Dated: August 4, 2017

Stock Code: BSE: 539978
NSE: QUESS
ISIN: INE615P01015

The Manager Listing Department, National Stock Exchange of India Limited, "Exchange Plaza", Bandra-Kurla Complex, Bandra (E), Mumbai-400051.	**The General Manager** Listing Department, BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001.

Dear Sir,

Sub: Notices issued to Equity Shareholders, Secured and Unsecured Creditors for NCLT convened meetings to be held on September 5, 2017.

Notice is hereby given in pursuance of sub-section (5) of section 230 of the Companies Act, 2013, that as directed by the Bengaluru Bench of the National Company Law Tribunal at Bengaluru by an order dated 31.7.2017 under sub-section (1) of section 230 of the Act, a meeting of the Equity Shareholders, Secured Creditors and Unsecured Creditors of Quess Corp Limited shall he held on Tuesday 5th September 2017 at 10 AM , 11 AM and 12 PM to consider the Scheme of Arrangement Between Manipal Integrated Services Private Limited And Quess Corp Limited, at Hotel Royal Orchid, 1, Golf Avenue, Adjoining KGA Golf Course, HAL Airport Road, Bengaluru, Karnataka- 560 008.

A copy of the notices sent to Equity Shareholders, Secured Creditors and Unsecured Creditors and Scheme of Arrangement Between Manipal Integrated Services Private Limited and Quess Corp Limited along with statement as required under section 230(3) of the Companies Act, 2013 are enclosed.

You are, hereby informed that representations, if any, in connection with the proposed Scheme of Arrangement may be made to the Tribunal within thirty days from the date of receipt of this notice. Copy of the representation may simultaneously be sent to the concerned Company (ies).

In case no representation is received within the stated period of thirty days, it shall be presumed that you have no representation to make on the proposed Scheme of Arrangement.

Thanking you,

Yours faithfully,
For Quess Corp Limited

(Sudershan Pallap)
Vice President & Company Secretary

Encl: As above.

QUESS CORP LIMITED
Registered office: 3/3/2, Bellandur Gate, Sarjapur Main Road, Bengaluru- 560 103
Tel +91 80 6105 6000 | Fax +91 80 6105 6406 | CIN L74140KA2007PLC043909
www.quesscorp.com; email id: investor@quesscorp.com

MEETING OF EQUITY SHAREHOLDERS

Date	:	05/09/2017
Time	:	10:00 AM
Venue	:	Hotel Royal Orchid, 1, Golf Avenue, Adjoining KGA Golf Course, HAL Airport Road, Bengaluru, Karnataka- 560 008

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Dated this 3rd day of August 2017 at Bengaluru

Sd/-
Subrata Nag
(DIN 02234000)
Chairman appointed for the meeting

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL BENGALURU BENCH AT BENGALURU

ORIGINAL JURISDICTION

IN THE MATTER OF COMPANIES ACT, 2013

AND

IN THE MATTER OF SECTIONS 230 AND 232 READ WITH SECTION 52 AND 66 OF THE COMPANIES ACT, 2013 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013

AND

IN THE MATTER OF MANIPAL INTEGRATED SERVICES PRIVATE LIMITED AND QUESS CORP LIMITED

AND

IN THE MATTER OF AND SCHEME OF ARRANGEMENT BETWEEN MANIPAL INTEGRATED SERVICES PRIVATE LIMITED AND QUESS CORP LIMITED

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

COMPANY APPLICATION NO. CA (CAA) 41/BB OF 2017

QUESS CORP LIMITED
L74140KA2007PLC043909
Registered Office: 3/3/2,
Bellandur Gate, Sarjapur Main Road,
Bengaluru- 560 103 **… APPLICANT COMPANY NO: 1**

MANIPAL INTEGRATED SERVICES PRIVATE LIMITED
U74140KA2004PTC033168
Registered Office: Tower B-1, 3rd Floor,
Golden Enclave, Old Airport Road,
Bengaluru-560 017 **… APPLICANT COMPANY NO: 2**

NOTICE CONVENING THE MEETING OF THE EQUITY SHAREHOLDERS

To,

The Equity Shareholders of
Quess Corp Limited,

Notice is hereby given that by an order dated 31/07/2017, the Bengaluru Bench of the National Company Law Tribunal (hereinafter referred as Tribunal) has directed a meeting of the Equity Shareholders of the Applicant Company No. 1 for the purpose of considering and if thought fit, approving with or without modification the Scheme of Arrangement between Manipal Integrated Services Private Limited and Quess Corp Limited, to transfer the Demerged Undertaking/ Identified Business of Manipal Integrated Services Private Limited into Quess Corp Limited under Sections 230-232 of the Companies Act, 2013 (hereinafter referred to as the 'Scheme').

In pursuance of the said order and as directed therein, further notice is hereby given that a meeting of the Equity Shareholders of the said Applicant Company No. 1 will be held at Hotel Royal Orchid, 1, Golf Avenue, Adjoining KGA Golf Course, HAL Airport Road, Bengaluru, Karnataka- 560 008, on Tuesday, the 5th day of September 2017 at 10:00 AM, at which time and place the said shareholders are requested to attend.

The copy of the said Scheme of arrangement between Manipal Integrated Services Private Limited and Quess Corp Limited, and the statement under section 230 can be obtained free of charge at the Registered Office of the Applicant Company No.1 or at the office of its authorized representative Mr. Sudershan Pallap, Company Secretary at 3/3/2 Bellandur Gate, Sarjapur Main Road, Bengaluru 560103. The Persons entitled to attend and vote at the meeting, may vote in person or by proxy provided that, all proxies in the prescribed form are deposited at the registered office at 3/3/2, Bellandur Gate, Sarjapur Main Road, Bengaluru- 560 103 not later than 48 hours before the aforesaid meeting.

Forms of Proxy can be obtained from the registered office of the company.

The last day for exercise of votes through e-voting is on or before 03/09/2017.

The Tribunal has appointed Mr. Subrata Nag, CFO and Executive Director failing him Mr. Abhinandan. R, Vice President – Strategy & Investments of the Applicant Company No.1, be the Chairman of the said meeting. The above-mentioned arrangement, if approved by the meeting, will be subject to the subsequent approval of the Tribunal.

Equity Shareholders are requested to attend to consider and if thought fit to pass, with or without modification(s), the following resolution with requisite majority:

"RESOLVED THAT pursuant to Sections 230 and 232 of the Companies Act, 2013 (the Act) and Companies (Compromise, Arrangement and Amalgamation), Rule 2016 and the National Company Law Tribunal Rules 2016 (the Rules) and other applicable provisions, if any, of the Act and the Rules and subject to sanction by the Hon'ble National Company Law Tribunal Bengaluru Bench and other requisite concerns and approvals, if any, being obtained and subject to such terms and conditions and modification(s) as may be imposed, prescribed or suggested by the Hon'ble Tribunal or other appropriate authorities, the Scheme of Arrangement Between Manipal Integrated Services Private Limited and Quess Corp Limited in terms of the draft laid before the meeting and initialed by the Chairman for the purpose of identification, be and is hereby approved.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to sign, seal and deliver all documents, agreements and deeds and perform all acts, matters and things and to take all such steps as may be necessary or desirable to give effect to this resolution."

Sd/-
Subrata Nag
(DIN 02234000)
Chairman appointed for the meeting

Dated this 3rd day of August 2017

NOTES:

1. Each equity shares constitute one vote as such the holder of such share can either opt for voting at the venue of the meeting of the equity shareholders of the Company or by exercise voting through e-voting mechanism. If you opt for e-voting, then do not vote at the venue of the meeting and vice-versa. In case of equity shareholders exercising their right to vote via both modes, i.e. at the venue of the meeting of the equity shareholders of the Company as well as e-voting, then e-voting shall prevail over voting by the said equity shareholder at the venue of the meeting of the equity shareholders and the vote cast at the venue of the meeting by that equity shareholder shall be treated as invalid.

2. A copy of the Scheme of Arrangement, statement under Section 230 of the Companies Act, 2013, Form of Proxy and attendance slip are enclosed.

3. **A REGISTERED EQUITY SHAREHOLDER IS ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER. THE INSTRUMENT APPOINTING THE PROXY, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT**

THE COMPANY'S REGISTERED OFFICE, DULY COMPLETED AND SIGNED IN THE FORMAT SENT HEREWITH, NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

4. As per Section 105 of the Companies Act, 2013 and rules made thereunder, a person can act as Proxy on behalf of not more than 50 (fifty) members holding in aggregate, not more than 10% (ten percent) of the total share capital of the Applicant Company No 1 carrying voting rights. Further, a member holding more than 10% of the total share capital of the Applicant Company No 1 carrying voting rights may appoint a single person as Proxy and such person shall not act as Proxy for any other person or shareholder.

5. All alterations made in the form of proxy should be initialled by equity shareholders.

6. The equity shareholders of the Applicant Company No: 1 whose names appear in the records of the Company as on 28/07/2017 shall be eligible to attend and vote at the meeting of the equity shareholders of the Applicant Company No: 1 or cast their votes using remote e-voting facility. Any person who acquires shares of the Company and becomes member of the Applicant Company No: 1 after the cut-off date i.e., 28/07/2017 shall not be eligible to vote either electronically or at the NCLT Convened Meeting.

7. The authorized representative of a Body Corporate or Foreign Institutional Investor ("**FII**") which is a registered equity shareholder of the Applicant Company No: 1 may attend and vote at the meeting, provided a certified copy of the resolution of the Board of Directors or other governing body of such Body Corporate/ FII, authorizing such representative to attend and vote at the meeting on behalf of such body corporate/ FII is deposited at the Registered Office of the Applicant Company No: 1 not later than 48 (forty eight) hours before the commencement of the meeting.

8. During the period beginning 24 (twenty four) hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than 3 (three) days of notice in writing is given to the Company.

9. Registered equity shareholders are informed that in case of joint holders attending the meeting, only such joint holder whose name stands first in the

Register of Members of the Transferee Company in respect of such joint holding will be entitled to vote.

10. Equity Shareholders are requested to hand over the enclosed Attendance Slip, duly signed in accordance with their specimen signature(s) registered with the Applicant Company No: 1 for admission to the Meeting Hall. Equity Shareholders who hold shares in dematerialized form are requested to bring in their Client ID and DP ID numbers for identification.

11. The notice is being sent to all the equity Shareholders, whose name appeared in the Register of Members as on 28th day, July, 2017. This notice of the NCLT Convened Meeting of the Shareholders of the Company is also displayed/posted on the website of the Company www.quessscorp.com and also of NSDL viz., https://evoting.nsdl.co.in

12. The Notice convening the aforesaid meeting will be published through advertisement in Hindu in English language and in Udayavani in Kannada.

13. The material documents referred to in the accompanying Explanatory Statement shall be open for inspection by the Equity Shareholders at the Registered office of the Applicant Company No.1 on all working days between 11.00 a.m. to 1.00 p.m. The Applicant Company No: 1 has engaged NSDL to provide remote e-voting facilities to the equity Shareholders of the Applicant Company No: 1 to exercise votes on the business given in Notice, through electronic voting system to those shareholders holding shares as on 28/07/2017, being the cut-off date fixed for determining voting rights of shareholders entitled to participate in the remote e-voting process.

14. The results of voting will be declared to the Stock Exchanges viz., BSE Limited and National Stock Exchange of India Limited, after the aforesaid meeting. The results along with the Scrutinizer's Report shall also be placed on the website of the Applicant Company No. 1 and on the website of NSDL.

15. Voting through Remote e-voting :

I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Company is pleased to provide

members facility to exercise their right to vote on resolutions proposed to be considered at the aforesaid meeting by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue at the aforesaid meeting ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

II. The facility for voting through ballot paper shall be made available at the aforesaid meeting and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

III. The members who have cast their vote by remote e-voting prior to the aforesaid meeting may also attend the aforesaid meeting but shall not be entitled to cast their vote again.

IV. The remote e-voting period commences on August 6, 2017 (9:00 am) and ends on September 4, 2017 (5:00 pm). During this period Equity Shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of July 28, 2017, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the Equity Shareholder shall not be allowed to change it subsequently.

V. The process and manner for remote e-voting are as under:

A. In case a Equity Shareholder receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)] :

(i) Open email and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password. NOTE: Equity Shareholders already registered with NSDL for e-voting will not receive the PDF file "remote e-voting.pdf".

(ii) Launch internet browser by typing the following URL: https://www.evoting.nsdl. com/

(iii) Click on Shareholder - Login

(iv) Put your user ID and password (the initial password mentioned in the e-mail sent by NSDL to Equity Shareholders whose e-mail addresses are registered with the company/ depository participant(s) or mentioned in the attendance slip) and verification code as displayed. Click Login.

(v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.

(vii) Select "EVEN" of "QUESS CORP LIMITED".

(viii) Now you are ready for remote e-voting as Cast Vote page opens.

(ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.

(x) Upon confirmation, the message "Vote cast successfully" will be displayed.

(xi) Once you have voted on the resolution, you will not be allowed to modify your vote.

(xii) Institutional Equity Shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to mishra@snmassociates.in with a copy marked to evoting@nsdl.co.in B. In case a Member receives physical copy of the Notice of the aforesaid meetign) [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :

i. Initial password is provided as below/at the bottom of the Attendance Slip for the aforesaid meeting) : EVEN (Remote e-voting Event Number) USER ID PASSWORD/PIN

ii. Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222990.

VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote. NOTE: Shareholders who forgot the User Details/ Password can use "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com. In case Shareholders are holding shares in demat mode, USER-ID is the combination of (DPID+ClientID). In case Shareholders are holding shares in physical mode, USER-ID is the combination of (Even No+Folio No).

VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of July 28, 2017.

X. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.

XI. A Equity Shareholders may participate in the aforesaid meeting even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the aforesaid meeting.

XII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the aforesaid meeting through ballot paper.

XIII. Mr. S N Mishra, Practising Company Secretary (Membership No. FCS 6143) of M/s. SNM & Associates, Company Secretaries has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.

XIV. The Chairman shall, at the aforesaid meeting, at the end of discussion on the resolution on which voting is to be held, allow voting with the assistance of scrutinizer, by use of or "Ballot Paper" or "Polling Paper" for all those Equity Shareholders who are present at the aforesaid meeting but have not cast their votes by availing the remote e-voting facility.

XV. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.quesscorp.com and on the website of NSDL, www. nsdl.com immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the stock exchanges.

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL BENGALURU BENCH AT BENGALURU

ORIGINAL JURISDICTION

IN THE MATTER OF COMPANIES ACT, 2013

AND

IN THE MATTER OF SECTIONS 230 AND 232 READ WITH SECTION 52 AND 66 OF THE COMPANIES ACT, 2013 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013

AND

IN THE MATTER OF MANIPAL INTEGRATED SERVICES PRIVATE LIMITED AND QUESS CORP LIMITED

AND

IN THE MATTER OF AND SCHEME OF ARRANGEMENT BETWEEN MANIPAL INTEGRATED SERVICES PRIVATE LIMITED AND QUESS CORP LIMITED

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

COMPANY APPLICATION NO. CA (CAA) 41/BB OF 2017

QUESS CORP LIMITED
L74140KA2007PLC043909
Registered Office: 3/3/2,
Bellandur Gate, Sarjapur Main Road,
Bengaluru- 560 103 **… APPLICANT COMPANY NO: 1**

MANIPAL INTEGRATED SERVICES PRIVATE LIMITED
U74140KA2004PTC033168
Registered Office: Tower B-1, 3rd Floor,
Golden Enclave, Old Airport Road,
Bengaluru-560 017 **… APPLICANT COMPANY NO: 2**

STATEMENT UNDER SECTION 230 OF AND SECTION 102 OF THE COMPANIES ACT, 2013 TO THE NOTICE OF THE TRIBUNAL CONVENED MEETING OF THE EQUITY SHAREHOLDERS OF QUESS CORP LIMITED AND NOTICE FOR POSTAL BALLOT AND E-VOTING

1. Pursuant to the Order dated 31/07/2017 passed by the Bengaluru Bench of National Company Law Tribunal in the Company Application referred to hereinabove. Separate meetings of the Equity Shareholders, Secured and Unsecured Creditors of the Applicant Company No. 1 is to be held on Tuesday 5th day of September 2017 at 10:00 AM, 11:00 AM & 12:00 PM, at Hotel Royal Orchid, 1, Golf Avenue, Adjoining KGA Golf Course, HAL Airport Road, Bengaluru, Karnataka- 560 008. For the purpose of considering and, if thought fit, approving with or without modification(s) the Scheme of Arrangement between Manipal Integrated Services Private Limited and Quess Corp Limited.

2. In this statement, Quess Corp Limited is hereinafter referred to as Applicant Company No: 1 and Manipal Integrated Services Private Limited is referred to as Applicant Company No: 2. Where the context so requires, the Applicant Company No: 1 and the Applicant Company No: 2 are together referred to as the "Companies".

3. The Applicant Company No: 1 was incorporated on 19/09/2007 under the provisions of the Companies Act, 1956 with the Registrar of Companies Karnataka at Bengaluru under the name and style of "IRIS Capital Solutions Private Limited". Thereafter, the name was, changed to "IKYA Human Capital Solutions Private Limited". Subsequently, it was, converted to a Public Limited Company with the name "IKYA Human Capital Solutions Limited". Thereafter, the name was, changed to its present name ***"Quess Corp Limited"*** with the Registration No. L74140KA2007PLC043909 and PAN No. AABCI7601M. The Applicant Company No: 1 is engaged in business of People & Services, Global Technology Solutions, Integrated Facility Management & Industrials

4. The Registered office of the Applicant Company No: 1 is situated at 3/3/2, Bellandur Gate, Sarjapur Main Road, Bengaluru- 560 103.

5. Equity shares of the Applicant Company No. 1 are listed on BSE Limited and National Stock Exchange of India Limited and Secured, Rated, Listed, Redeemable, Non-convertible Debentures are listed on BSE Limited

6. The Applicant Company No: 2 was incorporated on 09/01/2004 under the provisions of the Companies Act, 1956 with the Registrar of Companies Karnataka at Bengaluru under the name and style of "Manipal Servicecorp Facility Management Private Limited". Thereafter the name was, changed to the

present name ***"Manipal Integrated Services Private Limited"*** with the Registration No. U74140KA2004PTC033168 and PAN No. AADCM8103A. The Applicant Company No: 2 is engaged in the business of Hostel Services, Facility Management Services, Support and Other Allied Services.

7. The Registered Office of the Applicant Company No: 2 is situated at Tower B-1, 3rd Floor, Golden Enclave, Old Airport Road Bengaluru-560 017.

8. By the Scheme of Arrangement, it is proposed to transfer the Demerged Undertaking/ Identified Business of Manipal Integrated Services Private Limited into Quess Corp Limited in order to improve business focus, resulting in maximization of benefits to all stakeholders and provide better opportunity of growth.

9. Capital Structure

a. The authorized, issued, subscribed and paid-up share capital of the Applicant Company No. 1 as on March 31, 2016, was as follows:

Authorized Capital	**Amount Rs.**
20,00,00,000 Equity Shares of Re. 10/- each	2,00,00,00,000
Issued, Subscribed and Paid-Up Capital	**Amount Rs.**
11,33,35,056 Equity Shares of Re. 10/- each fully paid up	1,13,33,50,560

Subsequent to March 31, 2016, the Applicant Company No: 1 has issued/allotted shares. Post this issue, the Authorised, Issued, Subscribed and Paid-up Share capital of the Applicant Company No: 1 is as follows:

Authorized Capital	**Amount Rs.**
20,00,00,000 Equity Shares of Re. 10/- each	2,00,00,00,000
Issued, Subscribed and Paid-Up Capital	**Amount Rs.**
12,67,90,961 Equity Shares of Re. 10/- each fully paid up	1,26,79,09,610

b. The Authorized, issued, subscribed and paid-up share capital of the Applicant Company No.2 as on March 31st, 2016 is as follows:

Authorised Capital	Amount Rs.
2,00,00,000 Equity Shares of Rs.10/- each	20,00,00,000
Issued, Subscribed and Paid-Up Capital*	**Amount Rs.**
1,18,96,319 Equity Shares of Rs.10/- each fully paid up	11,89,63,190

*Certain Employee Stock Option granted to employees of Applicant Company No: 2 may get exercised before the Effective Date. The details of unexercised employee stock options (Net of Cancellation) of the employees of Applicant Company No: 2 as on March 31, 2016 set out below:

Unexercised Stock Options	Amount Rs.
2,35,750 Options entitling equivalent Equity Shares of Rs.10/- each	23,57,500

Subsequent to March 31, 2016, the Applicant Company No: 2 has issued/allotted shares. Post this issue, the Authorised, Issued, Subscribed and Paid-Up share capital of Applicant No: 2 is as follows:

Authorised Capital	Amount Rs.
2,00,00,000 Equity Shares of Rs.10/- each	20,00,00,000
1,00,00,000 Preference Shares of Rs. 10 /- each	10,00,00,000
Issued, Subscribed and Paid-Up Capital**	**Amount Rs.**
1,20,73,319 Equity Shares of Rs.10/- each fully paid up	12,07,33,190
40,36,697 Preference Shares of Rs. 10 /- each	4,03,66,970

** Certain Employee Stock Option granted to employees of Applicant Company No: may get exercised before the Effective Date. The details of unexercised employee stock options (Net of Cancellation) of the employee of Applicant Company No: 2 as on December 6, 2016 are set out below:

Unexercised Stock Options	Amount Rs.
58,750 Options entitling equivalent Equity Shares of Rs.10/- each	5,87,500

10. The Board of Directors of the Applicant Company No: 2 and Applicant Company No: 1 have adopted the Scheme of Arrangement at their respective meetings held on November 28, 2016. Subject to approval by the requisite majority of the equity shareholders of the Company and creditors of the Company, as may be required, and subject to the sanction of the National Company Law Tribunal and of such other authorities as may be necessary.

11. BSE & NSE have issued their respective observation letters for the proposed Scheme of Arrangement between MIS and Quess, wherein BSE & NSE directed Quess to disclose information pertaining to Mr. Pratip Chaudhuri as a 'willful defaulter'. Quess has submitted its response to BSE and NSE stating that Mr. Pratip Chaudhuri is / was not a 'willful defaulter' based on the records of Quess and explanation provided by Mr. Pratip Chaudhuri.

12. **REPORT UNDER SECTION 230 AND 232 OF THE COMPANIES ACT 2013**

A. Under the proposed Scheme, the entire assets and liabilities of the Demerged undertaking of the Applicant Company No: 2 is proposed to be transferred to and vested in Quess Corp Limited (Applicant Company No: 1). The said scheme will be effective from December 1, 2016 the Appointed Date.

B. The objectives of the above scheme are as follows:

(i) It is proposed to transfer the Demerged Undertaking/Identified Business (more particularly defined hereinafter) of MIS into Quess, on agreed terms and conditions as set out herein.

(ii) The management proposes to achieve the above pursuant to this Scheme under Sections 230 to 232 of the Act read with Sections 52 and 66 of the Act and other applicable provisions of the Companies Act, 2013 or the Act (to the extent notified), in the manner set out herein.

(iii) The proposed demerger would inter alia result in the following benefits:

(i) In case of MIS and its shareholders:

1. Unlocking value for MIS in relation to the undertaking being demerged; and

2. Pursue growth opportunities in line with its strategic directions.

(ii) In case of Quess:

1. Strategic fit with Quess's integrated facility management business segment with expansion of operations and business on a pan India basis; and

2. Gaining of strong operational capabilities in the niche and high growth verticals of healthcare and education vertical facility management.

The valuation report issued by M/s. Walker, Chandiok & Co. LLP is enclosed herewith

C. Share Exchange Ratio: Clause 5.1

Upon this Scheme becoming effective and as consideration for the proposed demerger, Quess shall, without any act, application, payment or deed, issue and allot equity shares (***"Equity Shares"***) credited as fully paid-up, as per the share entitlement ratio set out below, to the equity shareholders of MIS whose names appear in the register of members of MIS on the Record Date, or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the Board of Directors of Quess and MIS in proportion to their equity shareholding in MIS in consideration for the transfer of the Demerged Undertaking. The share entitlement ratio shall be:

165 (*One Hundred and Sixty Five)* equity shares of Quess of Rs. 10 each fully paid up for every 280 (*Two Hundred and Eighty*) equity shares of MIS of Rs. 10/- each fully paid-up.

The valuation report is obtained from M/s. Walker, Chandiok & Co. LLP and accepted and adopted by the Board

D. A summary of the assets and liabilities of the Applicant Company No: 1 as per the Audited Balance Sheet as on March 31, 2016 are as follows:

(INR in Crores)

Liabilities	Amount	Assets	Amount
Share capital	**113.34**	Non-Current Assets	**405.10**
Reserves and surplus	**243.28**	Current Assets	**844.94**
Non-Current liabilities	**78.84**		
Current liabilities	**814.58**		
TOTAL	**1,250.04**	**TOTAL**	**1,250.04**

Subsequent to the date of the aforesaid audited accounts, there has been no substantial change in the financial position of the Applicant Company No: 1 excepting those arising or resulting from the usual course of business.

E. As per the audited balance sheet of the Applicant Company No: 1 made upto 31 / 03 / 2017, the summarized position of the assets and liabilities of the company are as follows:

(*INR in Crores*)

Liabilities	Amount	Assets	Amount
Share capital	126.79	Non-Current Assets	929.52
Reserves and surplus	709.38	Current Assets	1350.81
Non-Controlling Interests	0.88		
Non-Current liabilities	429.78		
Current liabilities	1,013.50		
TOTAL	**2,280.33**	**TOTAL**	**2,280.33**

F. A summary of the assets and liabilities of the Applicant Company No: 2 as per the Audited Balance Sheet as on March 31, 2016 are as follows:

(*INR in Crores*)

Liabilities	Amount	Assets	Amount
Share capital	11.90	Non-Current Assets	579.29
Reserves and surplus	34.24	Current Assets	45.73
Non-Current liabilities	496.73		
Current liabilities	82.14		
TOTAL	**625.01**	**TOTAL**	**625.01**

Subsequent to the date of the aforesaid audited accounts, there has been no substantial change in the financial position of the Applicant Company No: 2 excepting those arising or resulting from the usual course of business.

