

INDEPENDENT AUDITOR'S REPORT ON AUDIT OF ANNUAL CONSOLIDATED FINANCIAL RESULTS AND REVIEW OF QUARTERLY FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF QUESS CORP LIMITED

Qualified Opinion and Conclusion

We have (a) audited the Consolidated Financial Results for the year ended March 31, 2024 and (b) reviewed the Consolidated Financial Results for the quarter ended March 31, 2024 (refer 'Other Matters' section below), which were subject to limited review by us, both included in the accompanying "Statement of Consolidated Financial Results for the quarter and year ended March 31, 2024" 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 loss after tax and total comprehensive loss of its joint venture for the quarter and year ended March 31, 2024, and its share of the net loss after tax and total comprehensive loss of its associate for the year ended March 31, 2024 ("the Statement") being submitted by the Parent pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").

(a) Qualified Opinion on Annual Consolidated Financial Results

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the audit reports of the other auditors on separate financial statements of subsidiaries referred to in Other Matters section below, and except for the possible effects of the matter described in Basis for Qualified Opinion/Conclusion section below, the Consolidated Financial Results for the year ended March 31, 2024:

- (i) includes the results of the entities as specified in Annexure I of the report;
- (ii) is presented in accordance with the requirements of the Listing Regulations, as amended; and
- (iii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India of the consolidated net profit and consolidated total comprehensive income and other financial information of the Group for the year ended March 31, 2024.

(b) Qualified Conclusion on Unaudited Consolidated Financial Results for the quarter ended March 31, 2024

With respect to the Consolidated Financial Results for the quarter ended March 31, 2024, based on our review conducted and procedures performed as stated in paragraph (b) of Auditor's Responsibilities section below and based on the consideration of the review reports of the other auditors referred to in Other Matters section below, and except for the possible effects of the matter described in Basis for Qualified Opinion/Conclusion section below, nothing has come to our attention that causes us to believe that the Consolidated Financial Results for the quarter ended March 31, 2024, has not been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India, and has not disclosed the information required to be disclosed in terms of the Listing Regulations, as amended,

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

Basis for Qualified Opinion/ Conclusion

As stated in note 8 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 8, 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 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 nine months ended December 31, 2023.

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in paragraph (a) of Auditor's Responsibilities section below. We are independent of the Group, its associate and joint venture in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Consolidated Financial Results for the year ended March 31, 2024 under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matters section below, is sufficient and appropriate to provide a basis for our qualified audit opinion.

Emphasis of Matter

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

Our report is not modified in respect of this matter.

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Management's Responsibilities for the Statement

This Statement, which includes the Consolidated Financial Results is the responsibility of the Parent's Board of Directors and has been approved by them for the issuance. The Consolidated Financial Results for the year ended March 31, 2024, has been compiled from the related audited consolidated financial statements. This responsibility includes the preparation and presentation of the Consolidated Financial Results for the quarter and year ended March 31, 2024 that give a true and fair view of the consolidated net profit and consolidated other comprehensive income and other financial information of the Group including its associate and joint venture in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards, prescribed under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations.

The respective Board of Directors of the companies included in the Group and of its associate and joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associate and joint venture and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the respective financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of this Consolidated Financial Results by the Directors of the Parent, as aforesaid.

In preparing the Consolidated Financial Results, the respective Board of Directors of the companies included in the Group and of its associate and joint venture are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associate and joint venture are responsible for overseeing the financial reporting process of the Group and of its associate and joint venture.

Auditor's Responsibilities

(a) Audit of the Consolidated Financial Results for the year ended March 31, 2024

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Results for the year ended March 31, 2024 as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Consolidated Financial Results.

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As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Annual Consolidated Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate and joint venture to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Annual Consolidated Financial Results, including the disclosures, and whether the Annual Consolidated Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Perform procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations to the extent applicable.
- Obtain sufficient appropriate audit evidence regarding the Annual Standalone Financial Results of the entities within the Group and its associate and joint venture to express an opinion on the Annual Consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Annual Consolidated Financial Results of which we are the independent auditors. For the other entities included in the Annual Consolidated Financial Results, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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Materiality is the magnitude of misstatements in the Annual Consolidated Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Annual Consolidated Financial Results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Annual Consolidated Financial Results.

We communicate with those charged with governance of the Parent and such other entities included in the Consolidated Financial Results of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

(b) Review of the Consolidated Financial Results for the quarter ended March 31, 2024

We conducted our review of the Consolidated Financial Results for the quarter ended March 31, 2024 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 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 SAs specified under section 143(10) of the Act 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.

The Statement includes the results of the entities as listed under paragraph (a)(i) of Qualified Opinion and Conclusion section above.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

Other Matters

- The Statement includes the results for the Quarter ended March 31, 2024 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us. Our report is not modified in respect of this matter.
- We did not audit the financial statements/financial information of 27 subsidiaries included in the consolidated financial results, whose financial statements reflect total assets of Rs. 13,933.18 million as at March 31, 2024 and total revenues of Rs. 7,162.78 million and Rs. 28,596.84 million for the quarter and year ended March 31, 2024 respectively, total net profit after tax of Rs. 95.03 million and Rs. 2,313.86 million for the quarter and year ended March 31, 2024 respectively and total comprehensive income of Rs. 89.48 million and Rs. 2,381.58 million for the quarter and year ended March 31, 2024 respectively and net cash outflows of

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Rs. 231.51 million for the year ended March 31, 2024, as considered in the Statement. These financial statements have been audited/ reviewed, as applicable, by other auditors whose reports have been furnished to us by the Management and our opinion and 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 under Auditor's Responsibilities section above.

