

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"), which includes interim financial information of Quess Corp Limited Employees Welfare Trust for the quarter and half year ended 30 September 2026 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India (ICAI). A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

4. **Basis for Qualified Conclusion**

As stated in note 6 to the Statement, certain tax deductions claimed by the Company and recognised in computation of income tax expense in the current and preceding periods have been disallowed by the Income Tax Authority. The disallowance has been challenged by the Company in a judicial forum. The Company, supported by external opinions from legal counsel and other tax experts, has assessed the basis of the disallowances and concluded that it is probable that these deductions will be accepted upon ultimate resolution.

In January 2024, as described in note 6 to the Statement, another regulatory authority has made certain observations (referred to as "new information") on the applicability of certain conditions in the Income Tax Act and related reports submitted to the Income Tax Authority in respect of these deductions. The Company has taken into consideration this new information and continues to believe that it is probable that these deductions upon ultimate resolution will be accepted by the Income Tax Authority.

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

Deloitte Haskins & Sells LLP

This matter was also qualified in our report on the financial results for the quarter ended 30 June 2026, quarter and half year ended 30 September 2025 and year ended 31 March 2026.

5. **Qualified Conclusion**

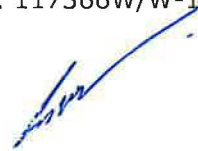
Based on our review conducted as stated in paragraph 3 above, except for the possible effects of the matter described in paragraph 4 above, nothing has come to our attention that causes us to believe that the accompanying Statement has not been prepared in accordance with the recognition and measurement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

6. **Emphasis of Matter**

We draw attention to note 5 of the Statement, regarding the demands received by the Company in respect of provident fund and contingency related to the pending litigation on the said matter.

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

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



Gurvinder Singh
Partner
Membership No. 110128
UDIN: 26110128PUZORL4631

Place: Bengaluru
Date: 30 October 2026

Quess Corp Limited
Registered Office: Quess Tower, Sky Walk Avenue, 32/4, Hosur Rd, Roopena Agrahara, Bommanahalli, Bengaluru, Karnataka 560068 :
CIN No. L74140KA2007PLC043909

Part I: Statement of standalone unaudited financial results for the quarter and half year ended 30 September 2026

(INR in millions except per share data)

Sl. No.	Particulars	Standalone					
		Quarter ended			Half year ended		Year ended
		30 September 2026 (Unaudited)	30 June 2026 (Unaudited)	30 September 2025 (Unaudited)	30 September 2026 (Unaudited)	30 September 2025 (Unaudited)	31 March 2026 (Audited)
1	Income						
	a) Revenue from operations	40,762.96	38,482.81	35,406.44	79,245.77	69,068.28	1,41,053.85
	b) Other income	128.35	386.51	172.89	514.86	363.60	645.35
	Total income (a + b)	40,891.31	38,869.32	35,579.33	79,760.63	69,431.88	1,41,699.20
2	Expenses						
	a) Employee benefits expense	39,005.76	36,672.74	34,001.89	75,678.50	65,769.76	1,34,373.77
	b) Finance costs	137.04	138.62	123.48	275.66	217.61	467.31
	c) Depreciation and amortisation expense	89.58	91.17	96.31	180.75	195.59	388.87
	d) Other expenses	1,072.42	1,151.51	806.83	2,223.93	2,153.51	4,272.56
	Total expenses (a + b + c + d)	40,304.80	38,054.04	35,028.51	78,358.84	68,336.47	1,39,502.51
3	Profit before exceptional items and tax (1 - 2)	586.51	815.28	550.82	1,401.79	1,095.41	2,196.69
4	Exceptional items [refer note 9]	(44.12)	9.87	241.46	(34.25)	260.97	346.67
5	Profit before tax (3 - 4)	630.63	805.41	309.36	1,436.04	834.44	1,850.02
6	Tax expense/ (credit)						
	Current tax	-	-	-	-	-	-
	Deferred tax	(134.14)	18.65	38.36	(115.49)	36.32	(41.22)
	Total tax expense/ (credit)	(134.14)	18.65	38.36	(115.49)	36.32	(41.22)
7	Profit for the period/year (5-6)	764.77	786.76	271.00	1,551.53	798.12	1,891.24
8	Other comprehensive (loss)/ income						
	Items that will not be reclassified subsequently to profit or loss						
	Re-measurement losses on defined benefit plans	(153.96)	(88.28)	(66.31)	(242.24)	(120.52)	(364.16)
	Income tax relating to items that will not be reclassified to profit or loss	38.75	22.22	16.69	60.97	30.33	91.65
	Total Other Comprehensive (loss)	(115.21)	(66.06)	(49.62)	(181.27)	(90.19)	(272.51)
9	Total comprehensive income for the period/ year (7+8)	649.56	720.70	221.38	1,370.26	707.93	1,618.73
10	Paid-up equity share capital (Face value of INR 10.00 per share)	1,493.86	1,493.60	1,490.85	1,493.86	1,490.85	1,493.31
11	Reserves i.e. Other equity						7,824.53
12	Earnings per equity share	(not annualised)	(not annualised)	(not annualised)	(not annualised)	(not annualised)	(annualised)
	(a) Basic (in INR)	5.18	5.28	1.82	10.46	5.36	12.69
	(b) Diluted (in INR)	5.08	5.23	1.81	10.29	5.34	12.67

