

**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 profit after tax and total comprehensive income of its associates and joint venture company for the quarter and half year ended September 30, 2021 ("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 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 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 Matter paragraph

- We draw attention to Note 5 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 12 of the Statement, which describes the effects of the continuing uncertainty arising from the outbreak of the COVID-19 pandemic on the financial results for the quarter and half year ended September 30, 2021.

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 assets of Rs. 15,588.75 millions as at September 30, 2021, total revenues of Rs. 7,542.14 millions and Rs. 14,269.20 millions for the quarter and half year ended September 30, 2021 respectively, total net profit after tax of Rs. 525.23 millions and Rs. 1324.66 millions for the quarter and half year ended September 30, 2021 respectively, total comprehensive income of Rs. 514.66 millions and Rs. 1319.16 millions for the quarter and half year ended September 30, 2021 respectively and net cash outflows of Rs. 1,156.35 millions for the half year ended September 30, 2021, 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 these matter.

8. 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 assets of Rs. 1976.77 millions as at September 30, 2021, total revenues of Rs. 1,140.36 millions and Rs. 2,212.49 millions for the quarter and half year ended September 30, 2021 respectively, total profit after tax of Rs. 94.84 millions and Rs. 133.50 millions for the quarter and half year ended September 30, 2021 respectively, Total comprehensive income of Rs. 90.43 millions and Rs. 135.50 millions for the quarter and half year ended September 30, 2021 respectively and net cash outflows of Rs. 107.29 millions for the half year ended September 30, 2021, as considered in the Statement. The consolidated unaudited financial results also includes the Group's share of net loss after tax of Rs. 4.46 millions and Rs. 4.26 millions for the quarter and half year ended September 30, 2021 respectively and total comprehensive loss of Rs. 4.46 millions and Rs. 4.26 millions for the quarter and year ended September 30, 2021 respectively, as considered in the Statement, in respect of 4 associates and 1 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.

**Deloitte
Haskins & Sells LLP**

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)

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Anand Subramanian
Partner
(Membership No. 110815)
(UDIN: 21110815AAAAEG2370)

Place: Bengaluru
Date : November 13, 2021

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.	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.	Golden Star Facilities and Services Private Limited
	17.	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
Associate:	1.	Heptagon Technologies Private Limited
	2.	Quess Recruit, Inc.
	3.	Agency Pekerjaan Quess Recruit Sdn. Bhd
	4.	Stellarslog Technovation Private Limited

Joint Venture:	1.	Himmer Industrial Services (M) Sdn. Bhd
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Part I: Statement of unaudited consolidated financial results for the quarter and half year ended 30 September 2021

(INR in millions except per share data)

