

3rd October, 2023

To

BSE Limited,

1st Floor, New Trading Ring,
Rotunda Building, Phiroze Jeejeebhoy
Towers, Dalal Street, Mumbai - 400 001

National Stock Exchange of India Limited

Exchange Plaza, Bandra-Kurla Complex,
Bandra (East),
Mumbai - 400 001

Security Code - 539978

NSE Symbol - QUESS

Dear Sir/Madam,

Sub.: Transcript of 16th Annual General Meeting of Quess Corp Limited ("the Company")

Please find enclosed the transcript of the 16th Annual General Meeting of the Company held on Tuesday, September 26, 2023 at 3.30 P.M (IST). This will also be available on the Company's website <https://www.uesscorp.com/investors/>

This is for your information and record.

Yours sincerely,

FOR QUESS CORP LIMITED

KUNDAN K LAL

COMPANY SECRETARY & COMPLIANCE OFFICER

Quess Corp Limited

Quess House, 3/3/2, Bellandur Gate, Sarjapur Road, Bengaluru-560103, Karnataka, India
Tel: +91 80 6105 6001 | connect@uesscorp.com | CIN No.L74140KA2007PLC043909

www.uesscorp.com

TRANSCRIPT OF QUESS CORP LIMITED - 16TH ANNUAL GENERAL MEETING HELD AT 03.30 PM (IST) ON TUESDAY, SEPTEMBER 26, 2023 THROUGH VIDEO CONFERENCING.

Ajit Isaac:

Good Afternoon!

Ladies and Gentlemen,

I hope all of you are safe and in good health. It is 3:30 p.m. and the time to begin the proceedings. On behalf of the Board of Directors of your Company, I, Ajit Isaac, Chairman of the Company, extends a warm welcome to all of you to this 16th Annual General Meeting of Quess Corp Limited. Sincerely, thank all of you for your gracious presence continued trust and patronage extended to the company.

This meeting is being held through video conference in accordance with the circulars issued by the Ministry of Corporate Affairs and SEBI. I would like to let you know that the proceedings of this meeting are being recorded. During the meeting, all participants would be on mute.

The Company has made all efforts feasible under the current circumstances to enable our members to participate through the video conferencing facility and vote electronically. Members will be allowed to join on a first come first serve basis.

Before I proceed further, I would like to introduce to you my colleagues joining over VC. I would request each member to raise their hand when I introduce them.

- Ms. Revathy Ashok, Non-Executive Independent Director of the Company and Chairperson of the NRC and CSR Committee, attending this AGM from Bengaluru. Ms. Revathy.
- Mr. K. R. Girish, Non-Executive Independent Director of the Company and Chairman of the Audit Committee, attending this AGM from Bengaluru. Mr. Girish.
- Mr. Sanjay Anandaram, Non-Executive Independent Director of the Company and Chairman of the Stakeholders Relationship Committee attending this AGM from Bengaluru. Mr. Sanjay.
- Mr. Gaurav Mathur, Non-Executive Independent Director of the Company attending this AGM from Mumbai. Mr. Gaurav.
- Mr. S. Gopalakrishnan, Non-Executive Director of the Company attending this AGM from Canada. Mr. Gopal.
- Mr Guruprasad Srinivasan, Executive Director and Group CEO of the Company, attending this AGM from our Registered Office, Bengaluru. Guru.
- Mr. Kamal Pal Hoda, Group Chief Financial Officer of the Company attending this AGM from our Registered Office, Bengaluru. Kamal.
- Mr. Kundan Lal, VP and Company Secretary of the Company attending this AGM from our registered office, Bengaluru. Kundan.

Mr. Chandran Ratnaswami, Non-Executive Director of the Company has expressed his inability to attend the meeting.

Apart from them, we also have key executives and senior management joining from their respective locations, among them Mr. Anand Subramanian, Partner of M/s Deloitte Haskins & Sells LLP, Statutory Auditors of the Company, and Mr. S.N. Mishra, who is the Secretarial Auditor and Scrutinizer of the e-voting process of the AGM.

