaudited)	31 March 2024 Refer note 2	30 June 2023 (Unaudited)	31 March 2024 (Audited)
1	Segment revenue				
	a) Workforce management	36,218.99	34,762.37	32,206.21	1,34,422.84
	b) Operating asset management	7,325.35	7,103.46	6,899.36	28,007.37
	c) Global technology solutions	6,100.60	6,044.90	5,632.60	23,400.26
	d) Product led business	386.13	1,186.79	1,263.93	5,170.86
	Total revenue from operations	50,031.07	49,097.52	46,002.10	1,91,001.33
2	Segment results				
	a) Workforce management	885.03	911.29	832.25	3,511.82
	b) Operating asset management	351.30	385.86	308.10	1,409.83
	c) Global technology solutions	1,069.94	1,134.09	1,001.75	4,252.98
	d) Product led business	(84.06)	(69.97)	(256.01)	(628.49)
	Total	2,222.21	2,361.27	1,886.09	8,546.14
	Less: (i) Unallocated corporate expenses	384.46	409.58	347.29	1,611.04
	Less: (ii) Depreciation and amortisation expense	689.76	731.49	685.69	2,831.95
	Less: (iii) Finance costs	235.18	265.60	272.44	1,173.23
	Add: (iv) Other income	101.50	50.44	40.72	294.53
	Add: (v) Share of profit/(loss) of equity accounted investees (net of income tax)	-	-	0.11	(0.69)
	Profit before exceptional items and tax	1,014.31	1,005.04	621.50	3,223.76
	Exceptional items (gain)/loss (refer note 6)	(171.26)	57.05	-	271.59
	Profit before Tax	1,185.57	947.99	621.50	2,952.17
3	Segment assets				
	a) Workforce management	19,320.79	19,004.98	19,012.01	19,004.98
	b) Operating asset management	13,853.91	13,950.95	14,308.79	13,950.95
	c) Global technology solutions	15,188.56	15,018.86	14,861.48	15,018.86
	d) Product led business	1,686.84	1,588.01	2,369.74	1,588.01
	e) Unallocated	13,191.43	12,987.63	12,078.68	12,987.63
	Total	63,241.53	62,550.43	62,630.70	62,550.43
4	Segment liabilities				
	a) Workforce management	14,819.99	14,269.54	13,892.97	14,269.54
	b) Operating asset management	6,195.07	5,982.45	5,252.28	5,982.45
	c) Global technology solutions	7,038.76	7,310.62	7,205.24	7,310.62
	d) Product led business	1,277.47	1,368.42	2,301.87	1,368.42
	e) Unallocated	3,169.74	3,973.38	6,265.08	3,973.38
	Total	32,501.03	32,904.41	34,917.44	32,904.41

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 unaudited financial results for the quarter ended 30 June 2024

Notes for the quarter ended 30 June 2024:

- 1 The consolidated financial results of Quess Corp Limited ("the Company") including its subsidiaries (collectively known as the "Group") (as mentioned in Appendix 1 to these notes) for the quarter ended 30 June 2024 have been taken on record by the Board of Directors at its meeting held on 29 July 2024. The statutory auditors have expressed a qualified review conclusion on the financial results for the quarter ended 30 June 2024. These consolidated financial results have been extracted from the consolidated financial information.
- 2 The consolidated financial results have been prepared in accordance with the recognition and measurement principles laid down in the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

The Statement includes the results for the quarter ended 31 March 2024 being the balancing figure of audited figures in respect of the full financial year and published unaudited year to date figures upto the end of the third quarter of the respective 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 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 28 August 2024. The Company has taken external independent legal advice as per which the EPFO's order is prima facie erroneous and unsustainable in law and therefore will not be sustained on ultimate resolution.

5 Income Tax matters:

During the prior quarters, the Company received assessment orders for fiscal 2018 and 2019 and draft assessment orders for fiscal 2020 and 2021 in which primarily deduction under section 80JJAA of the Income Tax Act and depreciation on goodwill has been disallowed.