Sl. No.	Particulars	Quarter ended			Half year ended		Year ended
		30 September 2021	30 June 2021	30 September 2020	30 September 2021	30 September 2020	31 March 2021
		(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
1	Income						
	a) Revenue from operations	32,278.35	29,869.14	26,150.74	62,147.49	50,245.04	1,08,368.95
	b) Other income	74.47	48.47	242.99	1,229.4	318.81	450.90
	Total income (a + b)	32,352.82	29,917.61	26,393.73	62,270.43	50,563.85	1,08,819.85
2	Expenses						
	a) Cost of material and stores and spare parts consumed	702.40	474.31	541.19	1,176.71	873.04	2,007.49
	b) Employee benefits expense	27,579.84	25,988.82	22,496.07	53,568.66	43,332.85	92,968.43
	c) Finance costs	195.19	217.89	322.68	413.08	702.01	1,112.93
	d) Depreciation and amortisation expense	486.34	497.47	577.76	983.81	1,171.97	2,285.28
	e) Other expenses	2,872.77	1,937.32	1,716.00	4,810.09	3,344.75	8,811.93
	Total expenses (a + b + c + d + e)	31,836.54	29,115.81	25,653.70	60,952.35	49,424.62	1,07,186.06
3	Profit before share of profit/(loss) of equity accounted investees, exceptional items and tax (1 - 2)	516.28	801.80	740.03	1,318.08	1,139.23	1,633.79
4	Share of profit/(loss) of equity accounted investees (net of income tax)	(4.45)	0.19	0.24	(4.26)	(106.67)	(114.27)
5	Profit before exceptional items and tax (3 + 4)	511.83	801.99	740.27	1,313.82	1,032.56	1,519.52
6	Exceptional items (refer note 11 and 12(c))	(86.19)	-	(76.62)	(86.19)	(326.88)	(326.89)
7	Profit/(loss) before tax (5 - 6)	598.02	801.99	816.89	1,400.01	1,359.44	1,846.41
8	Tax expense/(credit)						
	Current tax	124.38	279.64	114.05	404.02	200.68	423.29
	Income tax relating to previous year	-	13.62	-	13.62	22.12	68.21
	Deferred tax	61.34	62.43	203.49	123.77	272.78	618.02
	Total tax expense	185.72	355.69	317.54	541.41	495.58	1,109.52
9	Profit/(loss) for the period (7 - 8)	412.30	446.30	499.35	858.60	863.86	736.89
10	Other comprehensive income						
	(i) Items that will not be reclassified subsequently to profit or loss						
	Remeasurement of defined benefit plans	(53.08)	(74.44)	(18.48)	(127.52)	(92.91)	(78.10)
	Income tax relating to items that will not be reclassified to profit or loss	13.37	18.76	8.70	32.13	26.25	21.68
	Share of other comprehensive income of equity accounted investees (net of income tax)	-	-	-	-	(5.33)	(5.33)
	(ii) Items that will be reclassified subsequently to profit or loss						
	Exchange differences in translating financial statements of foreign operations	(61.08)	80.04	(36.77)	18.96	51.24	45.99
	Other comprehensive income/(loss) for the period, net of taxes	(100.79)	24.36	(46.55)	(76.43)	(20.75)	(15.76)
11	Total comprehensive income/(loss) for the period (9 + 10)	311.51	470.66	452.80	782.17	843.11	721.13
12	Profit/(loss) attributable to:						
	Owners of the Company	375.64	461.88	456.88	837.52	794.58	578.77
	Non-controlling interests	36.66	(15.58)	42.47	21.08	69.28	158.12
13	Other comprehensive income/(loss) attributable to:						
	Owners of the Company	(93.60)	18.31	(461.8)	(75.29)	(28.02)	(26.80)
	Non-controlling interests	(7.19)	6.05	(0.37)	(1.14)	7.27	11.04
14	Total comprehensive income/(loss) attributable to:						
	Owners of the Company	282.04	480.19	410.70	762.79	766.56	551.97
	Non-controlling interests	29.47	(9.53)	42.10	19.38	76.55	169.16
15	Paid-up equity share capital (Face value of INR 10.00 per share)	1,477.85	1,476.79	1,476.38	1,477.85	1,476.38	1,476.79
16	Reserves i.e. Other equity						21,954.31
17	Earnings/(loss) per equity share	(not annualised)	(not annualised)	(not annualised)	(not annualised)	(not annualised)	(annualised)
	(a) Basic (in INR)	2.54	3.13	3.09	5.67	5.38	3.92
	(b) Diluted (in INR)	2.51	3.07	3.05	5.59	5.32	3.87

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. Accordingly, information has been presented along these business segments viz. Workforce management, Operating asset management and Global technology solutions. The accounting principles used in the preparation of these financial results are consistently applied to record revenue and expenditure in individual segments.

Statement of unaudited consolidated segment wise revenue, results, assets and liabilities for the quarter and half year ended 30 September 2021 (INR in millions)

