

August 8, 2017

To,

|                                                                                      |                                                                                                                                                        |
|--------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>BSE Limited</b><br>PhirozeJeejeebhoy Towers,<br>Dalal Street,<br>Mumbai – 400 001 | <b>National Stock Exchange of India Limited</b><br>Exchange Plaza,<br>Plot No. C/1, G Block,<br>BandraKurla Complex,Bandra (East),<br>Mumbai – 400 051 |
|--------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|

Ref: **Quess Corp Limited**  
BSE - Script Code: 539978, Scrip ID - QUESS  
NSE - QUESS

Dear Sir/Madam,

**Sub: Outcome of the meeting of the Board of Directors of Quess Corp Limited (the “Company”) held on August 8, 2017, inter alia, approving the red herring prospectus in relation to the proposed issuance of equity shares of the Company.**

We would like to inform you that the Board of Directors of the Company (the “Board”) has passed the following resolutions at its meeting held on August 8, 2017 (commenced at 6 pm and concluded at 6.50 pm)

1. The Board approved the red herring prospectus dated August 8, 2017 (“RHP”) prepared in relation to the issuance of equity shares of the Company in terms of Chapter VIII-A of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (“SEBI ICDR Regulations”) (the “Issue”). A certified true copy of the resolution of the Board approving the RHP is attached herewith as **Annexure A**. The Company shall, simultaneously while registering the RHP with the Registrar of Companies, Bangalore, submit a copy of the RHP to BSE Limited, National Stock Exchange of India Limited and the Securities and Exchange Board of India, in accordance with SEBI ICDR Regulations.
2. The Board took note of the proforma financial information with respect to the proposed acquisition of certain identified business of Manipal Integrated Services Private Limited and the Company. Further, the Board approved the inclusion of such proforma financial information in the offer documents to be prepared in relation to the proposed Issue. A copy of the proforma financial information, as noted by the Board is attached herewith as **Annexure B**.

Thanking you,

Yours faithfully,  
For **Quess Corp Limited**



Sudershan Pallap  
Company Secretary  
Encl: as above





**CERTIFIED TRUE COPY OF THE RESOLUTION PASSED AT THE MEETING OF THE BOARD OF DIRECTORS OF QUESS CORP LIMITED HELD ON TUESDAY THE 8TH DAY OF AUGUST ,2017.**

**APPROVAL OF THE RED HERRING PROSPECTUS**

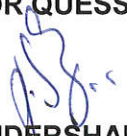
**“RESOLVED THAT** the Red Herring Prospectus, in respect of the proposed offering of the Equity Shares of the issue, as placed before the Board and initialed by the Chairman for the purpose of identification, containing the requisite information as prescribed by applicable laws and regulations, including the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended, be and is hereby approved and that Mr. Ajit Isaac, Chairman, Managing Director & CEO and Mr. Subrata Nag, Executive, Whole-time Director & Group CFO of the Company (referred to as the **“Authorised Representatives”**) be and are hereby severally authorized to deliver the same to the Registrar of Companies, Bengaluru (the **“RoC”**), Securities and Exchange Board of India (the **“SEBI”**), BSE Limited (the **“BSE”**), National Stock Exchange of India Limited (the **“NSE”**) and such other authorities or persons as may be required.

**“RESOLVED FURTHER THAT** any one of the Directors or the aforesaid Authorised Representatives be and are hereby severally authorized to make the necessary changes in the Red Herring Prospectus as recommended by SEBI, the RoC, the BSE, the NSE or any other government authorities, to execute all such deeds, documents, agreements, forms, instruments and writings, and to do all such acts, deeds and things as may be required, necessary, expedient or incidental to give effect to the above resolution, and to settle or give instructions and directions for settling any questions, difficulties or doubts that may arise in this regard and to give effect to such modifications, change, variations, alterations, deletions or additions as may be deemed fit and proper.”

**“RESOLVED FURTHER THAT** any one of the Directors or aforesaid Authorised Representatives be and are hereby severally authorized to execute all such deeds, documents, agreements, forms, instruments and writings, and to do all such acts, deeds and things as may be required, necessary, expedient or incidental to give effect to the above resolution, and to settle or give instructions and directions for settling any questions, difficulties or doubts that may arise in this regard and to give effect to such modifications, changes, variations, alterations, deletions or additions as may be deemed fit and proper.”