G. As per the unaudited balance sheet of the Applicant Company No: 2 made upto March 31, 2017, the summarized position of the assets and liabilities of the company are as follows:

(*INR in Crores*)

Liabilities	Amount	Assets	Amount
Share capital	16.11	Non-Current Assets	612.98
Reserves and surplus	163.38	Current Assets	79.71
Non-Current liabilities	437.07		
Current liabilities	76.13		
TOTAL	**692.69**	**TOTAL**	**692.69**

H. Names of the promoters and directors of the Applicant Company No. 1 along with their addresses

LIST OF DIRECTORS	
Sl. No	Name, Designation, DIN and address
1.	Ajit Isaac, Chairman, Managing Director & CEO DIN: 00087168, Address: 242, 3rd Main, 4th Cross, 1st Block, Koramangala, Bangalore 560034
2.	Chandran Ponnaiah Ratnaswami, Non- Executive Director DIN: 00109215 Address: 177 MCKEE avenue, Ontario, M2N4C6 Toronto
3.	Madhavan Karunakaran Menon, Non- Executive Director DIN:00008542, Flat No. 702, Supreme Pearl 17th Road, Khar (West) Mumbai 400052
4.	Pratip Chaudhuri, Independent Director DIN: 00915201 Address: H - 1591 Pocket H C. R. Park, New Delhi 110019
5.	Pravir Kumar Vohra, Independent Director DIN:00082545 Address: E-602, Oberoi Splendor, J V Link Rd Opp Majas Depot, Andheri East Mumbai 400060
6.	Revathy Ashok, Independent Director DIN: 00057539 Address: 139/6-2 Domlur Layout, Sharadamma Layout Bangalore 560071
7.	Sanjay Anandaram, Independent Director DIN: 00579785 Address: 709,Pine Block, Raheja Residency 3rd Block, 8th C Main, Koramangala Bangalore 560034

8.	Subrata Kumar Nag, Whole-time Director & CFO DIN: 02234000 Address: A2,303,Ganga Block, NGV, Koramangala, Bangalore 560047

LIST OF PROMOTERS	
Sl. No	Name, Designation, DIN and address
1	Ajit Isaac, Chairman, Managing Director & CEO DIN: 00087168, Address: 242, 3rd Main, 4th Cross, 1st Block, Koramangala, Bangalore 560034
2	Thomas Cook (India) Limited, CIN: L63040MH1978PLC020717 Address: Thomas Cook Building, Dr D N Road Fort Mumbai 400001

I. Disclosure about the effect of the compromise or amalgamation on:

(a)	Key managerial personnel:	- Nil – except equity shareholding dilution in the Applicant company No. 1
(b)	Directors:	- do -
(c)	Promoters:	- do -
(d)	Non-promoter members:	- do -
(e)	Depositors:	Nil
(f)	Creditors:	Nil
(g)	Debenture holders:	Nil
(h)	Deposit trustee and debenture trustee:	Nil
(i)	Employees of the Company:	Nil

J. The Scheme will be filed with the Registrar on 4.8.2017

13. Inspection of the following documents may be taken at the Registered Office of the Applicant Company No: 1 on any working day (except Saturday and Sunday) prior to the date of the aforesaid meeting between 10.00 A.M. to 4.00 PM.

(a) Order dated 31/07/2017 passed by the Hon'ble Tribunal passed in Company Application No CA CAA) 41/BB of 2017, directing the convening of the meetings of Equity Shareholders, Secured and Unsecured Creditors of the Applicant Company No: 1.

(b) Scheme of Arrangement.

(c) Memorandum and Articles of Associations of the Applicant Company No: 1 and the Applicant Company No: 2.

(d) Annual Report of the Applicant Company No: 1 for the year ended 31/3/2016 and 31/3/2017

(e) Annual Report of the Applicant Company No: 2 for the year ended 31/3/2016 and unaudited report dated 31/3/2017

14. This statement may also be treated as an Explanatory Statement under Section 102 of the Companies Act, 2013.

15. After the Scheme of Arrangement is approved by Shareholders, it will be further subject to the approval by the Hon'ble Bengaluru Bench of National Company Law Tribunal.

Sd/-

Dated this 3rd Day of August 2017

Mr. Subrata Nag
(DIN 02234000)
Chairman appointed for the meeting

Registered Office:
3/3/2, Bellandur Gate,
Sarjapur Main Road,
Bengaluru- 560 103

Walker Chandiok & Co LLP

STRICTLY PRIVATE & CONFIDENTIAL

Quess Corp Limited
Quess House,
3/3/2 Bellandur Gate, Sarjapur Road,
Bengaluru 560 103,
Karnataka, India

And

Manipal Integrated Services Private Limited
Golden Enclave,
Tower B1, H A L Old Airport Road,
Bengaluru 560 017,
Karnataka, India.

Walker Chandiok & Co LLP
(Formerly Walker, Chandiok & Co)
5th Floor, No. 65/2, Block "A",
Bagmane Tridib, Bagmane Tech Park
C V Raman Nagar, Bengaluru 560093
India

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Sub: Recommendation of the share entitlement ratio for the Proposed Demerger of the Identified Business of Manipal Integrated Services Private Limited into Quess Corp Limited

Dear Sirs,

We refer to our engagement letter, wherein Quess Corp Limited (hereinafter referred to as ("QCL") and Manipal Integrated Services Private Limited (hereinafter referred to as "MIS") (hereinafter jointly referred to as the "Companies") have requested Walker Chandiok & Co LLP (hereinafter referred to as "WCC" or the "Valuer") to carry out valuation of QCL and Identified Business of MIS for the purpose of estimating the share entitlement ratio for the proposed demerger of the Identified Business of MIS into QCL (hereinafter referred to as the "Proposed Demerger") based on the valuation of the Business/Companies and pursuant to the provisions of Sections 391 to 394 and other applicable provisions of the Companies Act, 1956 and corresponding provisions of the Companies Act, 2013, and the discussions that we have had with, and information that we have received from the management of the Companies (the "Management") from time to time in the above matter.

SCOPE AND PURPOSE OF THIS REPORT

QCL was incorporated in 2007 as an integrated business service provider. It is headquartered in Bengaluru. It is engaged in the business of providing business related services through four segments namely, Global Technology Solutions, People & Services, Integrated Facility Management and Industrial Asset Management. Global Technology solutions segment provides Information technology (IT) staffing and IT product solutions and services. The People & Services segment offers general staffing, recruitment and executive search and recruitment process outsourcing services, as well as payroll and background verification services. The Integrated Facility Management segment provides

facility management services which comprise electro-mechanical, pest control services, as well as food and hospitality services to corporates, hospitals, and schools. The Industrial Asset Management segment offers industrial operations and maintenance services and related asset record maintenance services across various industries, such as power, energy, oil and gas, chemicals, and ferrous and non-ferrous metal industries. QCL is listed on both; the Bombay Stock Exchange of India and the National Stock Exchange.

MIS was founded in the year 2004 and is based out of Bengaluru. The business segments of MIS include hostels for university student living, facility management services, catering services and security services. Facility management segment provides housekeeping, healthcare support services, engineering services and pest control services to Corporates and Educational institutes. Catering segment provides services to corporates, healthcare and educational sectors. Security segment provides services to Education and healthcare sectors.

The Identified Business of MIS would include the entire activities, operations, business division and undertaking of MIS and its subsidiaries as well as investments of MIS, in each case, pertaining to the (i) Facilities Management Business and (ii) Catering Business. The Subsidiaries forming part of the Identified Business includes Golden Star Facilities & Services (P) Ltd and Masterstaffing Solution (P) Ltd.

The Management of QCL and MIS are contemplating demerger of Identified Business of MIS into QCL pursuant to the Scheme of Arrangement (the "Scheme") under the relevant provisions of the Companies Act, 2013. In this regard, the Companies have approached WCC to recommend a fair share entitlement ratio for the Proposed Demerger based on the valuation of the Companies as on an agreed upon date (the "Valuation Date").

The following is the proposed modus operandi for the Proposed Demerger:

- Demerger of the Identified Business of MIS into QCL.
- Cancellation of Investment made by QCL in Compulsorily Convertible Preference Shares ("CCPS") of MIS for no consideration and reduction of Preference Share Capital of MIS to the extent of the face value of such CCPS.
- Having considered the cancellation of CCPS, QCL would issue to the shareholders of MIS such number of equity shares of the face value of INR 10 each fully paid up based on the share entitlement ratio.

In this connection, WCC has been requested by the Companies to submit a report recommending a fair share entitlement ratio in the event of the Proposed Demerger for the consideration of the Board of Directors of the Companies. This report will be placed before the Board of QCL and MIS and to the extent mandatorily required under applicable laws of India, maybe produced before judicial, regulatory or government authorities, in connection with the Proposed Demerger.

The scope of our services is to conduct valuation of QCL as well as the Identified Business of MIS for recommending a fair share entitlement ratio for the Proposed Demerger in accordance with generally accepted professional standards.

WALKER CHANDIOK & CO LLP BENGALURU CHARTERED ACCOUNTANTS

Chartered Accountants

This report is our deliverable in respect of our recommendation of fair share entitlement ratio for the purpose of the Proposed Demerger.
This report is subject to the scope, assumptions, exclusions, limitations and disclaimers 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.

SOURCES OF INFORMATION

In connection with this exercise, we have used information available in the public domain as well as following information from either the official website of the Companies or as provided by the Management:

- Management certified financial statements of Identified Business of MIS for the years 31 March 2016 and Year to Date ('YTD') financials for 31 August 2016;
- Projected financials statements of the Identified Business of MIS as provided by the Management;
- Market price of equity shares of Quess Corp Limited quoted on the stock exchanges;
- Draft Scheme of Arrangement;
- Discussions with the Management in connection with the business operations of the Companies and their key operating subsidiaries, past trends, future plans and prospects, etc.;
- Other relevant information and documents for the purpose of this engagement.

QSL and MIS have been provided with the opportunity to review the draft report (excluding the recommended ratio) for this engagement to make sure that factual inaccuracies are avoided in our final report.

SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

Provision of valuation opinions and consideration of the issues described herein are areas of our regular practice. The services do not represent accounting, assurance, accounting / tax due diligence, consulting or tax related services that may otherwise be provided by us or our affiliates.

This report, its contents and the results herein are specific to and based on (i) the purpose of valuation agreed as per the terms of our engagement; (ii) the date of this report (iii) the five month financial statements ending 31 August 2016 of the Identified and (iv) Financial Projections and other information provided by the Management . We have been informed that the financial position of the Identified Business of MIS as on the Appointed Date of the Proposed Demerger would not be materially different from the financial statements as on 31 August 2016.

WALKER CHANDIOK & CO LLP BENGALURU Chartered Accountants

A valuation analysis of this nature is necessarily based on the prevailing stock market, financial, economic and other conditions in general and industry trends in particular as in effect on, and the information made available to us as of the date hereof. Events occurring after this date may affect this report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this report.

The ultimate analysis will have to be tempered by the exercise of judicious discretion by the Valuers and judgment taking into account the relevant factors. There will always be several factors, e.g. management capability, present and prospective competition, yield on comparable securities, market sentiment, etc. which are not evident from the face of the balance sheets but which will strongly influence the worth of a share. This concept is also recognized in judicial decisions.

The recommendation(s) rendered in this Report only represent our recommendation(s) based upon information furnished by the Companies (or its representatives) and other sources and the said recommendation(s) shall be considered to be in the nature of non-binding advice, (our recommendation will however not be used for advising anybody to take buy or sell decision, for which specific opinion needs to be taken from expert advisors). We have no obligation to update this Report.

In the course of the analysis, we were provided with both written and verbal information, including market, financial and operating data.

We must emphasize that the Financial Projections are prepared by the Management and provided to us for the purpose of our analysis. The fact that we have considered the Financial Projections in this exercise should not be construed or taken as our being associated with or a party to such projections. Realization of free cash flow forecast used in the analysis will be dependent on the continuing validity of assumptions on which they are based. Our analysis, therefore, will not, and cannot be directed to provide any assurance about the achievability of the Financial Projections. Since the Financial Projections relate to future, actual results are likely to be different from the projected results because events and circumstances do not occur as expected, and the differences may be material.

In accordance with the terms of the engagement, we have assumed and relied upon, without independently verifying, (i) the accuracy of the information that was publicly available and formed a substantial basis for this report and (ii) the accuracy of information sourced from data bases. In accordance with our engagement letter and in accordance with the customary approach adopted in valuation exercises, we have not audited, reviewed or otherwise investigated the historical financial information available in the public domain. Accordingly, we do not express an opinion or offer any form of assurance regarding the truth and fairness of the financial position as indicated in the historical financial statements.

Also, with respect to explanations and information sought from the Companies, we have been given to understand by the Management that they have not omitted any relevant and material factors about the Companies/ the Identified Business and that they have checked the relevance or materiality of any specific information to the present exercise with us in case of any doubt. Our conclusions are based on the assumptions and information given by/on behalf of the Companies. The Management has indicated to us that they have understood that any omissions, inaccuracies or misstatements may materially affect our valuation analysis/ results. Accordingly, we assume no responsibility for any errors in the information furnished by the Companies and their impact on the Report. Nothing has come to our attention to indicate that the information provided was materially mis-stated/

incorrect or would not afford reasonable grounds upon which to base the report. Also, we assume no responsibility for technical information (if any) furnished by the Companies

The report assumes that the Companies comply fully with relevant laws and regulations applicable in all its areas of operations unless otherwise stated, and that the Companies will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this valuation report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not recorded in the audited/unaudited balance sheet of the Companies.

This report does not look into the business / commercial reasons behind the Proposed Demerger nor the likely benefits arising out of the same. Similarly, it does not address the relative merits of the Proposed Demerger as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available.

We are not advisors with respect to legal tax and regulatory matters for the Transaction. No investigation / enquiry of the Companies' claim to title of assets has been made for the purpose of this report and the Companies' claim to such rights have 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 is assumed for matters of a legal nature.

The fee for the engagement is not contingent upon the results reported.

We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions of or advice given by any other to the Companies. In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or wilful default on part of the Companies, their directors, employees or agents. In no circumstances shall the liability of the Valuer, its partners, its directors or employees, relating to the services provided in connection with the engagement set out in this report shall exceed the amount paid to the Valuer in respect of the fees charged by it for these services.

We do not accept any liability to any third party in relation to the issue of the Report and our Report is conditional upon an express indemnity from the Companies in our favour holding us harmless from and against any cost, damage, expense and other consequences in connection with the provision of this Report. It is clarified that this Report is not a fairness opinion under any of the stock exchange/ listing regulations. This Report is not a substitute for the third party's own due diligence/ appraisal/ enquiries/ independent advice that the third party should undertake for his purpose.

This Report is subject to the laws of India. WCC would not be referred to as an 'expert' in any regulatory filings under the US Securities Act of 1933 or under any of the securities laws/ regulations of any other state or jurisdiction in the United States/ United Kingdom.

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Neither the valuation report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties, other than in connection with the Proposed Demerger, without our prior written consent. In addition, this report does not in any manner address the prices at which QCL's shares will trade following the announcement of the Proposed Demerger and we express no opinion or recommendation as to how the shareholders of the Companies should vote at any shareholders' meeting(s) to be held in connection with the Proposed Merger.

DETAILS OF SHARE CAPITAL AND SHAREHOLDING PATTERN OF THE COMPANIES

Quess Corp Limited (QCL)

The current equity share capital of QCL is INR 125.95 Million consisting of 125,953,353 equity shares of face value of INR 10 each. For the purpose of determining the share entitlement ratio, we have considered the equity share capital of QCL as on 30 September 2016.

The shareholding pattern as at 30 September 2016 is as follows:

Sr No	Particulars	No. of shares	Shareholding
1	Ajit Abraham Isaac	18,585,960	14.8%
2	Net Resources Investments Pvt Ltd	15,365,824	12.2%
3	Thomas Cook (India) Limited	78,823,496	62.6%
4	Public	13,178,073	10.5%
	TOTAL	**125,953,353**	**100.0%**

Manipal Integrated Services Private Limited

The current equity share capital of MIS is INR 118.96 Million consisting of 11,896,319 equity shares of face value of INR 10 each. Further, MIS has fully vested 235,750 employee stock options. For the purpose of determining the fair share entitlement ratio, we have considered the fully diluted equity shares of MIS as on 31 August 2016.

The shareholding pattern as at 31 August- 2016 is as follows:

Sr. No	Particulars	No of shares	Shareholding
1	Manipal Education and Medical Group India Private Limited	10,721,295	88.37%
2	Mr. TV Mohandas Pai	822,222	6.78%
3	Others	352,802	2.91%
4	Fully vested Employee Stock Options	235,750	1.94%
	Total	**12,132,069**	**100.0%**

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APPROACH - BASIS OF PROPOSED DEMERGER of IDENTIFIED BUSINESS INTO QCL

The Scheme contemplates the Proposed Demerger pursuant to the provisions of Sections 391 to 394 and other applicable provisions of the Companies Act, 1956 and corresponding provisions of the Companies Act, 2013. Arriving at the fair share entitlement ratio for the Proposed Demerger of the Identified Business into QSL would require determining the relative values of the concerned businesses and shares of the Companies. These values are to be determined independently but on a relative basis, and without considering the effect of the Proposed Demerger.

The Proposed Demerger envisages the demerger of Identified Business which essentially constitutes the facility management business and catering business of MIS and its identified subsidiaries into QCL. Further, as per the Scheme, the investment to be made by QCL in the CCPS of MIS for the purpose of securing an interest in the Identified Business, development of the same and to facilitate the Proposed Demerger, would be cancelled for no consideration. Determination of a fair share entitlement ratio for the Proposed Demerger would require valuation of equity shares of QCL and Identified Business of MIS.

We have used the carved out financials of Identified business of MIS and the projections provided by the Management to derive the value of the Identified Business.

There are several commonly used and accepted methods for deriving value of a company/ undertaking, which have been considered in the present case, to the extent relevant and applicable, including:

1. Net Asset Value method
2. Market Price method
3. Discounted Cash Flows method

It should be understood that the valuation of any company or its assets is inherently subjective and is subject to certain uncertainties and contingencies, all of which are difficult to predict and are beyond our control. In performing our analysis, we made assumptions with respect to industry performance and general business and economic conditions, many of which are beyond the control of the companies. In addition, this valuation will fluctuate with changes in prevailing market conditions, the conditions and prospects, financial and otherwise, of the companies, and other factors which generally influence the valuation of companies and their assets.

The application of any particular method of valuation depends on the purpose for which the valuation is done. Although different values may exist for different purposes, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose. Our choice of methodology of valuation has been arrived at using usual and conventional methodologies adopted for transactions of a similar nature and our reasonable judgment, in an independent and bona fide manner based on our previous experience of assignments of a similar nature.

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Net Asset Value (NAV) Method

The asset based valuation technique is based on the value of the underlying net assets of the business, either on a book value basis or realizable value basis or replacement cost basis. The Net Asset Value ignores the future return the assets can produce and is calculated using historical accounting data that does not reflect how much the business is worth to someone who may buy or invest in the business as a going concern. This valuation approach is therefore mainly used in case where the firm is to be liquidated or in case where the assets base dominates earnings capability. A scheme of demerger / amalgamation would normally be proceeded with, on the assumption that the companies / businesses demerge / amalgamate as going concerns and an actual realization of the operating assets is not contemplated. The operating assets are therefore considered at their book values. In such a going concern scenario, the relative earning power is of importance to the basis of demerger / amalgamation, with the values arrived at on the net asset basis being of limited relevance.

Considering the nature of business of QCL and the Identified Business of MIS, which does not require significant asset base as well as the fact that the transaction is taking place on a going concern basis and NAV ignores the future return expected from both the Companies, we have not considered this method for value of both QCL and Identified Business.

Market Price Method

The market price of an equity share as quoted on a stock exchange is normally considered as the value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded in, subject to the element of speculative support that may be inbuilt in the value of the shares. But there could be situations where the value of the share as quoted on the stock market would not be regarded as a proper index of the fair value of the share especially where the market values are fluctuating in a volatile capital market. Further, in the case of a merger, where there is a question of evaluating the shares of one company against those of another, the volume of transactions and the number of shares available for trading on the stock exchange over a reasonable period would have to be of a comparable standard. This method would also cover any other transactions in the shares of the company including primary / preferential issues / open offer in the shares of the company as envisaged in the overall scheme of arrangement and reported to the stock exchanges / available in the public domain.

In the present case, the equity shares of QCL are listed on BSE and NSE and there are regular transactions on the bourses in their equity shares. Accordingly in the present case, the volume weighted average share price over reasonable periods for the shares of QCL, as deemed appropriate for the purpose of our valuation analysis, have been considered for determining the equity value of the shares of the Companies under the market price methodology. However, as the Identified Business of MIS, is an unlisted undertaking, the market price method is not applicable for the same.

Discounted Cash Flows (DCF) Method

Under the DCF method the projected free cash flows to firm/ the equity shareholders are discounted at the weighted average cost of capital/ cost of equity. The sum of the discounted value of such free cash flows is the value of the firm / equity.

Using the DCF analysis involves determining the following:

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Estimating future free cash flows to equity:
Free cash flows to equity are the cash flows expected to be generated by the company that are available to the shareholders of the company.

Appropriate discount rate to be applied to cash flows i.e. the cost of equity:
This discount rate, which is applied to the free cash flows, should reflect the opportunity cost to the capital provider. The cost of equity reflects the opportunity cost that shareholders expect to earn on other investments of equivalent risk.

For the purpose of DCF valuation, the free cash flow to equity forecast is based on Financial Projections as provided by the Management. While carrying out this engagement, we have relied extensively on the Financial Projections of the Identified Business made available to us by the management of the Companies. We did not carry out any validation procedures or due diligence with respect to the information provided/ extracted or carry out any verification of the assets or comment on the achievability of the assumptions underlying the Financial Projections, save for satisfying ourselves to the extent possible that they are consistent with other information provided to us in the course of this engagement.

To arrive at the total value available to the equity shareholders, value arrived above under DCF method is adjusted, as appropriate, for cash and cash equivalent, non-operating assets and other matters. We have used the DCF method for valuation of Identified Business of MIS.

BASIS OF FAIR SHARE ENTITLEMENT RATIO

The fair basis for the Proposed Demerger would have to be determined after taking into consideration all the factors and methodologies mentioned hereinabove. The Valuer has carried out valuation of the shares of QCL and the Identified Business and based on their evaluation and judgement of the businesses of the Companies arrived at the fair share entitlement ratio for the Proposed Demerger.

In the ultimate analysis, valuation will have to be arrived at by the exercise of judicious discretion by the Valuer and judgments taking into account all the relevant factors. There will always be several factors, e.g. quality of the management, present and prospective competition, yield on comparable securities and market sentiment, etc. which are not evident from the face of the balance sheets but which will strongly influence the worth of a share. This concept is also recognised in judicial decisions.

The fair share entitlement ratio of equity shares of QCL and Identified Business has been arrived at on the basis of a relative valuation of QCL and Identified Business based on the various methodologies explained herein earlier and various qualitative factors relevant to each company and the business dynamics and growth potentials of the businesses of the Companies, having regard to information base, key underlying assumptions and limitations.

As per the Scheme of Arrangement, for the Proposed Demerger, the investment to be made in MIS by QCL for the purpose of securing an interest in the Identified Business, development of the same and to facilitate the Proposed Demerger would stand cancelled for no consideration. The share entitlement ratio for the Proposed Demerger has therefore been determined having considered cancellation of the CCPS.

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In view of the above, and on a consideration of all the relevant factors and circumstances as discussed and outlined hereinabove, in our opinion the share entitlement ratio for the Proposed Demerger is as follows:

- **165 (One Hundred and Sixty Five)** equity shares of QCL of face value of Rs 10 each fully paid up for every **280 (Two Hundred and Eighty)** equity shares of the face value of Rs 10 each fully paid up held in MIS.

Yours faithfully,

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No. 001076N/N500013

Shashishekhar Chaugule
Partner
Membership No. 212151

Date: 28 November 2016

WALKER CHANDIOK & CO LLP BENGALURU CHARTERED ACCOUNTANTS

Share Entitlement Ratio for the Proposed Demerger of:

Identified Business of Manipal Integrated Services Private Limited into Quess Corp Limited

Annexure 1

Fair Value of Equity of Balance value of Identified Business of Manipal Integrated Services Private Limited ("MIS") (a)	Per share value	Weights
Discounted Cash Flow Method	345.8	100%
Fair Value of Equity per share of balance value of Identified Business of MIS after considering CCPS cancellation (in INR)		**345.8**

(a) Refer Annexure 2

Fair Value of Equity of Quess Corp Limited ("QCL") (b)	Per share value	Weights
Market Price Method	586.8	100%
Fair Value of Equity per share of QCL (in INR)		**586.8**

(b) Refer Annexure 3

Share Entitlement Ratio in the event of Proposed Demerger would be
165 (One Hundred and Sixty Five) equity shares of QCL of face value of Rs 10 each fully paid up
for
every 280 (Two Hundred and Eighty) equity shares of the face value of Rs 10 each fully paid up held in MIS.

WALKER CHANDIOK & CO LLP BENGALURU CHARTERED ACCOUNTANTS

Share Entitlement Ratio for the Proposed Demerger of:

Identified Business of Manipal Integrated Services Private Limited into Quess Corp Limited

Valuation of Identified Business of Manipal Integrated Services Private Limited ("MIS") **Annexure 2**

Discounted Cash Flow Method	
Particulars	**Amount (INR Million)**
Sum of Present Value of Net Free Cash Flows to Equity for projected period	2,111.0
Present Value of Net Free Cash Flows to Equity for perpetuity	4,498.7
Gross Enterprise Value	**6,609.7**
Add: Cash and other adjustments #	(214.2)
Equity Value of Identified Business of MIS	**6,395.5**
Investment amount in CCPS made by QCL in MIS that will be cancelled by MIS	2,200.0
Fair Value of Balance portion of Identified Business after considering CCPS cancellation	**4,195.5**
No. of Equity Shares including vested stock options (Face Value INR 10 each)	12,132,069
Per share balance value of Identified Business (in INR)	**345.8**

#Based on management certified Balance Sheet as on 31 August 2016 and projections provided by the Management

WALKER CHANDIOK & CO LLP BENGALURU CHARTERED ACCOUNTANTS

Walker Chandiok & Co LLP

Share Entitlement Ratio for the Proposed Demerger of:

Identified Business of Manipal Integrated Services Private Limited into Quess Corp Limited

Valuation of Quess Corp Limited("QCL") **Annexure 3**

Market Price Method	
Particulars	**Amount**
Volume weighted average market price on the National Stock Exchange for a period of 60 Trading Days up to 25 November 2016 (in INR)	586.8
No. of Equity Shares	125,953,353
Equity Value of Quess Corp Limited in INR Million	**73,909.4**

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SdC

Chartered Accountants

QUESS CORP LIMITED

Registered office: 3/3/2, Bellandur Gate, Sarjapur Main Road, Bengaluru- 560 103
Tel +91 80 6105 6000 | Fax +91 80 6105 6406 | CIN L74140KA2007PLC043909
www.quesscorp.com; email id: investor@quesscorp.com

REPORT OF THE SCHEME OF ARRANGEMENT BETWEEN MANIPAL INTEGRATED SERVICES PRIVATE LIMITED (APPLICANT COMPANY NO. 2) AND QUESS CORP LIMITED (APPLICANT COMPANY NO. 1).

Objects of the scheme:

(i) It is proposed to transfer the Demerged Undertaking/Identified Business (more particularly defined hereinafter) of MIS into Quess, on agreed terms and conditions as set out herein.

(ii) The management proposes to achieve the above pursuant to this Scheme under Sections 230 to 232 of the Act read with Sections 52 and 66 of the Act and other applicable provisions of the Companies Act, 1956 or the Act (to the extent notified), in the manner set out herein.

(iii) The proposed demerger would inter alia result in the following benefits:

(iii) In case of MIS and its shareholders:

1. Unlocking value for MIS in relation to the undertaking being demerged; and

2. Pursue growth opportunities in line with its strategic directions.

(iv) In case of Quess:

3. Strategic fit with Quess's integrated facility management business segment with expansion of operations and business on a pan India basis; and

4. Gaining of strong operational capabilities in the niche and high growth verticals of healthcare and education vertical facility management.