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There has been a change in the Key Managerial Personnel since the last AGM:

During the year, Mr. Kamal Pal Hoda was appointed as the Group Chief Financial Officer of the Company with effect from 10th January, 2023 in place of Mr. N. Ravi Vishwanath who superannuated from the Company in the same month.

I have been informed that we have the requisite quorum present through video conference to conduct the proceedings of the meeting. The participation of members through video conference is being considered for the purpose of quorum as per the circulars issued by MCA and Section 103 of the Companies Act, 2013. The quorum being present, I call this meeting to order.

I now request our Company Secretary Mr. Kundan, to provide general instructions to the members regarding participation in the meeting.

Kundan K Lal:

Thanks Sir.

Good Afternoon everyone. Members may note that this AGM is being held through video conference in accordance with the Companies Act, 2013 and circulars issued by the Ministry of Corporate Affairs and SEBI.

The Register of Directors and KMP, the Register of Contracts and Arrangements, ESOP Certificate issued by Secretarial Auditors, have been made available electronically for inspection by the members during the AGM.

As the AGM is being held through video conference, the facility for the appointment of proxies by the members was not applicable and hence the proxy register for inspection is not available.

The Company has received requests from 4 members to speak at this meeting. Accordingly, the floor will be open for these members to raise their queries. The moderator will facilitate this session for questions and answers. We request speakers to be crisp and brief for the benefit of other shareholders.

The Company had provided the facility to cast the votes electronically, on all resolutions set forth in the Notice. The remote e-voting commenced at 09.00 A.M. on September 22, 2023 and concluded at 05.00 P.M. on September 25, 2023.

Members who have not cast their votes yet electronically and who are participating in this meeting will have an opportunity to cast their votes during the meeting through the e-voting system provided by CDSL.

Mr. S.N. Mishra, Practicing Company Secretary has been appointed as Scrutinizer to ensure the e-voting process and to submit his report on the results of e-voting with respect of all resolutions contained in the AGM Notice.

In case members face any difficulty, they may reach out on the helpline numbers of CDSL.

With this, I request the Chairman to continue the proceedings.

Now I request moderator to upload the presentation for Chairman's speech.

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Ajit Isaac:

Thank you, Kundan.

Chairman Speech:

Dear Shareholders,

Welcome to the 16th Annual General Meeting of Qess Corp. On behalf of the Board of Directors, I thank each one of you for joining us.

FY23 saw a rebound in the economy and India particularly saw a better economic sentiment. Employment saw higher levels as the various measures by the government have accelerated the formalization of the Indian workforce. The tech sector, however, saw some headwinds and start-ups in particular found difficulties due to the funding winter that has set in. These trends combined with our sales and operations efforts have resulted in increasing our workforce from 4,37,000 to 5,11,000 by the end of the year, making Qess a leading domestic employer.

Before we proceed to look at the results of the company, I will take you through some organizational highlights.

Organizational Highlights:

The previous year has been a year of significant strategic progress for us, albeit with its own set of challenges. We were able to reach a new set of milestones by strengthening our footprint of 83 offices across 34 cities, servicing a 3,000+ client base.

FY23 has also been the year in which our digital assets took significant strides:

1. Product enhancements in Foundit have resulted in the number of recruiters on the platform crossing 50,000 while maintaining a 90%+ CSAT throughout the year;
2. Qdigi - our break-fix and after-market services business refurbished ₹1.5 million devices during the year;
3. Also, we completed the divestment of Simpliance at an enterprise value of ₹120 Crores. The carrying value of a 53% stake in Simpliance was ₹4.5 Crores and the sale has resulted in an aggregate gain of ₹53.50 Crores

Among other points:

- The Board of Directors accorded their approval for the merger of Greenpiece, Connect and MFX Infotech into Qess Corp Ltd and that process is currently underway;
- In the domain of Workforce Management, we have a workforce of 360,000 associates - the largest in the general staffing business. We've onboarded 286 new clients, expanding our reach, and we're proud to have 250,000 users actively using WorQ - our application for engaging with our associates. These numbers and initiatives reflect our commitment to serving our workforce efficiently;
- Global Technology Solutions segment has proven to be a successful addition to your company, making a substantial contribution with an EBITDA of ₹354 Crores, marking its position as our largest EBITDA contributor. Furthermore, we have processed 13.74 million payslips, making us the largest payroll processing company in India;

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- In the Operating Asset Management business, we have a dedicated workforce of 91,000 associates overseeing 360 million square feet of space, making us a top 5 player in the FMS space in India.
- Foundit under our Product Led business segment has received 20+ million job views per month and 12 million site traffic per month. It has 50,000+ recruiters on the platform with 8,50,000 job openings in formal sector. We believe that the product development process is on track and will generate significant value for our investment over time.

Financial Performance:

Let's now take a look at the Financial Performance of your company

On an overall basis,

- We have closed the year with a headcount of 5,11,000 and revenues of ₹17,158 Crores registering a robust YoY growth of 17% and 25% respectively. This growth was broad-based as all platforms contributed to it;
- EBITDA dropped year on year by 6% to ₹586 Crores in FY'23, which is largely due to growth investments of ₹95 Crores in the Product lead platform. Adjusted to that, EBITDA grew by 7% to ₹681 Crores;
- Our operating PAT stood at ₹223 Crores, in FY23 down 11% year on year and adjusted for the product-led business platform PAT stood at ₹334 Crores. Our normalized EBITDA to PAT conversion for FY'23 stands at 40%;
- OCF conversion to EBITDA for FY23 stood at 71%, exceeding our guidance of 70%.

Let's take a look at the performance of individual platforms:

- Our workforce management platform, headed by Mr. Lohit Bhatia, closed FY23 with a revenue of ₹11,831 Crores growing by 25% compared to last year and EBITDA of ₹345 Crores, an 18% growth. This was driven by HC additions in Staffing in India and increased business in Singapore due to the easing of travel restrictions post Covid;
- Global Technology Solutions platform, headed by Mr. Pinaki Kar, closed FY23 with ₹2,168 Crores up 23% from FY22 and achieved an EBITDA of ₹353 Crores, an increase of 11% compared to FY22;
- Operating asset management platform which performs mostly Facility Management Services and led directly by Mr. Guruprasad Srinivasan, closed FY23 with revenues of ₹2,622 Crores, up 24% from FY22. However, EBITDA remained flat at ₹120 Crores YoY, because of renegotiation of commercials with one of the major customers in IFM business, as called out in Q1 of FY23;
- Our Product Led Business, headed by Mr. Sekhar Garisa, closed FY23 with ₹538 Crores up 58% from FY22. Due to investments made in the year on product development and marketing in FoundIt, we saw a total loss of ₹95 Crores, an increase of ₹83 Crores on a YOY basis.

Further, consequent to consistent cash generation, we paid out a dividend of ₹8 per share for FY23. With our goal of 20% CAGR in OCF, we expect to continue with our stated dividend policy.

As we move forward, let's take a look at the focus areas for FY24.

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Focus Areas for FY24:

As we move through FY24, our goal is to take advantage of the large market in India and accelerate our journey. We are focusing on the following drivers to achieve the same:

- First is to achieve double digit growth in FY24. In order to achieve that, our WFM vertical will focus on previously untapped segments of Construction, Manufacturing and Industrials, to drive headcount addition. We are also creating a capability for large deals under CLM business in addition to expanding the sectors that we are operating in. Our Operating Asset Management business will continue to focus outside the IT/ITeS segment to drive growth.
- Second is to improve margins through:
 - ❖ Digital transformation in all part of our businesses
 - ❖ Improving core-to-efficiency ratio of OAM to 1:150 by FY25 from 1:84 presently
 - ❖ Keeping indirect cost in check as % of revenue
- Third, as we continue to focus on the digital transformation journey, the scope of transformation is both internal and external i.e., not only digital transformation will drive efficiency in internal processes such as recruiter productivity but will also provide our customers with industry-leading digital-enabled services.
- Finally, we will explore all avenues for value unlocking across businesses:
 - ❖ We are committed to unlocking the full potential of our product-led businesses, including Foundit. We believe that these businesses have achieved a certain maturity that presents significant opportunities for value creation;
 - ❖ We will continue to focus on rationalising our operating structure. This will help us to cut the compliance costs and optimize our tax structure;
 - ❖ As part of our commitment to financial consolidation, we have set a goal for debt reduction; and
 - ❖ We are focussed on enhancing the conversion of EBITDA to PAT. This improvement ensures that we are not only generating revenue but also maximizing profitability, which is crucial in creating shareholder value.

Awards and Recognition:

I am pleased to take a moment to inform you of the awards and recognition that Qess has garnered.

In the previous year, Qess was ranked 54th globally in the Top 100 largest global staffing firms list in 2022 by Staffing Industry analysts.

We were once again certified as a “Great Place to Work” by GPTW® Institute, for the fourth consecutive year. This certification is recognized globally by employees and employers alike and is considered the ‘Gold Standard’ in identifying and recognizing great workplace culture.

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Giving back to society

Every organization has a responsibility to contribute to the community that it belongs to:

At Ques's, we have a strong conviction in “progress with purpose”. This means that our growth aspirations are closely tied to our core purpose and values of responsible business conduct. We responsibly disposed of over 7.3K+ Kg of e-waste and recycled over 7.5K+ kg of paper last year. We have started to measure our carbon footprint since FY23. Although our electricity consumption has been a key focus area, to further reduce our Scope 2 emissions, we have taken measures such as consolidating 10 offices across the city to reduce our Scope 2 emissions into one efficient building housing 1200+ employees. Further, we have maintained 9.9 million+ Sq. ft of green spaces across India in FY23 which helps in promoting biodiversity and mitigating the urban heat island effect.

Your company has also taken conscious measures to build an organisation that prides itself on diversity and inclusion. Representation of women in our core employees is at 28% and 18% for associates this year and we have an aspirational target of 50% women employee representation by 2025. Our Equal Employment Opportunity Policy lays down our guidelines and processes to ensure inclusive and non-discriminatory growth.

We also made various interventions in education and health through our Ques's Foundation. As of 31st, March 2023, we have covered 75 government schools, impacting the lives of 17,000 children through our School Upgradation Program.

We also distributed 16k+ school bags and 92k+ notebooks and through our School Health Programs, 12K+ students were provided medical screening.

Creating Value for Shareholders:

Before I conclude my remarks, I would like to emphasize our focus on long-term value creation for all shareholders.

Ques's continues to enjoy massive macroeconomic tailwinds especially the movement from the informal to formal sector. We continue to work towards achieving the market-leading scale and expect to employ about 0.6mn associates by the end of FY24.

We have a clear capital allocation policy, crucial for ensuring that our resources are efficiently utilized.

Our goal is to reduce debt, strengthen our balance sheet by optimizing OCF conversion and facilitating further growth with reduced financial burden.

On the HR front we aspire to be recognized among India's Top 50 Great Places to Work and we acknowledge that our employees are our most valuable asset.

Closing Remarks

To conclude, our goal is to create an all-weather company for our investors and thank you for your continued support and trust in us and look forward to our continuing interactions.

The reports of the Statutory and Secretarial Auditors have already been circulated to you as part of the Annual Report. The said reports do not contain any qualifications or observations in the

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Independent Auditors' Report, both in Standalone and in Consolidated and in the Secretarial Audit Report. Therefore, it is not necessary to read the said Reports at this meeting.