The Income Tax department disallowed the claim under section 80JJAA of the IT Act on the grounds of non-existence of employer – employee relationship in respect of associate employees of the Company. Additionally, the Income Tax Department also disputed the interpretations adopted by the Company for computing the deduction under section 80JJAA by disallowing claims for:

- additional employees whose emoluments exceed Rs. 25,000 in a month but the average emoluments for these additional employees does not exceed Rs. 25,000 in a month during the service period;
- additional employees who have served more than 240 days in a year but are not an employee on March 31 of the respective financial year for which the claim is availed; and
- employees for whom which the employer's contribution of provident fund for any part of the year is paid by the Government under Employee Pension Scheme (EPS) but the entire employers contribution is not reimbursed by the Government during the year.

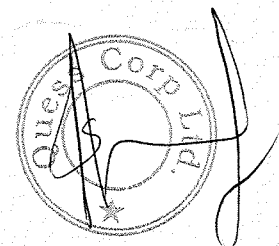
The Company filed an appeal with the Income Tax Appellate Tribunal against the assessment orders for fiscal 2018 and 2019 and believes that the tax treatment availed by the Company for deductions under 80JJAA and depreciation on goodwill are valid and will be sustained on ultimate resolution supported by external opinions from legal counsel and other tax experts. Additionally, the Company filed similar objections against the draft assessment order for fiscal 2020 and 2021 with the Dispute Resolution Panel.

During the quarter, the Dispute resolution Panel rejected the objections filed by the Company for fiscal 2020 on similar lines of fiscal 2018 and 2019. The assessment order for fiscal 2020 was received subsequently on 29 July 2024. The Company will file an appeal before the Income Tax Appellate Tribunal.

In January 2024, National Financial Reporting Authority ('NFRA'), in an Order relating to certification for fiscal 2019 to 2021 by an external Chartered Accountant pertaining to claims under 80JJAA made by the Company, has made certain observations on the applicability of certain conditions in the Income Tax Act and related reports submitted to the Income Tax Authority in respect of these deductions. This order was subsequently stayed by the Hon'ble Delhi High Court. As specified above, the Company continues to believe that its claim under 80JJAA is valid and intends to vigorously contest its position and interpretative stance of these sections on merits and based on external third-party assessments of the claim made, believes that the deduction under 80JJAA will be sustained upon ultimate resolution by the Income Tax Authority.

Pending resolution of these Income Tax disputes, the Group has disclosed a contingent liability of INR 1,631.07 million towards demands including interest in the order for these fiscal years.

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 936.60 million is claimed for the quarter ended 30 June 2024 (year ended 31 March 2024: INR 4,161.85 million) by the Company and its one subsidiary. The Company believes that such deduction, including its quantum, has been validly and consistently claimed, in conformity with its interpretation of the statute.

A circular stamp with the text "Quess Corp Limited" around the perimeter and a star at the bottom. A handwritten signature is written across the stamp.

6 Exceptional item:

During the current quarter, the Group completed sale of its Labour Law Compliance (LLC) Division forming part of Global Technology Solutions segment for a consideration of INR 221.1 million resulting in a gain of INR 170.80 million presented as exceptional item.

- 7 During the year ended 31 March 2024, the Board of Directors of the Company, approved the Composite Scheme of Arrangement amongst the Company, Digitide Solutions Limited ("Resulting Company 1 or Digitide") and Bluspring Enterprises Limited ("Resulting Company 2 or Bluspring) and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder ("Scheme").

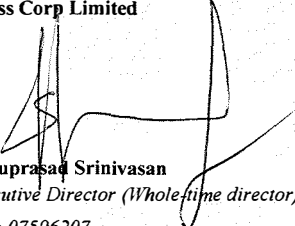
The Scheme provides for the following:

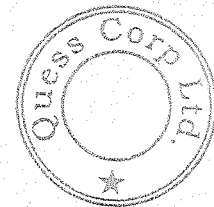
(a) the demerger of the Company's undertakings (Divisions and investments) engaged in Business Process Management (BPM) solutions, Insurtech and Human Resource Outsourcing (HRO) business into Digitide and in consideration, Digitide will issue new equity shares to all the equity shareholders of the Company in accordance with the Share Entitlement Ratio of one new equity share of Digitide to one equity share of the Company.

