

February 16, 2024

To

BSE Limited,
1st Floor, New Trading Ring,
Rotunda Building, PJ Towers, Dalal Street,
Mumbai – 400 001
Security Code – 539978

National Stock Exchange of India Limited
Exchange Plaza,
Bandra-Kurla Complex,
Bandra (East), Mumbai – 400 051
NSE Symbol – QUESS

Dear Sir/Madam,

Sub: Intimation under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) read with SEBI Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023 - Scheme of Arrangement amongst the Company, Digitide Solutions Limited and Bluspring Enterprises Limited and their respective shareholders and creditors

Pursuant to Regulation 30 of the Listing Regulations, we wish to inform you that after considering, *inter alia*, the recommendation and reports of the Audit Committee and the Committee of Independent Directors of the Company, the Board of Directors of the Company (“**Board**”) at their meeting held today, February 16, 2024, approved the Composite Scheme of Arrangement amongst the Company, Digitide Solutions Limited (“**Resulting Company 1**”) and Bluspring Enterprises Limited (“**Resulting Company 2**”) and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder (“**Scheme**”).

The Scheme provides *inter alia* for the following:

- (a) the demerger of the Company’s undertakings engaged in Transferred Business 1 (*as described in Annexure A below*) (“**Demerged Undertaking 1**”) into Resulting Company 1 and in consideration, the consequent issuance of equity shares by Resulting Company 1 to all the equity shareholders of the Company in accordance with the Share Entitlement Ratio 1 (*as described in Annexure A below*); and
- (b) the demerger of the Company’s undertakings engaged in Transferred Business 2 (*as described in Annexure A below*) (“**Demerged Undertaking 2**”) into Resulting Company 2 and in consideration, the consequent issuance of equity shares by Resulting Company 2 to all the equity shareholders of the Company in accordance with the Share Entitlement Ratio 2 (*as described in Annexure A below*).

Resulting Company 1 and Resulting Company 2 are wholly owned subsidiaries of the Demerged Company, and will be listed on BSE Limited (“**BSE**”), National Stock Exchange of India Limited (“**NSE**”) (BSE and NSE are collectively referred to as “**Stock Exchanges**”) pursuant to the Scheme.

The Scheme is subject to, *inter-alia*, receipt of requisite approvals from SEBI, the National Company Law Tribunal, Bengaluru Bench (“**Tribunal**”), the Stock Exchanges and other statutory and regulatory authorities, and approval of the requisite majority of the shareholders and creditors of the Companies, under applicable law.

A Press Release in this regard has also been enclosed.

Quess Corp Limited

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

www.quesscorp.com

The disclosure as required under Regulation 30 of SEBI Listing Regulations read with SEBI Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023 is enclosed as **Annexure A**.

We request you to kindly take the above information on record.

Yours faithfully,
For **Quess Corp Limited**

Kundan K Lal
Company Secretary and Compliance Officer

Encl: As above.

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Annexure A

S. No.	Particulars	Details
1	Brief details of the division(s) to be demerged	<p>The Scheme provides <i>inter alia</i> for the following:</p> <p>(a) the demerger of Demerged Undertaking 1 (comprising <i>inter alia</i> of the Transferred Business 1) into Resulting Company 1. The Transferred Business 1 means the business undertaking of the Company that provides: (i) platform business services (including payroll processing and HRO, and InsurTech insurance processing platform); (ii) customer lifecycle management services (including omnichannel CRM, CRM digitisation, and tele-sales support); (iii) non-voice business process outsourcing services (including collections and finance and accounting outsourcing); and (iv) information technology services (including automation and RPA, cyber security, IT infra management and information technology); and</p> <p>(b) the demerger of Demerged Undertaking 2 (comprising <i>inter alia</i> of the Transferred Business 2) into Resulting Company 2. The Transferred Business 2 means the business undertaking of the Company that provides: (i) services for integrated facilities management, food, landscaping and integrated security solutions; (ii) services for maintenance of client assets (including asset management, industrial O&M, IoT-based solutions, telecom network design, implementation and optimisation, and meter reading and billing); and (iii) services for recruiters/ corporates (including database assess, job posting, employer branding, assisted search, virtual career fairs) and services for job seekers (including advanced job search, resume, custom job recommendation, virtual career fairs and assessments).</p>
2	Turnover of the demerged division and as percentage to the total turnover of the listed entity in the immediately preceding financial year/ based on financials of the last financial year	<p>The turnover of Demerged Undertaking 1 for the financial year ended March 31, 2023 was INR 1,565.19 Crores representing 11.48% of the total standalone turnover and INR 2,486.16 crores representing 14.49% of the total consolidated turnover including investment in subsidiaries and associates of the Company for the financial year ended March 31, 2023.</p> <p>The turnover of Demerged Undertaking 2 for the financial year ended March 31, 2023 was INR 1,719.68 Crores representing 12.61% of the total standalone turnover and INR 3134.04 Crores representing 18.27% of the total consolidated turnover including investment in subsidiaries and associates of the Company for the financial year ended March 31, 2023.</p>