Our report on the Statement is not modified in respect of the above matter with respect to our reliance on the work done and the reports of other auditors.

- The consolidated financial results includes the unaudited financial statements/ financial information of 10 subsidiaries, whose financial statements/financial information reflect total assets of Rs. 805.03 million as at March 31, 2024 and total revenues of Rs. 293.21 million and Rs. 1,262.28 million for the quarter and year ended March 31, 2024 respectively, total net loss after tax of Rs. 20.61 million and Rs. 131.96 million for the quarter and year ended March 31, 2024 respectively and total comprehensive loss of Rs. 27.36 million and Rs. 145.23 million for the quarter and year ended March 31, 2024 respectively and net cash outflows of Rs. 59.57 million for the year ended March 31, 2024, as considered in the Statement. The consolidated financial results also includes the Group's share of loss after tax of Rs. 0.69 million for the year ended March 31, 2024, as considered in the Statement, in respect of an associate and a joint venture, whose financial statements / financial information have not been audited by us. These financial statements are unaudited and have been furnished to us by the Management and our opinion and conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint venture and associate, is based solely on such unaudited financial statements/financial information. In our opinion and according to the information and explanations given to us by the Board of Directors, these financial statements / financial information are not material to the Group.

Our report on the Statement is not modified in respect of the above matters with respect to our reliance on the financial statements/financial information certified by the Board of the Directors.

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



Anand Subramanian
Partner
(Membership No. 110815)
(UDIN: 24110815BKFIDW5684)

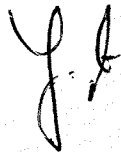
Place: Bengaluru
Date: May 09, 2024

Annexure I:

| Nature | Sl. No. | Entity name |
|---------------------------------|----------------|--|
| Subsidiaries/Step 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. | 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. | Comtelink Sdn. Bhd. |
| | 19. | Monster.com.SG PTE Limited |
| | 20. | Monster.com.HK Limited |
| | 21. | Agensi Pekerjaan Monster Malaysia Sdn. Bhd (formerly known as Monster Malaysia Sdn Bhd) |
| | 22. | Monster.com (India) Private Limited |
| | 23. | Quess Corp Vietnam LLC |
| | 24. | Simpliance Technologies Private Limited (till 20 October 2022) |
| | 25. | Qdigi Services Limited (formerly known as: HCL Computing Products Limited) (till 31 March 2024) |
| | 26. | Greenpiece Landscapes India Private Limited (Merged with Quess Corp Ltd w.e.f. 1 December 2023) |
| | 27. | Quesscorp Management Consultancies (formerly known as Styracorp Management Services) |
| | 28. | Quesscorp Manpower Supply Services LLC (formerly known as S M S Manpower Supply Services (LLC)) |
| | 29. | Allsec Technologies Limited |
| | 30. | Allsectech Inc., USA |
| | 31. | Allsectech Manila Inc., Philippines |
| | 32. | Quess Services Limited |

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|----------------|-----|--|
| | 33. | Trimax Smart Infraprojects Private Limited |
| | 34. | Terrier Security Services (India) Private Limited |
| | 35. | Heptagon Technologies Private Limited |
| | 36. | Billion Careers Private Limited |
| | 37. | Quess Corp NA LLC (w.e.f 17 May 2022) |
| | 38. | Stellarslog Technovation Private Limited (w.e.f 7 April 2022) |
| | 39. | Quess Recruit, Inc. (w.e.f 1 January 2024) |
| | 40. | Agency Pekerjaan Quess Recruit Sdn. Bhd. (w.e.f 1 July 2023) |
| | 41. | Digitide Solutions Limited (w.e.f 11 February 2024) |
| | 42. | Bluspring Enterprises Limited (w.e.f 10 February 2024) |
| | 43. | Quess GTS Canada Holdings Inc,. (w.e.f 11 February 2024) |
| Associate: | 1. | Quess Recruit, Inc. (till 1 January 2024) |
| | 2. | Agency Pekerjaan Quess Recruit SDN. BHD (till 1 July 2023) |
| Joint Venture: | 1. | Himmer Industrial Services (M) Sdn. Bhd. (struck off w.e.f 4 March 2024) |

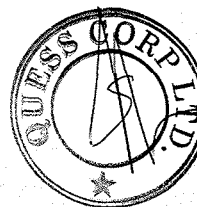


Quess Corp Limited
Registered Office: Quess House, 3/3/2, Bellandur Gate, Sarjapur Road, Bengaluru 560 103;
CIN No. L74140KA2007PLC043909

Part 1: Statement of consolidated audited financial results for the quarter and year ended 31 March 2024 (INR in million except per share data)