EFFECTS OF THE SCHEME:

1. ***"Appointed Date"*** means December 1, 2016 or such other date as the Hon'ble Tribunal, Bengaluru Bench may direct.

2. ***"Effective Date"*** means the date on which the certified copy of the order of the National Company Law Tribunal Bengaluru Bench at Bangalore sanctioning the Scheme is filed with the Registrar of Company at Karnataka.

3. ***"Applicant Company No. 1"*** means Quess Corp Limited a company incorporated under the Companies Act, 1956 (L74140KA2007PLC043909), and having its registered office at 3/3/2, Bellandur Gate, Sarjapur Main Road, Bangalore Bengaluru-560 103

4. ***"Applicant Company No. 2"*** means Manipal Integrated Services Private Limited a company incorporated under the Companies Act, 1956 (U74140KA2004PTC033168), and having its registered office at Tower B-1, 3rd Floor, Golden Enclave, Old Airport Road Bengaluru-560 017.

5. The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the Tribunal or any other appropriate authority shall be operative from the Appointed Date but shall be effective from the Effective Date.

6. Subject to the provisions of this Scheme as specified hereinafter and with effect from the Appointed Date, the entire business and undertaking(s) of the demerged undertaking of the Applicant Company No: 2 , be transferred and/or deemed to be transferred to and vested in the Applicant Company No: 1 so as to become the properties, assets, rights, business and undertaking(s) of the Applicant Company No: 1.

7. With effect from, the Appointed Date all statutory licenses, permissions, approvals or consents to carry on the operations relating to the Demerged undertaking of the Applicant Company No: 2 shall stand vested in or transferred to the Applicant Company No: 1 without any further act or deed.

8. With effect from, the Appointed Date all debts, liabilities, duties and obligations of the demerged undertaking of the Applicant Company No: 2 as on the Appointed Date whether provided for or not in the books of account of the Applicant Company No: 2 shall be the debts, liabilities, duties and obligations of the Applicant Company No: 1 including any encumbrance on

the assets of the Applicant Company No: 2 or on any income earned from those assets.

9. Upon this Scheme becoming effective and as consideration for the proposed demerger, Quess shall, without any act, application, payment or deed, issue and allot equity shares (***"Equity Shares"***) credited as fully paid-up, as per the share entitlement ratio set out below, to the equity shareholders of MIS whose names appear in the register of members of MIS on the Record Date, or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the Board of Directors of Quess and MIS in proportion to their equity shareholding in MIS in consideration for the transfer of the Demerged Undertaking. The share entitlement ratio shall be:

   165 (*One Hundred and Sixty Five)* equity shares of Quess of Rs. 10 each fully paid up for every 280 (*Two Hundred and Eighty*) equity shares of MIS of Rs. 10/- each fully paid-up.

10. All suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against the demerged division of Applicant Company No: 1 continue in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Applicant Company No: 2 , as if this Scheme had not been made

11. All contracts, deeds, bonds, agreements, licenses, permits, registrations, approvals and other instruments, if any, of whatsoever nature to which pertaining to the Demerged undertaking of the Applicant Company No: 2 are parties and subsisting or having effect on the Effective Date, shall be in full force and effect against or in favor of the Applicant Company No: 1 , as the case may be.

12. All staff, workmen and employees pertaining to the Demerged undertaking Applicant Company No: 2 in service on the Effective Date shall be deemed to have become staff, workmen and employees of the Applicant Company No: 1, without any break or interruption in their service and on the basis of continuity of service.

13. The Transferee Company shall account for the acquisition of assets and liabilities of the demerged entity in accordance with the Indian accounting standards IND-AS 103, business combinations notified under Section 133 of the Act.

14. There are no specific valuation difficulties

ADOPTION BY THE BOARD OF DIRECTORS OF THE APPLICANT COMPANY NO: 1

Based on review of the Draft Scheme of Arrangement between the Applicant Company No: 2 and the Applicant Company No: 1, Valuation Report dated 28.11.2017 issued by M/s Walker, Chandiok & Co. LLP and the Board of Directors adopts the above report and believe that

1. The Scheme of Arrangement and the Share exchange Ratio is fair and reasonable.

2. The Board of Directors observe that no issues or difficulties regarding the valuation has been mentioned in the Valuation Report dated 28.11.2017 issued by M/s Walker, Chandiok & Co. LLP.

3. The Draft Scheme of Arrangement relates to transfer and vesting of the Applicant Company No: 2 including its assets and liabilities thereto to the Applicant Company No: 1. Upon the Scheme becoming effective, the equity shareholders of the Applicant Company No: 2 shall be allotted shares in the Applicant Company No: 1.

4. The proposed Scheme of Arrangement does not entitle the Promoter/Promoter Group, related parties of the Promoter/Promoter Group, associates of the Promoter/Promoter Group, subsidiaries of the Promoter/Promoter Group of the Applicant Company No: 1 to any additional shares.

5. The effect of the proposed Scheme of Arrangement on the equity shareholders and creditors of the Company would be as follows

A.	Key managerial personnel:	- Nil – except equity shareholding dilution in the Applicant company No. 1
B.	Directors:	- do -
C.	Promoters:	- do -
D.	Non-promoter members:	- do -
E.	Depositors:	Nil
F.	Creditors:	Nil
G.	Debenture holders:	Nil

H. Deposit trustee and debenture trustee: Nil
I. Employees of the Company: Nil

In the opinion of the Board, the said scheme will be of advantage and beneficial to the Company, its shareholders, creditors and other stakeholders and the terms thereof are fair and reasonable.

Sd/-	Sd/-
Ajit Isaac	Subrata Nag
Chairman, Managing Director & CEO	Executive, Whole-Time Director & CFO
(DIN 00087168)	(DIN 02234000)

Date: 3rd day of August , 2017
Bengaluru

L74140KA2007PLC043909

QUESS CORP LIMITED

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EXTRACT OF THE RESOLUTION PASSED BY THE BOARD OF DIRECTORS OF QUESS CORP LIMITED AT ITS MEETING HELD ON MONDAY, THE 28TH DAY OF NOVEMBER, 2016.

APPROVAL OF ACQUISITION OF THE FACILITY MANAGEMENT BUSINESS AND THE CATERING BUSINESS OF MANIPAL INTEGRATED SERVICES PRIVATE LIMITED (TOGETHER KNOWN AS "FM BUSINESSES") THROUGH A COMPOSITE SCHEME OF ARRANGEMENT

"**RESOLVED THAT** pursuant to Sections 391 to 394 of the Companies Act, 1956 read with Sections 100 to 103 of the Companies Act, 1956and other applicable provisions of the Companies Act, 1956 and Companies Act, 2013 (to the extent notified), and subject to the requisite approvals, sanctions, consent, observations, no-objection from the shareholders and the creditors of the Company, Securities and Exchange Board of India (SEBI), BSE Limited (BSE), the National Stock Exchange of India Limited (NSE), Hon'ble High Court of Karnataka / National Company Law Tribunal (NCLT) or such other competent authority(ies) as may be applicable, the consent of the Board be and is hereby accorded to the scheme of arrangement between Manipal Integrated Services Private Limited ("MIS") and Quess Corp Limited ("the Company") by the Hon'ble High Court of Karnataka at Bangalore whereby the facility management business and the catering business of MIS are proposed to be demerged to the Company in terms of the draft scheme of arrangement, as placed before the meeting and initialed by the Chairman for the purposes of identification.

RESOLVED FURTHER THAT the draft Scheme, as recommended by the Audit Committee of the Board, placed before the Board and initialed by the Company Secretary for the purposes of identification, be and is hereby approved.

RESOLVED FURTHER THAT the Valuation Report dated November 28, 2016 prepared and issued by Walker Chandiok & Co LLP, as placed before the Board, be and is hereby accepted and approved.

RESOLVED FURTHER THAT the Fairness Opinion dated November 28, 2016 , prepared and issued by ICICI Securities Limited, Independent Category-I Merchant Banker, as placed before the Board, be and is hereby approved."

"CERTIFIED TRUE COPY"

FOR QUESS CORP LIMITED

Sd/-

(Sudershan Pallap)
COMPANY SECRETARY

SCHEME OF ARRANGEMENT

BETWEEN

MANIPAL INTEGRATED SERVICES PRIVATE LIMITED

AND

QUESS CORP LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

(Under 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))

I. **Preamble**

This Scheme of Arrangement is entered into between Manipal Integrated Services Private Limited (**"MIS"**) and Quess Corp Limited ("**Quess**") and their respective shareholders and creditors ("**Scheme**"), pursuant to the provisions of Sections 230 to 232 of the Act read with Sections 52 and 66 of the Act and other applicable provisions of the Companies Act, 1956 and Companies Act, 2013 (to the extent notified).

II. **Description of Companies**

1. MIS is a private limited company engaged, through itself and through its subsidiaries, in the following businesses: (i) provision of facility management services ("**Facility Management Business**"); (ii) provision of institutional catering services ("**Catering Business**"); (iii) provision of security services ("**Security Business**"); and (iv) provision of hostel related services ("**Hostel Business**"). The registered office of MIS is at tower B-1, 3rd floor, Golden Enclave Old Airport Road, Bangalore, Karnataka - 560017.

2. Quess is a public listed company engaged in the business of providing business related services organized under 4 (four) verticals namely: (i) global technology solutions, (ii) industrial asset management, (iii) integrated facility management, and (iv) people and services. The equity shares of Quess are listed and traded on the BSE Limited and the National Stock Exchange of India Limited. The registered office of Quess is at 3/3/2, Bellandur Gate, Sarjapur Main Road, Bangalore, Karnataka - 560103.

III. **Background and Rationale for the Scheme**

1. It is proposed to transfer the Demerged Undertaking / Identified Business (more particularly defined hereinafter) of MIS into Quess, on the agreed terms and conditions as set out herein.

2. The management proposes to achieve the above pursuant to this Scheme under Sections 230 to 232 of the Act read with Sections 52 and 66 of the Act and other applicable provisions of the Companies Act, 1956 or the Act (to the extent notified), in the manner set out herein.

3. The proposed demerger would *inter alia* result in the following benefits:

(i) In case of MIS and its shareholders:

1. Unlocking value for MIS in relation to the undertaking being demerged; and

2. Pursue growth opportunities in line with its strategic directions.

(ii) In case of Quess:

1. Strategic fit with Quess's integrated facility management business segment with expansion of operations and business on a pan India basis; and

2. Gaining of strong operational capabilities in the niche and high growth verticals of healthcare and education vertical facility management.

IV. **Parts of the Scheme**

The Scheme is divided into the following parts:

1. PART A - Definitions and Share Capital;

2. PART B - Transfer of Demerged Undertaking from MIS and its vesting in Quess for consideration and matters incidental thereto; and

3. PART C - General Terms and Conditions that would be applicable to the Scheme.

This Scheme also provides for various other matters consequential, incidental or otherwise integrally connected therewith.

PART A

DEFINITIONS AND SHARE CAPITAL

1. **DEFINITIONS**

In this Scheme, unless inconsistent with the subject, the following expressions shall have the meanings respectively assigned against them:

1.1. **"Act"** means the Companies Act, 2013 (to the extent of the sections thereof that have been brought into force) and shall include any statutory modification, re-enactment or amendments thereof for time to time.

1.2. **"Quess"** or **"Transferee Company"** or **"Resulting Company"** means Quess Corp Limited, a company incorporated under the Companies Act, 1956 and having its registered office at 3/3/2, Bellandur Gate, Sarjapur Main Road, Bangalore, Karnataka - 560 103.

1.3. **"Appointed Date"** means December 1, 2016 or such other date as may be approved by the Tribunal.

1.4. **"Board of Directors"** or **"Board"** means and includes the respective board of directors of MIS, or Quess, as the context may require, and shall include any committee constituted (if any) by such board of directors for the purposes of the Scheme.

1.5. **"Demerged Undertaking"** or "**Identified Business**" means the entire 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, outstandings, liabilities, duties, obligations as on the Appointed Date. Without prejudice to the generality of the aforesaid, it shall

include (without limitation) in particular the following:

(a) Rights in any immovable property under any lease, agreement to use, leave or license agreement, service agreement for any premises, guest house, business centers, office properties and residential properties, forming part of the Demerged Undertaking and/or used by MIS in connection with the Facility Management Business and Catering Business;

(b) all assets (whether movable, immovable, tangible or intangible, present, future or contingent), including, without limitation to, all rights and interest in connection with any land and buildings thereon whether corporeal or incorporeal, leasehold or otherwise, pertaining to all rights in any premises (whether pursuant to lease, leave and license agreements, agreement to use or otherwise), all agreements, rights, contracts, entitlements including those for provision or receipt of any services related to the Facility Management Business and Catering Business and rights relating thereto , plant and machinery, facilities, inventories, stores and stocks, accessories, utilities, services, implements, apparatus, instruments, vehicles, spares, tools, vessels, stabilizers, advances, deposits, sundry debtors, loans and advances, the benefit of any deposits including earnest suppliers' and security deposits, bills of exchange and prepaid expenses, cash and bank balances, office equipment, furniture and fixtures, communication facilities, other fixed assets, trademark, brands, investments in subsidiaries and other investments of MIS specifically relating to the Facility Management Business and Catering Business and all other assets whether real or personal, present/current, future or contingent and liabilities relating to the Facility Management Business and Catering Business;

(c) all permits, rights, entitlements, bids, tenders, letters of intent, expressions of interest, municipal and other statutory permissions, approvals, consents,

licenses, registrations, filings, rights, contracts, agreements, engagements, insurance policies, arrangements, authorities, allotments, notarization, declaration, subsidies, concessions, exemptions, incentives, grants, claims, tenancy rights, liberties, special status and other benefits or privileges, remissions, tax credits (including but not limited to credits in respect of income tax, sales tax, value added tax, turnover tax, service tax, etc.), tax deferrals, tenancies in relation to office, bank accounts, lease rights, licenses, industrial and other licenses, if any, powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity and other services, provisions, funds, benefits of any guarantees, reversions, powers, agreements, contracts and arrangements and all other approvals, sanctions and consents of every kind, nature and description whatsoever and all other interests in connection with or relating to the Facility Management Business and Catering Business;

(d) all debts, borrowings, obligations, taxes, duties and liabilities both present and future (including contingent liabilities and the liabilities and obligations under any licenses or permits or schemes) of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized, whether secured or unsecured, whether in rupees or foreign currency, relating to the Facility Management Business and Catering Business;

For the purpose of this Scheme, it is clarified that liabilities pertaining to the Demerged Undertaking will include:

- All debts, borrowings, obligations, taxes and liabilities, including tax and all other liabilities arising between the Appointed Date and the Effective Date, whether present or future, (including contingent liabilities), whether secured

or unsecured, which arise out of the activities or operations of the Facility Management Business and Catering Business;

- Specific loans and borrowings raised, incurred and utilised solely for the activities or operation of the Facility Management Business and Catering Business; and
- Liabilities other than those referred to above, being the amounts of general or multipurpose borrowings of MIS, allocated to the Facility Management Business and Catering Business in the same proportion in which the value of the assets transferred under this Scheme bear to the total value of the assets of MIS immediately before giving effect to the Scheme.

(e) all intellectual property and industrial property rights and assets, and all rights, interests and protections associated with, similar to or required for any of the foregoing, whether registered or unregistered, trade and service names and marks, brand names, logos, design rights, and other similar designations of source, sponsorship, association or origin, industrial property rights and assets, trade secrets, business and technical information and know-how, databases, data collections and other confidential and proprietary information and all rights therein, works of authorship, expressions, designs and design registrations, whether or not copyrightable, including copyrights, author, performer and neighboring rights, and all registrations, applications for registration and renewals of such copyrights, designs and other intellectual property rights of any nature whatsoever, books, records, files, papers, software and firmware, including data files, source code, object code, application programming interfaces, architecture, files, records, schematics, computerized databases and other related specifications and documentation. software licenses (whether proprietary or otherwise), drawings, computer programmes, manuals, data, catalogues, quotations, sales and advertising

material, lists of present and former customers and suppliers, other customer information, customer credit information, customer pricing information, and all other records and documents, whether in physical or electronic form relating to business activities and operations of the Facility Management Business and Catering Business, other than trade marks containing the word "Manipal";

(f) all employees of the Facility Management Business and Catering Business as on the Effective Date; and

(g) all legal proceedings of whatsoever nature by or against MIS pending on the Appointed Date and relating to the Facility Management Business and Catering Business.

Any question that may arise as to whether a specific asset or liability pertains or does not pertain to the Demerged Undertaking or whether it arises out of the activities or operations of the Demerged Undertaking or not, shall be decided by mutual agreement between the Board of Directors of MIS and Quess.

It is clarified that the Demerged Undertaking shall not include any employees, assets, liabilities, rights and obligations belonging to and forming part of the Remaining Business of MIS.

1.6. **"Effective Date"** means the later of the dates on which the certified or authenticated copies of the orders sanctioning the Scheme, passed by the Tribunal is filed with the Registrar of Companies, being the Registrar of Companies, Karnataka by Quess and MIS respectively. Any references in this Scheme to the "date of coming into effect of this Scheme" or "effectiveness of the Scheme" or "Scheme taking effect" shall mean the Effective Date.

1.7. **"MIS"** or **"Transferor Company"** or **"Demerged Company"** means Manipal Integrated Services Private Limited, a company incorporated under the

Companies Act, 1956 and having its registered office at Tower B-1, 3rd Floor, Golden Enclave Old Airport Road, Bangalore, Karnataka- 560001.

1.8. **"MIS Preference Shares"** means 40,36,697 compulsorily convertible preference shares of the Transferor Company having the terms set out in Annexure 2.

1.9. **"Record Date"** means the date to be fixed by the Board of Directors of Quess and the Board of Directors of MIS, for the purpose of determining the shareholders of MIS who shall be entitled to receive shares of Quess as per Clause 5 of the Scheme.

1.10. **"Remaining Business"** with respect to MIS means business, employees, assets and liabilities of MIS other than the Demerged Undertaking and all assets and liabilities of MIS related to such business including the entire immovable property to which MIS has title.

1.11. **"Scheme" or "the Scheme" or "this Scheme"** means this Scheme of Arrangement in its present form or with any modification(s) made under Clause 14 of this Scheme as approved or directed by the Tribunal.

1.12. **"SEBI"** means Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 1992.

1.13. **"SEBI Circular"** means Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015 issued by SEBI or any other circulars issued by SEBI applicable to schemes of arrangement from time to time.

1.14. **"Stock Exchanges"** means the BSE Limited and the National Stock Exchange of India Limited collectively.

1.15. **"Tribunal"** means the bench of the National Company Law Tribunal at Bengaluru that has been constituted under the Act having jurisdiction over the Transferor Company and the Transferee Company.

1.16. All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Securities Contract Regulation Act, 1956, the Depositories Act, 1996, the Income-tax Act, 1961 and other applicable laws, rules, regulations, bye-laws, as the case may be, or any statutory modification or re-enactment thereof from time to time.

2. **DATE OF TAKING EFFECT AND OPERATIVE DATE**

The Scheme set out herein in its present form or with any modification(s) and amendments(s) made under Clause 14 of the Scheme, approved or imposed or directed by the Tribunal, shall be effective from the Appointed Date but shall be made operative from the Effective Date.

3. **SHARE CAPITAL**

3.1 The share capital of MIS as on March 31, 2016 as per its audited financial statements is as under:

Particulars	**Amount (Rs.)**
Authorised	
2,00,00,000 Equity Shares of Rs. 10 each	20,00,00,000
Total	**20,00,00,000**
Issued Subscribed and Paid Up#	
1,18,96,319 Equity Shares of Rs. 10 each fully paid-up	11,89,63,190
Total	**11,89,63,190**

#Certain employee stock option granted to employees of MIS may get exercised before the Effective Date. The details of unexercised employee stock options (net of cancellation) of the employees of MIS as on March 31, 2016 are set out below:

Unexercised stock options	Amount (In Rs.)
2,35,750 options entitling equivalent Equity Shares of Rs. 10 each.	23,57,500
Total	23,57,500

3.2 Quess initially subscribed to MIS Preference Shares amounting to Rs. 220 Crores for securing an interest in the Facility Management Business and Catering Business, development of the same and facilitating the proposed demerger of the Facility Management Business and Catering Business as contemplated in this Scheme. MIS has passed necessary resolutions approving the issue of MIS Preference Shares by private placement to Quess prior to the passing the resolution approving the Scheme. Post allotment of the MIS Preference Shares, as on December 6, 2016 the share capital of MIS stands revised as under :

Particulars	Amount (Rs.)
Authorised	
1,00,00,000 Preference Shares of Rs. 10 each	10,00,00,000
2,00,00,000 Equity Shares of Rs. 10 each	20,00,00,000
Total	**30,00,00,000**
Issued Subscribed and Paid Up##	
40,36,697 Preference Shares of Rs. 10 each	4,03,66,970
1,20,73,319 Equity Shares of Rs. 10 each fully paid-up	12,07,33,190
Total	**16,11,00,160**

##Certain employee stock option granted to employees of MIS may get exercised before the Effective Date. The details of unexercised employee stock options (net of cancellation) of the employees of MIS as on December 6, 2016

are set out below:

Unexercised stock options	**Amount (In Rs.)**
58,750 options entitling equivalent Equity Shares of Rs. 10 each.	5,87,500
Total	5,87,500

3.3 The share capital of Quess as on March 31, 2016 as per its audited financial statements is as under:

Particulars	**Amount (Rs.)**
Authorised	
20,00,00,000 Equity Shares of Rs.(10) each	2,00,00,00,000
Total	**2,00,00,00,000**
Issued Subscribed and Paid Up	
11,33,35,056 Equity Shares of Rs.(10) each fully paid up	1,13,33,50,560
Total	**1,13,33,50,560**

3.4 The share capital of Quess as on the date of approval of the Scheme by the board of directors of Quess is as under:

Particulars	**Amount (Rs.)**
Authorised	
20,00,00,000 Equity Shares of Rs.(10) each	2,00,00,00,000
Total	**2,00,00,00,000**
Issued Subscribed and Paid Up	
12,67,48,751 Equity Shares of Rs.(10) each fully paid up	1,26,74,87,510
Total	**1,26,74,87,510**

PART B

TRANSFER OF DEMERGED UNDERTAKING FROM MIS TO QUESS

4. TRANSFER AND VESTING OF DEMERGED UNDERTAKING FROM MIS TO QUESS

4.1 With effect from the Appointed Date and upon this Scheme coming into effect, the Demerged Undertaking (including all accretions and appurtenances) shall, without any further act, instrument or deed, be and stand de-merged from MIS and transferred to and vested in or be deemed to be transferred to and vested in Quess as a going concern, so as to vest in Quess, all the rights, titles and interests pertaining to Demerged Undertaking, pursuant to Sections 230 to 232 of the Act and any other relevant provisions of the Act (as may be applicable), Section 2(19AA) of the Income-tax Act, 1961 and the order of the Tribunal sanctioning the Scheme, subject however, to subsisting charges pertaining to the Demerged Undertaking, if any.

4.2 Without prejudice to the provisions of Clause 4.1 above, in respect of such of the assets and properties (tangible or intangible) of the Demerged Undertaking, including cash in hand, as are movable in nature or otherwise capable of passing by manual delivery or by endorsement and delivery shall be so delivered or endorsed and delivered, as the case may be, and shall upon such delivery or endorsement and delivery, become the assets and properties of Quess, without requiring any deed or instrument or conveyance for the same.

4.3 In respect of movable assets of the Demerged Undertaking other than those specified in Clause 4.2 above, including sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received,

bank balances and deposits, if any, with government, semi-government, local and other authorities and bodies, customers and other persons, the following methodology shall to the extent possible be followed:

Quess shall give notice in such form as it may deem fit and proper to each person, debtor or depositee that pursuant to the Tribunal having sanctioned this Scheme, the said debt, loan, advance or deposit be paid to or made good to or held on account of Quess and that the right of MIS to recover or realize the same stands extinguished and deemed to be transferred to Quess.

4.4 Upon the Scheme coming into effect and with effect from the Appointed Date, all rights in any immovable property under any lease, agreement to use, leave or license agreement, service agreement for any premises, guest house, business centers, office properties and residential properties, forming part of the Demerged Undertaking and/or used by MIS in connection with the Demerged Undertaking, shall stand transferred to and be vested in Quess, as a successor of MIS in relation to the Demerged Undertaking, without any act or deed to be done or executed by MIS and/ or Quess. Quess shall be entitled to exercise all rights and privileges and be liable to pay appropriate rent, rates, taxes and charges and fulfil all obligations, in relation to or applicable to all such immovable properties.

4.5 Upon this Scheme coming into effect, and with effect from the Appointed Date, and subject to the provisions of this Scheme, all debts, liabilities, contingent liabilities, taxes, duties and obligations of every kind, nature and description of MIS pertaining or relating to the Demerged Undertaking shall, without any further act, instrument or deed, be and stand transferred from MIS and transferred to and vested in or be deemed to be transferred to and vested in and assumed by Quess so as to become as and from the Appointed Date, the debts, liabilities, contingent liabilities, taxes, duties and obligations

of Quess, pursuant to Sections 230 to 232 of the Act and any other relevant provisions of the Act and the order of the Tribunal sanctioning the Scheme, and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, contingent liabilities, duties and obligations have arisen in order to give effect to the provisions of this sub-clause.

4.6 With effect from the Appointed Date and upon this Scheme coming into effect, all permits, no objection certificates, contracts, deeds, agreements and other instruments, permissions, approvals, consents, rights, entitlements, licenses, including those relating to tenancies, copyrights, intellectual property rights, privileges, powers, facilities of every kind and description of whatsoever nature in relation to Demerged Undertaking of which MIS is a party or to the benefit of which MIS may be eligible and which are subsisting or having effect on the Effective Date, shall stand transferred to and vested in Quess without any further act or deed, and shall be appropriately mutated by the statutory authorities concerned therewith in favour of Quess upon the vesting and transfer of Demerged Undertaking in Quess pursuant to this Scheme, and shall be and remain in full force, operative and effectual for the benefit of Quess, and may be enforced by Quess as fully and effectually as if, instead of MIS, Quess had been the original party or beneficiary or obligee thereto, and Quess shall be bound by the terms thereof.

4.7 In so far as assets comprised in the Demerged Undertaking are concerned, the security, existing charges, mortgages and encumbrances, if any, over or in respect of any of the assets or any part thereof or charge over such assets relating to any loans or borrowings of MIS shall, without any further act or deed, be released and MIS will be discharged from the same and such assets shall no longer be available to lenders of the Remaining Business of MIS as

security.

4.8 It is clarified that all assets, estate, rights, interest and authorities acquired by MIS or any liabilities accrued to MIS after the Appointed Date and until the Effective Date for operation of or in connection with the Demerged Undertaking shall also stand transferred to and vested in Quess with effect from the Effective Date.

4.9 Where any of the liabilities mentioned in sub-clause 4.5 have been discharged by MIS after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of Quess.

4.10 All cheques and other negotiable instruments, payment orders received and presented for encashment which are in the name of MIS and pertaining to the Demerged Undertaking after the Effective Date, shall be accepted by the bankers of Quess and credited to the accounts of Quess, if presented by Quess.