As the Notice is already circulated to all the members, I take the Notice convening this meeting as read. As the meeting is convened through VC today, resolutions have already been put to vote through e-voting and the requirement to propose and second is not available.

I request Kundan, Company Secretary to brief the members about the agenda items as contained in the Notice convening this AGM. We will open the floor for any questions by members thereafter. Over to you, Kundan.

Kundan K Lal:

Dear Members, there are six agenda items in the Notice of the AGM. Four are Ordinary Business and subsequent two are Special Business.

Ordinary Business (Item Nos 1 and 4):

Item No. 1 - To receive, consider, approve and adopt Audited Standalone Financial Statements for the financial year ended March 31, 2023 along with report of the Board of Directors and the Auditor's Report thereon as an Ordinary Resolution.

Item No. 2 - To receive, consider, approve and adopt Audited Consolidated Financial Statements for the financial year ended March 31, 2023 along with the Auditor's Report thereon - as an Ordinary Resolution.

Item No. 3 - To appoint Mr. Chandran Ratnaswami (DIN: 00109215) as a Director liable to retire by rotation -as an Ordinary Resolution.

Item No. 4 - To reappoint M/s Deloitte Haskins & Sells LLP as Statutory Auditors of the Company for a second term of five consecutive years and to fix their remuneration - as an Ordinary Resolution.

Special Business (Item Nos 5 and 6):

Item No. 5 - To continue the directorship of Mr. Chandran Ratnaswami (DIN: 00109215) as a Non-Executive Director of the Company beyond the age of 75 years -as a Special Resolution.

Item No. 6 - Commission payable to the Independent Directors of the Company - as an Ordinary Resolution.

Now, before we go live with the Q&A, here are some points to note for your convenience. Once you are invited to speak, kindly turn on your video, unmute yourself, and proceed to ask the question. Please mention your name, and the location from where you are joining. Each speaker shareholder is requested to limit their views/questions in crisp and brief and not exceeding 3 minutes.

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To avoid repetition, the answers to all the questions will be provided towards the end. Once you have asked your question, you can mute yourself and continue to watch the proceedings.

With permission of the chairman, I would now invite the speakers one by one.

Question and Answer Session:

Kundan K Lal:

Now I request, Dr. Arun Kumar Bopanna, if he has joined, to unmute himself and kindly proceed with the questions.

Dr Arun Kumar Bopanna, Shareholder:

Good afternoon Everybody. Thanks to Kundan and Shivani. I refuse to tell my name and where I am speaking Kundan, I am not that in secret, you know, where I am. Compliments to the Chairman and CFO for entrepreneurship, positive social impact and achieved success with outcomes, focused more on incomes. Happy that Mr. Ajit and Mr. Guruprasad values both growth and ethical behaviour in leadership. And I am happy, ours is the 4th largest staffing company in the world, a great place to work. And glad we have increased a workforce from 4.37 lacs to 5.1 lacs. And I am proud that you distributed the educational kits because education is the key for us to and for all ills in the society.

My questions are as follows:

1. What is the Cost Impact? Because I think yours is a novel way of coming or work life balance you are taking care of remuneration, leaves, wellness and family celebration too. This is definitely additional cost. What is the cost?
2. And do you think India will become a preferred manufacturing base for multinationals due to China's +1 strategy? Will the traction increase with rebound in the economy too?
3. Where will the fund be deployed by sale of 53% stake in Simpliance Technologies - ₹ 120 crores versus ₹ 4.5 crores investment. I think the outcome is better more than the income and I am happy about it.
4. What is your forecast for staffing in Tier 2 and Tier 3 cities with a real estate and talent cost?
5. And lastly Sir, its KYC and IEPF. I am sure Kundan must be facing some problems, some shareholders I have a problem with some Company in Tamil Nadu. The problem with IEPF is you cannot navigate through MCA site. There are bugs in that. I suggest you to help the shareholders who are stuck with IEPF.