**“CERTIFIED TRUE COPY”**

**FOR QUESS CORP LIMITED**

  
**SUDERSHAN PALLAP**  
**VICE PRESIDENT & COMPANY SECRETARY**



**SRIRAMULU NAIDU & CO.**  
Chartered Accountants

G-8 'H' Block, "Golden Orchid Apartments"  
Kasturba Road, Bangalore - 560 001  
Phone : 080-4124 6474, 4202 4527  
E-Mail : contactddca@gmail.com

To,

**The Board of Directors,**  
Quess Corp limited  
3/3/2, Bellandur Gate,  
Sarjapur Road, Bangalore

**Independent Auditors' Report on Unaudited Proforma Consolidated Condensed Financial Information**

Dear Sirs,

1. This report is issued in accordance with the terms of our engagement letter dated 31<sup>st</sup> July 2017.
2. The accompanying Unaudited Proforma Consolidated Condensed Financial Information (hereinafter referred to as the "Unaudited Proforma Consolidated Condensed Financial Information") of Quess Corp Limited (hereinafter referred to as the "Company", "Quess"), its subsidiaries, and its share of the profit / (loss) of its associates and its joint venture (together constituting "the Group"), comprising of the Unaudited Proforma Consolidated Condensed Statement of Profit and Loss for the year ended March 31, 2017, read with the notes thereto, have been prepared by the Management of the Company for the purpose of inclusion in the Red Herring Prospectus and the Prospectus to reflect the impact of significant acquisitions made by the Company during the year from April 01, 2016 to March 31, 2017 and as further set out in the basis of preparation stated in notes to the Unaudited Proforma Consolidated Condensed Financial Information.
3. We have examined the Unaudited Proforma Consolidated Condensed Financial Information. For our examination, we have placed reliance on the following:
  - a. the audited Consolidated balance sheet and statement of profit and loss of the Company prepared in accordance with Indian Accounting Standards ("Ind AS") as of and for the year ended March 31, 2017 on which the statutory auditors of the Company had expressed an unmodified audit opinion in their report date May 16, 2017;
  - b. the unaudited Consolidated balance sheet and statement of profit and loss of the Identified Business of MIS as of and for the year ended 31 March 2017 are prepared in accordance with Indian GAAP (hereinafter referred to as "Indian GAAP Unaudited Consolidated Financial Statements of MIS Identified Business"). The same has been subjected to limited review by us vide our report dated July 28, 2017 which had no observations;
  - c. the statement of reconciliation of Indian GAAP Unaudited Consolidated Financial Statements of MIS Identified Business to the unaudited Consolidated balance sheet and statement of profit and loss of the Identified Business of MIS as of and for the year ended 31 March 2017 prepared in accordance with Ind AS (hereinafter referred to as "Ind AS Unaudited Consolidated Financial Statements of MIS Identified Business") prepared by us under a separate engagement form the Company.
4. For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Proforma Consolidated Condensed Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used by the Management in the compilation of the Unaudited Proforma Consolidated Condensed Financial Information.

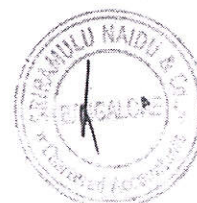


### **Managements' Responsibility for the Unaudited Proforma Consolidated Condensed Financial Information**

5. The preparation of the Unaudited Proforma Consolidated Condensed Financial Information, which is to be included in the Red Herring Prospectus and the Prospectus, is the responsibility of the Management of the Company and has been approved by the Board of Directors of the Company (hereinafter referred to as the "Board of Directors"), in their meeting dated August 08, 2017. The Board of Directors' responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Unaudited Proforma Consolidated Condensed Financial Information. The Board of Directors is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities.