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3	Rationale for demerger	<p>The Company was established in the year 2007, with a focus on providing business services, leveraging its extensive domain knowledge and future-ready digital platforms to drive client productivity through outsourced solutions.</p> <p>Over the past 16 (sixteen) years, the Company has been a pioneering leader and has expanded its geographic presence and scale. The Company currently has offices across India, South East Asia, North America and Middle East.</p> <p>The Company's business portfolio is spread across various business services platforms including Work Force Management, Global Technology Solutions, Operating Assets Management and Product-Led Business. These businesses are carried out directly by the Company as well as through its subsidiaries or associate companies.</p> <p>The nature of technology, operations, customer landscape, risk, competition and operations involved in each of these businesses is distinct, and consequently, each business is capable of addressing independent business opportunities, deploying different technologies, and attracting different sets of talent, customers, investors, strategic partners, lenders and stakeholders.</p> <p>In order to strengthen the value proposition for customers, unlock significant long-term valuation and upside value creation for the shareholders (through focused management, clearer choices of capital allocation, etc.) and to provide investors, strategic partners, lenders and stakeholders the flexibility to participate in some or all of these distinct businesses, the Company proposes to re-organise and segregate its business portfolio in the manner contemplated under this Scheme, as detailed below:</p> <ol style="list-style-type: none"> i. the transfer of the Demerged Undertaking 1 (i.e., the undertaking engaged in Transferred Business 1) to Resulting Company 1; and ii. the transfer of the Demerged Undertaking 2 (i.e., the undertaking engaged in Transferred Business 2) to Resulting Company 2. <p>The Scheme will ensure long-term value creation and is in the best interest of the Companies and their respective shareholders, employees, creditors and other stakeholders.</p> <p>The proposed restructuring pursuant to this Scheme, is expected, <i>inter alia</i>, to result in the following benefits:</p> <ol style="list-style-type: none"> i. Simplification of organisational and operating structure to enable sharper management focus on
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		<p>individual platforms and business requirements, thereby allowing management of each of the business undertakings to pursue independent growth strategies. The proposed restructuring will result in separation of the current diversified businesses under the Company to each of the Resulting Companies focusing on similar type of businesses and independent management of each of the businesses will be able to ensure the required depth and focus on each of the businesses and the adoption of strategies necessary for the growth of respective businesses;</p> <p>ii. Facilitating the pursuit of scale and independent growth plans (organically and inorganically) of all segments with more focused management, flexibility and liquidity for the shareholders, following the listing of equity shares of the Resulting Companies, pursuant to the Scheme;</p> <p>iii. Insulating and de-risking the businesses from one another;</p> <p>iv. Unlocking value for the over-all business portfolio through better price discovery of individual platforms. Consequently, the proposed restructuring is expected to open-up windows to unlock value through potential divestments and acquisitions to achieve the scale of business in respective subsidiaries as well;</p> <p>v. Reinforcing strong stewardship through more value-focused capital allocation strategies and ensuring that existing and potential investors are able to realise full returns on their investments;</p> <p>vi. Facilitating creation of value for the shareholders through a segregated corporate structure by realigning the business portfolio of the Companies to attract specific investors for each of the businesses, and consequently, encouraging stronger capital market outcomes, and creating the ability to achieve valuation based on respective risk returns profile and cash flows;</p> <p>vii. Facilitating diversification by allowing investors to invest separately in different businesses with different investment characteristics thereby enabling them to select investments that best suit their investment strategies and risk profiles;</p> <p>viii. Creating an even stronger internal foundation for performance management and accountable ownership</p>
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		<p>aligned with long-term shareholder value creation; and</p> <p>ix. Providing scope for mitigation of overlapping services, and enhancing the focus on independent business growth strategies and expansion for each of the business undertakings</p>
4	Brief details of change in shareholding pattern (if any) of all entities	<p>There will be no change in the shareholding pattern of the Company.</p> <p>Upon this Scheme becoming effective and in consideration of the transfer and vesting of Demerged Undertaking 1 from the Company to Resulting Company 1 in terms of the Scheme, the Resulting Company 1 shall, issue and allot equity shares to all the members of the Company, holding fully paid-up equity shares on the Record Date (<i>as defined in the Scheme</i>) in the following manner:</p> <p><i>“For every 1 (one) equity share of face and paid-up value of Rs 10/- (Indian Rupees Ten only) each held in the Demerged Company, 1 (one) equity share of face and paid-up value of Rs. 10/- (Indian Rupees Ten only) each of Resulting Company 1 to be issued to the equity shareholders of the Demerged Company.” (“Share Entitlement Ratio 1”) (“New Equity Shares 1”)</i></p> <p>Accordingly, the shareholding pattern of Resulting Company 1 will mirror the shareholding pattern of the Company upon effectiveness of the Scheme.</p> <p>Upon this Scheme becoming effective and in consideration of the transfer and vesting of Demerged Undertaking 2 from the Company to Resulting Company 2 in terms of the Scheme, the Resulting Company 2 shall, issue and allot equity shares to all the members of the Company, holding fully paid-up equity shares on the Record Date in the following manner:</p> <p><i>“For every 1 (one) equity share of face and paid-up value of Rs 10/- (Indian Rupees Ten only) each held in the Demerged Company, 1 (one) equity share of face and paid-up value of Rs. 10/- (Indian Rupees Ten only) each of Resulting Company 2 to be issued to the equity shareholders of the Demerged Company.” (“Share Entitlement Ratio 2”) (“New Equity Shares 2”)</i></p> <p>Accordingly, the shareholding pattern of Resulting Company 2 will mirror the shareholding pattern of the Company upon effectiveness of the Scheme.</p>