| Sl. No. | Particulars | Consolidated | | | | |
|---------|---|------------------|------------------|------------------|--------------------|--------------------|
| | | Quarter ended | | | Year ended | |
| | | 31 March 2024 | 31 December 2023 | 31 March 2023 | 31 March 2024 | 31 March 2023 |
| | | Refer note 2 | (Unaudited) | Refer note 2 | (Audited) | (Audited) |
| 1 | Income | | | | | |
| | a) Revenue from operations | 49,097.52 | 48,418.32 | 44,402.05 | 1,91,001.33 | 1,71,583.87 |
| | b) Other income | 50.44 | 52.23 | 36.36 | 294.53 | 263.35 |
| | Total income (a + b) | 49,147.96 | 48,470.55 | 44,438.41 | 1,91,295.86 | 1,71,847.22 |
| 2 | Expenses | | | | | |
| | a) Cost of material and stores and spare parts consumed | 1,082.59 | 1,178.49 | 1,128.30 | 4,771.95 | 4,794.39 |
| | b) Employee benefits expense | 42,733.28 | 42,105.72 | 37,972.14 | 1,65,567.73 | 1,46,595.61 |
| | c) Finance costs | 265.60 | 353.93 | 308.98 | 1,173.23 | 1,066.08 |
| | d) Depreciation and amortisation expense | 731.49 | 718.17 | 764.90 | 2,831.95 | 2,746.12 |
| | e) Other expenses | 3,329.96 | 3,323.89 | 3,781.91 | 13,726.55 | 14,337.25 |
| | Total expenses (a + b + c + d + e) | 48,142.92 | 47,680.20 | 43,956.23 | 1,88,071.41 | 1,69,539.45 |
| 3 | Profit before share of profit of equity accounted investees, exceptional items and tax (1 - 2) | 1,005.04 | 790.35 | 482.18 | 3,224.45 | 2,307.77 |
| 4 | Share of profit/(loss) of equity accounted investees (net of income tax) | - | (0.34) | 0.71 | (0.69) | 0.84 |
| 5 | Profit before exceptional items and tax (3 + 4) | 1,005.04 | 790.01 | 482.89 | 3,223.76 | 2,308.61 |
| 6 | Exceptional items loss/(gain) (refer note 9 and 10) | 57.05 | 198.68 | - | 271.59 | (535.03) |
| 7 | Profit before tax (5 - 6) | 947.99 | 591.33 | 482.89 | 2,952.17 | 2,843.64 |
| 8 | Tax expense/(credit) | | | | | |
| | Current tax | 144.68 | 4.64 | 333.11 | 518.40 | 843.35 |
| | Income tax relating to previous years | (3.22) | 3.91 | (55.92) | 0.69 | (55.90) |
| | Deferred tax | (171.84) | (53.72) | (94.18) | (370.96) | (172.90) |
| | Total tax expense | (30.38) | (45.17) | 183.01 | 148.13 | 614.55 |
| 9 | Profit for the period (7 - 8) | 978.37 | 636.50 | 299.88 | 2,804.04 | 2,229.09 |
| 10 | Other comprehensive (loss)/income | | | | | |
| | (i) Items that will not be reclassified subsequently to profit or loss | | | | | |
| | Remeasurement of defined benefit plans | (112.96) | (10.82) | (115.93) | (318.24) | 106.61 |
| | Income tax relating to items that will not be reclassified to profit or loss | 32.58 | 1.47 | 4.16 | 81.75 | (24.63) |
| | (ii) Items that will be reclassified subsequently to profit or loss | | | | | |
| | Exchange differences in translating financial statements of foreign operations | (72.12) | 110.46 | 9.26 | (19.12) | 472.56 |
| | Other comprehensive (loss)/income for the period, net of taxes | (152.50) | 101.11 | (102.51) | (255.61) | 554.54 |
| 11 | Total comprehensive income for the period (9 + 10) | 825.87 | 737.61 | 197.37 | 2,548.43 | 2,783.63 |
| 12 | Profit/(loss) attributable to: | | | | | |
| | Owners of the Company | 943.80 | 638.85 | 331.23 | 2,778.56 | 2,244.17 |
| | Non-controlling interests | 34.57 | (2.35) | (31.35) | 25.48 | (15.08) |
| 13 | Other comprehensive (loss)/income attributable to: | | | | | |
| | Owners of the Company | (139.76) | 101.58 | (130.50) | (236.41) | 546.75 |
| | Non-controlling interests | (12.74) | (0.47) | 27.99 | (19.20) | 7.79 |
| 14 | Total comprehensive income/(loss) attributable to: | | | | | |
| | Owners of the Company | 804.04 | 740.43 | 200.73 | 2,542.15 | 2,790.92 |
| | Non-controlling interests | 21.83 | (2.82) | (3.36) | 6.28 | (7.30) |
| 15 | Paid-up equity share capital (Face value of INR 10.00 per share) | 1,485.10 | 1,484.78 | 1,482.29 | 1,485.10 | 1,482.29 |
| 16 | Reserves i.e. other equity | | | | 26,504.83 | 24,205.22 |
| 17 | Earnings per equity share | (not annualised) | (not annualised) | (not annualised) | (annualised) | (annualised) |
| | (a) Basic (in INR) | 6.36 | 4.30 | 2.24 | 18.72 | 15.16 |
| | (b) Diluted (in INR) | 6.31 | 4.28 | 2.22 | 18.61 | 15.04 |

See accompanying notes to the financial results



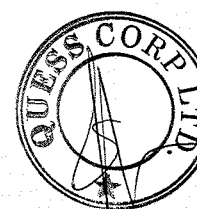
Quess Corp Limited
Registered Office: Quess House, 3/3/2, Bellandur Gate, Sarjapur Road, Bengaluru 560 103;
CIN No. L74140KA2007PLC043909

Consolidated Balance Sheet as at 31 March 2024

(INR in million)