### **Auditors' Responsibilities**

6. Our responsibility is to express an opinion on whether the Unaudited Proforma Consolidated Condensed Financial Information of the Group for the year ended March 31, 2017 as attached to this report, read with the notes thereto have been properly prepared by the Management of the Company as set out in the basis of preparation stated in notes to the Unaudited Proforma Consolidated Condensed Financial Information.
7. We conducted our engagement in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India.
8. The purpose of the Unaudited Proforma Consolidated Condensed Financial Information is to reflect the impact of significant acquisitions made by the Company during the year from April 01, 2016 to March 31, 2017, as set out in the basis of preparation stated in notes to the Unaudited Proforma Consolidated Condensed Financial Information and solely to illustrate the impact of a significant event on the historical financial information of the Group, as if the event had occurred at an earlier date selected for purposes of illustration and based on the judgements and assumptions of the Management of the Company to reflect the hypothetical impact, and, because of its hypothetical nature, does not provide any assurance or indication that any event will take place in the future and may not be indicative of the consolidated statement of profit and loss of the Group, for year ended March 31, 2017 or any future periods.
9. Our work consisted primarily of comparing the respective columns in the Unaudited Proforma Consolidated Condensed Financial Information to the underlying historical financial information, as the case may be, referred to in paragraph 3 above, considering the evidence supporting the adjustments and reclassifications, performing procedures to assess whether the basis of preparation of the Unaudited Proforma Consolidated Condensed Financial Information as stated in notes to the Unaudited Proforma Consolidated Condensed Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the acquisition and discussing the Unaudited Proforma Consolidated Condensed Financial Information with the Management of the Company.
10. We have not audited any financial statements of the Group as of any date or for any period subsequent to March 31, 2017. Accordingly, we do not express any opinion on the financial position, results or cash flows of the Group as of any date or for any period subsequent to March 31, 2017.
11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
12. We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with sufficient evidence to issue this report.
13. This engagement did not involve independent examination of any of the underlying financial information.
14. We believe that the procedures performed by us provide a reasonable basis for our opinion.



### Opinion

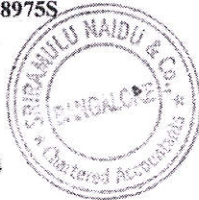
15. In our opinion the Unaudited Proforma Consolidated Condensed Financial Information of the Group for the year ended March 31, 2017 as attached to this report, read with the notes thereto have been properly prepared by the Management of the Company on the basis of preparation stated in notes to the Unaudited Proforma Consolidated Condensed Financial Information.
16. We did not audit or review the consolidated financial statements of the Company as of and for the year ended March 31, 2017 as considered in the Unaudited Proforma Consolidated Condensed Financial Information. The consolidated financial statements of the Company as of and for the year ended March 31, 2017 have been examined by the statutory auditors of the Company whose reports have been furnished to us by management, and our opinion on the Unaudited Proforma Consolidated Condensed Financial Information, in so far it relates to the amounts and disclosures included in respect of the Company, is solely on the reports of such other auditors.

### Restrictions on Use

17. This report is addressed to and is provided to enable the Board of Directors of the Company to include this report in the Red Herring Prospectus and the Prospectus prepared in connection with the proposed institutional placement programme of the Company, to be filed by the Company with the concerned Registrar of Companies, the Securities and Exchange Board of India, the BSE Limited and the National Stock Exchange of India Limited.

For Sriramulu Naidu & Co.  
Chartered Accountants  
Firm Registration No 008975S

  
S Deenadayal  
Partner  
Membership No. 205194



Place: Bangalore  
Date: August 08, 2017

Unaudited Pro forma Consolidated Condensed Balance Sheet as at 31 March 2017

(Rupees in lakhs)

