

November 28, 2016

To,

**The Board of Directors,
Quess Corp Limited**

3/3/2, Bellandur Gate, Sarjapur Main Road,
Bengaluru 560103,
Karnataka, India

Sub: Fairness opinion on the Share Entitlement Ratio of equity shares for the proposed demerger of Identified Business of Manipal Integrated Services Private Limited into Quess Corp Limited

This opinion is issued pursuant to the terms of our engagement letter with Quess Corp Limited ("Quess") dated November 25th 2016 under the terms of which Quess has requested ICICI Securities ("I-Sec") to provide a fairness opinion on the share entitlement ratio of the equity shares of Quess to the shareholders of MIS ("Share Entitlement Ratio") for the demerger of the Facilities Management business and Catering business (together the "Identified Business") of Manipal Integrated Services Private Limited ("MIS") into Quess Corp Limited pursuant to a Scheme of Arrangement ("Proposed Scheme").

BACKGROUND, PURPOSE AND USE OF THIS REPORT

We understand that compulsorily convertible preference shares (CCPS) of MIS of face value of up to Rs. 220,00,00,000 (Rupees two hundred and twenty crores) are to be issued to and shall be held by Quess for securing an interest in the Identified Business, development of the same and facilitate the proposed demerger of the Identified Business into Quess. We understand that the managements of Quess and MIS (referred to as the "Companies") propose to demerge the Identified Business of MIS into Quess, pursuant to the Proposed Scheme. The CCPS to be issued to and held by Quess shall stand cancelled upon the Proposed Scheme becoming effective. Accordingly, in consideration for the said demerger, equity shares of Quess will be issued to the shareholders of MIS.

For the aforesaid purpose, the management has appointed Walker, Chandiok & Co LLP (referred as "Valuers") to prepare a valuation report on the Share Entitlement Ratio for issue of Quess equity shares to the shareholders of MIS, to be placed before the Board of Directors of the Companies, as per the requirement of SEBI CIR/CFD/CMD/16/2015 dated November 30, 2015.

Member of National Stock Exchange of India Ltd. & Bombay Stock Exchange Ltd.
Capital Market : NSE Regn. No. INB 230773037, BSE Regn. No. INB 011286854
Futures & Options : NSE Regn. No. INF 230773037, BSE Regn. No. INF 010773035
Currency Derivatives : NSE Regn. No. INE 230773037
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In this connection we have been requested by Quess to render our professional services by way of a fairness opinion on the Share Entitlement Ratio to the Board of Directors of Quess as to whether the Share Entitlement Ratio in relation to equity shares, as recommended by the Valuers, in their report dated November 28, 2016, and based on the valuation analysis carried out by them, is fair and reasonable.

This report is intended only for the sole use and information of the Companies, and only in connection with the Proposed Scheme including for the purpose of obtaining judicial and regulatory approvals for the Proposed Scheme. We are not responsible in any way to any other person / party for any decision of such person or party based on this report. Any person / party intending to provide finance / invest in the shares / business of any of the Companies or their subsidiaries/joint ventures/associates shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision. It is hereby notified that any reproduction, copying or otherwise quoting of this report or any part thereof, other than in connection with the Proposed Scheme as aforesaid can be done only with our prior permission in writing. We acknowledge that this report will be shared to the extent as may be required, with the relevant High Court, stock exchanges, advisors of the Companies in relation to the Proposed Scheme, as well as with the statutory authorities.

As per Valuers' recommendation, under the Proposed Scheme, having considered that the investment to be made and held by Quess in the preference share capital of MIS aggregating to a face value of Rs. 220,00,00,000 (Rupees two hundred and twenty crores) shall stand cancelled, the holders of outstanding equity shares of MIS will receive 165 (One Hundred and Sixty-five) fully paid up equity shares of Quess with the face value of Rs. 10 (Ten) each for every 280 (Two Hundred and Eighty) fully paid up equity shares of MIS with the face value of Rs. 10 (Ten) each.

