

# B S R & Associates LLP

Chartered Accountants

Maruthi Info-Tech Centre  
11-12/1 Inner Ring Road  
Koramangala  
Bangalore 560 071 India

Telephone: + 91 80 3980 6000  
Fax: + 91 80 3980 6999

The Board of Directors,  
Quess Corp Limited  
3/3/2, Bellandur Gate,  
Sarjapur Main Road, Bangalore – 560103  
Karnataka, India.

## **Independent Auditors' Certificate on accounting treatment in the Draft Scheme of Arrangement in accordance with Para I (a) 5 of Annexure I of SEBI circular no. CIR/CFD/CMD/16/2015 dated 30 November 2015**

This Certificate is issued in accordance with the terms of our letter of engagement dated 26 November 2016.

We, B S R & Associates LLP, the Statutory Auditors of Quess Corp Limited (hereinafter referred to as "the Company") have examined the proposed accounting treatment specified in Paragraphs 6.1 and 6.2 (i) to (iv) of the Draft Scheme of arrangement between Manipal Integrated Services Private Limited and Quess Corp Limited and their respective shareholders and creditors (hereinafter referred to as "the Draft Scheme"), as initially approved by the Board of Directors of the Company at its meeting held on 28 November 2016 and the amendments to the Draft Scheme which is subsequently ratified by the Scheme Implementation Committee on 23 January 2017, between the Company, Manipal Integrated Services Private Limited ('MIS') and their respective shareholders and creditors in terms of the provisions of Sections 230 to 232 of the Companies Act, 2013 read with Sections 52 and 66 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 1956 and Companies Act, 2013 (to the extent notified) with reference to its compliance with the applicable Accounting Standards specified under section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 and other generally accepted accounting principles.

### **Management's Responsibility**

The responsibility for the preparation of the Draft Scheme and its compliance with the relevant laws and regulations, including the applicable Accounting Standards as aforesaid, is that of the Board of Directors of the Companies involved.

### **Auditors' Responsibility**

Our responsibility is only to examine and report whether the accounting treatment in the books of the Company contained in Paragraphs 6.1 and 6.2 (i) to (iv) of the Draft Scheme complies with the applicable Accounting Standards and Other Generally Accepted Accounting Principles. Nothing contained in this certificate, nor anything said or done in the course of, or in connection with the services that are subject to this certificate, will extend any duty of care that we may have in our capacity of the Statutory Auditors of any financial statements of the Company.

We carried out examination in accordance with the Guidance note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

B S R & Associates LLP

## Opinion

Based on our examination and according to the information and explanations given to us, in our opinion, the accounting treatment in the books of the Company contained in Paragraphs 6.1 and 6.2 (i) to (iv) of the Draft Scheme is in compliance with Indian Accounting Standards ('Ind-AS') specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The Draft Scheme requires the Company to account for the acquisition, as detailed in paragraph 6.2 of the Draft Scheme, on and from 1 December 2016, the appointed date, *however*, in accordance with Indian Accounting Standard 103, Business Combinations, (Ind AS 103), the accounting for the acquisition has to be done on and from the "Acquisition date". The appointed date (1 December 2016) as per the Draft Scheme is not the same as the acquisition date, as defined under Ind-AS 103. As per paragraph 9 of Ind-AS 103, the acquisition date is the date on which the acquirer obtains control of the acquiree and is generally the date on which the acquirer legally transfers the consideration, acquires the assets and assumes the liabilities of the acquiree—the closing date.

For the avoidance of doubt it is clarified that we have not evaluated accounting treatment in the books of MIS contained in Paragraph 6.3 of the Draft Scheme.

A copy of the Draft Scheme duly authenticated on behalf of the Company and a certified copy of the resolution of the Board of Directors of the Company approving the Scheme is attached as Annexure I and II respectively, of this certificate.

## Restriction on Use

This Certificate is issued at the request of Quess Corp Limited pursuant to the requirements of circulars issued under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for onward submission to the National Stock Exchange of India Limited and BSE Ltd. and may not be suitable for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing.

for **B S R & Associates LLP**

*Chartered Accountants*

Firm Registration No.: 116231 W/W-100024



**Vineet Dhawan**

*Partner*

Membership No.: 092084

Bangalore

23 January 2017