In conclusion, I wish Quess Corp better achievements to provide large scale staffing under one roof with the talented workforce and your strategic leadership and roadmap. Thank you very much. I wish you all the best. I would be happy to attend a physical meeting. Four of you in one cubicle. I am not able to see your reactions. Thank you very much.

Kundan K Lal:

Sir, Thank you very much for your time and participation. We would like to thank you for your appreciation about the company. We have noted your questions and will answer all the questions at the end of the session.

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Now we have questions coming in from the next shareholder, Mr Yusuf Yunus Rangawalla. Moderator, if he has joined, please unmute him.

So, now we move to the next shareholder, Mr Vinod Aggarwal. Mr Aggarwal if you have joined please unmute yourself and go ahead with your questions.

Vinod Aggarwal, Shareholder:

Hello can you hear me? Respect the Chairman Mr. Ajit Isaac, CEO Mr. Guruprasad Srinivasan, CFO Mr. Kamal Pal Hoda and CS Mr. Kundan Lal. Good Afternoon and Congrats to everyone. So, I voted for all the six resolutions to be adopted in today's AGM.

Sir, the revenue last year was high, but the PAT came down, it means that the margins came down, but I am sure we will recover the margins in the coming year. We have reduced the debt this year by ₹56 to ₹57 crores, which is a good sign that it will reduce the finance cost that we incurred about ₹107 billion last years that will reduce.

Sir, we have got 4 of the businesses which are doing well, and all of 4 segments are doing well: Global Tech Solutions, Workforce Management, Operating Asset Management, Product led businesses and digicare services and we are the largest staffing Company in India with 5.11 lakh associates and staff and personally I have seen the staff in 2 companies in which I go: IndusInd Bank and other was BSF. It was glad to see that our company staffing people been working in these Companies: IndusInd and BSF. It is a great place to work for so many years, and I congratulate the management for all many awards they have won, as mentioned on pages 5 and 6 of the Annual report. I wish the Company all the best for the future.

Signing off, the dividend you have given was ₹12 on face value of ₹12, i.e., 120% dividend - that is great. Very Good Sir! Thank You! Thanks Everyone!

Kundan K Lal:

Thanks Mr. Aggarwal. Now we move to the next speaker Mr. Tejas Shah. Mr. Shah, please unmute yourself.

Tejas Shah, Shareholder:

Respected Chairman and the Board of Directors. I am Tejas Shah from Ahmedabad. That was a fantastic presentation and covered various important points. I will keep my speech short.

On 18th September, I had requested the Company via email to send me a hard copy of the Annual Report along with Balance Sheets of the Subsidiaries. I have still not received the said documents. Yesterday, I had a call with Mr Kundan Lal who affirmed that I will receive the requested documents within a couple of days. I will send my queries in writing regarding the Balance Sheets of the Subsidiaries later. I thank Mr Kundan Lal and the management for sending me the link to attend the AGM.

We have total 38 subsidiaries, out of which more than half of them are incurring losses. I want to ask the management that why is it necessary to have so many subsidiaries.

I appreciate the Company for having less related party transactions which signify that the company follows the principles of good corporate governance. I would like to opine that there is no significant improvement in the performance of the Company this year. Also we are unfortunate as shareholders that we have not received any dividend this year. So, I request the management to declare the interim dividend.

The finance cost has risen and I hope the Management plans to reduce the same. I request the Company to specify the roadmap of the Company for the next 3 years. I will conclude by saying all the best to the Board Members.

Kundan K Lal:

Thank you Mr Shah. So, with this, we conclude the question session with the speakers. Now, we will answer the questions raised by the speakers. So I request our Chairman and Executive Director, Mr. Guruprasad to answer the queries.

Guruprasad Srinivasan:

Thank you Mr. Arun Kumar Bopanna, Mr. Vinod and Mr. Tejas for your questions.

