

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

TO THE BOARD OF DIRECTORS OF QUESSE CORP LIMITED

Qualified Opinion and Conclusion

We have (a) audited the Standalone Financial Results for the year ended March 31, 2026 and (b) reviewed the Standalone Financial Results for the quarter ended March 31, 2026 (refer 'Other Matters' section below), which were subject to limited review by us, both included in the accompanying "Statement of Standalone Financial Results for the Quarter and Year Ended March 31, 2026" of **QUESSE CORP LIMITED** (the "Company"), (the "Statement"), being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the LODR Regulations").

(a) Qualified Opinion on Annual Standalone Financial Results

In our opinion and to the best of our information and according to the explanations given to us, and except for the possible effects of the matter described in Basis for Qualified Opinion/ Conclusion section below, the Standalone Financial Results for the year ended March 31, 2026:

- i. are presented in accordance with the requirements of the "LODR Regulations"; and
- ii. 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 net profit and other comprehensive loss and other financial information of the Company for the year then ended.

(b) Qualified Conclusion on Unaudited Standalone Financial Results for the quarter ended March 31, 2026

With respect to the Standalone Financial Results for the quarter ended March 31, 2026, based on our review conducted as stated in paragraph (b) of Auditor's Responsibilities section, 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 Standalone Financial Results for the quarter ended March 31, 2026, 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 "LODR Regulations", 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 7 to the Statement, certain tax deductions claimed by the Company and recognised in computation of income tax expense in the current and preceding periods have been disallowed by the Income Tax Authority. The disallowance has been challenged by the Company in a judicial forum. The Company, supported by external opinions from legal counsel and other tax experts, has assessed the basis of the disallowances and concluded that it is probable that these deductions will be accepted upon ultimate resolution.

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

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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 standalone financial results for the quarter ended 31 December 2025; and quarter and year ended 31 March 2025.

We conducted our audit in accordance with the Standards on Auditing ("SA"s) 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 Company 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 Standalone Financial Results for the year ended March 31, 2026 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 is sufficient and appropriate to provide a basis for our qualified audit opinion.

Emphasis of Matter

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

Our report is not modified in respect of this matter.

Management's and Board of Directors' Responsibilities for the Statement

This Statement which includes the Standalone Financial Results is the responsibility of the Company's Board of Directors and has been approved by them for the issuance. The Standalone Financial Results for the year ended March 31, 2026 has been compiled from the related audited standalone financial statements. This responsibility includes the preparation and presentation of the Standalone Financial Results for the quarter and year ended March 31, 2026 that give a true and fair view of the net profit and other comprehensive loss and other financial information 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 the LODR Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company 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 Standalone Financial Results that give a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Results, the Board of Directors is responsible for assessing the Company's ability, to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the

Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the financial reporting process of the Company.



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Auditor's Responsibilities

(a) Audit of the Standalone Financial Results for the year ended March 31, 2026

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Results for the year ended March 31, 2026 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 Standalone Financial Results.

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 Standalone 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 the Company's internal control.
- 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 the LODR 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 Company 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 Statement 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Annual Standalone Financial Results, including the disclosures, and whether the Annual Standalone Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the Annual Standalone Financial Results of the Company to express an opinion on the Annual Standalone Financial Results.

Materiality is the magnitude of misstatements in the Annual Standalone Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Annual Standalone 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 Standalone Financial Results.

We communicate with those charged with governance 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

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relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

(b) Review of the Standalone Financial Results for the quarter ended March 31, 2026

We conducted our review of the Standalone Financial Results for the quarter ended March 31, 2026 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.