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		Further, upon issuance and allotment of equity shares by the Resulting Companies, the existing shareholding of the Company and its nominees in the Resulting Companies, as applicable, will stand cancelled, extinguished and annulled which shall be regarded as reduction of share capital of the respective Resulting Companies, without any further act, instrument or deed.
5	In case of cash consideration - amount or otherwise share exchange ratio	<p>No cash consideration is payable under the Scheme.</p> <p>The consideration for the demerger of the Demerged Undertaking 1 will be discharged by issue of the New Equity Shares 1.</p> <p>The consideration for the demerger of the Demerged Undertaking 2 will be discharged by issue of the New Equity Shares 2.</p>
6	Whether listing would be sought for the resulting entity	Yes, Resulting Company 1 and Resulting Company 2 are proposed to be listed on the Stock Exchanges.

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Quess Corp announces a three-way demerger of its diversified businesses, to unlock value for its investors

- Narrows the focus of each company to serve customers better, and unlock value for our shareholders
- Strategically positions our businesses to leverage rapidly evolving opportunities in India's growth story

16th February 2024, Bengaluru: The Board of Directors of Quess Corp Limited, in their meeting held today, approved a composite scheme of arrangement providing for the demerger of Quess Corp into three independent entities.

The demerger will ultimately result in three separate listed companies, namely:

1. **Quess Corp Ltd:** Workforce Management (Remaining Company)
2. **Digitide Solutions Ltd:** BPM solutions, Insurtech and HRO business (New Co.1)
3. **Bluspring Enterprises Ltd:** Facility Management, Industrial Services and Investments (New Co.2)

Over the last decade, Quess Corp Ltd. has emerged as India's leading business services provider, extending its footprint to 9 countries, with a substantial workforce of over 550,000 associates across four distinct business platforms. These platforms deliver a superior customer experience, serving over 3,000 clients across diverse sectors. The platforms include **Workforce Management**, the largest staffing firm in India and among the top 5 globally, by headcount; **Global Technology Solutions**, among the leading domestic BPM and payroll services firms; **Operating Asset Management**, the largest facility management platform in India by the breadth of services offered; and **Product-Led Businesses (foundit)**, the second-largest talent acquisition platform in India). Overall, Quess has achieved scale in each platform and they are strategically, operationally, and financially positioned to become independent companies with a focus on growing in their chosen area.

The three entities are ideally placed to capitalize on India's growth trajectory as the country marches towards a \$5 trillion economy.

The rationale for the demerger:

- Simplified corporate structure by separation of scaled platforms into independent entities, each with a strong market positioning
- Enhanced strategic clarity and management focus to accelerate profitable growth
- Optimal capital allocation strategy for each entity to invest behind its strategic priorities
- Flexibility for each entity to pursue independent and differentiated strategies to drive value creation
- Ability for each entity to create a compelling investor proposition and attract investors

Upon effectiveness of the scheme, all shareholders will receive one additional share for each of the new companies, for every share held in Quess Corp Ltd. This process of demerger is expected to take between 12-15 months, to achieve regulatory clearances.