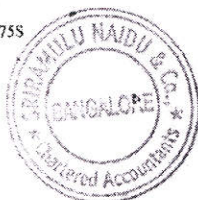
| Particulars                                                       | Quess                  | MIS                    | Proforma Adjustments | Total             |
|-------------------------------------------------------------------|------------------------|------------------------|----------------------|-------------------|
|                                                                   | As at<br>31 March 2017 | As at<br>31 March 2017 |                      |                   |
| <b>A ASSETS</b>                                                   |                        |                        |                      |                   |
| <b>1 Non-current assets</b>                                       |                        |                        |                      |                   |
| Property, plant and equipment                                     | 5,043.56               | 536.72                 | -                    | 5,580.28          |
| Goodwill                                                          | 37,875.28              | 2,754.58               | 63,171.16            | 103,801.02        |
| Other intangible assets                                           | 790.38                 | -                      | -                    | 790.38            |
| Intangible assets under development                               | 771.68                 | -                      | -                    | 771.68            |
| <b>Financial assets</b>                                           |                        |                        |                      |                   |
| (i) Investments                                                   | 29,763.82              | -                      | (22,000.00)          | 7,763.82          |
| (ii) Non-current loans                                            | 1,433.41               | 253.56                 | -                    | 1,686.97          |
| (iii) Other non-current financial assets                          | 131.13                 | -                      | -                    | 131.13            |
| Deferred tax assets (net)                                         | 4,799.58               | 416.73                 | -                    | 5,216.31          |
| Income tax assets (net)                                           | 11,780.15              | 353.42                 | -                    | 12,133.57         |
| Other non-current assets                                          | 563.30                 | -                      | -                    | 563.30            |
| <b>Total non-current assets</b>                                   | <b>92,952.29</b>       | <b>4,315.01</b>        | <b>41,171.16</b>     | <b>138,438.46</b> |
| <b>2 Current assets</b>                                           |                        |                        |                      |                   |
| Inventories                                                       | 572.74                 | 135.92                 | -                    | 708.66            |
| <b>Financial assets</b>                                           |                        |                        |                      |                   |
| (i) Trade receivables                                             | 44,684.60              | 7,513.57               | -                    | 52,198.17         |
| (ii) Cash and cash equivalents                                    | 30,127.19              | 261.17                 | -                    | 30,388.36         |
| (iii) Bank balances other than cash and cash equivalents above    | 15,833.46              | 11.92                  | -                    | 15,845.38         |
| (iv) Current loans                                                | 2,302.32               | 28.70                  | -                    | 2,331.02          |
| (v) Other current financial assets                                | 259.86                 | 5.53                   | -                    | 265.39            |
| (vi) Unbilled revenue                                             | 38,682.58              | 168.84                 | -                    | 38,851.42         |
| Other current assets                                              | 2,619.01               | 134.93                 | -                    | 2,753.94          |
| <b>Total current assets</b>                                       | <b>135,081.76</b>      | <b>8,260.58</b>        | <b>-</b>             | <b>143,342.34</b> |
| <b>Total Assets</b>                                               | <b>228,034.05</b>      | <b>12,575.59</b>       | <b>41,171.16</b>     | <b>281,780.80</b> |
| <b>B EQUITY AND LIABILITIES</b>                                   |                        |                        |                      |                   |
| <b>1 Equity</b>                                                   |                        |                        |                      |                   |
| Equity share capital                                              | 12,679.10              | -                      | 714.93               | 13,394.03         |
| Other equity                                                      | 70,938.29              | 3,802.29               | 40,456.23            | 115,196.81        |
| <b>Total equity attributable to equity holders of the Company</b> | <b>83,617.39</b>       | <b>3,802.29</b>        | <b>41,171.16</b>     | <b>128,590.84</b> |
| Non-controlling interests                                         | 88.20                  | 273.01                 | -                    | 361.21            |
| <b>Total equity</b>                                               | <b>83,705.59</b>       | <b>4,075.30</b>        | <b>41,171.16</b>     | <b>128,952.05</b> |
| <b>2 Liabilities</b>                                              |                        |                        |                      |                   |
| <b>Non-current liabilities</b>                                    |                        |                        |                      |                   |
| <b>Financial liabilities</b>                                      |                        |                        |                      |                   |
| (i) Non-current borrowings                                        | 27,444.87              | -                      | -                    | 27,444.87         |
| (ii) Other non-current financial liabilities                      | 13,279.03              | -                      | -                    | 13,279.03         |
| Non-current provisions                                            | 2,254.62               | 414.80                 | -                    | 2,669.42          |
| <b>Total non-current liabilities</b>                              | <b>42,978.52</b>       | <b>414.80</b>          | <b>-</b>             | <b>43,393.32</b>  |
| <b>3 Current liabilities</b>                                      |                        |                        |                      |                   |
| <b>Financial liabilities</b>                                      |                        |                        |                      |                   |
| (i) Bank overdraft                                                | 34.22                  | -                      | -                    | 34.22             |
| (ii) Current borrowings                                           | 45,565.52              | 1,390.90               | -                    | 46,956.42         |
| (iii) Trade payables                                              | 6,314.45               | 3,229.74               | -                    | 9,544.19          |
| (iv) Other current financial liabilities                          | 28,638.61              | 220.82                 | -                    | 28,859.43         |
| Income tax liabilities (net)                                      | 823.72                 | 1,332.99               | -                    | 2,156.71          |
| Current provisions                                                | 2,272.23               | 618.60                 | -                    | 2,890.83          |
| Other current liabilities                                         | 17,701.19              | 1,292.44               | -                    | 18,993.63         |
| <b>Total current liabilities</b>                                  | <b>101,349.94</b>      | <b>8,085.49</b>        | <b>-</b>             | <b>109,435.43</b> |
| <b>Total Equity and Liabilities</b>                               | <b>228,034.05</b>      | <b>12,575.59</b>       | <b>41,171.16</b>     | <b>281,780.80</b> |