5 CONSIDERATION FOR THE PROPOSED DEMERGER

5.1 Upon this Scheme becoming effective and as consideration for the proposed demerger, Quess shall, without any act, application, payment or deed, , issue and allot equity shares ("**Equity Shares**") credited as fully paid up, as per the share entitlement ratio set out below, to the equity shareholders of MIS whose names appear in the register of members of MIS on the Record Date, or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the Board of Directors of Quess and MIS in proportion to their equity shareholding in MIS in consideration for the transfer of the Demerged Undertaking. The share entitlement ratio shall be:

165 (one hundred and sixty five) equity shares of Quess of Rs. 10 each fully paid up

for every 280 (two hundred and eighty) equity shares of MIS of Rs. 10/- each fully paid up.

5.2 The Equity Shares of Quess to be issued and allotted as above shall, from the date of allotment in terms of the Scheme, be subject to the memorandum and articles of association of Quess in the same manner as the existing equity shares and shall rank *pari passu* with the existing equity shares of Quess in all respects including dividends.

5.3 The Equity Shares of Quess shall be issued and allotted in dematerialized form to those equity shareholders who hold shares of MIS in dematerialized form, and in to the demat account in which MIS shares are held or such other account as is intimated by the equity shareholders to MIS and / or its registrar. All those equity shareholders who hold equity shares of MIS in physical form shall also have the option to receive the Equity Shares in dematerialized form provided the details of their account with the depository participant are intimated in writing to MIS and / or its registrar. In the event that MIS has received notice from any person that equity shares are to be issued in physical form or if any person has not provided the requisite details relating to his/her /its account with a depository participant or other confirmations as may be required or if the details furnished by any person do not permit electronic credit of the Equity Shares, then Quess shall issue Equity Shares in physical form to such person or persons.

5.4 The Board of Directors of Quess shall, if and to the extent required, apply for and obtain any approvals from concerned government / regulatory authorities for the issue and allotment of Equity Shares pursuant to Clause 5.1 above of the Scheme.

5.5 Equity Shares of Quess to be issued and allotted to the equity shareholders of MIS pursuant to Clause 5.1 above of the Scheme will be listed and/or

admitted to trading on the BSE Limited and the National Stock Exchange of India Limited, where the equity shares of Quess are listed and/or admitted to trading in accordance with the applicable laws. Quess shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of the said stock exchanges.

5.6 In the event of there being any pending share transfers with respect to the application lodged for transfer by any equity shareholder of MIS, the Board of Directors or any committee thereof of MIS, or failing which the Board of Directors or any committee thereof of Quess, shall be empowered in appropriate case, even subsequent to the Record Date to effectuate such a transfer in MIS as if such changes in registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor or the transferee of the share(s) in MIS and in relation to the Equity Shares of Quess after the Scheme becomes effective.

5.7 Equity Shares to be issued and allotted by Quess to the equity shareholders of MIS pursuant to Clause 5.1 above of this Scheme, in respect of any equity shares in MIS which are held in abeyance under the provisions of Section 126 of the Act or otherwise, pending allotment or settlement of dispute, by order of court or otherwise, shall be held in abeyance by Quess.

5.8 If any equity shares of MIS held by the equity shareholders of MIS as on the Record Date are under any statutory lock-in, the Equity Shares issued and allotted by Quess to such equity shareholders shall also be locked-in for the remainder of the lock-in period as per applicable laws.

5.9 Fractional entitlements, if any, by Quess, to the equity shareholders of MIS at the time of issue and allotment of equity shares under Clause 5.1 above shall be consolidated.

5.10 Upon such consolidation, the Board of Directors of Quess shall allot Equity Shares in lieu thereof to a Director or such other authorized representative(s) as the Board of Directors of Quess shall appoint in this behalf, who shall hold the Equity Shares issued in Quess, in trust on behalf of the shareholders entitled to fractional entitlements with the express understanding that the Director or other authorized representative(s) shall sell the same in the market at such time or times and at such price or prices and to such person or persons, as it/he/they may deem fit, and pay to Quess, the net sale proceeds thereof, whereupon Quess shall distribute such net sale proceeds (after deduction of applicable taxes), to the shareholders in proportion to their respective fractional entitlements. Any fractional entitlements arising post such consolidation, if any, shall be ignored.

5.11 If the Market Value of the Equity Shares issued and allotted pursuant to Clause 5.1 above on the Calculation Date is less than the Threshold Value, the equity shareholders of MIS to whom the Equity Shares are issued under this Scheme shall be issued RPS as per the terms and subject to the conditions set out in Annexure 1.

5.12 Approval of this Scheme by the shareholders of Quess shall be deemed to be due compliance of the provisions of Sections 42, 55, 62 and the other relevant provisions of the Act and all applicable laws for the issue and allotment of shares by Quess, as provided in this Scheme.

5.13 The Transferee Company shall, prior to the Scheme becoming effective, take necessary actions including but not limited to passing necessary resolutions; making filing relevant filings with Ministry of Corporate affairs, Registrar of Companies, Mumbai; and payment of necessary stamp duty and filing related fees as may be payable under applicable law and regulations for increase in the authorized share capital for issuance of shares under the Scheme and

consequent amendments to the memorandum and articles of association of the Transferee Company.

6 ACCOUNTING TREATMENT

In the books of Quess

6.1 The Transferee Company shall account for the acquisition of the assets and liabilities of the Demerged Entity in accordance with Indian Accounting Standard Ind AS 103 - Business Combinations notified under Section 133 of the Act.

6.2 As on the Appointed Date and the Scheme becoming effective:

(i) The Transferee Company shall recognise, separately from goodwill, the identifiable assets acquired, the liabilities assumed and any non-controlling interest.

(ii) The Transferee Company may recognise certain assets and liabilities that the Demerged Company had not previously recognised in its financial statements at fair values determined as on Appointed Date. The Transferee Company may recognise certain identifiable intangible assets such as customer relationships, brand etc.

(iii) The initial investment in MIS Preference Shares of the Demerged Company amounting to INR 220 Crores as described in Clause 3.2 of this Scheme, shall stand cancelled and accordingly will be evaluated for the computation of the goodwill/ capital reserve / intangible assets (further as described in sub clause iv below).

(iv) Any excess of the aggregate value of the initial investment in MIS Preference Shares (Clause 3.2) and the shares issued pursuant to the Scheme (Clause 5) over the fair value of net assets acquired (paragraphs (i) and (ii) above) shall

be recognised in the Transferee Company's books of accounts as goodwill. If there is a deficit, the difference shall be credited to "capital reserve account".

In the books of MIS

6.3 As on the Appointed Date and the Scheme becoming effective:

(i) Upon the Scheme becoming effective, the book value of the assets and liabilities pertaining to the Identified Business of MIS shall be transferred to Quess and shall stand reduced from the book value of the assets and liabilities of MIS.

(ii) The difference between the book values of the assets and liabilities of the Identified Business of MIS vested in Quess, shall be first adjusted against its securities premium and, the balance, if any, against its profit and loss account balance.

(iii) MIS shall cancel MIS Preference Shares and make a corresponding credit to reserves. Such cancellation of MIS Preference Shares along with utilization of the securities premium account as aforesaid shall be effected as a part of the Scheme itself and not under a separate procedure in terms of Section 52 and Section 66 of the Act. Further, post cancellation of MIS Preference Shares, the rights of the holders of MIS Preference Shares shall cease to exist and they shall not have any further rights in MIS.

(iv) The cancellation of MIS Preference Shares and utilization of securities premium account as aforesaid in para (iii) do not involve either diminution of liability in respect of unpaid share capital and the same shall be effected as a part of the Scheme only.

7 CONDUCT OF BUSINESS

7.1 With effect from the Appointed Date and up to and including the Effective Date:

7.2 MIS shall, in respect of the Demerged Undertaking, be deemed to have been carrying on and shall carry on its business and activities and shall hold and stand possessed of and hold all its properties and assets in relation to the Demerged Undertaking for and on account of and in trust for Quess.

7.3 Quess shall be entitled, pending the sanction of the Scheme by the Tribunal, to apply to the central/state government and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which Quess may require to own and carry on the business of the Demerged Undertaking.

8 EMPLOYEES

8.1 On the Scheme becoming effective, all the employees of MIS engaged in or in relation to the Demerged Undertaking shall become the employees of Quess with effect from the Appointed Date, without any break or interruption in their services, on same (but in any case no less favourable) terms and conditions on which they are engaged as on the Effective Date. Quess further agrees that for the purpose of provident fund or superannuation or payment of any other retirement or termination benefit / compensation, or other statutory purposes, the services of such employees will be reckoned from the date of their respective appointments with the Demerged Undertaking of MIS. Any question that may arise as to whether any employee belongs to or does not belong to the Demerged Undertaking shall be decided jointly by the Boards of Directors of MIS and Quess.

8.2 The accumulated funds standing to the credit of the employees whose services are transferred under Clause 8.1 above, relating to superannuation, provident fund and gratuity fund or any other statutory or special fund or trusts created or existing for the benefit of the employees of MIS engaged in or in relation to the Demerged Undertaking shall be identified, determined and

transferred to such provident fund, superannuation fund and other funds nominated by the trusts / funds of Quess or other funds to be established and caused to be recognized by the concerned authorities by Quess, and such employees shall be deemed to have become members of such trusts / funds of Quess on the same terms and conditions as applicable to the Funds of MIS in relation to the said employees. On and from the Effective Date, with effect from the Appointed Date, and subject to getting the Scheme approved by the relevant authorities, Quess shall make the necessary contributions for such employees in relation to the funds. It is clarified that the services of the employees of MIS engaged in or in relation to the Demerged Undertaking of MIS shall be treated as having been continuous without any break, discontinuance or interruption for the purpose of the said funds.

8.3 It is the aim and intent of this Scheme that all the rights, duties, powers and obligations of the Demerged Undertaking in relation to such funds shall become those of Quess.

9 LEGAL PROCEEDINGS

9.1 All legal proceedings relating to the Demerged Undertaking of whatsoever nature by or against MIS pending and/or arising before the Effective Date, shall not abate or be discontinued or be in any way prejudicially affected by reason of the Scheme or by anything contained in this Scheme but shall be continued and enforced by or against Quess, as the case may be, in the same manner and to the same extent as would or might have been continued and enforced by or against MIS. It is hereby expressly clarified that any legal proceedings by or against MIS in relation to cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of MIS and pertaining to the Demerged Undertaking shall be instituted, or as the case may be, continued, by or against, Quess after the

coming into effect of the Scheme.

9.2 All legal or other proceedings initiated by or against the Demerged Undertaking referred in Clause 9.1 above shall stand transferred to the name of Quess and the same shall be continued, prosecuted, defended and enforced as the case may be by or against Quess, to the exclusion of MIS.

10 CONTRACTS, DEEDS AND OTHER INSTRUMENTS

10.1 Upon the coming into effect of this Scheme and subject to the other provisions of this Scheme, all contracts, deeds, bonds, schemes, insurance, letters of intent, undertakings, arrangements, policies, agreements and other instruments (including all tenancies, leases, and other assurances in favour of MIS or powers or authorities granted by or to it), if any, of whatsoever nature pertaining to the Demerged Undertaking, to which MIS is a party and subsisting or having effect on the Effective Date, shall be in full force and effect against or in favour of Quess, as the case may be, and may be enforced by or against Quess as fully and effectually as if, instead of MIS, Quess had been a party or beneficiary or oblige thereto and shall be binding on Quess.

10.2 Quess shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which MIS will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required or becomes necessary. Quess shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of MIS and to implement or carry out all formalities required on the part of MIS to give effect to the provisions of this Scheme.

11 TAXES

11.1 This Scheme has been drawn up to comply with the conditions relating to "Demerger" as specified under Section 2(19AA) of the Income-tax Act, 1961. If any terms or provisions of the Scheme is / are inconsistent with the provisions of Section 2(19AA) of the Income-tax Act, 1961, the provisions of Section 2(19AA) of the Income-tax Act, 1961 shall prevail and the Scheme to stand modified to the extent necessary to comply with Section 2(19AA) of the Income-tax Act, 1961; such modification shall not affect other parts of the Scheme.

11.2 All taxes (including income tax, sales tax, excise duty, custom duty, service tax, value added tax, etc.) paid or payable by MIS in respect of the operations and / or the profits of the Demerged Undertaking before the Appointed Date, shall be on account of MIS and, insofar as it relates to the tax payment (including, without limitation, income tax, sales tax, excise duty, custom duty, service tax, value added tax, etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by MIS in respect of the profits or activities or operation of the Demerged Undertaking after the Appointed Date, the same shall be deemed to be the corresponding item paid by Quess and shall, in all proceedings, be dealt with accordingly.

11.3 Quess and/or MIS shall be entitled to revise and file income tax returns, sales tax / value added tax return, service tax returns and other returns, and to claim refunds/ credits, pursuant to the provisions of this Scheme.

PART C

GENERAL TERMS & CONDITIONS

12 REMAINING BUSINESS

12.1 The Remaining Business and all the assets, liabilities and obligations relating

or pertaining thereto shall continue to belong solely to and continue to be vested solely in and be managed by MIS.

12.2 All legal, tax and other proceedings by or against MIS under any statute, whether pending on the Appointed Date or which may be instituted at any time thereafter, whether or not in respect of any matter arising before the Effective Date and pertaining or relating to the Remaining Business (including those relating to any property, right, power, liability, obligation or duty, of MIS in respect of the Remaining Business) shall be continued and enforced solely by or against MIS only.

12.3 MIS shall carry on all business and activities pertaining or relating to the Remaining Business in its own name and on its own account and its own behalf in all respects.

12.4 All profit accruing to MIS or losses arising or incurred by it pertaining or relating to the Remaining Business shall, for all purposes, be treated as its profit, or losses, as the case may be.

13 APPLICATION TO TRIBUNAL

Quess and MIS shall make all necessary applications/ petitions under Sections 230 to 232 and other applicable provisions of the Act to the Tribunal for seeking approval of the Scheme and for such other orders as the Tribunal may deem fit for bringing the Scheme into effect and all matters ancillary or incidental thereto.

14 MODIFICATION OR AMENDMENTS TO THE SCHEME

Subject to the approval of the Tribunal, Quess and MIS by their respective Boards of Directors (the "**Board**", which term shall include any Committee thereof), may assent to/make and/or consent to any modifications/amendments to the Scheme or to any conditions or limitations

that the Tribunal and/or any other statutory/ regulatory authority under law may deem fit to direct or impose, or which may otherwise be considered necessary, desirable or appropriate as a result of subsequent events or otherwise by them (i.e. the Boards). Quess and MIS, by their respective Boards, are authorised to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whatsoever for carrying the Scheme into effect, whether by reason of any directive or order of any other authorities or otherwise howsoever, arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith.

15 CONDITIONALITY OF THE SCHEME

15.1 This Scheme is and shall be conditional upon and subject to:

15.1.1 The Scheme being approved by the requisite majorities in number and value of the various classes of shareholders and/or creditors (where applicable) of Quess and MIS as may be directed by the Tribunal.

15.1.2 Receipt of approvals of the relevant Stock Exchanges where the equity shares of Quess are listed and traded and SEBI in terms of the SEBI Circular, as applicable.

15.1.3 The Scheme being sanctioned by the Tribunal under Sections 230 to 232 of the Act and other applicable provisions of the Act.

15.1.4 The requisite consent, approval or permission of any other statutory or regulatory authority, which by law may be necessary for the implementation of this Scheme.

15.1.5 Authenticated/ certified copies of the orders of the Tribunal sanctioning the Scheme being filed with the relevant Registrar of Companies by MIS and Quess respectively.

16 EFFECT OF NON-RECEIPT OF APPROVALS

16.1 In the event of any of the said sanctions and approvals referred to in Clause 15 not being obtained and/ or the Scheme not being sanctioned by the Tribunal by December 31, 2017, or such other date as may be mutually agreed by the board of directors of Quess and MIS, this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/ or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law.

16.2 In the event of revocation under Clause 16.1, no rights and liabilities whatsoever shall accrue to or be incurred *inter se* to MIS and Quess or their respective shareholders or creditors or employees or any other person save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or in accordance with the applicable laws and in such case, each company shall bear its own costs unless otherwise mutually agreed.

17 COSTS, CHARGES AND EXPENSES

All costs, charges, taxes including duties, levies and all other expenses arising out of or incurred in connection with and implementing this Scheme and matters incidental thereto including but not limited to stamp duty charges with respect to the issuance and allotment of shares of Quess to the equity shareholders of MIS, payment of all stamp duty and registration charges with respect to the transfer of the Demerged Undertaking (including all accretions

and appurtenances), as a going concern, from MIS to Quess, shall be borne by Quess.

18 SAVING OF CONCLUDED TRANSACTIONS

18.1 Subject to the terms of this Scheme, the transfer and vesting of the Demerged Undertaking under Clause 4 of this Scheme shall not affect any transactions or proceedings already concluded by the Demerged Undertaking on or before the Appointed Date or concluded after the Appointed Date till the Effective Date, to the end and intent that Quess accepts and adopts all acts, deeds and things made, done and executed by the Demerged Undertaking as acts, deeds and things made, done and executed by or on behalf of Quess.

19 SEVERABILITY

19.1 If any provision of this Scheme is held invalid, ruled illegal/ unenforceable for any reason whether under present or future laws by the Tribunal, parties or any other government authorities/ person(s) as applicable under the Act, then it is the intention of the parties that such provision shall be severable from the remainder of this Scheme and this Scheme shall not be affected thereby, unless the deletion of such provision shall cause this Scheme to become materially adverse to any party, in which case the parties shall attempt to bring about a modification in this Scheme, as will best preserve for the parties the benefits and obligations of this Scheme, including but not limited to such provision.

ANNEXURE 1

TERMS OF THE REDEEMABLE PREFERENCE SHARES

1. If the Market Value of the Equity Shares on the Calculation Date is less than the Threshold Value, Quess shall issue non-convertible redeemable preference shares of Quess ("**RPS**") of such aggregate value being the difference between the Threshold Value and the Market Value to the shareholders of MIS.

2. The face value of each RPS shall be INR 10 (Rupee Ten). Accordingly, the number of RPS issued shall be as follows:

   {Threshold Value *less* Market Value} / Rs 10

3. Such number of RPS issued shall be issued to MIS shareholders in the proportion of their equity holding in MIS.

4. Each RPS shall be redeemed by Quess on the Redemption Date at face value.

   where:

   "**Threshold Value**" means an amount equal to INR 3,575,000,000 (Rupees three billion five hundred and seventy five million).

   "**Market Value**" means the product of {the number of Equity Shares issued pursuant to the Scheme} and {the closing price of the Equity Shares on the Calculation Date, on the stock exchange on which Equity Shares are more frequently traded on the Calculation Date}.

   "**Calculation Date**" means the last trading day before the receipt of the final approval for the listing and trading of the Equity Shares issued pursuant to the Scheme is received from the Stock Exchanges.

   "**Redemption Date**" means the date that is 30 days from the date of the receipt of the final approval for the listing and trading of the Equity Shares of Quess from the Stock Exchanges.

5. The RPS shall carry no voting rights.

6. Upon the redemption of the RPS in accordance with these terms, the RPS shall be cancelled and all the rights of the holders of the RPS in respect of such RPS shall cease to exist.

ANNEXURE 2

TERMS OF THE MIS PREFERENCE SHARES

1. The face value of each MIS Preference Share shall be INR 10 (Rupees Ten).
2. Each MIS Preference Share shall be convertible into 1 (one) equity share of the Transferor Company having a face value of Rs. 10 (Rupees Ten).
3. Each MIS Preference Share shall be entitled to a dividend of 0.0001 % per annum on a non-cumulative basis.
4. The MIS Preference Shares shall be mandatorily converted into equity shares of the Transferor Company upon expiry of a period of 5 (five) years from the date of allotment.
5. The MIS Preference Shares shall carry no voting rights, except in accordance with the provisions of the Act.

The equity shares of the Transferor Company issued and allotted by the Transferor Company pursuant to the conversion of the MIS Preference Shares shall rank *pari passu* in all respects, including dividend, with the existing equity shares of the Transferor Company

L74140KA2007PLC043909

Form No. MGT-11
PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN:	L74140KA2007PLC043909
Name of the company:	Quess Corp limited
Registered office:	3/3/2, Bellandur Gate, Sarjapur Main Road, Bangalore-560 103
Name of the Member:	
Registered Address	
E-mail Id	
Folio No. / Client Id	
DP Id	

I/We, being the member (s) of ……..…. shares of the above named company, hereby appoint

1. Name:
Address:
E-mail Id:
Signature:…….……., or failing him
2. Name:
Address:
E-mail Id:
Signature:…….……., or failing him
3. Name:
Address:
E-mail Id:
Signature:…….……..

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the NCLT Convened Extraordinary General Meeting of the Company, to be held on Tuesday 5th September 2017 at Hotel Royal Orchid, 1, Golf Avenue, Adjoining KGA Golf Course, HAL Airport Road, Bengaluru, Karnataka- 560 008 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution
	SPECIAL RESOLUTION
1.	To considering and, if thought fit, approving, with or without modification the Scheme of Arrangement of Manipal Integrated Services Private Limited (Applicant Company No.2) With Quess Corp Limited (Applicant Company No.1)

Signed this……..… day of…….…… 2017

……. …….
Signature of equity shareholder Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

Affix Revenue Stamp of Re.1

QUESS CORP LIMITED

Registered office: 3/3/2, Bellandur Gate, Sarjapur Main Road, Bengaluru- 560 103
Tel +91 80 6105 6000 | Fax +91 80 6105 6406 | CIN L74140KA2007PLC043909
www.quesscorp.com; email id: investor@quesscorp.com

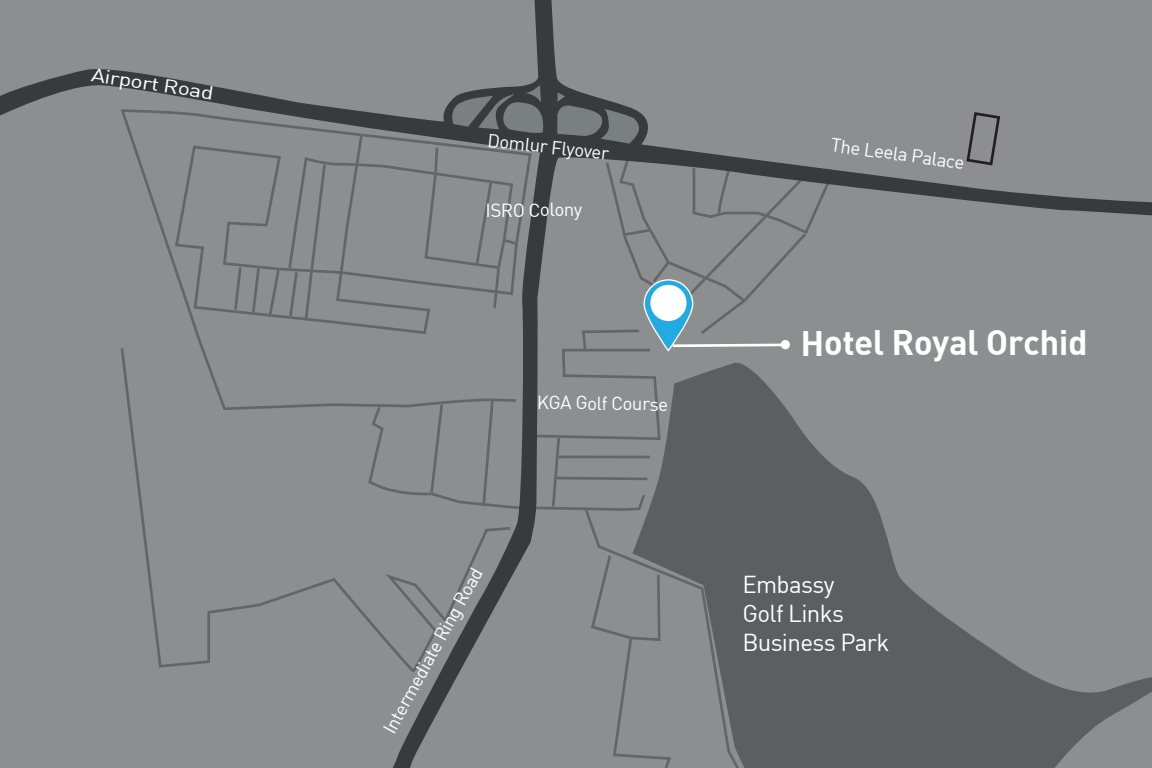
ATTENDANCE SLIP

In the matter of Scheme of Arrangement of Manipal Integrated Services Private Limited (Applicant Company No.2) with Quess Corp Limited (Applicant Company No.1)

I/We hereby record my/our presence at the National Company Law Tribunal ("NCLT") convened meeting of the Equity shareholders of the Company held at Hotel Royal Orchid, 1, Golf Avenue, Adjoining KGA Golf Course, HAL Airport Road, Bengaluru, Karnataka- 560 008, on Tuesday 5th September 2017 at 10 AM

NAME (S) OF THE EQUITY SHARE HOLDER (S) / PROXY (IN BLOCK LETTERS)	
FOLIO NO/ CLIENT ID NO	
DP ID NO	
NUMBER OF SHARES HELD	
SIGNATURE OF THE EQUITY SHAREHOLDER (S) / PROXY	

Note : Equity Shareholder/Proxy holder, as the case may be, is requested to sign and hand over this slip at the entrance of the meeting venue.


Airport Road
Domlur Flyover
The Leela Palace
ISRO Colony
Hotel Royal Orchid
KGA Golf Course
Embassy
Golf Links
Business Park
Intermediate Ring Road

QUESS CORP LIMITED
Registered office: 3/3/2, Bellandur Gate, Sarjapur Main Road, Bengaluru- 560 103
Tel +91 80 6105 6000 | Fax +91 80 6105 6406 | CIN L74140KA2007PLC043909
www.quesscorp.com; email id: investor@quesscorp.com

MEETING OF SECURED CREDITORS

Date	:	05/09/2017
Time	:	11:00 AM
Venue	:	Hotel Royal Orchid, 1, Golf Avenue, Adjoining KGA Golf Course, HAL Airport Road, Bengaluru, Karnataka- 560 008

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Dated this 3rd day of August 2017 at Bengaluru

Sd/-
Subrata Nag
(DIN 02234000)
Chairman appointed for the meeting

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL BENGALURU BENCH AT BENGALURU

ORIGINAL JURISDICTION

IN THE MATTER OF COMPANIES ACT, 2013

AND

IN THE MATTER OF SECTIONS 230 AND 232 READ WITH SECTION 52 AND 66 OF THE COMPANIES ACT, 2013 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013

AND

IN THE MATTER OF MANIPAL INTEGRATED SERVICES PRIVATE LIMITED AND QUESS CORP LIMITED

AND

IN THE MATTER OF AND SCHEME OF ARRANGEMENT BETWEEN MANIPAL INTEGRATED SERVICES PRIVATE LIMITED AND QUESS CORP LIMITED

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

COMPANY APPLICATION NO. CA (CAA) 41/BB OF 2017

QUESS CORP LIMITED
L74140KA2007PLC043909
Registered Office: 3/3/2,
Bellandur Gate, Sarjapur Main Road,
Bengaluru- 560 103 **… APPLICANT COMPANY NO: 1**

MANIPAL INTEGRATED SERVICES PRIVATE LIMITED
U74140KA2004PTC033168
Registered Office: Tower B-1, 3rd Floor,
Golden Enclave, Old Airport Road,
Bengaluru-560 017 **… APPLICANT COMPANY NO: 2**

NOTICE CONVENING THE MEETING OF THE SECURED CREDITORS

To,

The Secured Creditor of
Quess Corp Limited,

Notice is hereby given that by an order dated 31/07/2017, the Bengaluru Bench of the National Company Law Tribunal (hereinafter referred as Tribunal) has directed a meeting of the Secured Creditors of the Applicant Company No. 1 for the purpose of considering and if thought fit, approving with or without modification the Scheme of Arrangement between Manipal Integrated Services Private Limited and Quess Corp Limited, to transfer the Demerged Undertaking/ Identified Business of Manipal Integrated Services Private Limited into Quess Corp Limited under Sections 230-232 of the Companies Act, 2013 (hereinafter referred to as the 'Scheme').