Sl. No.	Particulars	Consolidated					
		Quarter ended			Half year ended		Year ended
		30 September 2021	30 June 2021	30 September 2020	30 September 2021	30 September 2020	31 March 2021
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	
1	Segment revenue						
	a) Workforce management	21,429.34	20,051.54	16,861.26	41,480.88	33,042.38	71,590.09
	b) Operating asset management	4,898.58	4,645.47	4,267.89	9,544.05	7,947.59	16,883.08
	c) Global technology solutions*	5,950.43	5,172.13	5,021.59	11,122.56	9,255.07	19,895.78
	Total Income from operations	32,278.35	29,869.14	26,150.74	62,147.49	50,245.04	1,08,368.95
2	Segment results						
	a) Workforce management	394.42	695.24	625.96	1,089.66	1,228.05	2,283.07
	b) Operating asset management	168.33	406.81	296.56	575.14	557.35	323.22
	c) Global technology solutions*	846.06	594.80	670.85	1,440.86	1,223.02	2,702.13
	Total	1,408.81	1,696.85	1,593.37	3,105.66	3,008.42	5,308.42
	Less: (i) Unallocated corporate expenses	285.47	228.16	195.89	513.63	314.02	727.32
	Less: (ii) Depreciation and amortisation expense	486.34	497.47	577.76	983.81	1,171.97	2,285.28
	Less: (iii) Finance costs	195.19	217.89	322.68	413.08	702.01	1,112.93
	Add: (iv) Other income	74.47	48.47	242.99	122.94	318.81	450.90
	Add: (v) Share of profit/(loss) of equity accounted investees (net of income tax)	(4.45)	0.19	0.24	(4.26)	(106.67)	(114.27)
	Total profit before tax	511.83	801.99	740.27	1,313.82	1,032.56	1,519.52
3	Segment assets						
	a) Workforce management	14,563.96	13,890.89	12,053.50	14,563.96	12,053.50	13,015.55
	b) Operating asset management	11,376.91	11,083.28	11,841.42	11,376.91	11,841.42	10,536.26
	c) Global technology solutions*	12,823.91	12,234.66	12,212.50	12,823.91	12,212.50	11,963.37
	d) Unallocated	11,265.38	9,928.15	12,522.29	11,265.38	12,522.29	11,686.93
	Total	50,030.16	47,136.98	48,629.71	50,030.16	48,629.71	47,202.11
4	Segment liabilities						
	a) Workforce management	7,183.90	6,681.06	4,986.72	7,183.90	4,986.72	5,310.18
	b) Operating asset management	3,539.96	2,824.14	3,728.29	3,539.96	3,728.29	3,497.12
	c) Global technology solutions*	6,756.23	6,351.26	6,761.23	6,756.23	6,761.23	6,333.33
	d) Unallocated	8,403.82	7,477.35	8,726.33	8,403.82	8,726.33	7,691.08
	Total	25,883.91	23,333.81	24,202.57	25,883.91	24,202.57	22,831.71

See accompanying notes to the financial results

*With effect from 1 April 2020, the business segment Tech Services is renamed as Global technology solutions.



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Consolidated Balance Sheet as at 30 September 2021

(INR in millions)

Particulars	As at 30 September 2021	As at 31 March 2021
	(Unaudited)	(Audited)
A ASSETS		
1 Non-current assets		
Property, plant and equipment	1,641.28	1,732.91
Capital work-in-progress	272.22	149.81
Right-of-use assets	2,099.14	2,429.88
Goodwill	9,910.62	9,889.50
Other intangible assets	1,734.54	995.23
Intangible assets under development	116.33	159.10
Investments in equity accounted investees	52.22	24.44
Financial assets		
Investments	16.55	16.55
Loans	265.17	265.17
Other financial assets	1,468.33	1,409.64
Deferred tax assets (net)	1,182.65	1,289.92
Income tax assets (net)	2,941.48	2,771.54
Other non-current assets	166.81	177.28
Total non-current assets	21,867.34	21,310.97
2 Current assets		
Inventories	303.21	290.29
Financial assets		
Investments	1,001.58	497.08
Trade receivables	11,152.81	8,944.86
Cash and cash equivalents	4,064.00	4,857.19
Bank balances other than cash and cash equivalents above	868.02	788.49
Loans	42.04	24.39
Unbilled revenue	9,360.82	9,050.56
Other financial assets	247.81	258.29
Other current assets	1,122.53	1,179.99
Total current assets	28,162.82	25,891.14
Total Assets	50,030.16	47,202.11
B EQUITY AND LIABILITIES		
1 Equity		
Equity share capital	1,477.85	1,476.79
Other equity	21,770.54	21,954.31
Total equity attributable to equity holders of the Company	23,248.39	23,431.10
Non-controlling interests	897.86	939.30
Total equity	24,146.25	24,370.40
2 Liabilities		
Non-current liabilities		
Financial liabilities		
Borrowings	332.38	543.07
Lease liabilities	1,565.26	1,778.09
Other financial liabilities	17.97	2,096.36
Deferred income tax liabilities (net)	0.44	0.44
Non-current provisions	2,310.90	1,981.70
Total non-current liabilities	4,226.95	6,399.66
3 Current liabilities		
Financial liabilities		
Borrowings	6,584.44	4,613.92
Trade payables		
Total outstanding dues of micro enterprises and small enterprises	39.08	27.84
Total outstanding dues of creditors other than micro enterprises and small enterprises	930.41	1,184.64
Lease liabilities	930.61	974.35
Other financial liabilities	8,586.49	6,164.63
Income tax liabilities (net)	76.07	88.24
Current provisions	153.22	139.92
Other current liabilities	4,356.64	3,238.51
Total current liabilities	21,656.96	16,432.05
Total Liabilities	25,883.91	22,831.71
Total Equity and Liabilities	50,030.16	47,202.11