(b) the demerger of the Company's undertakings (Divisions and investments) engaged in Facility Management, Industrial Services and Product led businesses into Bluspring and in consideration, Bluspring will issue new equity shares to all the equity shareholders of the Company in accordance with the Share Entitlement Ratio of one new equity share of Bluspring to one equity share of the Company.

The Scheme is subject to receipt of requisite approvals from SEBI, the National Company Law Tribunal, Bengaluru Bench ("Tribunal"), the Stock Exchanges and other statutory and regulatory authorities, and approval of the requisite majority of the shareholders and creditors of the Companies, under applicable law.

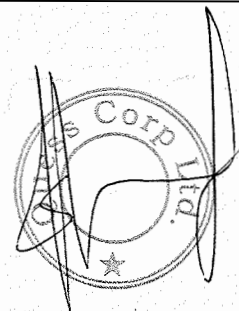
for and on behalf of Board of Directors of
Qness Corp Limited


Guruprasad Srinivasan
Executive Director (Whole-time director) and Group Chief Executive Officer
DIN: 07596207
Place: Bengaluru
Date: 29 July 2024



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 (Merged with Quess Corp Ltd w.e.f. 1 December 2023) 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 (Merged with Quess Corp Ltd w.e.f. 1 December 2023) 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 Quess Malaysia Digital Sdn Bhd (formerly known as 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 Qdigi Services Limited (till 31 March 2024) 25 Greenpiece Landscapes India Private Limited (Merged with Quess Corp Ltd w.e.f. 1 December 2023) 26 Quesscorp Management Consultancies (formerly known as Styracorp Management Services) 27 Quesscorp Manpower Supply Services LLC [formerly known as S M S Manpower Supply Services (LLC)] 28 Allsec Technologies Limited 29 Allsectech Inc., USA 30 Allsectech Manila Inc., Philippines 31 Quess Services Limited (till 20 March 2024) 32 Trimax Smart Infraprojects Private Limited 33 Terrier Security Services (India) Private Limited 34 Heptagon Technologies Private Limited 35 Billion Careers Private Limited 36 Quess Corp NA LLC (w.e.f 17 May 2022) 37 Stellarslog Technovation Private Limited (w.e.f 7 April 2022) 38 Quess Recruit, Inc. (w.e.f 1 January 2024) 39 Agency Pekerjaan Quess Recruit Sdn. Bhd. (w.e.f 1 July 2023) 40 Quess GTS Canada Holdings Inc. (w.e.f 5 October 2023) 41 Digitide Solutions Limited (w.e.f 10 February 2024) 42 Bluspring Enterprises Limited (w.e.f 11 February 2024)
Associate:	<ol style="list-style-type: none"> 1 Quess Recruit, Inc. (till 31 December 2023) 2 Agency Pekerjaan Quess Recruit Sdn. Bhd. (till 30 June 2023)
Joint venture:	<ol style="list-style-type: none"> 1 Himmer Industrial Services (M) Sdn. Bhd. (till 4 March 2024)



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

TO THE BOARD OF DIRECTORS OF QUESSE CORP LIMITED

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **QUESSE CORP LIMITED** ("the Company"), for the quarter ended 30 June 2024 ("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 ("the Listing Regulations").
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 and in compliance with the Listing Regulations. 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. Basis for Qualified Conclusion

As stated in note 7 to the Statement, certain tax deductions claimed by the Company and recognised in computation of income tax expense in the current and preceding periods have been disallowed by the Income Tax Authority. The disallowance has been challenged by the Company in a judicial forum. The Company, supported by external opinions from legal counsel and other tax experts, has assessed the basis of the disallowances and concluded that it is probable that these deductions will be accepted upon ultimate resolution.