See accompanying notes to the financial results

For Sriramulu Naidu & Co.  
Chartered Accountants  
Firm Registration No. 0089755

S Deenadayal  
Partner  
Membership No. 205194

Place : Bangalore  
Date : August 08, 2017



For and on behalf of the Board of Directors of  
Quess Corp Limited



*Srinantha Nag*  
Authorised Signatory

Unaudited Pro forma Consolidated Condensed Statement of Profit and Loss for the year ended 31 March 2017

(Rupees in lakhs)

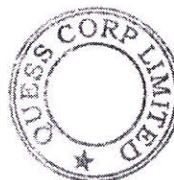
| Sl. No. | Particulars                                                                                           | Quess                            | MIS                              | Proforma Adjustments | Total             |
|---------|-------------------------------------------------------------------------------------------------------|----------------------------------|----------------------------------|----------------------|-------------------|
|         |                                                                                                       | For the year ended 31 March 2017 | For the year ended 31 March 2017 |                      |                   |
| 1       | <b>Income from operations</b>                                                                         |                                  |                                  |                      |                   |
|         | a) Revenue from operations                                                                            | 415,735.95                       | 45,541.74                        | -                    | 461,277.69        |
|         | b) Other income, net                                                                                  | 1,525.20                         | 39.72                            | -                    | 1,564.92          |
|         | <b>Total income (a + b)</b>                                                                           | <b>417,261.15</b>                | <b>45,581.45</b>                 | -                    | <b>462,842.60</b> |
| 2       | <b>Expenses</b>                                                                                       |                                  |                                  |                      |                   |
|         | a) Cost of material and stores and spare parts consumed                                               | 4,687.77                         | 7,734.91                         | -                    | 12,422.68         |
|         | b) Employee benefit expenses                                                                          | 354,350.85                       | 21,656.33                        | -                    | 376,007.19        |
|         | c) Finance costs                                                                                      | 4,653.28                         | 156.26                           | -                    | 4,809.54          |
|         | d) Depreciation and amortisation expenses                                                             | 2,644.20                         | 381.00                           | -                    | 3,025.20          |
|         | e) Other expenses                                                                                     | 34,417.22                        | 11,434.42                        | -                    | 45,851.64         |
|         | <b>Total expenses (a + b + c + d + e)</b>                                                             | <b>400,753.32</b>                | <b>41,362.92</b>                 | -                    | <b>442,116.24</b> |
| 3       | <b>Profit before share of profit of equity accounted investees, exceptional items and tax (1 - 2)</b> | <b>16,507.83</b>                 | <b>4,218.53</b>                  | -                    | <b>20,726.36</b>  |
| 4       | Share of profit of equity accounted investees (net of tax expense)                                    | 12.46                            | -                                | -                    | 12.46             |
| 5       | <b>Profit before exceptional items and tax (3 + 4)</b>                                                | <b>16,520.29</b>                 | <b>4,218.53</b>                  | -                    | <b>20,738.82</b>  |
| 6       | Exceptional items                                                                                     | -                                | -                                | -                    | -                 |
| 7       | <b>Profit before income tax (5 + 6)</b>                                                               | <b>16,520.29</b>                 | <b>4,218.53</b>                  | -                    | <b>20,738.82</b>  |
| 8       | <b>Tax expense</b>                                                                                    |                                  |                                  |                      |                   |
|         | a) Current tax                                                                                        | (3,720.74)                       | (1,672.68)                       | -                    | (5,393.42)        |
|         | b) Excess provision of tax relating to earlier years                                                  | -                                | (1.11)                           | -                    | (1.11)            |
|         | c) Deferred tax                                                                                       | (1,455.11)                       | 287.68                           | -                    | (1,167.43)        |
|         | <b>Total tax expenses</b>                                                                             | <b>(5,175.85)</b>                | <b>(1,386.11)</b>                | -                    | <b>(6,561.96)</b> |
| 9       | <b>Profit for the year (7 + 8)</b>                                                                    | <b>11,344.44</b>                 | <b>2,832.42</b>                  | -                    | <b>14,176.86</b>  |
| 10      | <b>Other comprehensive income/ (expense)</b>                                                          |                                  |                                  |                      |                   |