Let me go one by one. First question was regarding work life balance being offered to employees with respect to leaves and wellness of employees and how does it impact on the cost. As Chairman alluded in his speech, we have been awarded as a great place to work for the four times in a row. Our primary goal is to focus on better productivity. When I say better productivity, I mean how we give better environment to our own people, because we have no other asset beyond people. Our people enable us to manage our customer engagements, the product and goods and services that we deliver to our customers. From that context, to give a better environment and they are being really taken care of well, a better office, and where it can be a better office environment, all of this also reflects in the kind of efficiency that they bring in. Constantly we work on how do we keep the satisfaction index intact and going up year on year. So that's one of the initiative, which helps us to keep motivated for our people. There are many initiatives throughout the organization that we carry on starting from paid time off, work flexibilities to people and all kind of hybrid model, whichever role permits them to operate. There are few roles who have to operate from field, few roles that can be operated from the back office and transaction can happen on a hybrid model. So, we ensure that, people get a better flexibility on that. And a good training, we invest, in fact, this also gets discussed at the Board level that how many hours we spend in terms of training our people and we measure that year on year and what kind of scaling that we give it to them. While all this becomes important we continue to do, that will continue to invest.

The way to look at cost here is, one metric that we measure at every business is core to associate ratio. If you look at sequentially for last 3 years continuously that's been rising which means the number of core employees who manage our associates which also reflects the kind of growth in the organization. 3 years back one of our largest business was General staffing alone. Our core to

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associate ratio was at a range was 350 which is now almost about 469, so it also talks about how efficient we are, while giving better training and better quality and work environment to our

people, we are also ensuring that there's a better productivity and transforming organization into the right direction.

Now moving on to the second question on - What do you think, India, in terms of manufacturing base for multinationals due to China's +1 strategy and how is it going to impact. At Quess, we are definitely seeing a good number of demand and mandates coming in from this particular sector. We strongly believe that India has a potential to become preferred manufacturing base for multinational due to China + 1 strategy. Coming together of various initiatives from Government, the PLI schemes that has been released and also a lot of work around on logistics, improvement such as, Gati Shakti, Bharat mala, high speed waterways, railways and dedicated roadways projects which are going and somewhere it has to lead and base of all of this is going to be generation of more employment, it needs more skilled people at the right time and at the right place. So, we are already seeing electronic manufacturing traction coming in electronic manufacturing slowly picking up. In that context, we are also seeing demand slowly coming up in last 18 months. We have seen our own demand that has gone up in this particular segment. Having said that, I think India has abundance in natural resources and it has a good land and workforce. Our workforce will continue to be atleast net positive for next 30 years, which means, at least for 3 decades, we see this kind of demand coming in specifically from these upcoming new sectors and we are quite bullish about it.

I have next question, which I will get Kamal to talk about specifically that came on the divestment of Simpliance and how did we deploy the fund.

Kamal Pal Hoda:

Thank You Guru. Simpliance as we mentioned was priced at ₹120 crores and we were holding 53% stake in the Company. Net off taxes we encashed almost ₹45 crores from the sale of Simpliance and we used that money to retire debt as we mentioned previously also has been a key focus area to bring down the debt levels.

We received a couple of questions from Mr. Tejas Shah also in terms of finance cost increasing and what are we doing. So the reason for finance cost increase was also last year. The interest rate scenario was different and there were rates increase throughout the year. But at a debt level, if you had seen last year, also, we brought down our debt levels by ₹56 crores, and we continue to focus on reducing our debt levels further down this year.

Guruprasad Srinivasan:

Thanks. Our next question was specifically about forecast for staffing coming in from Tier 2 and Tier 3 cities. I mean, this is a very interesting data. So recently we published our own database in terms of, you know, where do we get the demand from and majority of workforce distribution. This is quite an encouraging mandate, which is coming in from tier 2 tier 3 cities. There are few specific segments which are penetrating there for example - Logistics Chain Supply and E-Commerce moving into tier 2 tier 3 location.