See accompanying notes to the financial results



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Standalone Balance Sheet as at 30 September 2026

(INR in millions)

Particulars		As at 30 Sep 2026 (Unaudited)	As at 31 March 2026 (Audited)
A	ASSETS		
1	Non-current assets		
	Property, plant and equipment	59.52	64.95
	Right-of-use assets	1,072.08	1,056.59
	Other intangible assets	100.35	98.68
	Intangible assets under development	15.71	16.52
	Financial assets		
	Investments	2,432.33	2,432.33
	Other financial assets	481.76	496.20
	Deferred tax assets (net)	1,587.04	1,410.58
	Income tax assets (net)	1,607.69	3,729.32
	Other non-current assets	491.55	488.87
	Total non-current assets	7,848.03	9,794.04
2	Current assets		
	Financial assets		
	Investments	199.94	512.06
	Trade receivables		
	- Billed	7,001.01	6,691.77
	- Unbilled	12,107.01	6,929.31
	Cash and cash equivalents	3,375.13	777.18
	Bank balances other than cash and cash equivalents above	188.49	201.37
	Loans	15.69	4.47
	Other financial assets	730.77	744.69
	Other current assets	783.09	504.98
	Total current assets	24,401.13	16,365.83
	Total Assets	32,249.16	26,159.87
B	EQUITY AND LIABILITIES		
1	Equity		
	Equity share capital	1,493.86	1,493.31
	Other equity	7,925.10	7,824.53
	Total Equity	9,418.96	9,317.84
2	Liabilities		
	Non-current liabilities		
	Financial liabilities		
	Lease liabilities	955.61	939.46
	Provisions	6,118.17	3,087.79
	Total non-current liabilities	7,073.78	4,027.25
3	Current liabilities		
	Financial liabilities		
	Lease liabilities	230.22	208.58
	Trade payables		
	Total outstanding dues of micro enterprises and small enterprises	105.61	43.05
	Total outstanding dues of creditors other than micro enterprises and small enterprises	58.02	132.52
	Other financial liabilities	12,159.44	9,042.09
	Provisions	16.91	16.89
	Other current liabilities	3,186.22	3,371.65
	Total current liabilities	15,756.42	12,814.78
	Total Liabilities	22,830.20	16,842.03
	Total Equity and Liabilities	32,249.16	26,159.87

See accompanying notes to the standalone financial results



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Standalone statement of cash flows for the half year ended 30 September 2026

(INR in millions)