|         | (i) Items that will not be reclassified to profit or loss                                             |                                  |                                  |                      |                   |
|         | Remeasurement of the net defined benefit liability/ asset                                             | (340.47)                         | 53.86                            | -                    | (286.61)          |
|         | Income tax relating to items that will not be reclassified to profit or loss                          | 106.72                           | (17.80)                          | -                    | 88.92             |
|         | Share of other comprehensive income of equity accounted investees (net of income tax)                 | 54.44                            | -                                | -                    | 54.44             |
|         | (ii) Items that will be classified to profit or loss                                                  |                                  |                                  |                      |                   |
|         | Exchange differences in translating financial statements of foreign operations                        | (333.91)                         | -                                | -                    | (333.91)          |
|         | Income tax relating to items that will be reclassified to profit or loss                              | -                                | -                                | -                    | -                 |
|         | <b>Other comprehensive income/ (expense) for the year, net of income tax</b>                          | <b>(513.22)</b>                  | <b>36.06</b>                     | -                    | <b>(477.16)</b>   |
| 11      | <b>Total comprehensive income for the year (9 + 10)</b>                                               | <b>10,831.22</b>                 | <b>2,868.48</b>                  | -                    | <b>13,699.70</b>  |
| 12      | <b>Profit attributable to:</b>                                                                        |                                  |                                  |                      |                   |
|         | Owners of the Company                                                                                 | 11,346.07                        | 2,834.54                         | -                    | 14,180.61         |
|         | Non-controlling interests                                                                             | (1.63)                           | (2.12)                           | -                    | (3.75)            |
| 13      | <b>Other comprehensive income attributable to:</b>                                                    |                                  |                                  |                      |                   |
|         | Owners of the Company                                                                                 | (513.22)                         | 30.66                            | -                    | (482.56)          |
|         | Non-controlling interests                                                                             | -                                | 5.40                             | -                    | 5.40              |
| 14      | <b>Total comprehensive income attributable to:</b>                                                    |                                  |                                  |                      |                   |
|         | Owners of the Company                                                                                 | 10,832.85                        | 2,865.18                         | -                    | 13,698.04         |
|         | Non-controlling interests                                                                             | (1.63)                           | 3.30                             | -                    | 1.67              |
| 15      | <b>Paid-up equity share capital</b><br>(Face value of Rs 10 per share)                                | 12,679.10                        |                                  |                      | 13,394.03         |
| 16      | <b>Reserves i.e. Other equity</b>                                                                     | 70,938.29                        |                                  |                      | 115,196.81        |
| 17      | <b>Earning Per Share (EPS)</b>                                                                        | (annualised)                     |                                  |                      | (annualised)      |
|         | (a) Basic (Rs)                                                                                        | 9.24                             |                                  |                      | 10.91             |
|         | (b) Diluted (Rs)                                                                                      | 9.10                             |                                  |                      | 10.75             |

See accompanying notes to the financial results

For Sriramulu Naidu & Co.  
Chartered Accountants  
Firm Registration No. 008975S

S Deenadayal  
Partner  
Membership No. 205194

Place : Bangalore  
Date : August 08, 2017



For and on behalf of the Board of Directors of  
Quess Corp Limited

*Srinath Nag*  
Authorised Signatory

**Notes to the Unaudited Pro forma Consolidated Condensed Financial Information as at and for the year ended March 31, 2017 ("MIS Proforma")**

**1. Background**

During the year ended March 31, 2017, Ques Corp Ltd. ("Company") has entered into definitive agreement with Manipal Integrated Services Private Limited ("MIS") dated November 28, 2016 to demerge the Facility Management Business and Catering Business (together means "Identified Business") of MIS through the Scheme of Arrangement (the "Scheme") into the Company. The acquisition is structured as a cash-cum-stock deal with an initial investment of INR 22000.00 lakhs by the Company to subscribe to Compulsorily Convertible Preference Shares (CCPS) of MIS for securing an interest in the Identified Business. Subsequently, the Identified Business of MIS will be demerged into the Company pursuant to a scheme of arrangement, whereby the Company issues approximately 7.15 million equity shares to equity shareholders of MIS.