In January 2024, as described in note 7 to the Statement, another regulatory authority has made certain observations (referred to as "new information") on the applicability of certain conditions in the Income Tax Act and related reports submitted to the Income Tax Authority in respect of these deductions. The Company has taken into consideration this new information and continues to believe that it is probable that these deductions upon ultimate resolution will be accepted by the Income Tax Authority.

As a result of the uncertainty in respect of the outcome in the aforesaid matter, pending ultimate resolution and acceptance by the Income Tax Authority, we are unable to comment whether any adjustments are necessary.

This matter was also qualified in our report on the financial results for the quarter and year ended 31 March 2024.

5. Qualified Conclusion

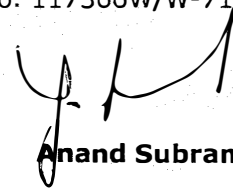
Based on our review conducted and procedures performed as stated in paragraph 3 above, except for the possible effects of the matter described in paragraph 4 above, nothing has come to our attention that causes us to believe that the accompanying Statement has not been prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, and has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. Emphasis of Matter

We draw attention to note 6 of the Statement, regarding the demands received by the Company in respect of provident fund and contingency related to the pending litigation on the said matter.

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

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-7100018)



Anand Subramanian
Partner
(Membership No. 110815)
(UDIN: 24110815BKFIET8731)

Place: Bengaluru
Date: 29 July 2024

Quess Corp Limited

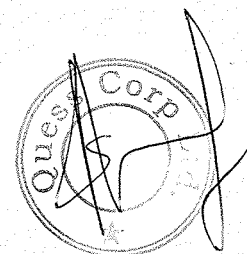
Registered Office: Quess House, 3/3/2, Bellandur Gate, Sarjapur Road, Bengaluru 560 103;

Part 1: Statement of standalone unaudited financial results for the quarter ended 30 June 2024 (INR in million except per share data)

Sl. No	Particulars	Standalone			
		Quarter ended			Year ended
		30 June 2024	31 March 2024	30 June 2023*	31 March 2024
		(Unaudited)	(Refer note 3)	(Unaudited)	(Audited)
1	Income				
	a) Revenue from operations	42,119.37	40,415.76	37,194.78	1,55,711.84
	b) Other income	363.40	278.81	150.31	1,611.69
	Total income (a + b)	42,482.77	40,694.57	37,345.09	1,57,323.53
2	Expenses				
	a) Cost of material and stores and spare parts consumed	450.61	467.38	419.19	1,877.91
	b) Employee benefits expense	38,073.63	36,185.39	33,193.40	1,39,014.18
	c) Finance costs	190.08	212.17	230.96	911.04
	d) Depreciation and amortisation expense	478.26	458.11	458.50	1,852.32
	e) Other expenses	2,407.69	2,472.58	2,399.44	9,999.99
	Total expenses (a + b + c + d + e)	41,600.27	39,795.63	36,701.49	1,53,655.44
3	Profit before exceptional items and tax (1 - 2)	882.50	898.94	643.60	3,668.09
4	Exceptional items loss/(gain) [refer note 8]	95.23	(32.66)	(31.83)	506.24
5	Profit before tax (3 - 4)	787.27	931.60	675.43	3,161.85
6	Tax (credit)/expense				
	Current tax	-	53.41	79.49	53.41
	Income tax relating to previous year	(7.19)	-	-	-
	Deferred tax	(61.02)	(161.19)	(7.07)	(320.77)
	Total tax (credit)/expenses	(68.21)	(107.78)	72.42	(267.36)
7	Profit for the period (5 - 6)	855.48	1,039.38	603.01	3,429.21
8	Other comprehensive income				
	<i>Items that will not be reclassified subsequently to profit or loss</i>				
	Remeasurement of defined benefit plans	28.75	(47.55)	(83.20)	(284.90)
	Income tax expense/(credit) relating to items that will not be reclassified to profit or loss	(7.24)	22.92	20.94	72.21
	Other comprehensive income/(loss) for the period, net of taxes	21.51	(24.63)	(62.26)	(212.69)
9	Total comprehensive income for the period (7 + 8)	876.99	1,014.75	540.75	3,216.52
10	Paid-up equity share capital (Face value of INR 10.00 per share)	1,485.10	1,485.10	1,483.87	1,485.10
11	Reserves i.e. Other equity				25,404.59
12	Earnings per equity share	(not annualised)	(not annualised)	(not annualised)	(annualised)
	(a) Basic (in INR)	5.76	7.00	4.07	23.11
	(b) Diluted (in INR)	5.72	6.95	4.05	22.97

