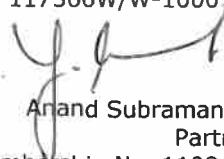


**INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM STANDALONE FINANCIAL RESULTS
TO THE BOARD OF DIRECTORS OF QUESS CORP LIMITED**

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **QUESS CORP LIMITED** ("the Company"), for the quarter and nine months ended 31 December 2022 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India (ICAI). A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. **Emphasis of Matters Paragraph**
 - i. We draw attention to Note 6 of the Statement, regarding the demands received by the company in respect of provident fund and contingency related to the pending litigation on the said matter.
 - ii. We draw attention to Note 7 of the Statement relating to disallowances by the Income Tax authorities primarily relating to depreciation on goodwill and deduction under section 80JJAA of the Income Tax Act, 1961 for financial year ended 31 March 2018 and 2019 and Company's evaluation relating to these disallowances.

Our conclusion on the Statement is not modified in respect of these matters.

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


Anand Subramanian
Partner
(Membership No. 110815)
(UDIN: 23110815BGXVKB4743)

Place: Bengaluru
Date: 3 February 2023

Quess Corp Limited

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

CIN No. L74140KA2007PLC043909

Part I : Statement of standalone unaudited financial results for the quarter and nine months ended 31 December 2022

(INR in million except per share data)

Sl. No.	Particulars	Standalone					
		Quarter ended			Nine months ended		Year ended
		31 December 2022	30 September 2022	31 December 2021	31 December 2022	31 December 2021	31 March 2022
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	
1	Income						
	a) Revenue from operations	31,685.29	30,309.19	26,370.60	90,317.49	70,359.27	97,584.98
	b) Other income	239.84	31.82	725.26	298.37	929.15	1,315.70
	Total income (a + b)	31,925.13	30,341.01	27,095.86	90,615.86	71,288.42	98,900.68
2	Expenses						
	a) Cost of material and stores and spare parts consumed	479.56	447.50	328.41	1,340.70	805.17	1,110.39
	b) Employee benefits expense	28,312.59	27,244.34	23,206.39	80,648.30	62,876.16	87,045.27
	c) Finance costs	160.91	133.71	118.83	400.36	367.38	476.99
	d) Depreciation and amortisation expense	170.36	136.00	136.62	439.17	343.92	481.04
	e) Other expenses	2,448.22	2,212.74	2,262.04	6,763.61	5,555.03	7,558.23
	Total expenses (a + b + c + d + e)	31,571.64	30,174.29	26,052.29	89,592.14	69,947.66	96,671.92
3	Profit before exceptional items and tax (1 - 2)	353.49	166.72	1,043.57	1,023.72	1,340.76	2,228.76
4	Exceptional items gain/(loss) (refer note 9)	235.18	-	-	195.18	(202.20)	(422.52)
5	Profit before tax (3 + 4)	588.67	166.72	1,043.57	1,218.90	1,138.56	1,806.24
6	Tax expense/ (credit)						
	Current tax	-	-	-	-	-	-
	Deferred tax	*	(38.64)	178.12	(47.55)	219.17	357.96
	Total tax expense/ (credit)	-	(38.64)	178.12	(47.55)	219.17	357.96
7	Profit for the period (5 - 6)	588.67	205.36	865.45	1,266.45	919.39	1,448.28
8	Other comprehensive income						
	<i>Items that will not be reclassified subsequently to profit or loss</i>						
	Remeasurement of defined benefit plans	50.71	67.04	(20.25)	137.64	(129.11)	(104.79)
	Income tax relating to items that will not be reclassified to profit or loss	(12.76)	(16.87)	5.09	(34.63)	32.49	26.37
	Other comprehensive income/(loss) for the period, net of tax	37.95	50.17	(15.16)	103.01	(96.62)	(78.42)
9	Total comprehensive income for the period (7 + 8)	626.62	255.53	850.29	1,369.46	822.77	1,369.86
10	Paid-up equity share capital (Face value of INR 10.00 per share)	1,481.96	1,481.49	1,478.84	1,481.96	1,478.84	1,479.91
11	Reserves i.e. Other equity						20,608.77
12	Earnings per equity share	(not annualised)	(not annualised)	(not annualised)	(not annualised)	(not annualised)	(annualised)
	(a) Basic (in INR)	3.97	1.39	5.86	8.55	6.22	9.80
	(b) Diluted (in INR)	3.95	1.38	5.78	8.50	6.14	9.71

* Amount less than INR 0.01 million.

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

Standalone unaudited financial results for the quarter and nine months ended 31 December 2022

Notes relating to current quarter and nine months ended 31 December 2022:

- 1 The standalone financial information of Quess Corp Limited ("the Company") for the quarter and nine months ended 31 December 2022 have been taken on record by the Board of Directors at its meeting held on 3 February 2023. The statutory auditors have expressed an unqualified review conclusion on the financial results for the quarter and nine months ended 31 December 2022. These standalone financial results have been extracted from the interim standalone financial information.
- 2 Pursuant to the provisions of the Listing Agreement, the Management has decided to publish consolidated unaudited financial results in the newspapers. The standalone unaudited financial results and the review report of the statutory auditors is being filed with Bombay Stock Exchange ("BSE") and National Stock Exchange ("NSE") and will be made available on the Company website www.quesscorp.com.
- 3 In accordance with Ind AS 108, Operating segments, segment information has been provided in the consolidated unaudited financial results of the Company and therefore no separate disclosure on segment information is given in these standalone unaudited financial results.
- 4 The Board of Directors of the Company at its meeting held on 7 July 2021 considered and approved the revised Scheme of Amalgamation ("Scheme AAA") among Quess Corp Limited ("Transferee Company") with three of its wholly owned subsidiaries viz. MFX Infotech Private Limited ("MFXI") and Greenpiece Landscape India Private Limited ("GLPL") and Conneqt Business Solutions Limited ("CBSL") together known as ("Transferor Companies") and their respective shareholders and creditors under the provisions of Section 230-232 of the Companies Act, 2013 subject to the necessary approvals by the NCLT, Bengaluru branch. The Scheme AAA will be effected in the standalone financial results once it is approved by National Company Law Tribunal ("NCLT"), Bengaluru Bench. The applicant companies had filed the application before Hon'ble NCLT, Bengaluru bench on 21 January 2022 and received order dated 30 November 2022 for dispensation of the meetings of Equity Shareholders, Secured Creditors and Unsecured Creditors of Applicant Companies and direction to issue notices to the creditors and the statutory authorities specified in the order. Further, the applicant companies after the due compliance filed the Company petition on 9 January 2023 for sanctioning of the Scheme.
- 5 The Board of Directors at their meeting held on 31 May 2022 declared interim dividend of INR 4.00 per equity share (face value of INR 10.00 each) for the previous financial year aggregating to INR 591.96 million which was paid on 21 June 2022.

During the quarter ended 30 September 2022 the Board of Directors at their meeting held on 9 November 2022 declared interim dividend of INR 8.00 per equity share (face value of INR 10.00 each) for the financial year 2022-23 aggregating to INR 1,185.18 million which was paid on 29 November 2022.

- 6 During fiscal 2020, the Regional PF Commissioner ("RPFC") passed an order under Section 7-A of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 ("Act") demanding INR 716.56 million on the grounds that it failed to remit Provident Fund ("PF") on wages for its employees for the period from April 2018 to March 2019 for certain components of salary. The Company filed an appeal before the Central Government Industrial Tribunal ("CGIT") under section 7-I of the Act challenging the Employees' Provident Fund Organisation's ("EPFO") order along with the application under Section 7-O of the Act seeking a waiver from pre-deposit of the alleged Provident Fund Contributions till the final disposal of the Appeal. The CGIT after hearing the submissions made by the parties passed an Order allowing complete waiver from any pre-deposit and also staying the operation of the EPFO order. The matter has been adjourned to 7 March 2023. The Company has taken external independent legal advice as per which the EPFO's order is prima facie erroneous and unsustainable in law and the liability has been incorrectly determined by the RPFC and therefore, the Company considers the claim to be remote.

7 Income Tax matters:

Subsequent to the quarter ended 31 December 2022 the Company received assessment order ('Order') under section 143(3) read with section 144C(13) of the Income Tax Act after completion of Dispute Resolution Panel ("DRP") proceedings for fiscal 2017-2018. As per the Order, amongst other things, deduction u/s 80JJAA of the Income Tax Act and depreciation on goodwill have been disallowed.

During the quarter ended December 31, 2022, the Company received draft assessment order for fiscal 2018-2019 under section 144C(1) of the Income Tax Act in which primarily deduction under section 80JJAA of the Income Tax Act and depreciation on goodwill has been disallowed. The Company has filed objections before the DRP against the draft assessment order.

The Company intends to vigorously contest its position and interpretative stance of these sections on merits, including judicial precedents, and believes it can strongly defend its position through the legal process as defined under the Income Tax Act. Based on its internal evaluation, the Company has disclosed a contingent liability of INR 740 million for fiscal 2017-2018 and fiscal 2018-2019, excluding interest and penalties if any. The contingent liability will be updated as developments unfold in future.

The Company continues to maintain its stand on the manner of claiming the 80JJAA deduction and accordingly 80JJAA deduction of INR 932.47 million and INR 2,142.22 million is claimed for the quarter and nine months ended 31 December 2022, respectively. The Company believes that such deduction, including its quantum, has been validly and consistently claimed, in conformity with its interpretation of the statute.

- 8 The Board of Directors of the Company and Allsec Technologies Limited ("Allsec") in their respective meetings held on 22 June 2022 had approved the Scheme of Amalgamation which inter alia provides for the merger of Allsec into the Company ("Scheme"), subject to the Honourable NCLT and other necessary approvals under applicable laws. The said Scheme was withdrawn by the Board at its meeting held on 23 December 2022.
- 9 (i) During the quarter ended 31 December 2022, the Company sold its 53% stake in Simpliance Technologies Private Limited (Simpliance) with a carrying value of INR 45 million to Aparajitha Corporate Services Limited (Aparajitha) and Dasa Consulting Private Limited, acting as a Trustee company of Poornatha Wellness Private Trust. Consequently, a gain on sale aggregating to INR 602.22 million is disclosed as exceptional item during the quarter and nine months ended 31 December 2022.
(ii) During the quarter and nine months ended 31 December 2022, the Company assessed the recoverable value of Excelus Learning Solutions Private Limited and recognised an impairment loss on investment, loans and advances aggregating to INR 336.92 million and disclosed under exceptional item in the above results.

Further, during the quarter and nine months ended December 31, 2022, the Company recorded an impairment of INR 30.12 million and INR 70.12 million respectively relating to loans given to Greenpiece Landscape India Private Limited.

- 10 The Code on Social Security, 2020 ("Code") relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

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



Guruprasad Srinivasan
Executive Director and Group Chief Executive Officer
DIN: 07596207
Place: Bengaluru
Date: 3 February 2023