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|--|------------------------|------------------------|
| | (Audited) | (Audited) |
| A ASSETS | | |
| 1 Non-current assets | | |
| Property, plant and equipment | 1,960.37 | 2,090.97 |
| Capital work-in-progress | 26.07 | 1.02 |
| Right-of-use assets | 4,220.66 | 4,365.47 |
| Goodwill | 10,038.63 | 10,427.46 |
| Other intangible assets | 732.93 | 1,073.74 |
| Intangible assets under development | 299.50 | 180.11 |
| Investment accounted for using equity method | - | 10.86 |
| Financial assets | | |
| Investments | 366.57 | 16.55 |
| Other financial assets | 1,880.60 | 1,755.84 |
| Deferred tax assets (net) | 1,504.01 | 1,064.11 |
| Income tax assets (net) | 5,127.33 | 4,904.52 |
| Other non-current assets | 589.53 | 198.78 |
| Total non-current assets | 26,746.20 | 26,089.43 |
| 2 Current assets | | |
| Inventories | 71.28 | 281.57 |
| Financial assets | | |
| Investments | 562.79 | 467.79 |
| Trade receivables | | |
| Billed | 15,388.29 | 14,853.27 |
| Unbilled | 12,333.00 | 12,032.64 |
| Cash and cash equivalents | 5,201.25 | 4,375.74 |
| Bank balances other than cash and cash equivalents above | 251.39 | 1,285.34 |
| Loans | 8.65 | 36.79 |
| Other financial assets | 244.18 | 213.63 |
| Other current assets | 1,663.32 | 1,551.51 |
| Total current assets | 35,724.15 | 35,098.28 |
| Asset classified as held for sale (refer note 7) | 80.08 | - |
| Total Assets | 62,550.43 | 61,187.71 |
| B EQUITY AND LIABILITIES | | |
| 1 Equity | | |
| Equity share capital | 1,485.10 | 1,482.29 |
| Other equity | 26,504.83 | 24,205.22 |
| Total equity attributable to equity holders of the Company | 27,989.93 | 25,687.51 |
| Non-controlling interests | 1,656.09 | 1,620.51 |
| Total equity | 29,646.02 | 27,308.02 |
| 2 Liabilities | | |
| Non-current liabilities | | |
| Financial liabilities | | |
| Borrowings | 17.58 | 94.72 |
| Lease liabilities | 3,258.60 | 3,379.30 |
| Non-current provisions | 3,361.59 | 2,743.40 |
| Total non-current liabilities | 6,637.77 | 6,217.42 |
| 3 Current liabilities | | |
| Financial liabilities | | |
| Borrowings | 3,677.78 | 5,216.09 |
| Trade payables | 1,175.58 | 1,249.38 |
| Lease liabilities | 1,427.18 | 1,423.23 |
| Other financial liabilities | 13,731.19 | 13,051.08 |
| Income tax liabilities (net) | 204.99 | 693.23 |
| Current provisions | 334.04 | 336.84 |
| Other current liabilities | 5,689.92 | 5,692.42 |
| Total current liabilities | 26,240.68 | 27,662.27 |
| Liabilities directly associated with assets classified as held for sale (refer note 7) | 25.96 | - |
| Total Liabilities | 32,904.41 | 33,879.69 |
| Total Equity and Liabilities | 62,550.43 | 61,187.71 |

See accompanying notes to the financial results



Quess Corp Limited

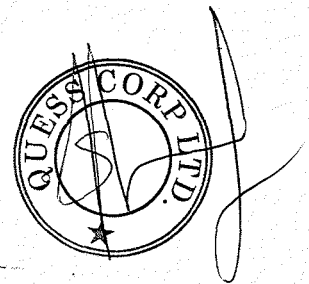
Registered Office: Quess House, 3/3/2, Bellandur Gate, Sarjapur Road, Bengaluru 560-103;
CIN No. L74140KA2007PLC043909

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

Statement of consolidated audited segment wise revenue, results, assets and liabilities for the quarter and year ended 31 March 2024 (INR in millions)