See accompanying notes to the financial results

*retrospectively restated to give effects to matters stated in note 5



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 2024

Notes for the quarter ended 30 June 2024:

- 1 The standalone financial information of Quess Corp Limited ("the Company") for the quarter ended 30 June 2024 have been approved by the Board of Directors at its meeting held on 29 July 2024. The statutory auditors have expressed a qualified review conclusion on the financial results for the quarter ended 30 June 2024. 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 The standalone financial results have been prepared in accordance with the recognition and measurement principles laid down in the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

The Statement includes the results for the quarter ended 31 March 2024 being the balancing figure of audited figures in respect of the full financial year and published unaudited year to date figures upto the end of the third quarter of the respective financial year.

- 4 In accordance with Ind AS 108, Operating segments, segment information has been provided in the consolidated unaudited financial results of the Company and therefore no separate disclosure on segment information is given in these standalone unaudited financial results.
- 5 The Board of Directors of the Company, at its meeting held on 7 July 2021 approved the Scheme of Amalgamation ("Scheme AAA") among Quess Corp Limited ("Transferee Company) with three of its wholly owned subsidiaries namely MFX Infotech Private Limited and Greenpiece Landscape India Private Limited and Conneqt Business Solutions Limited together known as ("Transferor Companies"). The Hon'ble National Company Law Tribunal, Bengaluru Special Bench pronounced the order on 30 October 2023, approving the aforesaid Scheme AAA from the appointed date of 1 April 2021. The certified true copy of the order was filed with the Registrar of Companies on 30 November 2023.

The Company accounted for the amalgamation by applying the common control guidance in Appendix C to Ind AS 103 - Business Combinations. Consequently, standalone results have been restated for the quarter ended 30 June 2023 to give effect to the amalgamation.

- 6 During fiscal year 2020, the Regional PF Commissioner ("RPF") 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 28 August 2024. The Company has taken external independent legal advice as per which the EPFO's order is prima facie erroneous and unsustainable in law and therefore will not be sustained on ultimate resolution.

7 Income Tax matters:

During the prior quarters, the Company received assessment orders for fiscal 2018 and 2019 and draft assessment orders for fiscal 2020 and 2021 in which primarily deduction under section 80JJAA of the Income Tax Act and depreciation on goodwill has been disallowed.

The Income Tax department disallowed the claim under section 80JJAA of the IT Act on the grounds of non-existence of employer – employee relationship in respect of associate employees of the Company. Additionally, the Income Tax Department also disputed the interpretations adopted by the Company for computing the deduction under section 80JJAA by disallowing claims for:

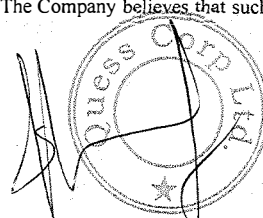
- additional employees whose emoluments exceed Rs.25,000 in a month but the average emoluments for these additional employees does not exceed Rs.25,000 in a month during the service period;
- additional employees who have served more than 240 days in a year but are not an employee on March 31 of the respective financial year for which the claim is availed; and
- employees for whom which the employer's contribution of provident fund for any part of the year is paid by the Government under Employee Pension Scheme (EPS) but the entire employers contribution is not reimbursed by the Government during the year.