In pursuance of the said order and as directed therein, further notice is hereby given that a meeting of the Secured Creditors of the said Applicant Company No. 1 will be held at Hotel Royal Orchid, 1, Golf Avenue, Adjoining KGA Golf Course, HAL Airport Road, Bengaluru, Karnataka- 560 008, on Tuesday, the 5th day of September 2017 at 11:00 AM, at which time and place the said Secured Creditors are requested to attend.

The copy of the said Scheme of arrangement between Manipal Integrated Services Private Limited and Quess Corp Limited, and the statement under section 230 can be obtained free of charge at the Registered Office of the Applicant Company No.1 or at the office of its authorized representative Mr. Sudershan Pallap, Company Secretary at 3/3/2 Bellandur Gate, Sarjapur Main Road, Bengaluru 560103. The Persons entitled to attend and vote at the meeting, may vote in person or by proxy provided that, all proxies in the prescribed form are deposited at the registered office at 3/3/2, Bellandur Gate, Sarjapur Main Road, Bengaluru- 560 103 not later than 48 hours before the aforesaid meeting.

Forms of Proxy can be obtained from the registered office of the company.

The Tribunal has appointed Mr. Subrata Nag, CFO and Executive Director failing him Mr. Abhinandan. R, Vice President – Strategy & Investments of the Applicant Company No.1, be the Chairman of the said meeting. The above-mentioned arrangement, if approved by the meeting, will be subject to the subsequent approval of the Tribunal.

Secured Creditors are requested to attend to consider and if thought fit to pass, with or without modification(s), the following resolution with requisite majority:

"RESOLVED THAT pursuant to Sections 230 and 232 of the Companies Act, 2013 (the Act) and Companies (Compromise, Arrangement and Amalgamation), Rule 2016 and the National

Company Law Tribunal Rules 2016 (the Rules) and other applicable provisions, if any, of the Act and the Rules and subject to sanction by the Hon'ble National Company Law Tribunal Bengaluru Bench and other requisite concerns and approvals, if any, being obtained and subject to such terms and conditions and modification(s) as may be imposed, prescribed or suggested by the Hon'ble Tribunal or other appropriate authorities, the Scheme of Arrangement Between Manipal Integrated Services Private Limited and Quess Corp Limited in terms of the draft laid before the meeting and initialed by the Chairman for the purpose of identification, be and is hereby approved.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to sign, seal and deliver all documents, agreements and deeds and perform all acts, matters and things and to take all such steps as may be necessary or desirable to give effect to this resolution."

Sd/-
Subrata Nag
(DIN 02234000)
Chairman appointed for the meeting

Dated this 3rd day of August 2017

NOTES:

1. That each rupee constitute one vote as such the holder of such Secured Creditor can either opt for voting at the venue of the meeting of the Secured Creditors of the Company.

2. A copy of the Scheme of Arrangement, statement under Section 230 of the Companies Act, 2013, Form of Proxy and attendance slip are enclosed.

3. **A SECURED CREDITOR ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A SECURED CREDITOR. THE INSTRUMENT APPOINTING THE PROXY, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE COMPANY'S REGISTERED OFFICE, DULY COMPLETED AND SIGNED IN THE FORMAT SENT HEREWITH, NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**

4. All alterations made in the form of proxy should be initialled by Secured Creditors .

5. The Secured Creditors of the Applicant Company No: 1 whose names appear in the records of the Company as on 30/06/2017 shall be eligible to attend and vote at the meeting of the Secured Creditors of the Applicant Company No: 1 or cast their votes using remote e-voting facility.

6. Secured Creditors are requested to hand over the enclosed Attendance Slip, duly signed in accordance with their specimen signature(s) registered with the Applicant Company No: 1 for admission to the Meeting Hall.

7. The notice is being sent to all the Secured Creditors , whose name appeared in the books of accounts as on 30th day of June, 2017. This notice of the NCLT Convened Meeting of the Secured Creditor of the Company is also displayed/posted on the website of the Company www.quessscorp.com and also of NSDL viz., https://evoting.nsdl.co.in

8. The Notice convening the aforesaid meeting will be published through advertisement in Hindu in English language and in Udayavani in Kannada.

9. The material documents referred to in the accompanying Explanatory Statement shall be open for inspection by the Secured Creditors at the Registered office of the Applicant Company No.1 on all working days between 11.00 a.m. to 1.00 p.m.

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL BENGALURU BENCH AT BENGALURU

ORIGINAL JURISDICTION

IN THE MATTER OF COMPANIES ACT, 2013

AND

IN THE MATTER OF SECTIONS 230 AND 232 READ WITH SECTION 52 AND 66 OF THE COMPANIES ACT, 2013 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013

AND

IN THE MATTER OF MANIPAL INTEGRATED SERVICES PRIVATE LIMITED AND QUESS CORP LIMITED

AND

IN THE MATTER OF AND SCHEME OF ARRANGEMENT BETWEEN MANIPAL INTEGRATED SERVICES PRIVATE LIMITED AND QUESS CORP LIMITED

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

COMPANY APPLICATION NO. CA (CAA) 41/BB OF 2017

QUESS CORP LIMITED
L74140KA2007PLC043909
Registered Office: 3/3/2,
Bellandur Gate, Sarjapur Main Road,
Bengaluru- 560 103 **… APPLICANT COMPANY NO: 1**

MANIPAL INTEGRATED SERVICES PRIVATE LIMITED
U74140KA2004PTC033168
Registered Office: Tower B-1, 3rd Floor,
Golden Enclave, Old Airport Road,
Bengaluru-560 017 **… APPLICANT COMPANY NO: 2**

STATEMENT UNDER SECTION 230 OF AND SECTION 102 OF THE COMPANIES ACT, 2013 TO THE NOTICE OF THE TRIBUNAL CONVENED MEETING OF THE SECURED CREDITORS OF QUESS CORP LIMITED

1. Pursuant to the Order dated 31/07/2017 passed by the Bengaluru Bench of

National Company Law Tribunal in the Company Application referred to hereinabove. Separate meetings of the Equity Shareholders, Secured and Unsecured Creditors of the Applicant Company No. 1 is to be held on Tuesday 5th day of September 2017 at 10:00 AM, 11:00 AM & 12:00 PM, at Hotel Royal Orchid, 1, Golf Avenue, Adjoining KGA Golf Course, HAL Airport Road, Bengaluru, Karnataka- 560 008. For the purpose of considering and, if thought fit, approving with or without modification(s) the Scheme of Arrangement between Manipal Integrated Services Private Limited and Quess Corp Limited.

2. In this statement, Quess Corp Limited is hereinafter referred to as Applicant Company No: 1 and Manipal Integrated Services Private Limited is referred to as Applicant Company No: 2. Where the context so requires, the Applicant Company No: 1 and the Applicant Company No: 2 are together referred to as the "Companies".

3. The Applicant Company No: 1 was incorporated on 19/09/2007 under the provisions of the Companies Act, 1956 with the Registrar of Companies Karnataka at Bengaluru under the name and style of "IRIS Capital Solutions Private Limited". Thereafter, the name was, changed to "IKYA Human Capital Solutions Private Limited". Subsequently, it was, converted to a Public Limited Company with the name "IKYA Human Capital Solutions Limited". Thereafter, the name was, changed to its present name ***"Quess Corp Limited"*** with the Registration No. L74140KA2007PLC043909 and PAN No. AABCI7601M. The Applicant Company No: 1 is engaged in business of People & Services, Global Technology Solutions, Integrated Facility Management & Industrials

4. The Registered office of the Applicant Company No: 1 is situated at 3/3/2, Bellandur Gate, Sarjapur Main Road, Bengaluru- 560 103.

5. Equity shares of the Applicant Company No. 1 are listed on BSE Limited and National Stock Exchange of India Limited and Secured, Rated, Listed, Redeemable, Non-convertible Debentures are listed on BSE Limited

6. The Applicant Company No: 2 was incorporated on 09/01/2004 under the provisions of the Companies Act, 1956 with the Registrar of Companies Karnataka at Bengaluru under the name and style of "Manipal Servicecorp Facility Management Private Limited". Thereafter the name was, changed to the present name ***"Manipal Integrated Services Private Limited"*** with the Registration No. U74140KA2004PTC033168 and PAN No. AADCM8103A. The

Applicant Company No: 2 is engaged in the business of Hostel Services, Facility Management Services, Support and Other Allied Services.

7. The Registered Office of the Applicant Company No: 2 is situated at Tower B-1, 3rd Floor, Golden Enclave, Old Airport Road Bengaluru-560 017.

8. By the Scheme of Arrangement, it is proposed to transfer the Demerged Undertaking/ Identified Business of Manipal Integrated Services Private Limited into Quess Corp Limited in order to improve business focus, resulting in maximization of benefits to all stakeholders and provide better opportunity of growth.

9. Capital Structure

a. The authorized, issued, subscribed and paid-up share capital of the Applicant Company No. 1 as on March 31, 2016, was as follows:

Authorized Capital	**Amount Rs.**
20,00,00,000 Equity Shares of Re. 10/- each	2,00,00,00,000
Issued, Subscribed and Paid-Up Capital	**Amount Rs.**
11,33,35,056 Equity Shares of Re. 10/- each fully paid up	1,13,33,50,560

Subsequent to March 31, 2016, the Applicant Company No: 1 has issued/allotted shares. Post this issue, the Authorised, Issued, Subscribed and Paid-up Share capital of the Applicant Company No: 1 is as follows:

Authorized Capital	**Amount Rs.**
20,00,00,000 Equity Shares of Re. 10/- each	2,00,00,00,000
Issued, Subscribed and Paid-Up Capital	**Amount Rs.**
12,67,90,961 Equity Shares of Re. 10/- each fully paid up	1,26,79,09,610

b. The Authorized, issued, subscribed and paid-up share capital of the Applicant Company No.2 as on March 31st, 2016 is as follows:

Authorised Capital	**Amount Rs.**
2,00,00,000 Equity Shares of Rs.10/- each	20,00,00,000

Issued, Subscribed and Paid-Up Capital*	Amount Rs.
1,18,96,319 Equity Shares of Rs.10/- each fully paid up	11,89,63,190

*Certain Employee Stock Option granted to employees of Applicant Company No: 2 may get exercised before the Effective Date. The details of unexercised employee stock options (Net of Cancellation) of the employees of Applicant Company No: 2 as on March 31, 2016 set out below:

Unexercised Stock Options	Amount Rs.
2,35,750 Options entitling equivalent Equity Shares of Rs.10/- each	23,57,500

Subsequent to March 31, 2016, the Applicant Company No: 2 has issued/allotted shares. Post this issue, the Authorised, Issued, Subscribed and Paid-Up share capital of Applicant No: 2 is as follows:

Authorised Capital	Amount Rs.
2,00,00,000 Equity Shares of Rs.10/- each	20,00,00,000
1,00,00,000 Preference Shares of Rs. 10 /- each	10,00,00,000
Issued, Subscribed and Paid-Up Capital**	**Amount Rs.**
1,20,73,319 Equity Shares of Rs.10/- each fully paid up	12,07,33,190
40,36,697 Preference Shares of Rs. 10 /- each	4,03,66,970

** Certain Employee Stock Option granted to employees of Applicant Company No: may get exercised before the Effective Date. The details of unexercised employee stock options (Net of Cancellation) of the employee of Applicant Company No: 2 as on December 6, 2016 are set out below:

Unexercised Stock Options	Amount Rs.
58,750 Options entitling equivalent Equity Shares of Rs.10/- each	5,87,500

10. The Board of Directors of the Applicant Company No: 2 and Applicant Company No: 1 have adopted the Scheme of Arrangement at their respective meetings held on November 28, 2016. Subject to approval by the requisite

majority of the equity shareholders of the Company and creditors of the Company, as may be required, and subject to the sanction of the National Company Law Tribunal and of such other authorities as may be necessary.

11. BSE & NSE have issued their respective observation letters for the proposed Scheme of Arrangement between MIS and Quess, wherein BSE & NSE directed Quess to disclose information pertaining to Mr. Pratip Chaudhuri as a 'willful defaulter'. Quess has submitted its response to BSE and NSE stating that Mr. Pratip Chaudhuri is / was not a 'willful defaulter' based on the records of Quess and explanation provided by Mr. Pratip Chaudhuri.

12. **REPORT UNDER SECTION 230 AND 232 OF THE COMPANIES ACT 2013**

A. Under the proposed Scheme, the entire assets and liabilities of the Demerged undertaking of the Applicant Company No: 2 is proposed to be transferred to and vested in Quess Corp Limited (Applicant Company No: 1). The said scheme will be effective from December 1, 2016 the Appointed Date.

B. The objectives of the above scheme are as follows:

(i) It is proposed to transfer the Demerged Undertaking/Identified Business (more particularly defined hereinafter) of MIS into Quess, on agreed terms and conditions as set out herein.

(ii) The management proposes to achieve the above pursuant to this Scheme under Sections 230 to 232 of the Act read with Sections 52 and 66 of the Act and other applicable provisions of the Companies Act, 2013 or the Act (to the extent notified), in the manner set out herein.

(iii) The proposed demerger would inter alia result in the following benefits:

(i) In case of MIS and its shareholders:

1. Unlocking value for MIS in relation to the undertaking being demerged; and

2. Pursue growth opportunities in line with its strategic directions.

(ii) In case of Quess:

1. Strategic fit with Quess's integrated facility management business segment with expansion of operations and business on a pan India basis; and

2. Gaining of strong operational capabilities in the niche and high growth verticals of healthcare and education vertical facility management.

The valuation report issued by M/s. Walker, Chandiok & Co. LLP is enclosed herewith

C. Share Exchange Ratio: Clause 5.1

Upon this Scheme becoming effective and as consideration for the proposed demerger, Quess shall, without any act, application, payment or deed, issue and allot equity shares (***"Equity Shares"***) credited as fully paid-up, as per the share entitlement ratio set out below, to the equity shareholders of MIS whose names appear in the register of members of MIS on the Record Date, or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the Board of Directors of Quess and MIS in proportion to their equity shareholding in MIS in consideration for the transfer of the Demerged Undertaking. The share entitlement ratio shall be:

165 (*One Hundred and Sixty Five)* equity shares of Quess of Rs. 10 each fully paid up for every 280 (*Two Hundred and Eighty*) equity shares of MIS of Rs. 10/- each fully paid-up.

The valuation report is obtained from M/s. Walker, Chandiok & Co. LLP and accepted and adopted by the Board

D. A summary of the assets and liabilities of the Applicant Company No: 1 as per the Audited Balance Sheet as on March 31, 2016 are as follows:

(INR in Crores)

Liabilities	Amount	Assets	Amount
Share capital	**113.34**	Non-Current Assets	**405.10**
Reserves and surplus	**243.28**	Current Assets	**844.94**
Non-Current liabilities	**78.84**		
Current liabilities	**814.58**		
TOTAL	**1,250.04**	**TOTAL**	**1,250.04**

Subsequent to the date of the aforesaid audited accounts, there has been no

substantial change in the financial position of the Applicant Company No: 1 excepting those arising or resulting from the usual course of business.

E. As per the audited balance sheet of the Applicant Company No: 1 made upto 31 / 03 / 2017, the summarized position of the assets and liabilities of the company are as follows:

(*INR in Crores*)

Liabilities	Amount	Assets	Amount
Share capital	126.79	Non-Current Assets	929.52
Reserves and surplus	709.38	Current Assets	1350.81
Non-Controlling Interests	0.88		
Non-Current liabilities	429.78		
Current liabilities	1,013.50		
TOTAL	**2,280.33**	**TOTAL**	**2,280.33**

F. A summary of the assets and liabilities of the Applicant Company No: 2 as per the Audited Balance Sheet as on March 31, 2016 are as follows:

(*INR in Crores*)

Liabilities	Amount	Assets	Amount
Share capital	11.90	Non-Current Assets	579.29
Reserves and surplus	34.24	Current Assets	45.73
Non-Current liabilities	496.73		
Current liabilities	82.14		
TOTAL	**625.01**	**TOTAL**	**625.01**

Subsequent to the date of the aforesaid audited accounts, there has been no substantial change in the financial position of the Applicant Company No: 2 excepting those arising or resulting from the usual course of business.

G. As per the unaudited balance sheet of the Applicant Company No: 2 made upto March 31, 2017, the summarized position of the assets and liabilities of the company are as follows:

(*INR in Crores*)

Liabilities	Amount	Assets	Amount

Share capital	16.11	Non-Current Assets	612.98
Reserves and surplus	163.38	Current Assets	79.71
Non-Current liabilities	437.07		
Current liabilities	76.13		
TOTAL	**692.69**	**TOTAL**	**692.69**

H. Names of the promoters and directors of the Applicant Company No. 1 along with their addresses

LIST OF DIRECTORS	
Sl. No	Name, Designation, DIN and address
1.	Ajit Isaac, Chairman, Managing Director & CEO DIN: 00087168, Address: 242, 3rd Main, 4th Cross, 1st Block, Koramangala, Bangalore 560034
2.	Chandran Ponnaiah Ratnaswami, Non- Executive Director DIN: 00109215 Address: 177 MCKEE avenue, Ontario, M2N4C6 Toronto
3.	Madhavan Karunakaran Menon, Non- Executive Director DIN:00008542, Flat No. 702, Supreme Pearl 17th Road, Khar (West) Mumbai 400052
4.	Pratip Chaudhuri, Independent Director DIN: 00915201 Address: H - 1591 Pocket H C. R. Park, New Delhi 110019
5.	Pravir Kumar Vohra, Independent Director DIN:00082545 Address: E-602, Oberoi Splendor, J V Link Rd Opp Majas Depot, Andheri East Mumbai 400060
6.	Revathy Ashok, Independent Director DIN: 00057539 Address: 139/6-2 Domlur Layout, Sharadamma Layout Bangalore 560071
7.	Sanjay Anandaram, Independent Director DIN: 00579785 Address: 709,Pine Block, Raheja Residency 3rd Block, 8th C Main, Koramangala Bangalore 560034
8.	Subrata Kumar Nag, Whole-time Director & CFO DIN: 02234000

	Address: A2,303,Ganga Block, NGV, Koramangala, Bangalore 560047
LIST OF PROMOTERS	
Sl. No	Name, Designation, DIN and address
1	Ajit Isaac, Chairman, Managing Director & CEO DIN: 00087168, Address: 242, 3rd Main, 4th Cross, 1st Block, Koramangala, Bangalore 560034
2	Thomas Cook (India) Limited, CIN: L63040MH1978PLC020717 Address: Thomas Cook Building, Dr D N Road Fort Mumbai 400001

I. Disclosure about the effect of the compromise or amalgamation on:

(a)	Key managerial personnel:	- Nil – except equity shareholding dilution in the Applicant company No. 1
(b)	Directors:	- do -
(c)	Promoters:	- do -
(d)	Non-promoter members:	- do -
(e)	Depositors:	Nil
(f)	Creditors:	Nil
(g)	Debenture holders:	Nil
(h)	Deposit trustee and debenture trustee:	Nil
(i)	Employees of the Company:	Nil

J. The Scheme will be filed with the Registrar on 4.8.2017

13. Inspection of the following documents may be taken at the Registered Office of the Applicant Company No: 1 on any working day (except Saturday and Sunday) prior to the date of the aforesaid meeting between 10.00 A.M. to 4.00 PM.

(a) Order dated 31/07/2017 passed by the Hon'ble Tribunal passed in Company Application No CA CAA) 41/BB of 2017, directing the convening of the meetings of Equity Shareholders, Secured and Unsecured Creditors of the Applicant Company No: 1.

(b) Scheme of Arrangement.

(c) Memorandum and Articles of Associations of the Applicant Company No: 1 and the Applicant Company No: 2.

(d) Annual Report of the Applicant Company No: 1 for the year ended 31/3/2016 and 31/3/2017

(e) Annual Report of the Applicant Company No: 2 for the year ended 31/3/2016 and unaudited report dated 31/3/2017

14. This statement may also be treated as an Explanatory Statement under Section 102 of the Companies Act, 2013.

15. After the Scheme of Arrangement is approved by Shareholders, it will be further subject to the approval by the Hon'ble Bengaluru Bench of National Company Law Tribunal.

Sd/-

Dated this 3rd Day of August 2017

Subrata Nag
(DIN 02234000)
Chairman appointed for the meeting

Registered Office:
3/3/2, Bellandur Gate,
Sarjapur Main Road,
Bengaluru- 560 103

Walker Chandiok & Co LLP

STRICTLY PRIVATE & CONFIDENTIAL

Quess Corp Limited
Quess House,
3/3/2 Bellandur Gate, Sarjapur Road,
Bengaluru 560 103,
Karnataka, India

And

Manipal Integrated Services Private Limited
Golden Enclave,
Tower B1, H A L Old Airport Road,
Bengaluru 560 017,
Karnataka, India.

Walker Chandiok & Co LLP
(Formerly Walker, Chandiok & Co)
5th Floor, No. 65/2, Block "A",
Bagmane Tridib, Bagmane Tech Park
C V Raman Nagar, Bengaluru 560093
India

T +91 80 4243 0700
F +91 80 4126 1228

Sub: Recommendation of the share entitlement ratio for the Proposed Demerger of the Identified Business of Manipal Integrated Services Private Limited into Quess Corp Limited

Dear Sirs,

We refer to our engagement letter, wherein Quess Corp Limited (hereinafter referred to as ("QCL") and Manipal Integrated Services Private Limited (hereinafter referred to as "MIS") (hereinafter jointly referred to as the "Companies") have requested Walker Chandiok & Co LLP (hereinafter referred to as "WCC" or the "Valuer") to carry out valuation of QCL and Identified Business of MIS for the purpose of estimating the share entitlement ratio for the proposed demerger of the Identified Business of MIS into QCL (hereinafter referred to as the "Proposed Demerger") based on the valuation of the Business/Companies and pursuant to the provisions of Sections 391 to 394 and other applicable provisions of the Companies Act, 1956 and corresponding provisions of the Companies Act, 2013, and the discussions that we have had with, and information that we have received from the management of the Companies (the "Management") from time to time in the above matter.

SCOPE AND PURPOSE OF THIS REPORT

QCL was incorporated in 2007 as an integrated business service provider. It is headquartered in Bengaluru. It is engaged in the business of providing business related services through four segments namely, Global Technology Solutions, People & Services, Integrated Facility Management and Industrial Asset Management. Global Technology solutions segment provides Information technology (IT) staffing and IT product solutions and services. The People & Services segment offers general staffing, recruitment and executive search and recruitment process outsourcing services, as well as payroll and background verification services. The Integrated Facility Management segment provides

facility management services which comprise electro-mechanical, pest control services, as well as food and hospitality services to corporates, hospitals, and schools. The Industrial Asset Management segment offers industrial operations and maintenance services and related asset record maintenance services across various industries, such as power, energy, oil and gas, chemicals, and ferrous and non-ferrous metal industries. QCL is listed on both; the Bombay Stock Exchange of India and the National Stock Exchange.

MIS was founded in the year 2004 and is based out of Bengaluru. The business segments of MIS include hostels for university student living, facility management services, catering services and security services. Facility management segment provides housekeeping, healthcare support services, engineering services and pest control services to Corporates and Educational institutes. Catering segment provides services to corporates, healthcare and educational sectors. Security segment provides services to Education and healthcare sectors.

The Identified Business of MIS would include the entire activities, operations, business division and undertaking of MIS and its subsidiaries as well as investments of MIS, in each case, pertaining to the (i) Facilities Management Business and (ii) Catering Business. The Subsidiaries forming part of the Identified Business includes Golden Star Facilities & Services (P) Ltd and Masterstaffing Solution (P) Ltd.

The Management of QCL and MIS are contemplating demerger of Identified Business of MIS into QCL pursuant to the Scheme of Arrangement (the "Scheme") under the relevant provisions of the Companies Act, 2013. In this regard, the Companies have approached WCC to recommend a fair share entitlement ratio for the Proposed Demerger based on the valuation of the Companies as on an agreed upon date (the "Valuation Date").

The following is the proposed modus operandi for the Proposed Demerger:

- Demerger of the Identified Business of MIS into QCL.
- Cancellation of Investment made by QCL in Compulsorily Convertible Preference Shares ("CCPS") of MIS for no consideration and reduction of Preference Share Capital of MIS to the extent of the face value of such CCPS.
- Having considered the cancellation of CCPS, QCL would issue to the shareholders of MIS such number of equity shares of the face value of INR 10 each fully paid up based on the share entitlement ratio.

In this connection, WCC has been requested by the Companies to submit a report recommending a fair share entitlement ratio in the event of the Proposed Demerger for the consideration of the Board of Directors of the Companies. This report will be placed before the Board of QCL and MIS and to the extent mandatorily required under applicable laws of India, maybe produced before judicial, regulatory or government authorities, in connection with the Proposed Demerger.

The scope of our services is to conduct valuation of QCL as well as the Identified Business of MIS for recommending a fair share entitlement ratio for the Proposed Demerger in accordance with generally accepted professional standards.

WALKER CHANDIOK & CO LLP BENGALURU CHARTERED ACCOUNTANTS

Chartered Accountants

This report is our deliverable in respect of our recommendation of fair share entitlement ratio for the purpose of the Proposed Demerger.
This report is subject to the scope, assumptions, exclusions, limitations and disclaimers 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.

SOURCES OF INFORMATION

In connection with this exercise, we have used information available in the public domain as well as following information from either the official website of the Companies or as provided by the Management:

- Management certified financial statements of Identified Business of MIS for the years 31 March 2016 and Year to Date ('YTD') financials for 31 August 2016;
- Projected financials statements of the Identified Business of MIS as provided by the Management;
- Market price of equity shares of Quess Corp Limited quoted on the stock exchanges;
- Draft Scheme of Arrangement;
- Discussions with the Management in connection with the business operations of the Companies and their key operating subsidiaries, past trends, future plans and prospects, etc.;
- Other relevant information and documents for the purpose of this engagement.

QSL and MIS have been provided with the opportunity to review the draft report (excluding the recommended ratio) for this engagement to make sure that factual inaccuracies are avoided in our final report.

SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

Provision of valuation opinions and consideration of the issues described herein are areas of our regular practice. The services do not represent accounting, assurance, accounting / tax due diligence, consulting or tax related services that may otherwise be provided by us or our affiliates.