Commenting on the demerger, Chairman Quess Corp Ltd. Mr. Ajit Isaac said, *"This is a landmark moment for Quess and is a transformational decision to create three separate entities. It helps the management to focus, develop capital allocation plans relevant to each business, and create value for our shareholders. The decentralized structure at Quess has enabled a pathway for the three demerged entities to continue a culture of entrepreneurship, an employee-friendly workplace with customer centricity being at the core of our purpose.*

“We believe that the heavy lifting to create these entities has been done and it is now time to unlock value through this demerger.”

Commenting on the demerger, Chairman and CEO of Fairfax Financial Holdings Ltd., our largest shareholder, Mr. Prem Watsa said, *“I am delighted with the decision of the Board of Quess Corp Ltd. to demerge into three separate entities. Each of these entities will be a market-leading player with the ability to leverage opportunities that come their way through its renewed focus. From the time we initially invested in Quess Corp Ltd., in 2013, the company has become one of the largest domestic employers in India and has the potential to develop as a significant business services player on a global scale.”*

“We are confident that this strategic initiative will benefit all shareholders and ensure that the management team gets the support to achieve the set-out goals from the demerger.”

Further information on the three demerged entities:

Quess Corp Ltd: The largest workforce management entity in India, providing solutions to clients to hire and deploy staff, manage performance and outcomes, measure and upskill employees. The entity currently has a workforce of 440k+, with 6k+ in the tech sector, and ~6k working outside India.

India being the fastest-growing major economy of 2024, has a labor force of approximately 563 million, undergoing a rapid formalization process. About 72 million new PF subscribers and 95 million new ESIC subscribers have been added in India since Sept 2017 and the proposed new labor codes aim to expedite formalization. The gig workforce is projected to expand to 23.5 million workers by 2029-30, marking a 3.5x increase by the end of the decade.

Our Workforce Management business stands to benefit significantly from these structural changes and aspires to become the largest globally by headcount in the next few years.

Digitide Solutions Ltd: This entity will provide a comprehensive suite of solutions, including BPM solutions, Insurtech and HRO business. The core strategy involves harnessing technology to enhance client productivity and ensure optimal efficiency in their business processes.

The tech services entity is strategically positioned to capitalize on the ongoing global digitization journey. Globally, Business Process Management (BPM) market is currently at over \$200 billion whereas the Indian market is at \$2 billion. Next generation technologies like artificial intelligence (AI) are expected to open new avenues for value creation.

Digitide targets to achieve a revenue milestone of \$1 billion which denotes a significant increase from its current revenues of \$280 million+. Serving across 30 countries, with a delivery centers in Manila and India, the company is well-positioned to take advantage of emerging BPM opportunities across diverse sectors.

Bluspring Enterprises Ltd:

The services under this entity will include Facility Management and Security Services (Man-guarding and tech-guarding), Telecom Infrastructure Maintenance, and Industrial Services. Additionally, Quess' investment in foundit – a white-collar job portal and candidate services platform under Bluspring Enterprises Ltd., will experience a significant uptick, driven by its futuristic AI technology-driven platform.

All the services under Bluspring Enterprises will experience huge tailwinds as a result of the focus on India's development story, Viksit Bharat @2047 and 6G rollout plan in 2030. This will contribute considerably to the Facility Management industry growth and outsourcing levels which are likely to increase from 39% to 45% over the next 5 years, driven by new-age sectors.

All the businesses within the entity are now primed for expansion, with the goal of establishing themselves as an integrated Operating Asset Management and Investment company, characterized by both scale and valuation. Through the premiumization of its services, the company is poised to deliver a 20% YoY revenue growth.

About Quess Corp

Established in Bengaluru in 2007, Quess Corp Limited (BSE: 539978, NSE: QUESS) is India's leading business services provider - that leverages its extensive domain knowledge and future-ready digital platforms to drive client productivity through outsourced solutions.

Quess provides a host of technology-enabled staffing and managed outsourcing services across processes such as sales and marketing, customer care, after-sales service, back office operations, manufacturing, facilities and security management, HR & F&A operations, IT & mobility services etc. Quess has a team of ~557,000 employees, serving ~3000 clients across India, North America, APAC, and the Middle East as of 31st December 2023.

For further details on Quess Corp Ltd., please visit: <http://www.uesscorp.com>

For more information, please contact:

Investor / Analyst contact:**Kamal Pal Hoda***Chief Financial Officer*✉ investor@quesscorp.com**Kushal Maheshwari***Head Investor Relations & Strategic Finance*✉ Kushal.maheshwari@quesscorp.com**Media Contact:****Manish Sridhar***Head – Marketing & Communications*✉ manish.sridhar@quesscorp.com

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