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BFSI, digital payment has a great push, in terms of on boarding merchants, specifically for whether it is Google pay or Airtel money or digital cashless payments across. So, they need the bunches to be on boarded in every location. So, this is penetrating into Tier 2 Tier 3 kind of location. Of course, the retail segment is also going quite deep into Tier 3 Tier 4 locations. So, these are few sectors, BFSI, retail and logistics supply chain continues to push us and then coming in. So if I look at our own distribution of our workforce, 37% comes from tier 1 and balance 34% comes from Tier 2 Tier 3 cities.

So, that's in fact, it is quite encouraging to see, because the next level of growth in India is coming from these kind of towns which also means access to good talent pool and it helps us to know skill and deploy people better.

The next question was specifically related to KYC and Investor Education and Protection Fund. I will get Kundan to address that.

Kundan Lal:

Our physical shareholders are only related to Thomas Cook Demerger in 2019, otherwise there were no physical shareholders in our Company. As per the regulation, if any unclaimed dividend and corresponding shares are not claimed for 7 years, then it is liable to be transferred to IEPF account. Currently, there is no due to be transferred to IEPF. The same is due from 2019 and the Company is in complaint to the same.

As far as MCA Portal issue, we are seeing improvement on that in last couple of months and I think shareholders will feel better from now onwards.

Kamal Pal Hoda:

So there were questions on financial performance and related party transaction by Mr. Tejas Shah. So it was one on 38 subsidiaries and why so much subsidiaries. As explained previously, Corporate Structure Simplification continues to be a priority. For 3 of our subsidiaries, we are in NCLT and we are waiting for the final order and this will be a step towards simplification of group structure. For some of the other subsidiaries, we operate across 10 different geographies across globe and hence some of these subsidiaries are also emanating out of the requirement and these geographies to have a particular structure. But yes, corporate structure simplification continues to remain our top priority and we continue to work towards it. In terms of the specific question on governance and related party transaction, just to reassure that all related party transaction across the group are on arms length basis. In the business lines we operate, there are opportunities to serve some of our businesses and hence we go for group Companies but all transaction is done on the arms length basis.

Specific to your question on finance cost I covered it in my previous response that last year finance cost had increased despite reduction in the debt levels because of the rising interest rate scenario in the country but we continue to reduce and focus on our debt levels and continue to bring it down further in the running year.

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Lastly, your question on the performance and margins going down, last year reported EBITDA was 6% down year on year but as Chairman mentioned, there were specific investments in product led business, excluding those investments our EBITDA which is key performance measuring metrics was higher 7% year on year basis and with exit that we are planning for product led business on a breakeven, the margins will continue to improve from this point onwards.

Kundan K Lal:

One query that was relating to delay in receiving of Annual report. Mr. Shah, I spoke to you immediately on receiving your email which was parked in Junk due to a technical issue and immediately I have spoken to you and delivered the same through courier, which you will be receiving it today itself.

I now request the Chairman to continue with the proceedings.

Ajit Isaac:

I hope that we have answered questions to the satisfaction of the shareholders. Thank you, shareholders, for these insightful questions. Members may note that the voting on the CDSL platform will continue to be available for the next 15 minutes. For e-voting, please click on the **Cast Your Vote** tab as appearing on your screen. You will be redirected to the voting page while you continue to be part of the meeting. Therefore, members who have not cast their vote yet are requested to do so. Further, I hereby authorize the Company Secretary to declare the results of the voting and place the results on the website of the Stock Exchange and the Company at the earliest.

We are thankful to our shareholders and all stakeholders for their continued support to the Company.

I would like to extend our sincere gratitude and appreciation to the management and employees for their unwavering support during difficult times.

Thank you all for attending the meeting and I hereby declare the proceedings as closed.

Over to Kundan for the voting formalities.

Kundan K Lal:

Thank you Sir.

Thank you all Board members and members for their participation.

Dear all, we will wait for next 15 minutes just to record the votes cast and then in due course will declare the results. Thank you for the participation. The meeting is concluded at 4.30 P.M. and the voting line will be open for the next 15 minutes.

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