The Company filed an appeal with the Income Tax Appellate Tribunal against the assessment orders for fiscal 2018 and 2019 and believes that the tax treatment availed by the Company for deductions under 80JJAA and depreciation on goodwill are valid and will be sustained on ultimate resolution supported by external opinions from legal counsel and other tax experts. Additionally, the Company filed similar objections against the draft assessment order for fiscal 2020 and 2021 with the Dispute Resolution Panel.

During the quarter, the Dispute resolution Panel rejected the objections filed by the Company for fiscal 2020 on similar lines of fiscal 2018 and 2019. The assessment order for fiscal 2020 was received subsequently on 29 July 2024. The Company will file an appeal before the Income Tax Appellate Tribunal .

In January 2024, National Financial Reporting Authority ("NFRA"), in an Order relating to certification for fiscal 2019 to 2021 by an external Chartered Accountant pertaining to claims under 80JJAA made by the Company, has made certain observations on the applicability of certain conditions in the Income Tax Act and related reports submitted to the Income Tax Authority in respect of these deductions. This order was subsequently stayed by the Hon'ble Delhi High Court. As specified above, the Company continues to believe that its claim under 80JJAA is valid and intends to vigorously contest its position and interpretative stance of these sections on merits and based on external third-party assessments of the claim made, believes that the deduction under 80JJAA will be sustained upon ultimate resolution by the Income Tax Authority.

Pending resolution of these Income Tax disputes, the Company has disclosed a contingent liability of INR 1,513.94 million towards demands including interest in the order for these fiscal years. 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 896.20 million is claimed for the quarter ended 30 June 2024 (year ended 31 March 2024: INR 4,025.76 million). The Company believes that such deduction, including its quantum, has been validly and consistently claimed, in conformity with its interpretation of the statute.



8 Exceptional items:

i) During the quarter ended 30 June 2024, the Company assessed the recoverable value of loan (including interest receivable) for its subsidiaries and other assets, and recognised an impairment loss of INR 5.23 million which is disclosed under exceptional item.

ii) Consequent to an internal restructuring, during the quarter ended 30 June 2024, the Company assessed the recoverable value of investment in Qess International Services Private Limited and recognised an impairment loss on investment aggregating to INR 90.00 million and disclosed under exceptional item.

- 9 During the year ended 31 March 2024, the Board of Directors of the Company ("Qess"), approved the Composite Scheme of Arrangement amongst the Company, Digitide Solutions Limited ("Resulting Company 1 or Digitide") and Bluspring Enterprises Limited ("Resulting Company 2 or Bluspring) and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder ("Scheme").

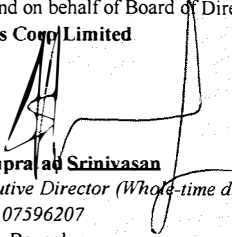
The Scheme provides for the following:

(a) the demerger of the Company's undertakings (Divisions and investments) engaged in Business Process Management (BPM) solutions, Insurtech and Human Resource Outsourcing (HRO) business into Digitide and in consideration, Digitide will issue new equity shares to all the equity shareholders of the Company in accordance with the Share Entitlement Ratio of one new equity share of Digitide to one equity share of the Company.

(b) the demerger of the Company's undertakings (Divisions and investments) engaged in Facility Management, Industrial Services and Product led businesses into Bluspring and in consideration, Bluspring will issue new equity shares to all the equity shareholders of the Company in accordance with the Share Entitlement Ratio of one new equity share of Bluspring to one equity share of the Company.

The Scheme is subject to receipt of requisite approvals from SEBI, the National Company Law Tribunal, Bengaluru Bench ("Tribunal"), the Stock Exchanges and other statutory and regulatory authorities, and approval of the requisite majority of the shareholders and creditors of the Companies, under applicable law.

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


Guruprasad Srinivasan
Executive Director (Whole-time director) and Group Chief Executive Officer
DIN: 07596207
Place: Bengaluru
Date: 29 July 2024