| Sl. No. | Particulars | Consolidated | | | | |
|---------|---|------------------|------------------|------------------|--------------------|--------------------|
| | | Quarter ended | | Year ended | | |
| | | 31 March 2024 | 31 December 2023 | 31 March 2023 | 31 March 2024 | 31 March 2023 |
| | | Refer note 2 | (Unaudited) | Refer note 2 | (Audited) | (Audited) |
| 1 | Segment revenue | | | | | |
| | a) Workforce management | 34,762.37 | 34,301.53 | 30,618.21 | 1,34,422.84 | 1,18,308.95 |
| | b) Operating asset management | 7,103.46 | 6,949.94 | 6,842.75 | 28,007.37 | 26,215.77 |
| | c) Global technology solutions | 6,044.90 | 5,880.13 | 5,710.40 | 23,400.26 | 21,722.63 |
| | d) Product led business | 1,186.79 | 1,286.72 | 1,230.69 | 5,170.86 | 5,336.52 |
| | Total Income from operations | 49,097.52 | 48,418.32 | 44,402.05 | 1,91,001.33 | 1,71,583.87 |
| 2 | Segment results | | | | | |
| | a) Workforce management | 911.29 | 896.55 | 860.18 | 3,511.82 | 3,452.82 |
| | b) Operating asset management | 385.86 | 364.35 | 300.15 | 1,409.83 | 1,195.71 |
| | c) Global technology solutions | 1,134.09 | 1,075.97 | 952.77 | 4,252.98 | 3,540.78 |
| | d) Product led business | (69.97) | (100.36) | (202.23) | (628.49) | (964.27) |
| | Total | 2,361.27 | 2,236.51 | 1,910.87 | 8,546.14 | 7,225.04 |
| | Less: (i) Unallocated corporate expenses | 409.58 | 426.29 | 391.17 | 1,611.04 | 1,368.42 |
| | Less: (ii) Depreciation and amortisation expense | 731.49 | 718.17 | 764.90 | 2,831.95 | 2,746.12 |
| | Less: (iii) Finance costs | 265.60 | 353.93 | 308.98 | 1,173.23 | 1,066.08 |
| | Add: (iv) Other income | 50.44 | 52.23 | 36.36 | 294.53 | 263.35 |
| | Add: (v) Share of profit/(loss) of equity accounted investees (net of income tax) | - | (0.34) | 0.71 | (0.69) | 0.84 |
| | Profit before exceptional items and tax | 1,005.04 | 790.01 | 482.89 | 3,223.76 | 2,308.61 |
| | Exceptional items loss/(gain) (refer note 8 & 9) | 57.05 | 198.68 | - | 271.59 | (535.03) |
| | Profit before Tax | 947.99 | 591.33 | 482.89 | 2,952.17 | 2,843.64 |
| 3 | Segment assets | | | | | |
| | a) Workforce management | 19,004.98 | 19,004.99 | 18,077.36 | 19,004.98 | 18,077.36 |
| | b) Operating asset management | 13,950.95 | 14,470.71 | 13,926.15 | 13,950.95 | 13,926.15 |
| | c) Global technology solutions | 15,018.86 | 15,129.02 | 14,461.28 | 15,018.86 | 14,461.28 |
| | d) Product led business | 1,588.01 | 2,805.90 | 2,409.32 | 1,588.01 | 2,409.32 |
| | e) Unallocated | 12,987.63 | 13,607.21 | 12,313.60 | 12,987.63 | 12,313.60 |
| | Total | 62,550.43 | 65,017.83 | 61,187.71 | 62,550.43 | 61,187.71 |
| 4 | Segment liabilities | | | | | |
| | a) Workforce management | 14,269.54 | 14,043.57 | 12,475.72 | 14,269.54 | 12,475.72 |
| | b) Operating asset management | 5,982.45 | 5,795.91 | 4,943.18 | 5,982.45 | 4,943.18 |
| | c) Global technology solutions | 7,310.62 | 7,202.84 | 7,534.30 | 7,310.62 | 7,534.30 |
| | d) Product led business | 1,368.42 | 2,394.46 | 2,390.37 | 1,368.42 | 2,390.37 |
| | e) Unallocated | 3,973.38 | 6,234.54 | 6,536.12 | 3,973.38 | 6,536.12 |
| | Total | 32,904.41 | 35,671.32 | 33,879.69 | 32,904.41 | 33,879.69 |

See accompanying notes to the financial results



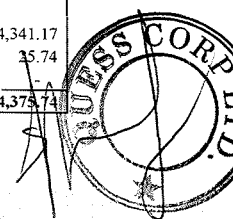
Quess Corp Limited

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

Statement of Consolidated Cash flows for the year ended 31 March 2024

(Amount in INR millions)

| Particulars | For the year ended | |
|--|--------------------|-------------------|
| | 31 March 2024 | 31 March 2023 |
| | (Audited) | (Audited) |
| Cash flows from operating activities | | |
| Profit after tax | 2,804.04 | 2,229.09 |
| Adjustments to reconcile net profit to net cash provided by operating activities: | | |
| Tax expenses | 148.13 | 614.55 |
| Exceptional items (refer note 9) | | |
| - Impairment of Goodwill and other Intangible assets | 224.87 | - |
| - Gain on sale of subsidiary net of transaction cost of INR 27.95 million | (387.50) | (535.03) |
| - Expected credit loss on Trade receivables (billed and unbilled) | 305.30 | - |
| Interest on term deposits | (96.90) | (100.53) |
| Amortised cost adjustments for financial instruments | (18.37) | (15.38) |
| Interest on tax refunds | (91.81) | (22.73) |
| Loss/(profit) on sale of property, plant and equipment, net | 21.96 | (1.73) |
| Gain on sale of investments in mutual funds | (30.80) | (11.14) |
| Fair value gain on financial assets designated at fair value through profit or loss | (5.93) | (24.16) |
| Employee stock option cost | 260.21 | 292.26 |
| Finance costs | 1,173.23 | 1,066.08 |
| Depreciation and amortisation | 2,831.95 | 2,746.12 |
| Expected credit Loss on financial assets | 871.53 | 687.08 |
| Bad debts written off | 217.87 | 17.39 |
| Deposits written off | 0.58 | 8.31 |
| Liabilities no longer required written back | (13.82) | - |
| Foreign exchange gain, net | (32.80) | (61.59) |
| Share of (profit)/loss of equity accounted investees | 0.69 | (0.84) |
| Operating cash flows before working capital changes | 8,182.43 | 6,887.75 |
| Changes in operating assets and liabilities | | |
| Changes in inventories | 12.83 | (6.77) |
| Changes in trade receivables and unbilled revenue | (2,825.07) | (4,267.37) |
| Changes in loans, other financial assets and other assets | (808.24) | (310.30) |
| Changes in trade payables | 198.47 | 93.97 |
| Changes in other financial liabilities, other liabilities and provisions | 1,972.94 | 4,259.67 |
| Cash generated from operations | 6,733.36 | 6,656.95 |
| Income taxes (paid) / refund received, net | (1,440.65) | (1,994.38) |
| Net cash flows from operating activities (A) | 5,292.71 | 4,662.57 |
| Cash flows from investing activities | | |
| Expenditure on property, plant and equipment and intangibles | (1,033.00) | (1,040.13) |
| Proceeds from sale of property, plant and equipment | 45.67 | 53.34 |
| Investment in compulsory convertible preference shares | (350.02) | - |
| Proceeds from disposal of subsidiary, net of related expenses (refer 9(i)) | 670.61 | 647.23 |
| Investments in mutual fund | (340.00) | - |
| Proceeds from sale of mutual fund | 280.05 | 484.82 |
| Placement of bank deposits | (184.05) | (514.26) |
| Redemption of bank deposits | 1,250.11 | 273.46 |
| Interest received on term deposits | 135.03 | 66.39 |
| Others | 20.55 | 6.33 |
| Net cash used in investing activities (B) | 494.95 | (22.82) |
| Cash flows from financing activities | | |
| Proceeds from long term borrowings | 16.97 | 9.34 |
| Repayments of long term borrowings | (123.43) | (196.85) |
| Repayment of lease liabilities | (1,912.11) | (1,722.69) |
| Proceeds from working capital loan | 75,352.97 | 35,720.89 |
| Repayments of working capital loan | (76,135.65) | (36,419.63) |
| Proceeds from/(repayments of) short term borrowings, net | (630.21) | 319.66 |
| Payment of stamp duty in relation to merger and issue of shares in earlier year | (125.16) | - |
| Proceeds from issue of equity shares | 2.81 | 2.38 |
| Changes in ownership interest in subsidiary not resulting in loss of control: | | |
| - Contribution by non controlling interest in a subsidiary | - | 349.98 |
| - Payment towards acquisition of non-controlling interest | (76.52) | - |
| Payment of dividend to non-controlling interest of subsidiary | (122.71) | (81.12) |
| Dividend paid | (591.20) | (1,774.00) |
| Interest paid | (620.79) | (640.01) |
| Net cash used in financing activities (C) | (4,965.03) | (4,432.05) |
| Net increase/(decrease) in cash and cash equivalents (A+B+C) | 822.63 | 207.70 |
| Cash and cash equivalents at the beginning of the year | 4,375.74 | 4,104.66 |
| Effect of exchange rate fluctuations on cash and cash equivalents | 2.88 | 63.38 |
| Cash and cash equivalents at the end of the year | 5,201.25 | 4,375.74 |
| Components of cash and cash equivalents | | |
| Cash in hand | 4.96 | 8.83 |
| Balances with banks | | |
| In current accounts | 5,137.11 | 4,341.17 |
| In EEFC accounts | 45.95 | 35.74 |
| In deposit accounts (with original maturity of less than 3 months) | 13.23 | - |
| Cash and cash equivalents in consolidated balance sheet | 5,201.25 | 4,375.74 |