Other Matter

The Statement includes the results for the Quarter ended March 31, 2026 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 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: 26110128QRYXBY6838

Place: Bengaluru
Date: 04 May, 2026

Qess Corp Limited

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

Part 1: Statement of standalone financial results for the quarter and year ended 31 March 2026

(INR in millions except per share data)

Sl. No.	Particulars	Standalone				
		Quarter ended			Year ended	
		31 March 2026 refer note 2	31 December 2025 (Unaudited)	31 March 2025 refer note 2	31 March 2026 (Audited)	31 March 2025 (Audited)
1	Income					
	a) Revenue from operations	35,604.01	36,381.56	33,646.42	1,41,053.85	1,37,872.11
	b) Other income	193.56	88.19	192.88	645.35	1,306.68
	Total income (a + b)	35,797.57	36,469.75	33,839.30	1,41,699.20	1,39,178.79
2	Expenses					
	a) Cost of material and stores and spare parts consumed	-	-	0.69	-	0.81
	b) Employee benefits expense	34,081.45	34,522.56	31,786.18	1,34,373.77	1,29,960.24
	c) Finance costs	127.77	121.93	88.92	467.31	371.04
	d) Depreciation and amortisation expense	93.72	99.56	93.13	388.87	387.49
	e) Other expenses	862.53	1,256.52	1,344.16	4,272.56	5,857.23
	Total expenses (a + b + c + d + e)	35,165.47	36,000.57	33,313.08	1,39,502.51	1,36,576.81
3	Profit before exceptional items and tax (1 - 2)	632.10	469.18	526.22	2,196.69	2,601.98
4	Exceptional items loss [refer note 8 and 9]	17.58	68.12	1,384.23	346.67	1,545.36
5	Profit/(Loss) before tax (3 - 4)	614.52	401.06	(858.01)	1,850.02	1,056.62
6	Tax expense/ (credit)					
	Current tax	-	-	-	-	-
	Deferred tax	26.83	(104.37)	(45.41)	(41.22)	(144.63)
	Total tax expense/ (credit)	26.83	(104.37)	(45.41)	(41.22)	(144.63)
7	Profit/(Loss) for the period/year (5-6)	587.69	505.43	(812.60)	1,891.24	1,201.25
8	Other comprehensive (loss)/ income					
	Items that will not be reclassified subsequently to profit or loss					
	Re-measurement losses on defined benefit plans	(127.47)	(116.17)	(56.50)	(364.16)	(141.10)
	Income tax relating to items that will not be reclassified to profit or loss	32.08	29.24	35.51	91.65	35.51
	Total Other Comprehensive (loss)/ income	(95.39)	(86.93)	(20.99)	(272.51)	(105.59)
9	Total comprehensive income/(loss) for the period/ year	492.30	418.50	(833.59)	1,618.73	1,095.66
10	Paid-up equity share capital (Face value of INR 10.00 per share)	1,493.31	1,492.03	1,489.19	1,493.31	1,489.19
11	Reserves i.e. Other equity				7,824.53	7,809.46
12	Earnings/ (loss) per equity share	(not annualised)	(not annualised)	(not annualised)	(annualised)	(annualised)
	(a) Basic (in INR)	3.94	3.39	(5.46)	12.69	8.08
	(b) Diluted (in INR)*	3.94	3.38	(5.46)	12.67	8.05

See accompanying notes to the financial results

*Since Basic EPS is negative for the quarter ended 31 March 2025, the Diluted EPS will be same as Basic EPS.



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Standalone Balance Sheet as at 31 March 2026

(INR in millions)

Particulars	As at	As at
	31 March 2026	31 March 2025
	(Audited)	(Audited)
A ASSETS		
1 Non-current assets		
Property, plant and equipment	64.95	90.43
Right-of-use assets	1,056.59	891.93
Other intangible assets	98.68	136.41
Intangible assets under development	16.52	-
Financial assets		
Investments	2,432.33	2,432.33
Loans	-	190.95
Other financial assets	496.20	442.29
Deferred tax assets (net)	1,410.58	1,277.71
Income tax assets (net)	3,729.32	3,180.15
Other non-current assets	488.87	435.53
Total non-current assets	9,794.04	9,077.73
2 Current assets		
Financial assets		
Investments	512.06	-
Trade receivables		
- Billed	6,691.77	7,359.93
- Unbilled	6,929.31	5,959.84
Cash and cash equivalents	777.18	1,709.67
Bank balances other than cash and cash equivalents above	201.37	102.12
Loans	4.47	8.20
Other financial assets	744.69	121.07
Other current assets	504.98	599.91
Total current assets	16,365.83	15,860.74
Total Assets	26,159.87	24,938.47
B EQUITY AND LIABILITIES		
1 Equity		
Equity share capital	1,493.31	1,489.19
Other equity	7,824.53	7,809.46
Total Equity	9,317.84	9,298.65
2 Liabilities		
Non-current liabilities		
Financial liabilities		
Lease liabilities	939.46	801.83
Non-current provisions	3,087.79	2,238.62
Total non-current liabilities	4,027.25	3,040.45
3 Current liabilities		
Financial liabilities		
Borrowings	-	123.49
Lease liabilities	208.58	192.59
Trade payables		
Total outstanding dues of micro enterprises and small enterprises	43.05	210.90
Total outstanding dues of creditors other than micro enterprises and small enterprises	132.52	232.68
Other financial liabilities	9,042.09	8,014.83
Income tax liabilities (net)	-	51.89
Current provisions	16.89	-
Other current liabilities	3,371.65	3,772.99
Total current liabilities	12,814.78	12,599.37
Total Liabilities	16,842.03	15,639.82
Total Equity and Liabilities	26,159.87	24,938.47