This report, its contents and the results herein are specific to and based on (i) the purpose of valuation agreed as per the terms of our engagement; (ii) the date of this report (iii) the five month financial statements ending 31 August 2016 of the Identified and (iv) Financial Projections and other information provided by the Management . We have been informed that the financial position of the Identified Business of MIS as on the Appointed Date of the Proposed Demerger would not be materially different from the financial statements as on 31 August 2016.

WALKER CHANDIOK & CO LLP BENGALURU Chartered Accountants

A valuation analysis of this nature is necessarily based on the prevailing stock market, financial, economic and other conditions in general and industry trends in particular as in effect on, and the information made available to us as of the date hereof. Events occurring after this date may affect this report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this report.

The ultimate analysis will have to be tempered by the exercise of judicious discretion by the Valuers and judgment taking into account the relevant factors. There will always be several factors, e.g. management capability, present and prospective competition, yield on comparable securities, market sentiment, etc. which are not evident from the face of the balance sheets but which will strongly influence the worth of a share. This concept is also recognized in judicial decisions.

The recommendation(s) rendered in this Report only represent our recommendation(s) based upon information furnished by the Companies (or its representatives) and other sources and the said recommendation(s) shall be considered to be in the nature of non-binding advice, (our recommendation will however not be used for advising anybody to take buy or sell decision, for which specific opinion needs to be taken from expert advisors). We have no obligation to update this Report.

In the course of the analysis, we were provided with both written and verbal information, including market, financial and operating data.

We must emphasize that the Financial Projections are prepared by the Management and provided to us for the purpose of our analysis. The fact that we have considered the Financial Projections in this exercise should not be construed or taken as our being associated with or a party to such projections. Realization of free cash flow forecast used in the analysis will be dependent on the continuing validity of assumptions on which they are based. Our analysis, therefore, will not, and cannot be directed to provide any assurance about the achievability of the Financial Projections. Since the Financial Projections relate to future, actual results are likely to be different from the projected results because events and circumstances do not occur as expected, and the differences may be material.

In accordance with the terms of the engagement, we have assumed and relied upon, without independently verifying, (i) the accuracy of the information that was publicly available and formed a substantial basis for this report and (ii) the accuracy of information sourced from data bases. In accordance with our engagement letter and in accordance with the customary approach adopted in valuation exercises, we have not audited, reviewed or otherwise investigated the historical financial information available in the public domain. Accordingly, we do not express an opinion or offer any form of assurance regarding the truth and fairness of the financial position as indicated in the historical financial statements.

Also, with respect to explanations and information sought from the Companies, we have been given to understand by the Management that they have not omitted any relevant and material factors about the Companies/ the Identified Business and that they have checked the relevance or materiality of any specific information to the present exercise with us in case of any doubt. Our conclusions are based on the assumptions and information given by/on behalf of the Companies. The Management has indicated to us that they have understood that any omissions, inaccuracies or misstatements may materially affect our valuation analysis/ results. Accordingly, we assume no responsibility for any errors in the information furnished by the Companies and their impact on the Report. Nothing has come to our attention to indicate that the information provided was materially mis-stated/

incorrect or would not afford reasonable grounds upon which to base the report. Also, we assume no responsibility for technical information (if any) furnished by the Companies

The report assumes that the Companies comply fully with relevant laws and regulations applicable in all its areas of operations unless otherwise stated, and that the Companies will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this valuation report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not recorded in the audited/unaudited balance sheet of the Companies.

This report does not look into the business / commercial reasons behind the Proposed Demerger nor the likely benefits arising out of the same. Similarly, it does not address the relative merits of the Proposed Demerger as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available.

We are not advisors with respect to legal tax and regulatory matters for the Transaction. No investigation / enquiry of the Companies' claim to title of assets has been made for the purpose of this report and the Companies' claim to such rights have 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 is assumed for matters of a legal nature.

The fee for the engagement is not contingent upon the results reported.

We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions of or advice given by any other to the Companies. In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or wilful default on part of the Companies, their directors, employees or agents. In no circumstances shall the liability of the Valuer, its partners, its directors or employees, relating to the services provided in connection with the engagement set out in this report shall exceed the amount paid to the Valuer in respect of the fees charged by it for these services.

We do not accept any liability to any third party in relation to the issue of the Report and our Report is conditional upon an express indemnity from the Companies in our favour holding us harmless from and against any cost, damage, expense and other consequences in connection with the provision of this Report. It is clarified that this Report is not a fairness opinion under any of the stock exchange/ listing regulations. This Report is not a substitute for the third party's own due diligence/ appraisal/ enquiries/ independent advice that the third party should undertake for his purpose.

This Report is subject to the laws of India. WCC would not be referred to as an 'expert' in any regulatory filings under the US Securities Act of 1933 or under any of the securities laws/ regulations of any other state or jurisdiction in the United States/ United Kingdom.

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Neither the valuation report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties, other than in connection with the Proposed Demerger, without our prior written consent. In addition, this report does not in any manner address the prices at which QCL's shares will trade following the announcement of the Proposed Demerger and we express no opinion or recommendation as to how the shareholders of the Companies should vote at any shareholders' meeting(s) to be held in connection with the Proposed Merger.

DETAILS OF SHARE CAPITAL AND SHAREHOLDING PATTERN OF THE COMPANIES

Quess Corp Limited (QCL)

The current equity share capital of QCL is INR 125.95 Million consisting of 125,953,353 equity shares of face value of INR 10 each. For the purpose of determining the share entitlement ratio, we have considered the equity share capital of QCL as on 30 September 2016.

The shareholding pattern as at 30 September 2016 is as follows:

Sr No	Particulars	No. of shares	Shareholding
1	Ajit Abraham Isaac	18,585,960	14.8%
2	Net Resources Investments Pvt Ltd	15,365,824	12.2%
3	Thomas Cook (India) Limited	78,823,496	62.6%
4	Public	13,178,073	10.5%
	TOTAL	**125,953,353**	**100.0%**

Manipal Integrated Services Private Limited

The current equity share capital of MIS is INR 118.96 Million consisting of 11,896,319 equity shares of face value of INR 10 each. Further, MIS has fully vested 235,750 employee stock options. For the purpose of determining the fair share entitlement ratio, we have considered the fully diluted equity shares of MIS as on 31 August 2016.

The shareholding pattern as at 31 August- 2016 is as follows:

Sr. No	Particulars	No of shares	Shareholding
1	Manipal Education and Medical Group India Private Limited	10,721,295	88.37%
2	Mr. TV Mohandas Pai	822,222	6.78%
3	Others	352,802	2.91%
4	Fully vested Employee Stock Options	235,750	1.94%
	Total	**12,132,069**	**100.0%**

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APPROACH - BASIS OF PROPOSED DEMERGER of IDENTIFIED BUSINESS INTO QCL

The Scheme contemplates the Proposed Demerger pursuant to the provisions of Sections 391 to 394 and other applicable provisions of the Companies Act, 1956 and corresponding provisions of the Companies Act, 2013. Arriving at the fair share entitlement ratio for the Proposed Demerger of the Identified Business into QSL would require determining the relative values of the concerned businesses and shares of the Companies. These values are to be determined independently but on a relative basis, and without considering the effect of the Proposed Demerger.

The Proposed Demerger envisages the demerger of Identified Business which essentially constitutes the facility management business and catering business of MIS and its identified subsidiaries into QCL. Further, as per the Scheme, the investment to be made by QCL in the CCPS of MIS for the purpose of securing an interest in the Identified Business, development of the same and to facilitate the Proposed Demerger, would be cancelled for no consideration. Determination of a fair share entitlement ratio for the Proposed Demerger would require valuation of equity shares of QCL and Identified Business of MIS.

We have used the carved out financials of Identified business of MIS and the projections provided by the Management to derive the value of the Identified Business.

There are several commonly used and accepted methods for deriving value of a company/ undertaking, which have been considered in the present case, to the extent relevant and applicable, including:

1. Net Asset Value method
2. Market Price method
3. Discounted Cash Flows method

It should be understood that the valuation of any company or its assets is inherently subjective and is subject to certain uncertainties and contingencies, all of which are difficult to predict and are beyond our control. In performing our analysis, we made assumptions with respect to industry performance and general business and economic conditions, many of which are beyond the control of the companies. In addition, this valuation will fluctuate with changes in prevailing market conditions, the conditions and prospects, financial and otherwise, of the companies, and other factors which generally influence the valuation of companies and their assets.

The application of any particular method of valuation depends on the purpose for which the valuation is done. Although different values may exist for different purposes, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose. Our choice of methodology of valuation has been arrived at using usual and conventional methodologies adopted for transactions of a similar nature and our reasonable judgment, in an independent and bona fide manner based on our previous experience of assignments of a similar nature.

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Net Asset Value (NAV) Method

The asset based valuation technique is based on the value of the underlying net assets of the business, either on a book value basis or realizable value basis or replacement cost basis. The Net Asset Value ignores the future return the assets can produce and is calculated using historical accounting data that does not reflect how much the business is worth to someone who may buy or invest in the business as a going concern. This valuation approach is therefore mainly used in case where the firm is to be liquidated or in case where the assets base dominates earnings capability. A scheme of demerger / amalgamation would normally be proceeded with, on the assumption that the companies / businesses demerge / amalgamate as going concerns and an actual realization of the operating assets is not contemplated. The operating assets are therefore considered at their book values. In such a going concern scenario, the relative earning power is of importance to the basis of demerger / amalgamation, with the values arrived at on the net asset basis being of limited relevance.

Considering the nature of business of QCL and the Identified Business of MIS, which does not require significant asset base as well as the fact that the transaction is taking place on a going concern basis and NAV ignores the future return expected from both the Companies, we have not considered this method for value of both QCL and Identified Business.

Market Price Method

The market price of an equity share as quoted on a stock exchange is normally considered as the value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded in, subject to the element of speculative support that may be inbuilt in the value of the shares. But there could be situations where the value of the share as quoted on the stock market would not be regarded as a proper index of the fair value of the share especially where the market values are fluctuating in a volatile capital market. Further, in the case of a merger, where there is a question of evaluating the shares of one company against those of another, the volume of transactions and the number of shares available for trading on the stock exchange over a reasonable period would have to be of a comparable standard. This method would also cover any other transactions in the shares of the company including primary / preferential issues / open offer in the shares of the company as envisaged in the overall scheme of arrangement and reported to the stock exchanges / available in the public domain.

In the present case, the equity shares of QCL are listed on BSE and NSE and there are regular transactions on the bourses in their equity shares. Accordingly in the present case, the volume weighted average share price over reasonable periods for the shares of QCL, as deemed appropriate for the purpose of our valuation analysis, have been considered for determining the equity value of the shares of the Companies under the market price methodology. However, as the Identified Business of MIS, is an unlisted undertaking, the market price method is not applicable for the same.

Discounted Cash Flows (DCF) Method

Under the DCF method the projected free cash flows to firm/ the equity shareholders are discounted at the weighted average cost of capital/ cost of equity. The sum of the discounted value of such free cash flows is the value of the firm / equity.

Using the DCF analysis involves determining the following:

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Estimating future free cash flows to equity:
Free cash flows to equity are the cash flows expected to be generated by the company that are available to the shareholders of the company.

Appropriate discount rate to be applied to cash flows i.e. the cost of equity:
This discount rate, which is applied to the free cash flows, should reflect the opportunity cost to the capital provider. The cost of equity reflects the opportunity cost that shareholders expect to earn on other investments of equivalent risk.

For the purpose of DCF valuation, the free cash flow to equity forecast is based on Financial Projections as provided by the Management. While carrying out this engagement, we have relied extensively on the Financial Projections of the Identified Business made available to us by the management of the Companies. We did not carry out any validation procedures or due diligence with respect to the information provided/ extracted or carry out any verification of the assets or comment on the achievability of the assumptions underlying the Financial Projections, save for satisfying ourselves to the extent possible that they are consistent with other information provided to us in the course of this engagement.

To arrive at the total value available to the equity shareholders, value arrived above under DCF method is adjusted, as appropriate, for cash and cash equivalent, non-operating assets and other matters. We have used the DCF method for valuation of Identified Business of MIS.

BASIS OF FAIR SHARE ENTITLEMENT RATIO

The fair basis for the Proposed Demerger would have to be determined after taking into consideration all the factors and methodologies mentioned hereinabove. The Valuer has carried out valuation of the shares of QCL and the Identified Business and based on their evaluation and judgement of the businesses of the Companies arrived at the fair share entitlement ratio for the Proposed Demerger.

In the ultimate analysis, valuation will have to be arrived at by the exercise of judicious discretion by the Valuer and judgments taking into account all the relevant factors. There will always be several factors, e.g. quality of the management, present and prospective competition, yield on comparable securities and market sentiment, etc. which are not evident from the face of the balance sheets but which will strongly influence the worth of a share. This concept is also recognised in judicial decisions.

The fair share entitlement ratio of equity shares of QCL and Identified Business has been arrived at on the basis of a relative valuation of QCL and Identified Business based on the various methodologies explained herein earlier and various qualitative factors relevant to each company and the business dynamics and growth potentials of the businesses of the Companies, having regard to information base, key underlying assumptions and limitations.

As per the Scheme of Arrangement, for the Proposed Demerger, the investment to be made in MIS by QCL for the purpose of securing an interest in the Identified Business, development of the same and to facilitate the Proposed Demerger would stand cancelled for no consideration. The share entitlement ratio for the Proposed Demerger has therefore been determined having considered cancellation of the CCPS.

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In view of the above, and on a consideration of all the relevant factors and circumstances as discussed and outlined hereinabove, in our opinion the share entitlement ratio for the Proposed Demerger is as follows:

- **165 (One Hundred and Sixty Five)** equity shares of QCL of face value of Rs 10 each fully paid up for every **280 (Two Hundred and Eighty)** equity shares of the face value of Rs 10 each fully paid up held in MIS.

Yours faithfully,

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No. 001076N/N500013

Shashishekhar Chaugule
Partner
Membership No. 212151

Date: 28 November 2016

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Share Entitlement Ratio for the Proposed Demerger of:

Identified Business of Manipal Integrated Services Private Limited into Quess Corp Limited

Annexure 1

Fair Value of Equity of Balance value of Identified Business of Manipal Integrated Services Private Limited ("MIS") (a)	Per share value	Weights
Discounted Cash Flow Method	345.8	100%
Fair Value of Equity per share of balance value of Identified Business of MIS after considering CCPS cancellation (in INR)		**345.8**

(a) Refer Annexure 2

Fair Value of Equity of Quess Corp Limited ("QCL") (b)	Per share value	Weights
Market Price Method	586.8	100%
Fair Value of Equity per share of QCL (in INR)		**586.8**

(b) Refer Annexure 3

Share Entitlement Ratio in the event of Proposed Demerger would be
165 (One Hundred and Sixty Five) equity shares of QCL of face value of Rs 10 each fully paid up
for
every 280 (Two Hundred and Eighty) equity shares of the face value of Rs 10 each fully paid up held in MIS.

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Share Entitlement Ratio for the Proposed Demerger of:

Identified Business of Manipal Integrated Services Private Limited into Quess Corp Limited

Valuation of Identified Business of Manipal Integrated Services Private Limited ("MIS") **Annexure 2**

Discounted Cash Flow Method	
Particulars	**Amount (INR Million)**
Sum of Present Value of Net Free Cash Flows to Equity for projected period	2,111.0
Present Value of Net Free Cash Flows to Equity for perpetuity	4,498.7
Gross Enterprise Value	**6,609.7**
Add: Cash and other adjustments #	(214.2)
Equity Value of Identified Business of MIS	**6,395.5**
Investment amount in CCPS made by QCL in MIS that will be cancelled by MIS	2,200.0
Fair Value of Balance portion of Identified Business after considering CCPS cancellation	**4,195.5**
No. of Equity Shares including vested stock options (Face Value INR 10 each)	12,132,069
Per share balance value of Identified Business (in INR)	**345.8**

#Based on management certified Balance Sheet as on 31 August 2016 and projections provided by the Management

WALKER CHANDIOK & CO LLP BENGALURU CHARTERED ACCOUNTANTS

Share Entitlement Ratio for the Proposed Demerger of:

Identified Business of Manipal Integrated Services Private Limited into Quess Corp Limited

Valuation of Quess Corp Limited("QCL") **Annexure 3**

Market Price Method	
Particulars	**Amount**
Volume weighted average market price on the National Stock Exchange for a period of 60 Trading Days up to 25 November 2016 (in INR)	586.8
No. of Equity Shares	125,953,353
Equity Value of Quess Corp Limited in INR Million	**73,909.4**

QUESS CORP LIMITED

Registered office: 3/3/2, Bellandur Gate, Sarjapur Main Road, Bengaluru- 560 103
Tel +91 80 6105 6000 | Fax +91 80 6105 6406 | CIN L74140KA2007PLC043909
www.quesscorp.com; email id: investor@quesscorp.com

REPORT OF THE SCHEME OF ARRANGEMENT BETWEEN MANIPAL INTEGRATED SERVICES PRIVATE LIMITED (APPLICANT COMPANY NO. 2) AND QUESS CORP LIMITED (APPLICANT COMPANY NO. 1).

Objects of the scheme:

(i) It is proposed to transfer the Demerged Undertaking/Identified Business (more particularly defined hereinafter) of MIS into Quess, on agreed terms and conditions as set out herein.

(ii) The management proposes to achieve the above pursuant to this Scheme under Sections 230 to 232 of the Act read with Sections 52 and 66 of the Act and other applicable provisions of the Companies Act, 1956 or the Act (to the extent notified), in the manner set out herein.

(iii) The proposed demerger would inter alia result in the following benefits:

(iii) In case of MIS and its shareholders:

1. Unlocking value for MIS in relation to the undertaking being demerged; and

2. Pursue growth opportunities in line with its strategic directions.

(iv) In case of Quess:

3. Strategic fit with Quess's integrated facility management business segment with expansion of operations and business on a pan India basis; and

4. Gaining of strong operational capabilities in the niche and high growth verticals of healthcare and education vertical facility management.

EFFECTS OF THE SCHEME:

1. ***"Appointed Date"*** means December 1, 2016 or such other date as the Hon'ble Tribunal, Bengaluru Bench may direct.

2. ***"Effective Date"*** means the date on which the certified copy of the order of the National Company Law Tribunal Bengaluru Bench at Bangalore sanctioning the Scheme is filed with the Registrar of Company at Karnataka.

3. ***"Applicant Company No. 1"*** means Quess Corp Limited a company incorporated under the Companies Act, 1956 (L74140KA2007PLC043909), and having its registered office at 3/3/2, Bellandur Gate, Sarjapur Main Road, Bangalore Bengaluru-560 103

4. ***"Applicant Company No. 2"*** means Manipal Integrated Services Private Limited a company incorporated under the Companies Act, 1956 (U74140KA2004PTC033168), and having its registered office at Tower B-1, 3rd Floor, Golden Enclave, Old Airport Road Bengaluru-560 017.

5. The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the Tribunal or any other appropriate authority shall be operative from the Appointed Date but shall be effective from the Effective Date.

6. Subject to the provisions of this Scheme as specified hereinafter and with effect from the Appointed Date, the entire business and undertaking(s) of the demerged undertaking of the Applicant Company No: 2 , be transferred and/or deemed to be transferred to and vested in the Applicant Company No: 1 so as to become the properties, assets, rights, business and undertaking(s) of the Applicant Company No: 1.

7. With effect from, the Appointed Date all statutory licenses, permissions, approvals or consents to carry on the operations relating to the Demerged undertaking of the Applicant Company No: 2 shall stand vested in or transferred to the Applicant Company No: 1 without any further act or deed.

8. With effect from, the Appointed Date all debts, liabilities, duties and obligations of the demerged undertaking of the Applicant Company No: 2 as on the Appointed Date whether provided for or not in the books of account of the Applicant Company No: 2 shall be the debts, liabilities, duties and obligations of the Applicant Company No: 1 including any encumbrance on

the assets of the Applicant Company No: 2 or on any income earned from those assets.

9. Upon this Scheme becoming effective and as consideration for the proposed demerger, Quess shall, without any act, application, payment or deed, issue and allot equity shares (***"Equity Shares"***) credited as fully paid-up, as per the share entitlement ratio set out below, to the equity shareholders of MIS whose names appear in the register of members of MIS on the Record Date, or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the Board of Directors of Quess and MIS in proportion to their equity shareholding in MIS in consideration for the transfer of the Demerged Undertaking. The share entitlement ratio shall be:

   165 (*One Hundred and Sixty Five)* equity shares of Quess of Rs. 10 each fully paid up for every 280 (*Two Hundred and Eighty*) equity shares of MIS of Rs. 10/- each fully paid-up.

10. All suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against the demerged division of Applicant Company No: 1 continue in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Applicant Company No: 2 , as if this Scheme had not been made

11. All contracts, deeds, bonds, agreements, licenses, permits, registrations, approvals and other instruments, if any, of whatsoever nature to which pertaining to the Demerged undertaking of the Applicant Company No: 2 are parties and subsisting or having effect on the Effective Date, shall be in full force and effect against or in favor of the Applicant Company No: 1 , as the case may be.

12. All staff, workmen and employees pertaining to the Demerged undertaking Applicant Company No: 2 in service on the Effective Date shall be deemed to have become staff, workmen and employees of the Applicant Company No: 1, without any break or interruption in their service and on the basis of continuity of service.

13. The Transferee Company shall account for the acquisition of assets and liabilities of the demerged entity in accordance with the Indian accounting standards IND-AS 103, business combinations notified under Section 133 of the Act.

14. There are no specific valuation difficulties

ADOPTION BY THE BOARD OF DIRECTORS OF THE APPLICANT COMPANY NO: 1

Based on review of the Draft Scheme of Arrangement between the Applicant Company No: 2 and the Applicant Company No: 1, Valuation Report dated 28.11.2017 issued by M/s Walker, Chandiok & Co. LLP and the Board of Directors adopts the above report and believe that

1. The Scheme of Arrangement and the Share exchange Ratio is fair and reasonable.

2. The Board of Directors observe that no issues or difficulties regarding the valuation has been mentioned in the Valuation Report dated 28.11.2017 issued by M/s Walker, Chandiok & Co. LLP.

3. The Draft Scheme of Arrangement relates to transfer and vesting of the Applicant Company No: 2 including its assets and liabilities thereto to the Applicant Company No: 1. Upon the Scheme becoming effective, the equity shareholders of the Applicant Company No: 2 shall be allotted shares in the Applicant Company No: 1.

4. The proposed Scheme of Arrangement does not entitle the Promoter/Promoter Group, related parties of the Promoter/Promoter Group, associates of the Promoter/Promoter Group, subsidiaries of the Promoter/Promoter Group of the Applicant Company No: 1 to any additional shares.

5. The effect of the proposed Scheme of Arrangement on the equity shareholders and creditors of the Company would be as follows

A.	Key managerial personnel:	- Nil – except equity shareholding dilution in the Applicant company No. 1
B.	Directors:	- do -
C.	Promoters:	- do -
D.	Non-promoter members:	- do -
E.	Depositors:	Nil
F.	Creditors:	Nil
G.	Debenture holders:	Nil

H. Deposit trustee and debenture trustee: Nil
I. Employees of the Company: Nil

In the opinion of the Board, the said scheme will be of advantage and beneficial to the Company, its shareholders, creditors and other stakeholders and the terms thereof are fair and reasonable.

Sd/-	Sd/-
Ajit Isaac	Subrata Nag
Chairman, Managing Director & CEO	Executive, Whole-Time Director & CFO
(DIN 00087168)	(DIN 02234000)

Date: 3rd day of August , 2017
Bengaluru

L74140KA2007PLC043909

QUESS CORP LIMITED

Registered office: 3/3/2, Bellandur Gate, Sarjapur Main Road, Bengaluru- 560 103
Tel +91 80 6105 6000 | Fax +91 80 6105 6406 | CIN L74140KA2007PLC043909
www.quesscorp.com; email id: investor@quesscorp.com

EXTRACT OF THE RESOLUTION PASSED BY THE BOARD OF DIRECTORS OF QUESS CORP LIMITED AT ITS MEETING HELD ON MONDAY, THE 28TH DAY OF NOVEMBER, 2016.

APPROVAL OF ACQUISITION OF THE FACILITY MANAGEMENT BUSINESS AND THE CATERING BUSINESS OF MANIPAL INTEGRATED SERVICES PRIVATE LIMITED (TOGETHER KNOWN AS "FM BUSINESSES") THROUGH A COMPOSITE SCHEME OF ARRANGEMENT

"**RESOLVED THAT** pursuant to Sections 391 to 394 of the Companies Act, 1956 read with Sections 100 to 103 of the Companies Act, 1956and other applicable provisions of the Companies Act, 1956 and Companies Act, 2013 (to the extent notified), and subject to the requisite approvals, sanctions, consent, observations, no-objection from the shareholders and the creditors of the Company, Securities and Exchange Board of India (SEBI), BSE Limited (BSE), the National Stock Exchange of India Limited (NSE), Hon'ble High Court of Karnataka / National Company Law Tribunal (NCLT) or such other competent authority(ies) as may be applicable, the consent of the Board be and is hereby accorded to the scheme of arrangement between Manipal Integrated Services Private Limited ("MIS") and Quess Corp Limited ("the Company") by the Hon'ble High Court of Karnataka at Bangalore whereby the facility management business and the catering business of MIS are proposed to be demerged to the Company in terms of the draft scheme of arrangement, as placed before the meeting and initialed by the Chairman for the purposes of identification.

RESOLVED FURTHER THAT the draft Scheme, as recommended by the Audit Committee of the Board, placed before the Board and initialed by the Company Secretary for the purposes of identification, be and is hereby approved.

RESOLVED FURTHER THAT the Valuation Report dated November 28, 2016 prepared and issued by Walker Chandiok & Co LLP, as placed before the Board, be and is hereby accepted and approved.

RESOLVED FURTHER THAT the Fairness Opinion dated November 28, 2016 , prepared and issued by ICICI Securities Limited, Independent Category-I Merchant Banker, as placed before the Board, be and is hereby approved."

"CERTIFIED TRUE COPY"

FOR QUESS CORP LIMITED

Sd/-

(Sudershan Pallap)
COMPANY SECRETARY

SCHEME OF ARRANGEMENT

BETWEEN

MANIPAL INTEGRATED SERVICES PRIVATE LIMITED

AND

QUESS CORP LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

(Under 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))

I. **Preamble**

This Scheme of Arrangement is entered into between Manipal Integrated Services Private Limited (**"MIS"**) and Quess Corp Limited ("**Quess**") and their respective shareholders and creditors ("**Scheme**"), pursuant to the provisions of Sections 230 to 232 of the Act read with Sections 52 and 66 of the Act and other applicable provisions of the Companies Act, 1956 and Companies Act, 2013 (to the extent notified).

II. **Description of Companies**

1. MIS is a private limited company engaged, through itself and through its subsidiaries, in the following businesses: (i) provision of facility management services ("**Facility Management Business**"); (ii) provision of institutional catering services ("**Catering Business**"); (iii) provision of security services ("**Security Business**"); and (iv) provision of hostel related services ("**Hostel Business**"). The registered office of MIS is at tower B-1, 3rd floor, Golden Enclave Old Airport Road, Bangalore, Karnataka - 560017.