See accompanying notes to the financial results



Statement of Consolidated Cash flows for the half year ended 30 September 2021

(Amount in INR millions)

Particulars	For the half year ended	
	30 September 2021	30 September 2020
	(Unaudited)	(Unaudited)
Cash flows from operating activities		
Profit after tax	858.60	863.86
Adjustments to reconcile net profit to net cash provided by operating activities:		
Tax expenses	541.41	495.58
Exceptional items (refer note 11 and 12(c))	(86.19)	(326.88)
Interest income on term deposits	(35.02)	(34.12)
Interest income on present valuation of financial instruments	(7.92)	(25.99)
Interest on income tax refunds	(22.64)	(229.39)
(Profit)/ loss on sale of property, plant and equipment, net	(1.13)	(1.30)
Interest on loans given to related parties	(0.09)	(8.72)
Net gain on sale of investments in mutual funds	(15.68)	(11.06)
Liabilities no longer required written back	0.00	(0.43)
Net gain on financial assets designated at fair value through profit or loss	(3.96)	-
Expense on employee stock option scheme	87.57	50.06
Finance costs	413.08	702.02
Depreciation and amortisation expense	983.81	1,171.97
Loss allowance on financial assets, net	94.71	(143.68)
Bad debts written off	79.65	121.19
Deposits written off	-	1.18
Foreign exchange gain, net	(27.27)	-
Rent concession	-	(85.31)
Share of (profit)/loss of equity accounted investees	4.26	106.67
Operating cash flows before working capital changes	2,863.16	2,645.64
Changes in operating assets and liabilities		
Changes in inventories	(12.91)	(13.48)
Changes in trade receivables and unbilled revenue	(2,893.01)	988.68
Changes in loans, other financial assets and other assets	88.10	(41.01)
Changes in trade payables	(242.99)	(412.37)
Changes in other financial liabilities, other liabilities and provisions	3,289.86	(201.47)
Cash generated from operations	3,092.21	2,965.99
Income taxes received/(paid), net	(407.71)	1,429.86
Net cash flows from operating activities (A)	2,684.50	4,395.85
Cash flows from investing activities		
Expenditure on property, plant and equipment and intangibles, net of sale proceeds	(434.55)	(234.81)
Proceeds/ (investment) in subsidiaries and associates	(2,080.02)	128.64
Investment/ (proceeds) in Mutual fund units	(484.86)	(40.28)
Bank deposits (having original maturity of more than three months),net	(190.99)	(30.18)
Loans given to related parties	20.58	(86.66)
Interest received on term deposits	28.44	24.39
Net cash from/(used in) in investing activities (B)	(3,141.39)	(238.90)
Cash flows from financing activities		
Proceeds from/ (repayment of) vehicle loan, net	(5.80)	(4.75)
Repayment of lease obligations	(538.53)	(645.14)
Repayment of term loan	(459.02)	(319.65)
Proceeds from term loan	17.80	0.50
Proceeds from short term borrowings	23,127.52	15,772.00
Repayment of short term borrowings	(20,927.43)	(20,695.40)
Proceeds from issue of equity shares net of issue expense	1.06	1.27
Tax paid on dividend received by Allsec from Allsec Manilla	(153.78)	-
Dividend paid to NCI	(60.83)	-
Dividend paid	(1,033.75)	-
Interest paid	(305.03)	(447.72)
Net cash (used in)/from in financing activities (C)	(337.78)	(6,338.88)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(794.66)	(2,181.93)
Cash and cash equivalents at the beginning of the period	4,857.19	7,091.24
Effect of exchange rate fluctuations on cash and cash equivalents	1.47	7.13
Cash and cash equivalents at the end of the period	4,064.00	4,916.44
Components of cash and cash equivalents		
Cash in hand	9.73	5.66
Balances with banks		
In current accounts	4,004.61	4,719.75
In EEFC accounts	47.74	70.19
In deposit accounts (with original maturity of less than 3 months)	1.92	120.84
Cash and cash equivalents in consolidated balance sheet	4,064.00	4,916.44