See accompanying notes to the financial results



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Standalone statement of cash flows for the year ended 31 March 2026

(INR in millions)

Particulars	For the year ended	
	As at 31 March 2026	As at 31 March 2025
	(Audited)	(Audited)
Cash flows from operating activities		
Profit after tax	1,891.24	1,201.25
Adjustments to reconcile net profit to net cash provided by operating activities:		
Tax credit	(41.22)	(144.63)
Interest on tax refunds	(24.54)	(180.63)
Interest on term deposits	(29.76)	(24.76)
Amortised cost adjustments for financial instruments	(40.26)	(2.72)
Fair value loss adjustments through profit and loss account	7.56	-
Profit on sale of property, plant and equipment, net	(0.87)	(0.34)
Dividend income on investments in subsidiaries	(264.95)	(897.15)
Net gain on sale of investments in mutual funds and others	(8.24)	-
Interest on loans given to related parties	(6.19)	(14.85)
Employee stock option cost	31.73	41.12
Finance costs	467.31	371.04
Depreciation and amortisation	388.87	387.49
Expected credit loss on financial assets, net	163.17	506.61
Exceptional items (refer note 9)		
- Impairment of investment, Loan and advances of subsidiaries and other intangible asset	267.31	161.29
- Expected credit loss on Trade receivables (billed and unbilled) and security deposits	-	1,186.72
- Employee stock option cost	5.16	32.82
- Stamp duty on demerger expenses	-	118.32
Foreign exchange (gain)/loss	(3.44)	5.23
Deposits written off	6.14	-
Operating cash flows before working capital changes	2,809.02	2,746.81
Changes in operating assets and liabilities		
Changes in inventories	-	(0.39)
Changes in trade receivables and unbilled revenue	(464.48)	(1,071.82)
Changes in loans, other financial assets and other assets	(581.63)	(225.80)
Changes in trade payables	(268.01)	123.83
Changes in other financial liabilities, other liabilities and provisions	957.69	228.68
Cash generated from operations	2,452.59	1,801.31
Refund received / income taxes (paid), net	(616.40)	1,467.73
Net cash flows from operating activities (A)	1,836.19	3,269.04
Cash flows from investing activities		
Expenditure on property, plant and equipment and intangibles	(64.26)	(15.02)
Proceeds from sale of property, plant and equipment and intangibles	0.87	0.77
Investments in mutual funds and others	(12,751.41)	-
Proceeds from sale of mutual funds and others	12,240.03	-
Dividend received (net of tax deducted at source)	264.95	897.15
Placement of bank deposit	(411.06)	36.49
Redemption of bank deposit	247.57	-
Loans and advances given to related parties	(27.75)	(63.80)
Repayment of loans and advances by related parties	2.18	47.71
Interest received on term deposits	36.11	39.74
Net cash from / (used in) investing activities (B)	(462.77)	943.04
Cash flows from financing activities		
(Repayments) of working capital loan, net	(123.49)	(1,235.36)
Shares issued on exercise of employee stock options	4.12	4.09
Repayment of lease liabilities	(341.46)	(306.06)
Interest paid	(208.96)	(142.18)
Dividend paid	(1,636.12)	(1,482.75)
Net cash used in financing activities (C)	(2,305.91)	(3,162.26)
Net (decrease)/increase in cash and cash equivalents (A+B+C)	(932.49)	1,049.82
Cash and cash equivalents at the beginning of the year	1,709.67	2,823.04
Less: Cash transferred due to Scheme of Arrangement	-	(2,163.19)
Cash and cash equivalents at the end of the year	777.18	1,709.67
Components of cash and cash equivalents		
Demand drafts in hand	24.70	-
Balances with banks		
In current accounts	742.68	1,709.57
In deposit accounts (with original maturity of less than 3 months)	9.80	0.10
Cash and cash equivalents as per standalone balance sheet	777.18	1,709.67