2. Quess is a public listed company engaged in the business of providing business related services organized under 4 (four) verticals namely: (i) global technology solutions, (ii) industrial asset management, (iii) integrated facility management, and (iv) people and services. The equity shares of Quess are listed and traded on the BSE Limited and the National Stock Exchange of India Limited. The registered office of Quess is at 3/3/2, Bellandur Gate, Sarjapur Main Road, Bangalore, Karnataka - 560103.

III. **Background and Rationale for the Scheme**

1. It is proposed to transfer the Demerged Undertaking / Identified Business (more particularly defined hereinafter) of MIS into Quess, on the agreed terms and conditions as set out herein.

2. The management proposes to achieve the above pursuant to this Scheme under Sections 230 to 232 of the Act read with Sections 52 and 66 of the Act and other applicable provisions of the Companies Act, 1956 or the Act (to the extent notified), in the manner set out herein.

3. The proposed demerger would *inter alia* result in the following benefits:

(i) In case of MIS and its shareholders:

1. Unlocking value for MIS in relation to the undertaking being demerged; and

2. Pursue growth opportunities in line with its strategic directions.

(ii) In case of Quess:

1. Strategic fit with Quess's integrated facility management business segment with expansion of operations and business on a pan India basis; and

2. Gaining of strong operational capabilities in the niche and high growth verticals of healthcare and education vertical facility management.

IV. **Parts of the Scheme**

The Scheme is divided into the following parts:

1. PART A - Definitions and Share Capital;

2. PART B - Transfer of Demerged Undertaking from MIS and its vesting in Quess for consideration and matters incidental thereto; and

3. PART C - General Terms and Conditions that would be applicable to the Scheme.

This Scheme also provides for various other matters consequential, incidental or otherwise integrally connected therewith.

PART A

DEFINITIONS AND SHARE CAPITAL

1. **DEFINITIONS**

In this Scheme, unless inconsistent with the subject, the following expressions shall have the meanings respectively assigned against them:

1.1. **"Act"** means the Companies Act, 2013 (to the extent of the sections thereof that have been brought into force) and shall include any statutory modification, re-enactment or amendments thereof for time to time.

1.2. **"Quess"** or **"Transferee Company"** or **"Resulting Company"** means Quess Corp Limited, a company incorporated under the Companies Act, 1956 and having its registered office at 3/3/2, Bellandur Gate, Sarjapur Main Road, Bangalore, Karnataka - 560 103.

1.3. **"Appointed Date"** means December 1, 2016 or such other date as may be approved by the Tribunal.

1.4. **"Board of Directors"** or **"Board"** means and includes the respective board of directors of MIS, or Quess, as the context may require, and shall include any committee constituted (if any) by such board of directors for the purposes of the Scheme.

1.5. **"Demerged Undertaking"** or "**Identified Business**" means the entire 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, outstandings, liabilities, duties, obligations as on the Appointed Date. Without prejudice to the generality of the aforesaid, it shall

include (without limitation) in particular the following:

(a) Rights in any immovable property under any lease, agreement to use, leave or license agreement, service agreement for any premises, guest house, business centers, office properties and residential properties, forming part of the Demerged Undertaking and/or used by MIS in connection with the Facility Management Business and Catering Business;

(b) all assets (whether movable, immovable, tangible or intangible, present, future or contingent), including, without limitation to, all rights and interest in connection with any land and buildings thereon whether corporeal or incorporeal, leasehold or otherwise, pertaining to all rights in any premises (whether pursuant to lease, leave and license agreements, agreement to use or otherwise), all agreements, rights, contracts, entitlements including those for provision or receipt of any services related to the Facility Management Business and Catering Business and rights relating thereto , plant and machinery, facilities, inventories, stores and stocks, accessories, utilities, services, implements, apparatus, instruments, vehicles, spares, tools, vessels, stabilizers, advances, deposits, sundry debtors, loans and advances, the benefit of any deposits including earnest suppliers' and security deposits, bills of exchange and prepaid expenses, cash and bank balances, office equipment, furniture and fixtures, communication facilities, other fixed assets, trademark, brands, investments in subsidiaries and other investments of MIS specifically relating to the Facility Management Business and Catering Business and all other assets whether real or personal, present/current, future or contingent and liabilities relating to the Facility Management Business and Catering Business;

(c) all permits, rights, entitlements, bids, tenders, letters of intent, expressions of interest, municipal and other statutory permissions, approvals, consents,

licenses, registrations, filings, rights, contracts, agreements, engagements, insurance policies, arrangements, authorities, allotments, notarization, declaration, subsidies, concessions, exemptions, incentives, grants, claims, tenancy rights, liberties, special status and other benefits or privileges, remissions, tax credits (including but not limited to credits in respect of income tax, sales tax, value added tax, turnover tax, service tax, etc.), tax deferrals, tenancies in relation to office, bank accounts, lease rights, licenses, industrial and other licenses, if any, powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity and other services, provisions, funds, benefits of any guarantees, reversions, powers, agreements, contracts and arrangements and all other approvals, sanctions and consents of every kind, nature and description whatsoever and all other interests in connection with or relating to the Facility Management Business and Catering Business;

(d) all debts, borrowings, obligations, taxes, duties and liabilities both present and future (including contingent liabilities and the liabilities and obligations under any licenses or permits or schemes) of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized, whether secured or unsecured, whether in rupees or foreign currency, relating to the Facility Management Business and Catering Business;

For the purpose of this Scheme, it is clarified that liabilities pertaining to the Demerged Undertaking will include:

- All debts, borrowings, obligations, taxes and liabilities, including tax and all other liabilities arising between the Appointed Date and the Effective Date, whether present or future, (including contingent liabilities), whether secured

or unsecured, which arise out of the activities or operations of the Facility Management Business and Catering Business;

- Specific loans and borrowings raised, incurred and utilised solely for the activities or operation of the Facility Management Business and Catering Business; and
- Liabilities other than those referred to above, being the amounts of general or multipurpose borrowings of MIS, allocated to the Facility Management Business and Catering Business in the same proportion in which the value of the assets transferred under this Scheme bear to the total value of the assets of MIS immediately before giving effect to the Scheme.

(e) all intellectual property and industrial property rights and assets, and all rights, interests and protections associated with, similar to or required for any of the foregoing, whether registered or unregistered, trade and service names and marks, brand names, logos, design rights, and other similar designations of source, sponsorship, association or origin, industrial property rights and assets, trade secrets, business and technical information and know-how, databases, data collections and other confidential and proprietary information and all rights therein, works of authorship, expressions, designs and design registrations, whether or not copyrightable, including copyrights, author, performer and neighboring rights, and all registrations, applications for registration and renewals of such copyrights, designs and other intellectual property rights of any nature whatsoever, books, records, files, papers, software and firmware, including data files, source code, object code, application programming interfaces, architecture, files, records, schematics, computerized databases and other related specifications and documentation. software licenses (whether proprietary or otherwise), drawings, computer programmes, manuals, data, catalogues, quotations, sales and advertising

material, lists of present and former customers and suppliers, other customer information, customer credit information, customer pricing information, and all other records and documents, whether in physical or electronic form relating to business activities and operations of the Facility Management Business and Catering Business, other than trade marks containing the word "Manipal";

(f) all employees of the Facility Management Business and Catering Business as on the Effective Date; and

(g) all legal proceedings of whatsoever nature by or against MIS pending on the Appointed Date and relating to the Facility Management Business and Catering Business.

Any question that may arise as to whether a specific asset or liability pertains or does not pertain to the Demerged Undertaking or whether it arises out of the activities or operations of the Demerged Undertaking or not, shall be decided by mutual agreement between the Board of Directors of MIS and Quess.

It is clarified that the Demerged Undertaking shall not include any employees, assets, liabilities, rights and obligations belonging to and forming part of the Remaining Business of MIS.

1.6. **"Effective Date"** means the later of the dates on which the certified or authenticated copies of the orders sanctioning the Scheme, passed by the Tribunal is filed with the Registrar of Companies, being the Registrar of Companies, Karnataka by Quess and MIS respectively. Any references in this Scheme to the "date of coming into effect of this Scheme" or "effectiveness of the Scheme" or "Scheme taking effect" shall mean the Effective Date.

1.7. **"MIS"** or **"Transferor Company"** or **"Demerged Company"** means Manipal Integrated Services Private Limited, a company incorporated under the

Companies Act, 1956 and having its registered office at Tower B-1, 3rd Floor, Golden Enclave Old Airport Road, Bangalore, Karnataka- 560001.

1.8. **"MIS Preference Shares"** means 40,36,697 compulsorily convertible preference shares of the Transferor Company having the terms set out in Annexure 2.

1.9. **"Record Date"** means the date to be fixed by the Board of Directors of Quess and the Board of Directors of MIS, for the purpose of determining the shareholders of MIS who shall be entitled to receive shares of Quess as per Clause 5 of the Scheme.

1.10. **"Remaining Business"** with respect to MIS means business, employees, assets and liabilities of MIS other than the Demerged Undertaking and all assets and liabilities of MIS related to such business including the entire immovable property to which MIS has title.

1.11. **"Scheme" or "the Scheme" or "this Scheme"** means this Scheme of Arrangement in its present form or with any modification(s) made under Clause 14 of this Scheme as approved or directed by the Tribunal.

1.12. **"SEBI"** means Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 1992.

1.13. **"SEBI Circular"** means Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015 issued by SEBI or any other circulars issued by SEBI applicable to schemes of arrangement from time to time.

1.14. **"Stock Exchanges"** means the BSE Limited and the National Stock Exchange of India Limited collectively.

1.15. **"Tribunal"** means the bench of the National Company Law Tribunal at Bengaluru that has been constituted under the Act having jurisdiction over the Transferor Company and the Transferee Company.

1.16. All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Securities Contract Regulation Act, 1956, the Depositories Act, 1996, the Income-tax Act, 1961 and other applicable laws, rules, regulations, bye-laws, as the case may be, or any statutory modification or re-enactment thereof from time to time.

2. **DATE OF TAKING EFFECT AND OPERATIVE DATE**

The Scheme set out herein in its present form or with any modification(s) and amendments(s) made under Clause 14 of the Scheme, approved or imposed or directed by the Tribunal, shall be effective from the Appointed Date but shall be made operative from the Effective Date.

3. **SHARE CAPITAL**

3.1 The share capital of MIS as on March 31, 2016 as per its audited financial statements is as under:

Particulars	**Amount (Rs.)**
Authorised	
2,00,00,000 Equity Shares of Rs. 10 each	20,00,00,000
Total	**20,00,00,000**
Issued Subscribed and Paid Up#	
1,18,96,319 Equity Shares of Rs. 10 each fully paid-up	11,89,63,190
Total	**11,89,63,190**

#Certain employee stock option granted to employees of MIS may get exercised before the Effective Date. The details of unexercised employee stock options (net of cancellation) of the employees of MIS as on March 31, 2016 are set out below:

Unexercised stock options	Amount (In Rs.)
2,35,750 options entitling equivalent Equity Shares of Rs. 10 each.	23,57,500
Total	23,57,500

3.2 Quess initially subscribed to MIS Preference Shares amounting to Rs. 220 Crores for securing an interest in the Facility Management Business and Catering Business, development of the same and facilitating the proposed demerger of the Facility Management Business and Catering Business as contemplated in this Scheme. MIS has passed necessary resolutions approving the issue of MIS Preference Shares by private placement to Quess prior to the passing the resolution approving the Scheme. Post allotment of the MIS Preference Shares, as on December 6, 2016 the share capital of MIS stands revised as under :

Particulars	Amount (Rs.)
Authorised	
1,00,00,000 Preference Shares of Rs. 10 each	10,00,00,000
2,00,00,000 Equity Shares of Rs. 10 each	20,00,00,000
Total	**30,00,00,000**
Issued Subscribed and Paid Up##	
40,36,697 Preference Shares of Rs. 10 each	4,03,66,970
1,20,73,319 Equity Shares of Rs. 10 each fully paid-up	12,07,33,190
Total	**16,11,00,160**

##Certain employee stock option granted to employees of MIS may get exercised before the Effective Date. The details of unexercised employee stock options (net of cancellation) of the employees of MIS as on December 6, 2016

are set out below:

Unexercised stock options	**Amount (In Rs.)**
58,750 options entitling equivalent Equity Shares of Rs. 10 each.	5,87,500
Total	5,87,500

3.3 The share capital of Quess as on March 31, 2016 as per its audited financial statements is as under:

Particulars	**Amount (Rs.)**
Authorised	
20,00,00,000 Equity Shares of Rs.(10) each	2,00,00,00,000
Total	**2,00,00,00,000**
Issued Subscribed and Paid Up	
11,33,35,056 Equity Shares of Rs.(10) each fully paid up	1,13,33,50,560
Total	**1,13,33,50,560**

3.4 The share capital of Quess as on the date of approval of the Scheme by the board of directors of Quess is as under:

Particulars	**Amount (Rs.)**
Authorised	
20,00,00,000 Equity Shares of Rs.(10) each	2,00,00,00,000
Total	**2,00,00,00,000**
Issued Subscribed and Paid Up	
12,67,48,751 Equity Shares of Rs.(10) each fully paid up	1,26,74,87,510
Total	**1,26,74,87,510**

PART B

TRANSFER OF DEMERGED UNDERTAKING FROM MIS TO QUESS

4. TRANSFER AND VESTING OF DEMERGED UNDERTAKING FROM MIS TO QUESS

4.1 With effect from the Appointed Date and upon this Scheme coming into effect, the Demerged Undertaking (including all accretions and appurtenances) shall, without any further act, instrument or deed, be and stand de-merged from MIS and transferred to and vested in or be deemed to be transferred to and vested in Quess as a going concern, so as to vest in Quess, all the rights, titles and interests pertaining to Demerged Undertaking, pursuant to Sections 230 to 232 of the Act and any other relevant provisions of the Act (as may be applicable), Section 2(19AA) of the Income-tax Act, 1961 and the order of the Tribunal sanctioning the Scheme, subject however, to subsisting charges pertaining to the Demerged Undertaking, if any.

4.2 Without prejudice to the provisions of Clause 4.1 above, in respect of such of the assets and properties (tangible or intangible) of the Demerged Undertaking, including cash in hand, as are movable in nature or otherwise capable of passing by manual delivery or by endorsement and delivery shall be so delivered or endorsed and delivered, as the case may be, and shall upon such delivery or endorsement and delivery, become the assets and properties of Quess, without requiring any deed or instrument or conveyance for the same.

4.3 In respect of movable assets of the Demerged Undertaking other than those specified in Clause 4.2 above, including sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received,

bank balances and deposits, if any, with government, semi-government, local and other authorities and bodies, customers and other persons, the following methodology shall to the extent possible be followed:

Quess shall give notice in such form as it may deem fit and proper to each person, debtor or depositee that pursuant to the Tribunal having sanctioned this Scheme, the said debt, loan, advance or deposit be paid to or made good to or held on account of Quess and that the right of MIS to recover or realize the same stands extinguished and deemed to be transferred to Quess.

4.4 Upon the Scheme coming into effect and with effect from the Appointed Date, all rights in any immovable property under any lease, agreement to use, leave or license agreement, service agreement for any premises, guest house, business centers, office properties and residential properties, forming part of the Demerged Undertaking and/or used by MIS in connection with the Demerged Undertaking, shall stand transferred to and be vested in Quess, as a successor of MIS in relation to the Demerged Undertaking, without any act or deed to be done or executed by MIS and/ or Quess. Quess shall be entitled to exercise all rights and privileges and be liable to pay appropriate rent, rates, taxes and charges and fulfil all obligations, in relation to or applicable to all such immovable properties.

4.5 Upon this Scheme coming into effect, and with effect from the Appointed Date, and subject to the provisions of this Scheme, all debts, liabilities, contingent liabilities, taxes, duties and obligations of every kind, nature and description of MIS pertaining or relating to the Demerged Undertaking shall, without any further act, instrument or deed, be and stand transferred from MIS and transferred to and vested in or be deemed to be transferred to and vested in and assumed by Quess so as to become as and from the Appointed Date, the debts, liabilities, contingent liabilities, taxes, duties and obligations

of Quess, pursuant to Sections 230 to 232 of the Act and any other relevant provisions of the Act and the order of the Tribunal sanctioning the Scheme, and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, contingent liabilities, duties and obligations have arisen in order to give effect to the provisions of this sub-clause.

4.6 With effect from the Appointed Date and upon this Scheme coming into effect, all permits, no objection certificates, contracts, deeds, agreements and other instruments, permissions, approvals, consents, rights, entitlements, licenses, including those relating to tenancies, copyrights, intellectual property rights, privileges, powers, facilities of every kind and description of whatsoever nature in relation to Demerged Undertaking of which MIS is a party or to the benefit of which MIS may be eligible and which are subsisting or having effect on the Effective Date, shall stand transferred to and vested in Quess without any further act or deed, and shall be appropriately mutated by the statutory authorities concerned therewith in favour of Quess upon the vesting and transfer of Demerged Undertaking in Quess pursuant to this Scheme, and shall be and remain in full force, operative and effectual for the benefit of Quess, and may be enforced by Quess as fully and effectually as if, instead of MIS, Quess had been the original party or beneficiary or obligee thereto, and Quess shall be bound by the terms thereof.

4.7 In so far as assets comprised in the Demerged Undertaking are concerned, the security, existing charges, mortgages and encumbrances, if any, over or in respect of any of the assets or any part thereof or charge over such assets relating to any loans or borrowings of MIS shall, without any further act or deed, be released and MIS will be discharged from the same and such assets shall no longer be available to lenders of the Remaining Business of MIS as

security.

4.8 It is clarified that all assets, estate, rights, interest and authorities acquired by MIS or any liabilities accrued to MIS after the Appointed Date and until the Effective Date for operation of or in connection with the Demerged Undertaking shall also stand transferred to and vested in Quess with effect from the Effective Date.

4.9 Where any of the liabilities mentioned in sub-clause 4.5 have been discharged by MIS after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of Quess.

4.10 All cheques and other negotiable instruments, payment orders received and presented for encashment which are in the name of MIS and pertaining to the Demerged Undertaking after the Effective Date, shall be accepted by the bankers of Quess and credited to the accounts of Quess, if presented by Quess.

5 CONSIDERATION FOR THE PROPOSED DEMERGER

5.1 Upon this Scheme becoming effective and as consideration for the proposed demerger, Quess shall, without any act, application, payment or deed, , issue and allot equity shares ("**Equity Shares**") credited as fully paid up, as per the share entitlement ratio set out below, to the equity shareholders of MIS whose names appear in the register of members of MIS on the Record Date, or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the Board of Directors of Quess and MIS in proportion to their equity shareholding in MIS in consideration for the transfer of the Demerged Undertaking. The share entitlement ratio shall be:

165 (one hundred and sixty five) equity shares of Quess of Rs. 10 each fully paid up

for every 280 (two hundred and eighty) equity shares of MIS of Rs. 10/- each fully paid up.

5.2 The Equity Shares of Quess to be issued and allotted as above shall, from the date of allotment in terms of the Scheme, be subject to the memorandum and articles of association of Quess in the same manner as the existing equity shares and shall rank *pari passu* with the existing equity shares of Quess in all respects including dividends.

5.3 The Equity Shares of Quess shall be issued and allotted in dematerialized form to those equity shareholders who hold shares of MIS in dematerialized form, and in to the demat account in which MIS shares are held or such other account as is intimated by the equity shareholders to MIS and / or its registrar. All those equity shareholders who hold equity shares of MIS in physical form shall also have the option to receive the Equity Shares in dematerialized form provided the details of their account with the depository participant are intimated in writing to MIS and / or its registrar. In the event that MIS has received notice from any person that equity shares are to be issued in physical form or if any person has not provided the requisite details relating to his/her /its account with a depository participant or other confirmations as may be required or if the details furnished by any person do not permit electronic credit of the Equity Shares, then Quess shall issue Equity Shares in physical form to such person or persons.

5.4 The Board of Directors of Quess shall, if and to the extent required, apply for and obtain any approvals from concerned government / regulatory authorities for the issue and allotment of Equity Shares pursuant to Clause 5.1 above of the Scheme.

5.5 Equity Shares of Quess to be issued and allotted to the equity shareholders of MIS pursuant to Clause 5.1 above of the Scheme will be listed and/or

admitted to trading on the BSE Limited and the National Stock Exchange of India Limited, where the equity shares of Quess are listed and/or admitted to trading in accordance with the applicable laws. Quess shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of the said stock exchanges.

5.6 In the event of there being any pending share transfers with respect to the application lodged for transfer by any equity shareholder of MIS, the Board of Directors or any committee thereof of MIS, or failing which the Board of Directors or any committee thereof of Quess, shall be empowered in appropriate case, even subsequent to the Record Date to effectuate such a transfer in MIS as if such changes in registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor or the transferee of the share(s) in MIS and in relation to the Equity Shares of Quess after the Scheme becomes effective.

5.7 Equity Shares to be issued and allotted by Quess to the equity shareholders of MIS pursuant to Clause 5.1 above of this Scheme, in respect of any equity shares in MIS which are held in abeyance under the provisions of Section 126 of the Act or otherwise, pending allotment or settlement of dispute, by order of court or otherwise, shall be held in abeyance by Quess.

5.8 If any equity shares of MIS held by the equity shareholders of MIS as on the Record Date are under any statutory lock-in, the Equity Shares issued and allotted by Quess to such equity shareholders shall also be locked-in for the remainder of the lock-in period as per applicable laws.

5.9 Fractional entitlements, if any, by Quess, to the equity shareholders of MIS at the time of issue and allotment of equity shares under Clause 5.1 above shall be consolidated.

5.10 Upon such consolidation, the Board of Directors of Quess shall allot Equity Shares in lieu thereof to a Director or such other authorized representative(s) as the Board of Directors of Quess shall appoint in this behalf, who shall hold the Equity Shares issued in Quess, in trust on behalf of the shareholders entitled to fractional entitlements with the express understanding that the Director or other authorized representative(s) shall sell the same in the market at such time or times and at such price or prices and to such person or persons, as it/he/they may deem fit, and pay to Quess, the net sale proceeds thereof, whereupon Quess shall distribute such net sale proceeds (after deduction of applicable taxes), to the shareholders in proportion to their respective fractional entitlements. Any fractional entitlements arising post such consolidation, if any, shall be ignored.

5.11 If the Market Value of the Equity Shares issued and allotted pursuant to Clause 5.1 above on the Calculation Date is less than the Threshold Value, the equity shareholders of MIS to whom the Equity Shares are issued under this Scheme shall be issued RPS as per the terms and subject to the conditions set out in Annexure 1.

5.12 Approval of this Scheme by the shareholders of Quess shall be deemed to be due compliance of the provisions of Sections 42, 55, 62 and the other relevant provisions of the Act and all applicable laws for the issue and allotment of shares by Quess, as provided in this Scheme.

5.13 The Transferee Company shall, prior to the Scheme becoming effective, take necessary actions including but not limited to passing necessary resolutions; making filing relevant filings with Ministry of Corporate affairs, Registrar of Companies, Mumbai; and payment of necessary stamp duty and filing related fees as may be payable under applicable law and regulations for increase in the authorized share capital for issuance of shares under the Scheme and

consequent amendments to the memorandum and articles of association of the Transferee Company.

6 ACCOUNTING TREATMENT

In the books of Quess

6.1 The Transferee Company shall account for the acquisition of the assets and liabilities of the Demerged Entity in accordance with Indian Accounting Standard Ind AS 103 - Business Combinations notified under Section 133 of the Act.

6.2 As on the Appointed Date and the Scheme becoming effective:

(i) The Transferee Company shall recognise, separately from goodwill, the identifiable assets acquired, the liabilities assumed and any non-controlling interest.

(ii) The Transferee Company may recognise certain assets and liabilities that the Demerged Company had not previously recognised in its financial statements at fair values determined as on Appointed Date. The Transferee Company may recognise certain identifiable intangible assets such as customer relationships, brand etc.

(iii) The initial investment in MIS Preference Shares of the Demerged Company amounting to INR 220 Crores as described in Clause 3.2 of this Scheme, shall stand cancelled and accordingly will be evaluated for the computation of the goodwill/ capital reserve / intangible assets (further as described in sub clause iv below).

(iv) Any excess of the aggregate value of the initial investment in MIS Preference Shares (Clause 3.2) and the shares issued pursuant to the Scheme (Clause 5) over the fair value of net assets acquired (paragraphs (i) and (ii) above) shall

be recognised in the Transferee Company's books of accounts as goodwill. If there is a deficit, the difference shall be credited to "capital reserve account".

In the books of MIS

6.3 As on the Appointed Date and the Scheme becoming effective:

(i) Upon the Scheme becoming effective, the book value of the assets and liabilities pertaining to the Identified Business of MIS shall be transferred to Quess and shall stand reduced from the book value of the assets and liabilities of MIS.

(ii) The difference between the book values of the assets and liabilities of the Identified Business of MIS vested in Quess, shall be first adjusted against its securities premium and, the balance, if any, against its profit and loss account balance.

(iii) MIS shall cancel MIS Preference Shares and make a corresponding credit to reserves. Such cancellation of MIS Preference Shares along with utilization of the securities premium account as aforesaid shall be effected as a part of the Scheme itself and not under a separate procedure in terms of Section 52 and Section 66 of the Act. Further, post cancellation of MIS Preference Shares, the rights of the holders of MIS Preference Shares shall cease to exist and they shall not have any further rights in MIS.

(iv) The cancellation of MIS Preference Shares and utilization of securities premium account as aforesaid in para (iii) do not involve either diminution of liability in respect of unpaid share capital and the same shall be effected as a part of the Scheme only.

7 CONDUCT OF BUSINESS

7.1 With effect from the Appointed Date and up to and including the Effective Date:

7.2 MIS shall, in respect of the Demerged Undertaking, be deemed to have been carrying on and shall carry on its business and activities and shall hold and stand possessed of and hold all its properties and assets in relation to the Demerged Undertaking for and on account of and in trust for Quess.

7.3 Quess shall be entitled, pending the sanction of the Scheme by the Tribunal, to apply to the central/state government and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which Quess may require to own and carry on the business of the Demerged Undertaking.

8 EMPLOYEES

8.1 On the Scheme becoming effective, all the employees of MIS engaged in or in relation to the Demerged Undertaking shall become the employees of Quess with effect from the Appointed Date, without any break or interruption in their services, on same (but in any case no less favourable) terms and conditions on which they are engaged as on the Effective Date. Quess further agrees that for the purpose of provident fund or superannuation or payment of any other retirement or termination benefit / compensation, or other statutory purposes, the services of such employees will be reckoned from the date of their respective appointments with the Demerged Undertaking of MIS. Any question that may arise as to whether any employee belongs to or does not belong to the Demerged Undertaking shall be decided jointly by the Boards of Directors of MIS and Quess.

8.2 The accumulated funds standing to the credit of the employees whose services are transferred under Clause 8.1 above, relating to superannuation, provident fund and gratuity fund or any other statutory or special fund or trusts created or existing for the benefit of the employees of MIS engaged in or in relation to the Demerged Undertaking shall be identified, determined and

transferred to such provident fund, superannuation fund and other funds nominated by the trusts / funds of Quess or other funds to be established and caused to be recognized by the concerned authorities by Quess, and such employees shall be deemed to have become members of such trusts / funds of Quess on the same terms and conditions as applicable to the Funds of MIS in relation to the said employees. On and from the Effective Date, with effect from the Appointed Date, and subject to getting the Scheme approved by the relevant authorities, Quess shall make the necessary contributions for such employees in relation to the funds. It is clarified that the services of the employees of MIS engaged in or in relation to the Demerged Undertaking of MIS shall be treated as having been continuous without any break, discontinuance or interruption for the purpose of the said funds.