The disclosure for the half year ended 30 September 2021 and 30 September 2020 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

Unaudited consolidated financial results for the quarter and half year ended 30 September 2021

Notes :

- 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 2021 have been taken on record by the Board of Directors at its meeting held on 13 November 2021. The statutory auditors have expressed an unqualified review conclusion on the financial results for the quarter and half year ended 30 September 2021. These consolidated financial results have been extracted from the consolidated financial information.
- 2 The audited consolidated financial results and the 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.
- 3 During the quarter ended 30 June 2020, the Company acquired additional 25.00% stake in Terrier Security Services (India) Private Limited ("TSSIPL") for a purchase consideration of INR 645.00 million. Consequent to the additional 25.00% acquisition, the total shareholding in TSSIPL has increased from 49.00% to 74.00% and TSSIPL has become subsidiary of the Company. The purchase consideration included the fair value of the existing stake of 49.00% and additional stake of 25.00% adjusted for equity method accounting loss of INR 107.46 million resulted in a total purchase consideration of INR 1,510.00 million. The purchase consideration of INR 645.00 million was settled by adjusting loans which was outstanding to be received from Heptagon Technologies Private Limited ("HTPL"), an associate of the Company. During the year, the Company has completed the purchase price allocation and has recognised assets and liabilities at its fair value. Post allocation of purchase price, the Company has recorded goodwill of INR 1,500.93 million and fair value gain on the acquisition of INR 250.26 million which is disclosed under exceptional item in the above results. For the quarter ended 30 June 2020 and for the year ended 31 March 2021, the respective consolidated financial results of the group include proportionate financials results of TSSIPL.
- 4 During the year ended 31 March 2021, Tata Sons Private Limited ("Tata Sons"), the non-controlling shareholder of Conneqt Business Solutions Limited ("CBSL") (a subsidiary of the Company) exercised the Put Option and requested the Company to complete the purchase of 44,839,166 equity shares ("Put Shares") as per the Shareholders Agreement ("the Agreement") dated 20 November 2017. On 16 April 2021, the Administration and Investment committee of the Company has approved the acquisition of the remaining 30.00% equity stake for a consideration of INR 2,080.00 million. Consequently, the Company completed the acquisition of equity stake in CBSL on the same date, and CBSL became wholly owned subsidiary of the Company.
- 5 During the year ended 31 March 2020, the Company had received a notice from the Regional PF Commissioner ("RPFC") under Section 7-A of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 ("the Act") alleging that Company had failed to remit Provident Fund ("PF") on wages for its employees for the period from April 2018 to March 2019 on the grounds that PF deductions were not made on certain components of the salary amounting to INR 716.56 million. On 26 August 2019, 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. Consequent to the appeal, on 23 October 2019 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 for a period of 3 months. On 08 January 2021 the order staying the operation of the EPFO order was extended until further orders. The matter has been further adjourned to 16 September 2021. The Company has obtained external legal advice as per which the EPFO's order is prima facie erroneous and unsustainable in law and the liability has been wrongly determined by the RPFC. Based on the legal advice, pending the hearing of the appeal, no provision or contingent liability has been recognised or disclosed.
- 6 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 ("MFXI") and Green Piece 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.
- 7 On 24 March 2021, the Ministry of Corporate Affairs (MCA) through a notification, amended Schedule III of the Companies Act, 2013, applicable for financial periods commencing from 1 April 2021. As relevant to the balance sheet as at 30 September 2021 published in the above results pursuant to Regulation 33 of the Listing Agreement, non-current security deposits of INR 777.27 million and current security deposits of INR 200.87 million as at 31 March 2021 have been reclassified from 'Loans' to 'Other financial assets', and current maturity of long term borrowing of INR 642.53 million as at 31 March 2021 has been reclassified from 'Other current financial liability' to 'Current Borrowings'.
- 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 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.
- 9 The Board of Directors at their meeting held on 05 May 2021 have declared an interim dividend of INR 7.00 per equity share (face value of INR 10.00 each) for the financial year ended 31 March 2021 aggregating to INR 1,033.75 million, which was paid on 20 May 2021.
- 10 The Income Tax Department ("Department") conducted survey operations at the Company's registered office from 08 to 10 July 2021. The queries raised during the survey primarily related to the manner of availing deduction under section 80JJAA of the Income Tax Act and the claim of tax depreciation on goodwill arising from acquisition/ mergers. The queries raised pertained to four financial years, FY 2016-17 to FY 2019-20. The Group believes that the matter relates to and is limited to differing interpretations of the statute regarding the manner of claiming and quantum of the above mentioned deductions. Further, the Group believes that the deductions were validly claimed, in accordance with the statute and judicial precedents and believes it can strongly defend its position. In the absence of any claim from the Department till date, no meaningful evaluation or analysis can be carried out at this stage. Accordingly, no contingency or provision has been recognized as at 30 September 2021. For the purpose of computing the tax liability for the quarter and half year ended 30 September 2021, the Group has claimed a deduction of INR 854.55 million under section 80JJAA in a manner consistent with its past practice, and which is the subject matter of the survey operations carried out by the Department. In addition for FY 2017-18, as part of assessment proceeding a special audit under the provisions of section 142(2A) has been initiated. The Group is committed to defending its position, although specific actions, including any potential financial result related disclosures and adjustments, will be based on the future actions by the Department



