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'This Manipal Unit will Cater to Quess Corp Now'

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This Manipal Unit will Cater to Quess Corp Now

Our Bureau

Bengaluru: Quess Corp, the integrated business services firm controlled by Canadian billionaire Prem Watsa, announced the buyout of the facility management and catering business of Manipal Integrated Services, promoted by Ranjan Pal.

Quess will invest ₹220 crore in Manipal Integrated Services (MIS) to develop its facility management and catering business. In due course, the two businesses will be hived off and merged into Quess. Post merger and regulatory approvals, the Manipal Education & Management Group (MEMG) will get a 5% stake in the Quess Corp.

MIS has about 120 clients, and the deal enables Quess to provide facility management, catering and security services to all MEMG-affiliated entities for a minimum five-year period. Eventually, MEMG will retain only the hostels business under the MIS title.

The announcement sent the Quess scrip up 10% on a day Sensex remained flat.

At Rs 679 apiece, Quess, promoted by serial entrepreneur Ajit Isaac eight years ago, is valued at ₹8,600 crore by investors.

Quess entered the facility management and catering business in 2009 and has built it into a formidable business with a manpower of

20,000 people. The Manipal buyout will add another 17,000 people, making the firm one of the leading players in the segment in India. The

deal is expected to add about ₹426 crore to Quess's topline in March 2017.

"The acquisition helps build our facility management capabilities in the healthcare and education sectors with a focus on delivering higher value-added services to clients," Isaac said. "In addition to being non-cyclical sectors, the investment is margin-accretive and in line with Quess' philosophy of backing strong management teams."

Integrated business services firm controlled by Prem Watsa will invest ₹220 crore in Manipal Integrated Services