The board of directors of the Company (hereinafter referred to as "Board") vide its meeting dated 28 November 2016 has approved the draft scheme of arrangement and filed the Scheme with BSE and NSE. The Company has received the approval from BSE and NSE dated March 23, 2017 and March 27, 2017 respectively and has further filed it with National Company Law Tribunal ("NCLT"), subsequent to March 31, 2017.

The Identified Business of MIS includes activities, operations, business division and undertaking of MIS and subsidiaries and investments of MIS, in each case, pertaining to the (i) Facility Management Business and (ii) Catering Business, on a going concern basis along with all related assets, liabilities, intangible assets, employees, rights, powers, licenses, statutory registrations, permissions and powers, leasehold rights, and all its debts, outstanding liabilities, duties, obligations as on the Appointed Date i.e. December 01, 2016.

The following table provides the information about Identified Business and the subsidiaries of MIS that form part of the Identified Business:

| Entity Name                                                | Particulars                                                         |
|------------------------------------------------------------|---------------------------------------------------------------------|
| Identified Business                                        | Facility Management Business and Catering Business divisions of MIS |
| Master Staffing Solution Private Limited ("MSS")           | Wholly owned subsidiary of MIS                                      |
| Golden Star Facilities & Services Private Limited ("GSFS") | Subsidiary of MIS.<br>MIS holds 60% equity in GSFS.                 |

The completion of the transaction contemplated above is subject to various conditions, including the approval of the shareholders and creditors, the sanction of the scheme of arrangement by the National Company Law Tribunal as well as other relevant regulatory approvals.

- Although MIS Proforma is not required as per Issue of Capital and Disclosure Requirements (ICDR) Regulations, 2009, as amended (the "SEBI Regulations"), the Company has prepared and disclosed MIS Proforma, for illustrative purposes only to reflect the impact of the transaction on the Company's historical consolidated financial statements assuming the transaction has been completed as on April 01, 2016
- The MIS Proforma gives effect to the acquisition of the Identified Business of MIS by the Company for consideration of INR 63,966.13 lakhs which includes upfront investment of INR 22,000.00 lakhs in CCPS of MIS and issuance of 7,149,255 equity shares of the Company. To arrive at consideration for giving effect in MIS Proforma, value of INR 41,966.13 lakhs has been assigned to 7,149,255 equity shares of the Company based on fairness opinion and the share valuation considered for the computation of swap ratio for the Scheme.



#### 4. Basis of Preparation

The MIS Proforma comprises of the proforma balance sheet as at March 31, 2017, the proforma statement of profit and loss for the year ended March 31, 2017, read with the notes there on, has been prepared to reflect the acquisition of the Identified Business of MIS as if the acquisition had taken place with effect from April 01, 2016.

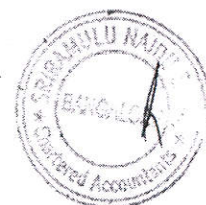
Because of their nature, the proforma financial information addresses a hypothetical situation and, therefore, do not represent Company's actual consolidated financial position or results. They purport to indicate the results of operations and the consolidated financial position as at the year end, that would have resulted had the acquisition been completed at the beginning of the period presented, but are not intended to be indicative of expected results or operations in the future periods or the future financial position of the Company. The proforma adjustments are based upon available information and assumptions that the management of the Company believes to be reasonable.

The MIS Proforma involves various assumptions relating to the preparation of historical financial information of the Identified Business, including allocation of revenue, costs, assets and liabilities.

The rules and regulations related to the preparation of proforma financial information in jurisdictions other than India may vary significantly from the basis of preparation as set out in paragraphs below to prepare these proforma financial statements. Accordingly, the degree of reliance placed by investors from such jurisdictions on these proforma information should be limited.