Particulars	For the half year ended	
	As at 30 Sep 2026	As at 30 Sep 2025
	(Unaudited)	(Unaudited)
Cash flows from operating activities		
Profit after tax	1,551.53	798.12
Adjustments to reconcile net profit to net cash provided by operating activities:		
Tax (credit)/expense	(115.49)	36.32
Interest on tax refunds	(218.38)	(24.54)
Interest on term deposits	(24.35)	(19.68)
Fair value loss adjustments through profit and loss account	(10.97)	-
Loss/(Profit) on sale of property, plant and equipment, net	1.12	(0.87)
Dividend income on investments in subsidiaries	(136.84)	(162.75)
Net gain on sale of investments in mutual funds and others	(9.43)	(1.14)
Interest on loans given to related parties	-	(6.19)
Employee stock option cost	78.13	23.50
Finance costs	275.66	217.61
Depreciation and amortisation	180.75	195.59
Expected credit loss on financial assets, net	(60.07)	(94.14)
Exceptional items (refer note 9)		
- Impairment of loan and advances of subsidiaries	(34.25)	242.46
- Employee stock option cost	-	5.16
Foreign exchange (gain)	(0.40)	(2.47)
Deposits written off	22.81	-
Operating cash flows before working capital changes	1,499.82	1,206.98
Changes in operating assets and liabilities		
Changes in trade receivables and unbilled revenue	(5,426.87)	(545.31)
Changes in loans, other financial assets and other assets	(332.02)	(781.34)
Changes in trade payables	(11.94)	(274.24)
Changes in other financial liabilities, other liabilities and provisions	5,579.95	2,078.24
Cash generated from operations	1,308.94	1,684.33
Refund received / income taxes (paid), net	2,340.01	(365.18)
Net cash flows from operating activities (A)	3,648.95	1,319.15
Cash flows from investing activities		
Expenditure on property, plant and equipment and intangibles	(36.40)	(22.73)
Proceeds from sale of property, plant and equipment and intangibles	-	0.87
Investments in mutual funds and GILT	(22,524.84)	(2,150.00)
Proceeds from sale of mutual funds and GILT	22,867.47	2,151.14
Dividend received (net of tax deducted at source)	136.84	162.75
Placement of bank deposit	(3.04)	(340.45)
Redemption of bank deposit	70.75	12.90
Loans and advances given to related parties	(11.99)	(2.17)
Repayment of loans and advances by related parties	38.49	2.17
Interest received on loans to related parties	11.62	-
Interest received on term deposits and others	1.76	11.58
Net cash from / (used in) investing activities (B)	550.66	(173.94)
Cash flows from financing activities		
(Repayments) of working capital loan, net	-	(123.49)
Acquisition of treasury shares	(451.44)	-
Shares issued on exercise of employee stock options	0.55	1.66
Repayment of lease liabilities	(176.53)	(167.61)
Interest paid	(79.16)	(92.26)
Dividend paid	(895.08)	(892.72)
Net cash used in financing activities (C)	(1,601.66)	(1,274.42)
Net increase in cash and cash equivalents (A+B+C)	2,597.95	(129.21)
Cash and cash equivalents at the beginning of the year	777.18	1,709.67
Cash and cash equivalents at the end of the year	3,375.13	1,580.46
Components of cash and cash equivalents		
Balances with banks		
In current accounts	3,375.13	1,570.56
In deposit accounts (with original maturity of less than 3 months)	-	9.90
Cash and cash equivalents as per standalone balance sheet	3,375.13	1,580.46



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Notes for the quarter and half year ended 30 September 2026:

- 1 The standalone financial information of Quess Corp Limited ("the Company") which includes the financial information of Quess Corp Limited Employees Welfare Trust, for the quarter and half year ended 30 September 2026 have been taken on record by the Board of Directors at its meeting held on 30 October 2026. The statutory auditors have expressed a qualified review conclusion on the financial results for the quarter and half year ended 30 September 2026. These standalone financial results have been extracted from the standalone financial information.
- 2 The standalone financial results have been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and in terms of Regulation 33 of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, as amended.
- 3 Pursuant to the provisions of the Listing Agreement, the Management has decided to publish consolidated unaudited financial results in the newspapers. The standalone unaudited financial results and the review reports of the statutory auditors is being filed with Bombay Stock Exchange ("BSE") and National Stock Exchange ("NSE") and will be made available on the Company website www.quescorp.com.
- 4 In accordance with Ind AS 108, Operating segments, segment information has been provided in the consolidated unaudited financial results of the Company and therefore no separate disclosure on segment information is given in these standalone unaudited financial results.
- 5 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 the Company 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 and directed RPFC to submit the relevant calculations for the order. The matter has been adjourned and next date of hearing is scheduled to 10 November 2026. 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.

6 Income Tax matters:

The Company had received assessment orders in the current and preceding periods for fiscal 2017 to 2023 in which primarily deduction under section 80JJAA of the Income Tax Act ("IT Act") and depreciation on goodwill has been disallowed.

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

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

For fiscal 2018 to 2022, the Company has filed an appeal before the Income Tax Appellate Tribunal against the assessment orders. The Company has filed an appeal before CIT(A) against the assessment order passed for fiscal 2017 and additionally, filed objections against the draft assessment order for fiscal 2023 with the Dispute Resolution Panel (DRP). The Company 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.

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 assessed INR 3,879.94 million as contingent liabilities towards demands including interest in the order for these fiscal years.

The Company continues to maintain its stand on the manner of claiming the section 80JJAA deduction and accordingly has claimed section 80JJAA deduction (reduced from taxable income) of INR 1,447.00 million for quarter ended 30 September 2026 and INR 2,152.63 million for half year ended 30 September 2026. For fiscal 2024, 2025 and 2026, the Company had also claimed deduction under section 80JJAA aggregating to INR 10,030.50 million for which assessment is yet to be completed. The Company believes that such deduction, including its quantum, has been validly and consistently claimed, in conformity with its interpretation of the statute.



- 7 The Board of Directors at their meeting held on 30 October 2026 declared interim dividend of INR 5.00 per equity share (face value of INR 10.00 each) for the financial year 2026- 27 aggregating to INR 746.93 million.

8 Impact of Labour Codes:

Effective 21 November 2025, the Government of India notified the four new Labour Codes ("New Labour Codes"), replacing the existing 29 labour laws. Based on the guidance issued by the Institute of Chartered Accountants of India, along with the Rules and FAQs released by the Ministry of Labour & Employment, the Company has assessed and accounted the incremental impact on its employee benefit liabilities arising from these changes using the best information currently available.

In the standalone unaudited financial results for the half year ended 30 September 2026, for billable employees, the incremental impact relating to New Labour Codes, resulting from wage restructuring/revised arrangements with its customers is recognized under "Employee Benefit Expense", with a corresponding credit to revenue, as these costs are contractually recoverable from customers and therefore do not impact the profit for the period.

Upon notification of the remaining state Rules to the New Labour Codes by the Government, any further clarification from the Government on other aspects of the New Labour Codes and the confirmation from the remaining customers regarding contractual terms of billable employees, the Company will evaluate and account for differential impact, if any, in subsequent periods.

9 Exceptional item:

During the quarter and half year ended 30 September 2026, the Company recovered a loan, including interest receivable, amounting to INR 44.12 million from its subsidiary, which had been impaired in previous periods. Accordingly, the Company has recognised reversal of impairment loss.

During the half year ended 30 September 2026, the Company assessed the recoverable value of loan (including interest receivable) for its subsidiaries and recognised an impairment loss of INR 9.87 million.

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

Lohit Bhatia

*Executive Director (Whole-time director)
and Group Chief Executive Officer*

DIN: 07980280

Place: Bengaluru

Date: 30 October 2026