Notes for the quarter and year ended 31 March 2024:

- 1 The consolidated financial information of Quess Corp Limited ("the Company") including its subsidiaries (collectively known as the "Group"), its associate and its joint venture (as mentioned in Appendix 1 to these notes) for the quarter and year ended 31 March 2024 have been taken on record by the Board of Directors at its meeting held on 9 May 2024. The statutory auditors have expressed a qualified review conclusion on the financial results for the quarter ended 31 March 2024 and have expressed a qualified audit opinion on the financial results for the year ended 31 March 2024. These consolidated financial results have been extracted from the consolidated financial information.
- 2 The Statement includes the results for the quarters ended 31 March 2024 and 31 March 2023 being the balancing figure of audited figures in respect of the full financial years and published unaudited year to date figures upto the end of the third quarter of the respective financial years.
- 3 The consolidated audited financial results and the audit 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 7-1 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 17 May 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 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.
- 6 The Board of Directors at their meeting held on 2 February 2024 declared interim dividend of INR 4.00 per equity share (face value of INR 10.00 each) for the financial year 2023-24 aggregating to INR 593.91 million.

Subsequent event:

The Board of Directors at their meeting held on 9 May 2024 recommended a final dividend of INR 6.00 per equity share (face value of INR 10.00 each) for the financial year 2023-24 aggregating to INR 891.06 million.

- 7 The Board of Directors of Allsec Technologies Limited (subsidiary of the Company), at its meeting held on 06 February 2024 approved the sale of its Labour Law Compliance (LLC) Division on a going concern basis by way of slump sale for a consideration of INR 270 million to Aparajitha Corporate Services Private Limited, subject to closing adjustments as defined in Business Transfer Agreement (BTA) dated 06 February 2024. As per the BTA, the closing date of the said transaction was 31 March 2024 which was subsequently extended to 30 April 2024.

Assets and liabilities in the LLC division were presented as 'assets held for sale' and 'liabilities directly associated with assets held for sale', respectively as at 31 March 2024.

Subsequent to the year ended 31 March 2024 the closing conditions have been satisfied.

8 Income Tax matters:

As disclosed in the year ended March 31, 2023 and quarter ended September 30, 2023 the Company's claim primarily relating to deductions under section 80JJAA of the Income Tax Act ("80JJAA") and depreciation on goodwill was disallowed pursuant to an assessment under section 143(3) read with section 144C (13) of the Income Tax Act for fiscal 2018 and 2019. Additionally: (i) during the quarter ended September 30, 2023, the Company's claim relating to deductions under 80JJAA and depreciation on goodwill was disallowed pursuant to a draft assessment order under section 144C (1) for fiscal 2020 and (ii) during the quarter ended December 31, 2023, the Company received a draft assessment order for fiscal year 2020-21 under section 144C (1) of the Income Tax Act in which deductions under 80JJAA 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:

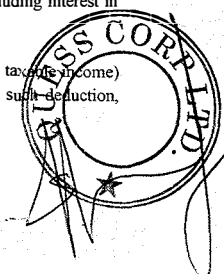
- additional employees whose emoluments exceed Rs.25,000 in a month but the average emoluments for these additional employees does not exceed Rs.25,000 in a month during the service period;
- additional employees who have served more than 240 days in a year but are not an employee on March 31 of the 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.