The Unaudited Proforma Consolidated Condensed financial information is based on:

- a. the audited Consolidated balance sheet and statement of profit and loss of the Company prepared in accordance with Indian Accounting Standards ("Ind AS") as of and for the year ended March 31, 2017 on which the statutory auditors of the Company had expressed an unmodified audit opinion in their report date May 16, 2017;
- b. the unaudited Consolidated balance sheet and statement of profit and loss of the Identified Business of MIS as of and for the year ended 31 March 2017 are prepared in accordance with Indian GAAP (hereinafter referred to as "Indian GAAP Unaudited Consolidated Financial Statements of MIS Identified Business"). The same has been subjected to limited review by the statutory auditor of MIS and their report dated July 28, 2017 had no observations;
- c. the statement of reconciliation of Indian GAAP Unaudited Consolidated Financial Statements of MIS Identified Business to the unaudited Consolidated balance sheet and statement of profit and loss of the Identified Business of MIS as of and for the year ended 31 March 2017 prepared in accordance with Ind AS (hereinafter referred to as "Ind AS Unaudited Consolidated Financial Statements of MIS Identified Business") prepared by Sriramulu Naidu & Co. under a separate engagement from the Company. MIS has been preparing the financial statements in accordance with Indian GAAP. The consolidated financial statements have been prepared under Ind AS following the guidance prescribed under Ind AS 101, First-time Adoption of Indian Accounting Standards considering April 01, 2016 as the transition date.
- d. the group accounting policies of the Company which are based on Ind AS reporting framework.



5. **Proforma adjustments**

The following adjustments have been made to present the MIS Proforma:

a. **The audited consolidated Ind AS balance sheet and statement of profit and loss of the Company:**

The audited consolidated Ind AS balance sheet and statement of profit and loss of the Company as of and for the 12 months period ended March 31, 2017 has been replicated as such from the audited consolidated Ind AS financial statements of the Company for the financial year ended 31 March 2017 which have been prepared in accordance with Ind AS and the provisions of the Companies Act, 2013 ("Act") and the relevant rules thereunder. The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. No adjustments, regrouping or reformatting has been performed on these financial statements.

b. **The unaudited consolidated Ind AS balance sheet and statement of profit and loss of the Identified Business of MIS:**

The Ind AS consolidated financial statements of the Identified Business of MIS ("Ind AS CFS of MIS") was prepared considering financials of the Identified Businesses prepared under Indian GAAP and subjected to limited review by the statutory auditors of MIS and transitioned under Ind AS. No adjustments, regrouping or reformatting has been performed on these financial statements.

c. **MIS Proforma:**

- i. For the purposes of MIS Proforma, the acquisition of Identified Business of MIS by the Company has been assumed to have taken place as at April 01, 2016. The goodwill has been calculated as per Ind AS 103, Business Combinations based on the consolidated balance sheet of the Identified Business of MIS as at April 01, 2016 as follows:

| Particulars                     | Amount in Rs lakhs |
|---------------------------------|--------------------|
| Net assets (A)                  | 794.96             |
| Purchase Consideration paid (B) | 63,966.13          |
| Goodwill (C=B-A)                | 63171.17           |

The purchase price allocation as per Ind AS 103 has not been done, resulting in reflection of the book value of the assets and liabilities acquired in the transaction.

- ii. The MIS Proforma gives effect to the cancellation of CCPS of INR 22,000.00 lakhs and issuance of 7,149,255 equity shares of the Company in accordance with the Scheme. To arrive at consideration for giving effect in MIS Proforma, value of INR 41,966.13 lakhs has been assigned to 7,149,255 equity shares of the Company based on fairness opinion and the share valuation considered for the computation of swap ratio for the Scheme.

6. During the year ended March 31, 2017, apart from acquisition of Identified Business of MIS, the Company has also acquired 100% shareholding in Quess Corp Lanka (Pvt) Ltd, 64% shareholding in Comtel Solutions Pte Ltd, Singapore and 74% shareholding in Inticore VJP Advance Systems Private Limited and 49% shareholding in Terrier Security Services (India) Private Limited. The Company also announced to acquire 45% shareholding in Simpliance Technologies Pvt. Ltd. and 26% shareholding in Heptagon Technologies Pvt. Ltd. However, these acquisitions are not material to the consolidated financial position of the Company and therefore not considered by management in preparation of the MIS Proforma.

7. Other than as mentioned above, no additional adjustments have been made to the MIS Proforma to reflect any trading results or other transactions of the Company and its controlled entities or the acquired companies entered into.