SOURCES OF INFORMATION

In arriving at our opinion set forth below, we have relied on:

- (a) Discussions (including oral) and documents as provided by the Valuers for purpose of this engagement;
- (b) Discussions (including oral) with management of Companies regarding the Proposed Scheme, current operations, future plans, capital expenditure;
- (c) Audited profit and loss statement of Quess for the 9 months period ended December 31st, 2013, 15 months ended March 31st, 2015 and year ended 31st March 2016 and balance sheets of Quess as on December 31st, 2013 and 31st March 2015 and 2016;
- (d) Audited profit and loss statement and balance sheet of MIS for the year ended 31st March 2014, 2015 and 2016;
- (e) The financials for Identified Business for YTD 2017 (April 1, 2016 to August 31, 2016)
- (f) Financial projections in relation to the Identified Business for the period from fiscal year ending 31st March 2017 to 2022;



- (g) Financial projections in relation to Quess for the period from fiscal year ending 31st March 2017 to 2021;
- (h) Market data / trading data of Quess from NSE and BSE websites
- (i) Market data of the comparable companies from Bloomberg
- (j) Comparable transactions data from Venture Intelligence
- (k) Draft Scheme of Arrangement;
- (l) Other relevant information and documents for the purpose of this engagement

SCOPE LIMITATIONS

Our report is subject to the scope limitations detailed hereinafter. As such the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

Our work does not constitute an audit, due diligence or certification of the historical financial statements in relation to the Companies including the working results of the Companies or its businesses referred to in this report. Accordingly, we are unable to and do not express an opinion on the accuracy of any financial information referred to in this report.

Our analysis and results are specific to the purpose of the exercise of giving our fairness opinion on the Share Entitlement Ratio for the Proposed Scheme. It may not be valid for any other purpose or if provided on behalf of any other entity.

Our analysis and results are also specific to the date of this report and based on information as at 28 November, 2016. An exercise of this nature involves consideration of various factors. This report is issued on the understanding that the Companies have drawn our attention to all the matters, which they are aware of concerning the financial position of the Companies, their businesses, and any other matter, which may have an impact on our opinion, on the Share Entitlement Ratio for the Proposed Scheme, including any significant changes that have taken place or are likely to take place in the financial position of the Companies or their businesses subsequent to the proposed Appointed Date for the Proposed Scheme. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

In the course of the present exercise, we were provided with both written and verbal information, including financial data. The terms of our engagement were such that we were entitled to rely upon the information provided by the Companies without detailed inquiry. With respect to the financial forecasts relating to the Companies, we have assumed, that they have been reasonably prepared on bases reflecting the best currently available estimates and good faith judgments of the management as to the future financial performance of the Companies. Also, we understand that the Companies' management has not omitted any relevant and material factors for the purposes of the work which we have undertaken in connection with this report. Accordingly, we shall have no obligation to verify the accuracy or completeness of any such information or express any opinion or offer any form of assurance regarding the accuracy or completeness of such information and shall not assume any liability therefor. We assume no responsibility whatsoever for any errors in the above information furnished by the Companies and their impact on the present exercise.



We express no opinion whatever and make no recommendation at all to Qess and/or MIS underlying its decision to effect the Proposed Scheme or as to how the holders of equity shares or preference shares or secured or unsecured creditors of the Companies should vote at their respective meetings held in connection with the Proposed Scheme. We do not express and should not be deemed to have expressed any views on any other term of the Proposed Scheme. We also express no opinion and accordingly accept no responsibility or as to the prices at which the equity shares of Qess will trade following the announcement of the Proposed Scheme or as to the financial performance of the Companies following the consummation of the Proposed Scheme.

No investigation of the Companies' claim to title of assets has been made for the purpose of this exercise and the Companies' claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility whatsoever is assumed for matters of a legal nature. Our report is not and should not be construed as our opining or certifying the compliance of the Proposed Scheme with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising from such Proposed Scheme.

We have not conducted or provided an analysis of due diligence or appraisal of the assets and liabilities of the Companies and have wholly relied on information provided by the Companies and/or Valuers in that regard.

In the ordinary course of business, ICICI Securities Limited and its affiliates is engaged in securities trading, securities brokerage and investment activities, as well as providing investment banking and investment advisory services. In the ordinary course of its trading, brokerage and financing activities, any member of ICICI Securities Limited may at any time hold long or short positions, and may trade or otherwise effect transactions, for its own account or the accounts of customers, in debt or equity securities or senior loans of any company that may be involved in the Proposed Scheme.

RATIONALE & CONCLUSION

In the circumstances, having regard to all relevant factors and on the basis of information and explanations given to us, we are of the opinion on the date hereof, that the proposed Share Entitlement Ratio as recommended by Valuers, which forms the basis for arriving at consideration in the form of equity shares for the Proposed Scheme is fair and reasonable.

Yours faithfully,

For ICICI Securities Limited,

Apoorva Oza
Vice President, Investment Banking
ICICI Securities, Mumbai
Date: November 28, 2016