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 1,631.07 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 1,212.64 million is claimed for the quarter and INR 4,161.85 million for the year ended 31 March 2024. The Company believes that such deduction, including its quantum, has been validly and consistently claimed, in conformity with its interpretation of the statute.



9 Exceptional items:

i) During the quarter and year ended 31 March 2024, the Company sold its equity stake in Qdigi Services Limited (Qdigi) to Onsite Electro Services Limited (Onsite) for a consideration of INR 744.55 million resulting in a gain of INR 387.50 million which is disclosed as an exceptional item. The gain is net of transaction cost of INR 27.95 million. Out of the cash consideration, INR 46 million will be received after completion of closing conditions.

ii) During the quarter and year ended 31 March 2024, the Company assessed recoverable value of goodwill pertaining to certain cash generating units which resulted in impairment of INR 10.33 million which is disclosed under exceptional item.

iii) During the quarter and year ended 31 March 2024, the Group recorded additional expected credit loss allowances amounting to INR 305.30 million relating to certain government projects in its subsidiaries pursuant to a decision to discontinue these projects after management and Board review pursuant to the scheme of demerger.

iv) 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 incurred stamp duty of INR 58 million pursuant to amalgamation and disclosed them as an exceptional item during the quarter and year ended 31 March 2024.

v) During the quarter ended 31 December 2023, pursuant to internal restructuring, business contracts and employees of Heptagon Technologies ("Heptagon"), a subsidiary of the Company, are being novated/transferred to the Company and other subsidiaries of the Group. Therefore, the Company recorded an impairment relating to goodwill and other asset of INR 198.68 million during the quarter.

vi) During the quarter ended 30 September 2023, the Company reassessed the recoverable value with carrying value of Stellarslog Technologies Private Limited ("SLPL"), and recognised goodwill impairment of INR 15.87 million, disclosed as exceptional item in the above results.

- 10 During the quarter and year ended March 31, 2024, the Board of Directors of the Company ("Quess"), 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/investments) engaged in BPM solutions, Insurtech and 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.

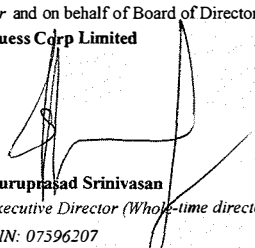
(b) the demerger of the Company's undertakings (Divisions/investments) engaged in Facility Management, Industrial Services and Product led businesses into Bluspring and in consideration, Bluspring will issue new equity shares to all the equity shareholders of the Company in accordance with the Share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

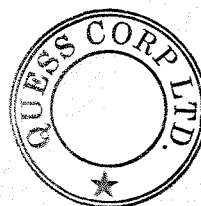
The Scheme is subject to receipt of requisite approvals from SEBI, the NCLT, Bengaluru Bench ("Tribunal"), the Stock Exchanges and other statutory and regulatory authorities, and approval of the requisite majority of the shareholders and creditors of the Companies, under applicable law.

The Company incurred certain transaction costs totaling to INR 70.92 million towards scheme of demerger which is disclosed under exceptional items.

- 11 Previous year's figures have been regrouped / rearranged wherever necessary.

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


Guruprasad Srinivasan
Executive Director (Whole-time director) and Group Chief Executive Officer
DIN: 07596207
Place: Bengaluru
Date: 09 May 2024



Appendix - 1

| Nature | S. No. | Entity name |
|----------------------------------|--------|--|
| Subsidiary/Step-subsiary: | 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 | Connegt 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 | Comtelink Sdn. Bhd. |
| | 19 | Monster.com.SG PTE Limited |
| | 20 | Monster.com.HK Limited |
| | 21 | Agensi Pekerjaan Monster Malaysia Sdn. Bhd (formerly known as Monster Malaysia Sdn Bhd) |
| | 22 | Monster.com (India) Private Limited |
| | 23 | Quess Corp Vietnam LLC |
| | 24 | Simpliance Technologies Private Limited (till 20 October 2022) |
| | 25 | Qdigi Services Limited (till 31 March 2024) |
| | 26 | Greenpiece Landscapes India Private Limited (Merged with Quess Corp Ltd w.e.f. 1 December 2023) |
| | 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 (till 20 March 2024) |
| | 33 | Trimax Smart Infraprojects Private Limited |
| | 34 | Terrier Security Services (India) Private Limited |
| | 35 | Heptagon Technologies Private Limited |
| | 36 | Billion Careers Private Limited |
| | 37 | Quess Corp NA LLC (w.e.f 17 May 2022) |
| | 38 | Stellarslog Technovation Private Limited (w.e.f 7 April 2022) |
| | 39 | Quess Recruit, Inc. (w.e.f 1 January 2024) |
| | 40 | Agency Pekerjaan Quess Recruit Sdn. Bhd. (w.e.f 1 July 2023) |
| | 41 | Quess GTS Canada Holdings Inc. (w.e.f 5 October 2023) |
| | 42 | Digitide Solutions Limited (w.e.f 10 February 2024) |
| | 43 | Bluspring Enterprises Limited (w.e.f 11 February 2024) |
| Associate: | 1 | Quess Recruit, Inc. (till 31 December 2023) |
| | 2 | Agency Pekerjaan Quess Recruit Sdn. Bhd. (till 30 June 2023) |
| Joint venture: | 1 | Himmer Industrial Services (M) Sdn. Bhd. (till 4 March 2024) |



Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Consolidated Financial Results

| Statement of impact of Audit qualification for the financial year ended March 31, 2024 | | | | |
|--|---|---|--|---|
| [See Regulation 33/52 of the SEBI (LODR)(Amendment) Regulations, 2016] | | | | |
| I | Sl NO. | Particulars | Audited figures (as reported before adjusting for qualifications) (Rs. Million) | Audited figures (audited figures after adjusting for qualifications) * (Rs. Million) |
| | 1 | Turnover/ Total income | 191,295.86 | 191,295.86 |
| | 2 | Total expenditure | 188,071.41 | 188,071.41 |
| | 3 | Net profit/(loss) | 2,804.04 | 2,804.04 |
| | 4 | Earnings per share | 18.72 | 18.72 |
| | 5 | Total assets | 62,550.43 | 62,550.43 |
| | 6 | Total liabilities | 32,904.41 | 32,904.41 |
| | 7 | Net worth | 29,646.02 | 29,646.02 |
| | 8 | Any other financial item(s) (as felt appropriate by the management) | - | - |
| *Since qualification pertains to a matter where the auditors have been unable to quantify the impact, if any, no adjustment has been made in the table above for such qualification. | | | | |
| II | Audit Qualification (each audit qualification separately): | | | |
| | a. Details of Audit Qualification: | | <p>As stated in note 8 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.</p> <p>In January 2024, as described in note 8, 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 Parent has taken into consideration this new information and continues to believe that it is probable that</p> | |

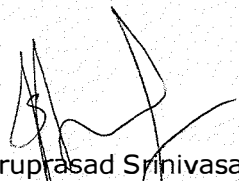
| | | |
|--|---|--|
| | | these deductions upon ultimate resolution will be accepted by the Income Tax Authority. As a result of the uncertainty in respect of the outcome in the aforesaid matter, pending ultimate resolution and acceptance by the Income Tax Authority, we are unable to comment whether any adjustments are necessary. |
| | b. Type of Audit Qualification : Qualified Opinion / Disclaimer of Opinion / Adverse Opinion | Qualified Opinion |
| | c. Frequency of qualification: Whether appeared first time / repetitive / since how long continuing | Second time. The matter was also qualified for the quarter and nine months ended 31 December 2023. |
| | d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: | Not Applicable |
| | e. For Audit Qualification(s) where the impact is not quantified by the auditor: | |
| | (i) Management's estimation on the impact of audit qualification: | Refer e (ii) below: |
| | (ii) If management is unable to estimate the impact, reasons for the same: | <p>The audit qualification relates to the uncertainty of the outcome of the matter relating to the disallowances under Section 80JJAA as mentioned in II(a) above.</p> <p>The Company believes that the uncertainty on the matter is transitory and cannot be currently estimated.</p> <p>The Company's position relating to the legal evaluation of the matter is specified in note 8 to the Statement* which is reproduced as under.</p> <p>Note 8 to the Statement:</p> <p><i>"As disclosed in the year ended March 31, 2023 and quarter ended September 30, 2023 the Company's claim primarily relating to deductions under section 80JJAA of the Income Tax Act ("80JJAA") and depreciation on goodwill was disallowed pursuant to an assessment under section 143(3) read with section 144C (13) of the Income Tax Act for fiscal 2018 and 2019. Additionally: (i) during the quarter ended September 30, 2023, the Company's claim relating to deductions under</i></p> |

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| | <p>80JJAA and depreciation on goodwill was disallowed pursuant to a draft assessment order under section 144C (1) for fiscal 2020 and (ii) during the quarter ended December 31, 2023, the Company received a draft assessment order for fiscal year 2020-21 under section 144C (1) of the Income Tax Act in which deductions under 80JJAA has been disallowed.</p> <p>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:</p> <ul style="list-style-type: none"> • 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 employer's contribution is not reimbursed by the Government during the year. <p>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.</p> <p>In January 2024, National Financial Reporting Authority ('NFRA'), in an Order relating to certification for fiscal 2019 to 2021 by an</p> |
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| | | <p>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 assessment of the claims made, believes that the deduction under 80JJAA will be sustained upon ultimate resolution by the Income Tax Authority.</p> <p>Pending resolution of these Income Tax disputes, the Company has disclosed a contingent liability of INR 1,631.07 million towards demands including interest in the order for these fiscal years.</p> <p>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 1,212.64 million is claimed for the quarter and INR 4,161.85 million for the year ended 31 March 2024. The Company believes that such deduction, including its quantum, has been validly and consistently claimed, in conformity with its interpretation of the statute."</p> |
| | <p>(iii) Auditors' Comments on (i) or (ii) above:</p> | Refer II (a) above |
| <p>*Consolidated financial results for the Quarter and Year ended 31 March 2024.</p> | | |

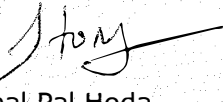
III

Signatories:

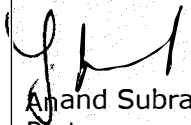

Guruprasad Srinivasan
Executive Director and Group Chief
Executive Officer
Place: Bengaluru
Date: May 9, 2024


Kalpathi Ratna Girish
Chairman - Audit Committee

Place: Bengaluru
Date: May 9, 2024


Kamal Pal Hoda
Group Chief Financial Officer
Place: Bengaluru
Date: May 9, 2024

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


Anand Subramanian
Partner
(Membership No. 110815)
UDIN: 24110815BKPIDYB93

Place: Bengaluru
Date: May 9, 2024