- 11 a) During the quarter ended 30 September 2021, the Group recognised an expense of INR 479.81 million related to Goods and Service Tax (GST), based on a comprehensive review across its businesses, geographic locations and assessment years, including reconciliations with suppliers and vendors. Due to the pandemic related disruptions, this review was finally concluded during the quarter ended 30 September 2021. Based on such review the Group has, on a prudent basis, identified certain ineligible credits arising from vendor reconciliations, clarifications and opinions related to input credits, delays by vendors in filing GST returns, etc. and recorded and paid the related expense which the Group believes is an exceptional item in the extraneous circumstances involved and in the context of paragraph 9.6 of the Guidance note on Schedule III to the Companies Act, 2013 issued by the Institute of Chartered Accountants of India ("ICAI").
- b) As at 31 March 2020, the Group had impaired INR 1,155.32 million of customer relationship related intangible assets from its acquisitions of IFM business and Allsec after considering the then assessed impact of COVID-19 and uncertainties in future economic condition caused by the pandemic. During the current quarter, the Group has recognised a reversal of impairment on these customer relationship aggregating to INR 766.00 million. This reversal stems from the management's demonstrable assessment of sustainable improved business performance of the IFM business and Allsec at the operating profit level, which is in excess of the projections prepared for the purpose of recognizing the impairment. The presentation and classification of the reversal is consistent with that of the previously recognised impairment.
- 12 a) The Group's business operations as a whole, for the quarter and half year ended 30 September 2021 continue to be affected by the COVID-19 pandemic. The impact of the pandemic across the business and locations could vary depending on the nature of the businesses and specific severity of the pandemic within a location/state. The ultimate duration of the pandemic and its consequential economic and financial impact as a whole on the Group continue to remain highly uncertain. As a result of these developments, the Group considered the possible effects that may result from the pandemic in preparation of the financial results, specifically for each line of business, including evaluating the recoverability of financial assets and non-financial assets particularly trade receivables, unbilled revenues, goodwill, intangible assets, investments and loans granted to subsidiaries and associates.
- b) The Group has exercised specific and discrete judgements in relation to each of its businesses and applied appropriate assumptions, using internal and external sources of information. The net carrying amount of these assets as reflected in the financial results are expected to be recovered on 30 September 2021. These assumptions are subject to change in future as events unfold within the uncertain environment.
- c) During the year ended 31 March 2021, the Group had recorded a provision of INR 1,033.53 million, being an operating expense, in relation to trade receivables and unbilled revenues arising from certain businesses and financial assets, based on the then prevalent circumstances. Based on further developments arising from the pandemic and on a cumulative consideration of the variables involved, specifically related to recovery timelines of certain businesses, the Group recorded an aggregate charge of INR 294.71 million in relation to these assets during the half year ended 30 September 2021 comprising of INR 94.71 million relating to credit losses and impairment of financial assets which are considered as an operating expense and INR 200.00 million relating to impairment of financial assets which is considered as exceptional, within the pandemic environment and in terms of paragraph 9.6 of the Guidance note on Schedule III to the Companies Act, 2013 issued by ICAI.

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



Ajit Isaac
Executive Chairman
Place: Bengaluru
Date: 13 November 2021



Appendix - 1

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