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Notes for the quarter and year ended 31 March 2026:

- 1 The standalone financial information of Quess Corp Limited ("the Company") for the quarter and year ended 31 March 2026 have been taken on record by the Board of Directors at its meeting held on 04 May 2026. The statutory auditors have expressed a qualified review conclusion on the financial results for the quarter ended 31 March 2026 and have expressed a qualified audit opinion on the financial results for the year ended 31 March 2026. These standalone financial results have been extracted from the standalone financial information.
- 2 The Statement includes the results for the quarters ended 31 March 2026 and 31 March 2025, 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 Pursuant to the provisions of the Listing Agreement, the Management has decided to publish consolidated audited financial results in the newspapers. The standalone audited financial results and the audit / 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.uesscorp.com.
- 4 In accordance with Ind AS 108, Operating segments, segment information has been provided in the consolidated audited financial results of the Company and therefore no separate disclosure on segment information is given in these standalone audited financial results.
- 5 The Board of Directors at their meeting held on 28 January 2026 declared interim dividend of INR 5.00 per equity share (face value of INR 10.00 each) for the financial year 2025-26 aggregating to INR 746.02 million and the same was paid on 16 February 2026.

Subsequent event:

The Board of Directors at their meeting held on 04 May 2026 recommended a final dividend of INR 3.00 per equity share (face value of INR 10.00 each) for the financial year 2025-26 aggregating to INR 447.99 million subject to approval of members in the Annual General Meeting.

The Board of Directors, at their meeting held on 4 May 2026, recommended a special dividend of INR 3.00 per equity share (face value of INR 10.00 each) to mark the tenth anniversary of the Company's IPO. This dividend pertains to the financial year 2025-26 and aggregates to INR 447.99 million.

- 6 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 14 May 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.

7 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) INR 1,588.24 million for year ended 31 March 2026. For fiscal 2024 and 2025, the Company had also claimed deduction under section 80JJAA aggregating to INR 8,447.82 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.



8 Impact of Labour Codes:

Effective 21 November 2025, the Government of India notified the four 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 draft Central Rules and FAQs released by the Ministry of Labour & Employment, the Company has assessed and disclosed the incremental impact on its employee benefit liabilities arising from these changes using the best information currently available.

In the standalone financial results for the year ended 31 March 2026, the Company has recognized an incremental expense of INR 60.84 million under "Exceptional Items". During the quarter ended 31 March 2026, the Company has recognized a net reversal of INR 7.28 million under "Exceptional Items". For billable employees, the incremental impact arising from changes in labour codes 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 related Rules to the New Labor Codes by the Government and any further clarification from the Government on other aspects of the New Labour Codes, the Company will evaluate and account for differential impact, if any, in subsequent periods.

9 Exceptional items:

i) During the quarter and year ended 31 March 2026, the Company assessed the recoverable value of loan (including interest receivable) for its subsidiaries and recognised an impairment loss of INR 24.86 million and INR 267.32 million respectively.

ii) The Company incurred certain professional fees relating to demerger and certain employee benefits expense aggregating to INR 18.51 million for the year ended 31 March 2026 towards the Composite Scheme of Arrangement.

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



Guruprasad Srinivasan
Executive Director (Whole-time director)
DIN: 07596207
Place: Bengaluru
Date: 04 May 2026