8.3 It is the aim and intent of this Scheme that all the rights, duties, powers and obligations of the Demerged Undertaking in relation to such funds shall become those of Quess.

9 LEGAL PROCEEDINGS

9.1 All legal proceedings relating to the Demerged Undertaking of whatsoever nature by or against MIS pending and/or arising before the Effective Date, shall not abate or be discontinued or be in any way prejudicially affected by reason of the Scheme or by anything contained in this Scheme but shall be continued and enforced by or against Quess, as the case may be, in the same manner and to the same extent as would or might have been continued and enforced by or against MIS. It is hereby expressly clarified that any legal proceedings by or against MIS in relation to cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of MIS and pertaining to the Demerged Undertaking shall be instituted, or as the case may be, continued, by or against, Quess after the

coming into effect of the Scheme.

9.2 All legal or other proceedings initiated by or against the Demerged Undertaking referred in Clause 9.1 above shall stand transferred to the name of Quess and the same shall be continued, prosecuted, defended and enforced as the case may be by or against Quess, to the exclusion of MIS.

10 CONTRACTS, DEEDS AND OTHER INSTRUMENTS

10.1 Upon the coming into effect of this Scheme and subject to the other provisions of this Scheme, all contracts, deeds, bonds, schemes, insurance, letters of intent, undertakings, arrangements, policies, agreements and other instruments (including all tenancies, leases, and other assurances in favour of MIS or powers or authorities granted by or to it), if any, of whatsoever nature pertaining to the Demerged Undertaking, to which MIS is a party and subsisting or having effect on the Effective Date, shall be in full force and effect against or in favour of Quess, as the case may be, and may be enforced by or against Quess as fully and effectually as if, instead of MIS, Quess had been a party or beneficiary or oblige thereto and shall be binding on Quess.

10.2 Quess shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which MIS will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required or becomes necessary. Quess shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of MIS and to implement or carry out all formalities required on the part of MIS to give effect to the provisions of this Scheme.

11 TAXES

11.1 This Scheme has been drawn up to comply with the conditions relating to "Demerger" as specified under Section 2(19AA) of the Income-tax Act, 1961. If any terms or provisions of the Scheme is / are inconsistent with the provisions of Section 2(19AA) of the Income-tax Act, 1961, the provisions of Section 2(19AA) of the Income-tax Act, 1961 shall prevail and the Scheme to stand modified to the extent necessary to comply with Section 2(19AA) of the Income-tax Act, 1961; such modification shall not affect other parts of the Scheme.

11.2 All taxes (including income tax, sales tax, excise duty, custom duty, service tax, value added tax, etc.) paid or payable by MIS in respect of the operations and / or the profits of the Demerged Undertaking before the Appointed Date, shall be on account of MIS and, insofar as it relates to the tax payment (including, without limitation, income tax, sales tax, excise duty, custom duty, service tax, value added tax, etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by MIS in respect of the profits or activities or operation of the Demerged Undertaking after the Appointed Date, the same shall be deemed to be the corresponding item paid by Quess and shall, in all proceedings, be dealt with accordingly.

11.3 Quess and/or MIS shall be entitled to revise and file income tax returns, sales tax / value added tax return, service tax returns and other returns, and to claim refunds/ credits, pursuant to the provisions of this Scheme.

PART C

GENERAL TERMS & CONDITIONS

12 REMAINING BUSINESS

12.1 The Remaining Business and all the assets, liabilities and obligations relating

or pertaining thereto shall continue to belong solely to and continue to be vested solely in and be managed by MIS.

12.2 All legal, tax and other proceedings by or against MIS under any statute, whether pending on the Appointed Date or which may be instituted at any time thereafter, whether or not in respect of any matter arising before the Effective Date and pertaining or relating to the Remaining Business (including those relating to any property, right, power, liability, obligation or duty, of MIS in respect of the Remaining Business) shall be continued and enforced solely by or against MIS only.

12.3 MIS shall carry on all business and activities pertaining or relating to the Remaining Business in its own name and on its own account and its own behalf in all respects.

12.4 All profit accruing to MIS or losses arising or incurred by it pertaining or relating to the Remaining Business shall, for all purposes, be treated as its profit, or losses, as the case may be.

13 APPLICATION TO TRIBUNAL

Quess and MIS shall make all necessary applications/ petitions under Sections 230 to 232 and other applicable provisions of the Act to the Tribunal for seeking approval of the Scheme and for such other orders as the Tribunal may deem fit for bringing the Scheme into effect and all matters ancillary or incidental thereto.

14 MODIFICATION OR AMENDMENTS TO THE SCHEME

Subject to the approval of the Tribunal, Quess and MIS by their respective Boards of Directors (the "**Board**", which term shall include any Committee thereof), may assent to/make and/or consent to any modifications/amendments to the Scheme or to any conditions or limitations

that the Tribunal and/or any other statutory/ regulatory authority under law may deem fit to direct or impose, or which may otherwise be considered necessary, desirable or appropriate as a result of subsequent events or otherwise by them (i.e. the Boards). Quess and MIS, by their respective Boards, are authorised to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whatsoever for carrying the Scheme into effect, whether by reason of any directive or order of any other authorities or otherwise howsoever, arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith.

15 CONDITIONALITY OF THE SCHEME

15.1 This Scheme is and shall be conditional upon and subject to:

15.1.1 The Scheme being approved by the requisite majorities in number and value of the various classes of shareholders and/or creditors (where applicable) of Quess and MIS as may be directed by the Tribunal.

15.1.2 Receipt of approvals of the relevant Stock Exchanges where the equity shares of Quess are listed and traded and SEBI in terms of the SEBI Circular, as applicable.

15.1.3 The Scheme being sanctioned by the Tribunal under Sections 230 to 232 of the Act and other applicable provisions of the Act.

15.1.4 The requisite consent, approval or permission of any other statutory or regulatory authority, which by law may be necessary for the implementation of this Scheme.

15.1.5 Authenticated/ certified copies of the orders of the Tribunal sanctioning the Scheme being filed with the relevant Registrar of Companies by MIS and Quess respectively.

16 EFFECT OF NON-RECEIPT OF APPROVALS

16.1 In the event of any of the said sanctions and approvals referred to in Clause 15 not being obtained and/ or the Scheme not being sanctioned by the Tribunal by December 31, 2017, or such other date as may be mutually agreed by the board of directors of Quess and MIS, this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/ or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law.

16.2 In the event of revocation under Clause 16.1, no rights and liabilities whatsoever shall accrue to or be incurred *inter se* to MIS and Quess or their respective shareholders or creditors or employees or any other person save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or in accordance with the applicable laws and in such case, each company shall bear its own costs unless otherwise mutually agreed.

17 COSTS, CHARGES AND EXPENSES

All costs, charges, taxes including duties, levies and all other expenses arising out of or incurred in connection with and implementing this Scheme and matters incidental thereto including but not limited to stamp duty charges with respect to the issuance and allotment of shares of Quess to the equity shareholders of MIS, payment of all stamp duty and registration charges with respect to the transfer of the Demerged Undertaking (including all accretions

and appurtenances), as a going concern, from MIS to Quess, shall be borne by Quess.

18 SAVING OF CONCLUDED TRANSACTIONS

18.1 Subject to the terms of this Scheme, the transfer and vesting of the Demerged Undertaking under Clause 4 of this Scheme shall not affect any transactions or proceedings already concluded by the Demerged Undertaking on or before the Appointed Date or concluded after the Appointed Date till the Effective Date, to the end and intent that Quess accepts and adopts all acts, deeds and things made, done and executed by the Demerged Undertaking as acts, deeds and things made, done and executed by or on behalf of Quess.

19 SEVERABILITY

19.1 If any provision of this Scheme is held invalid, ruled illegal/ unenforceable for any reason whether under present or future laws by the Tribunal, parties or any other government authorities/ person(s) as applicable under the Act, then it is the intention of the parties that such provision shall be severable from the remainder of this Scheme and this Scheme shall not be affected thereby, unless the deletion of such provision shall cause this Scheme to become materially adverse to any party, in which case the parties shall attempt to bring about a modification in this Scheme, as will best preserve for the parties the benefits and obligations of this Scheme, including but not limited to such provision.

ANNEXURE 1

TERMS OF THE REDEEMABLE PREFERENCE SHARES

1. If the Market Value of the Equity Shares on the Calculation Date is less than the Threshold Value, Quess shall issue non-convertible redeemable preference shares of Quess ("**RPS**") of such aggregate value being the difference between the Threshold Value and the Market Value to the shareholders of MIS.

2. The face value of each RPS shall be INR 10 (Rupee Ten). Accordingly, the number of RPS issued shall be as follows:

   {Threshold Value *less* Market Value} / Rs 10

3. Such number of RPS issued shall be issued to MIS shareholders in the proportion of their equity holding in MIS.

4. Each RPS shall be redeemed by Quess on the Redemption Date at face value.

   where:

   "**Threshold Value**" means an amount equal to INR 3,575,000,000 (Rupees three billion five hundred and seventy five million).

   "**Market Value**" means the product of {the number of Equity Shares issued pursuant to the Scheme} and {the closing price of the Equity Shares on the Calculation Date, on the stock exchange on which Equity Shares are more frequently traded on the Calculation Date}.

   "**Calculation Date**" means the last trading day before the receipt of the final approval for the listing and trading of the Equity Shares issued pursuant to the Scheme is received from the Stock Exchanges.

   "**Redemption Date**" means the date that is 30 days from the date of the receipt of the final approval for the listing and trading of the Equity Shares of Quess from the Stock Exchanges.

5. The RPS shall carry no voting rights.

6. Upon the redemption of the RPS in accordance with these terms, the RPS shall be cancelled and all the rights of the holders of the RPS in respect of such RPS shall cease to exist.

ANNEXURE 2

TERMS OF THE MIS PREFERENCE SHARES

1. The face value of each MIS Preference Share shall be INR 10 (Rupees Ten).
2. Each MIS Preference Share shall be convertible into 1 (one) equity share of the Transferor Company having a face value of Rs. 10 (Rupees Ten).
3. Each MIS Preference Share shall be entitled to a dividend of 0.0001 % per annum on a non-cumulative basis.
4. The MIS Preference Shares shall be mandatorily converted into equity shares of the Transferor Company upon expiry of a period of 5 (five) years from the date of allotment.
5. The MIS Preference Shares shall carry no voting rights, except in accordance with the provisions of the Act.

The equity shares of the Transferor Company issued and allotted by the Transferor Company pursuant to the conversion of the MIS Preference Shares shall rank *pari passu* in all respects, including dividend, with the existing equity shares of the Transferor Company

L74140KA2007PLC043909

Form No. MGT-11
PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN:	L74140KA2007PLC043909
Name of the company:	Quess Corp limited
Registered office:	3/3/2, Bellandur Gate, Sarjapur Main Road, Bangalore-560 103
Name of the Secured Creditor:	
Registered Address	
E-mail Id	
Folio No. / Client Id	
DP Id	

I/We, being the Secured Creditor(s) of ……..…. shares of the above named company, hereby appoint

1. Name:
Address:
E-mail Id:
Signature:……..……., or failing him
2. Name:
Address:
E-mail Id:
Signature:……..……., or failing him
3. Name:
Address:
E-mail Id:
Signature:……..……..

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the NCLT Convened Extraordinary General Meeting of the Company, to be held on Tuesday 5th September 2017 at Hotel Royal Orchid, 1, Golf Avenue, Adjoining KGA Golf Course, HAL Airport Road, Bengaluru, Karnataka- 560 008 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution
	SPECIAL RESOLUTION
1.	To considering and, if thought fit, approving, with or without modification the Scheme of Arrangement of Manipal Integrated Services Private Limited (Applicant Company No.2) With Quess Corp Limited (Applicant Company No.1)

Signed this……..… day of……..…… 2017

……. …….

Signature of Secured Creditors Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

Affix Revenue Stamp of Re.1

QUESS CORP LIMITED

Registered office: 3/3/2, Bellandur Gate, Sarjapur Main Road, Bengaluru- 560 103
Tel +91 80 6105 6000 | Fax +91 80 6105 6406 | CIN L74140KA2007PLC043909
www.quesscorp.com; email id: investor@quesscorp.com

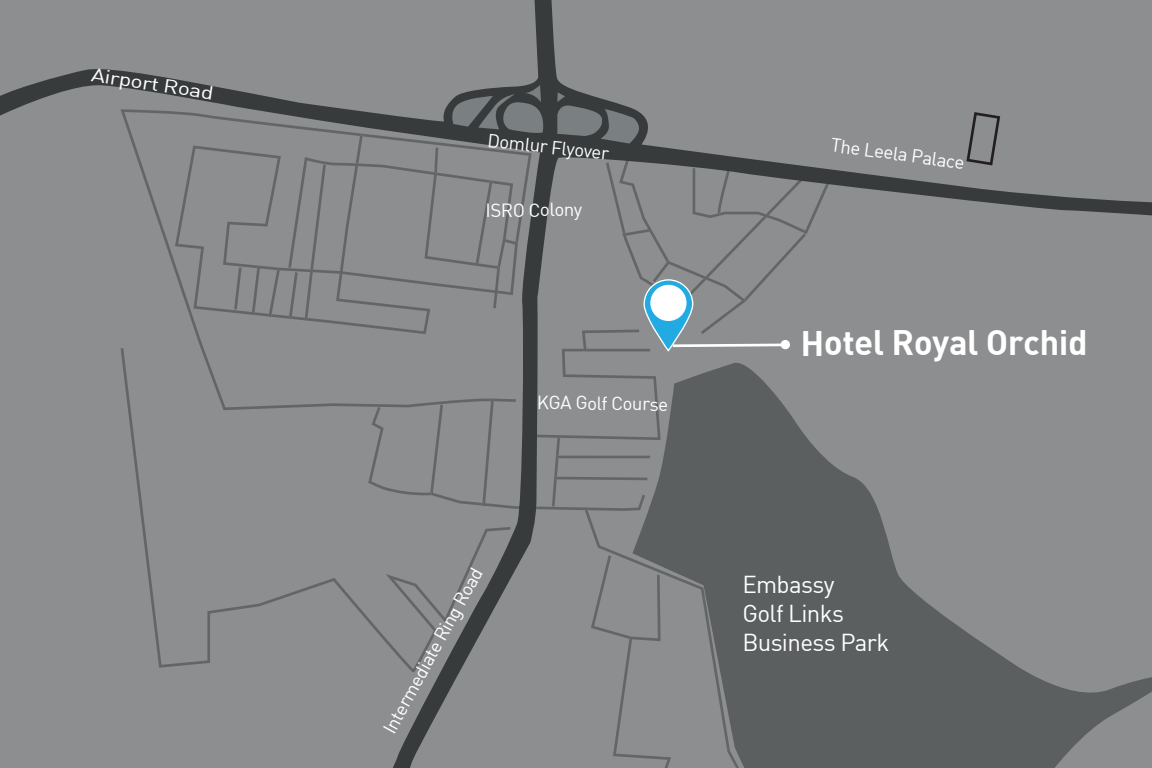
ATTENDANCE SLIP

In the matter of Scheme of Arrangement of Manipal Integrated Services Private Limited (Applicant Company No.2) with Quess Corp Limited (Applicant Company No.1)

ONLY SECURED CREDITORS OR OTHER PROXIES ARE ENTITLED TO BE PRESENT AT THE MEETING

NAME AND ADDRESS OF THE SECURED CREDITORS/ / PROXY HOLDER (IN BLOCK LETTERS)	
SIGNATURE OF THE Secured Creditor / PROXY	

Note: Secured Creditor /Proxy holder, as the case may be, is requested to sign and hand over this slip at the entrance of the meeting venue.


Airport Road
Domlur Flyover
The Leela Palace
ISRO Colony
Hotel Royal Orchid
KGA Golf Course
Embassy
Golf Links
Business Park
Intermediate Ring Road

QUESS CORP LIMITED
Registered office: 3/3/2, Bellandur Gate, Sarjapur Main Road, Bengaluru- 560 103
Tel +91 80 6105 6000 | Fax +91 80 6105 6406 | CIN L74140KA2007PLC043909
www.quesscorp.com; email id: investor@quesscorp.com

MEETING OF UNSECURED CREDITORS

Date	:	05/09/2017
Time	:	12:00 Noon
Venue	:	Hotel Royal Orchid, 1, Golf Avenue, Adjoining KGA Golf Course, HAL Airport Road, Bengaluru, Karnataka- 560 008

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Dated this 3rd day of August 2017 at Bengaluru

Sd/-
Subrata Nag
(DIN 02234000)
Chairman appointed for the meeting

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL BENGALURU BENCH AT BENGALURU

ORIGINAL JURISDICTION

IN THE MATTER OF COMPANIES ACT, 2013

AND

IN THE MATTER OF SECTIONS 230 AND 232 READ WITH SECTION 52 AND 66 OF THE COMPANIES ACT, 2013 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013

AND

IN THE MATTER OF MANIPAL INTEGRATED SERVICES PRIVATE LIMITED AND QUESS CORP LIMITED

AND

IN THE MATTER OF AND SCHEME OF ARRANGEMENT BETWEEN MANIPAL INTEGRATED SERVICES PRIVATE LIMITED AND QUESS CORP LIMITED

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

COMPANY APPLICATION NO. CA (CAA) 41/BB OF 2017

QUESS CORP LIMITED
L74140KA2007PLC043909
Registered Office: 3/3/2,
Bellandur Gate, Sarjapur Main Road,
Bengaluru- 560 103 **… APPLICANT COMPANY NO: 1**

MANIPAL INTEGRATED SERVICES PRIVATE LIMITED
U74140KA2004PTC033168
Registered Office: Tower B-1, 3rd Floor,
Golden Enclave, Old Airport Road,
Bengaluru-560 017 **… APPLICANT COMPANY NO: 2**

NOTICE CONVENING THE MEETING OF THE UNSECURED CREDITORS

To,

The Unsecured Creditors of
Quess Corp Limited,

Notice is hereby given that by an order dated 31/07/2017, the Bengaluru Bench of the National Company Law Tribunal (hereinafter referred as Tribunal) has directed a meeting of the Unsecured Creditors of the Applicant Company No. 1 for the purpose of considering and if thought fit, approving with or without modification the Scheme of Arrangement between Manipal Integrated Services Private Limited and Quess Corp Limited, to transfer the Demerged Undertaking/ Identified Business of Manipal Integrated Services Private Limited into Quess Corp Limited under Sections 230-232 of the Companies Act, 2013 (hereinafter referred to as the 'Scheme').

In pursuance of the said order and as directed therein, further notice is hereby given that a meeting of the Unsecured Creditors of the said Applicant Company No. 1 will be held at Hotel Royal Orchid, 1, Golf Avenue, Adjoining KGA Golf Course, HAL Airport Road, Bengaluru, Karnataka- 560 008, on Tuesday, the 5th day of September 2017 at 12:00 noon, at which time and place the said Unsecured Creditors are requested to attend.

The copy of the said Scheme of arrangement between Manipal Integrated Services Private Limited and Quess Corp Limited, and the statement under section 230 can be obtained free of charge at the Registered Office of the Applicant Company No.1 or at the office of its authorized representative Mr. Sudershan Pallap, Company Secretary at 3/3/2 Bellandur Gate, Sarjapur Main Road, Bengaluru 560103. The Persons entitled to attend and vote at the meeting, may vote in person or by proxy provided that, all proxies in the prescribed form are deposited at the registered office at 3/3/2, Bellandur Gate, Sarjapur Main Road, Bengaluru- 560 103 not later than 48 hours before the aforesaid meeting.

Forms of Proxy can be obtained from the registered office of the company.

The last day for exercise of votes through e-voting is on or before 03/09/2017.

The Tribunal has appointed Mr. Subrata Nag, CFO and Executive Director failing him Mr. Abhinandan. R, Vice President – Strategy & Investments of the Applicant Company No.1, be the Chairman of the said meeting. The above-mentioned arrangement, if approved by the meeting, will be subject to the subsequent approval of the Tribunal.

Unsecured Creditors are requested to attend to consider and if thought fit to pass, with or without modification(s), the following resolution with requisite majority:

"RESOLVED THAT pursuant to Sections 230 and 232 of the Companies Act, 2013 (the Act) and Companies (Compromise, Arrangement and Amalgamation), Rule 2016 and the National Company Law Tribunal Rules 2016 (the Rules) and other applicable provisions, if any, of the Act and the Rules and subject to sanction by the Hon'ble National Company Law Tribunal Bengaluru Bench and other requisite concerns and approvals, if any, being obtained and subject to such terms and conditions and modification(s) as may be imposed, prescribed or suggested by the Hon'ble Tribunal or other appropriate authorities, the Scheme of Arrangement Between Manipal Integrated Services Private Limited and Quess Corp Limited in terms of the draft laid before the meeting and initialed by the Chairman for the purpose of identification, be and is hereby approved.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to sign, seal and deliver all documents, agreements and deeds and perform all acts, matters and things and to take all such steps as may be necessary or desirable to give effect to this resolution."

Sd/-
Subrata Nag
(DIN 02234000)
Chairman appointed for the meeting

Dated this 3rd day of August 2017

NOTES:

1. Each rupee constitute one vote as such the holder of such Unsecured Creditor can either opt for voting at the venue of the meeting of the Unsecured Creditors of the Company or by exercise voting through e-voting mechanism. If you opt for e-voting, then do not vote at the venue of the meeting and vice-versa. In case of Unsecured Creditors exercising their right to vote via both modes, i.e. at the venue of the meeting of the Unsecured Creditors of the Company as well as e-voting, then e-voting shall prevail over voting by the said Unsecured Creditor at the venue of the meeting of the Unsecured Creditors and the vote cast at the venue of the meeting by that equity shareholder shall be treated as invalid.

2. A copy of the Scheme of Arrangement, statement under Section 230 of the Companies Act, 2013, Form of Proxy and attendance slip are enclosed.

3. **A REGISTERED UNSECURED CREDITOR IS ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER. THE INSTRUMENT APPOINTING THE PROXY, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT**

THE COMPANY'S REGISTERED OFFICE, DULY COMPLETED AND SIGNED IN THE FORMAT SENT HEREWITH, NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

4. All alterations made in the form of proxy should be initialled by Unsecured Creditors .

5. The Unsecured Creditors of the Applicant Company No: 1 whose names appear in the records of the Company as on 30/06/2017 shall be eligible to attend and vote at the meeting of the Unsecured Creditors of the Applicant Company No: 1 or cast their votes using remote e-voting facility.

6. Unsecured Creditors are requested to hand over the enclosed Attendance Slip, duly signed in accordance with their specimen signature(s) registered with the Applicant Company No: 1 for admission to the Meeting Hall.

7. The notice is being sent to all the Unsecured Creditors , whose name appeared in the books of accounts as on 30th day, June, 2017. This notice of the NCLT Convened Meeting of the Unsecured Creditor of the Company is also displayed/posted on the website of the Company www.quessscorp.com and also of NSDL viz., https://evoting.nsdl.co.in

8. The Notice convening the aforesaid meeting will be published through advertisement in Hindu in English language and in Udayavani in Kannada.

9. The material documents referred to in the accompanying Explanatory Statement shall be open for inspection by the Unsecured Creditors at the Registered office of the Applicant Company No.1 on all working days between 11.00 a.m. to 1.00 p.m. The Applicant Company No: 1 has engaged NSDL to provide remote e-voting facilities to the Unsecured Creditors of the Applicant Company No: 1 to exercise votes on the business given in Notice, through electronic voting system to those shareholders holding shares as on 30/06/2017, being the cut-off date fixed for determining voting rights of shareholders entitled to participate in the remote e-voting process.

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL BENGALURU BENCH AT BENGALURU

ORIGINAL JURISDICTION

IN THE MATTER OF COMPANIES ACT, 2013

AND

IN THE MATTER OF SECTIONS 230 AND 232 READ WITH SECTION 52 AND 66 OF THE COMPANIES ACT, 2013 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013

AND

IN THE MATTER OF MANIPAL INTEGRATED SERVICES PRIVATE LIMITED AND QUESS CORP LIMITED

AND

IN THE MATTER OF AND SCHEME OF ARRANGEMENT BETWEEN MANIPAL INTEGRATED SERVICES PRIVATE LIMITED AND QUESS CORP LIMITED

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

COMPANY APPLICATION NO. CA (CAA) 41/BB OF 2017

QUESS CORP LIMITED
L74140KA2007PLC043909
Registered Office: 3/3/2,
Bellandur Gate, Sarjapur Main Road,
Bengaluru- 560 103 **… APPLICANT COMPANY NO: 1**

MANIPAL INTEGRATED SERVICES PRIVATE LIMITED
U74140KA2004PTC033168
Registered Office: Tower B-1, 3rd Floor,
Golden Enclave, Old Airport Road,
Bengaluru-560 017 **… APPLICANT COMPANY NO: 2**

STATEMENT UNDER SECTION 230 OF AND SECTION 102 OF THE COMPANIES ACT, 2013 TO THE NOTICE OF THE TRIBUNAL CONVENED MEETING OF THE UNSECURED CREDITORS OF QUESS CORP LIMITED AND NOTICE FOR E-VOTING

1. Pursuant to the Order dated 31/07/2017 passed by the Bengaluru Bench of National Company Law Tribunal in the Company Application referred to hereinabove. Separate meetings of the Unsecured Creditors , Secured and Unsecured Creditors of the Applicant Company No. 1 is to be held on Tuesday 5th day of September 2017 at 10:00 AM, 11:00 AM & 12:00 PM, at Hotel Royal Orchid, 1, Golf Avenue, Adjoining KGA Golf Course, HAL Airport Road, Bengaluru, Karnataka- 560 008. For the purpose of considering and, if thought fit, approving with or without modification(s) the Scheme of Arrangement between Manipal Integrated Services Private Limited and Quess Corp Limited.

2. In this statement, Quess Corp Limited is hereinafter referred to as Applicant Company No: 1 and Manipal Integrated Services Private Limited is referred to as Applicant Company No: 2. Where the context so requires, the Applicant Company No: 1 and the Applicant Company No: 2 are together referred to as the "Companies".

3. The Applicant Company No: 1 was incorporated on 19/09/2007 under the provisions of the Companies Act, 1956 with the Registrar of Companies Karnataka at Bengaluru under the name and style of "IRIS Capital Solutions Private Limited". Thereafter, the name was, changed to "IKYA Human Capital Solutions Private Limited". Subsequently, it was, converted to a Public Limited Company with the name "IKYA Human Capital Solutions Limited". Thereafter, the name was, changed to its present name ***"Quess Corp Limited"*** with the Registration No. L74140KA2007PLC043909 and PAN No. AABCI7601M. The Applicant Company No: 1 is engaged in business of People & Services, Global Technology Solutions, Integrated Facility Management & Industrials

4. The Registered office of the Applicant Company No: 1 is situated at 3/3/2, Bellandur Gate, Sarjapur Main Road, Bengaluru- 560 103.

5. Equity shares of the Applicant Company No. 1 are listed on BSE Limited and National Stock Exchange of India Limited and Secured, Rated, Listed, Redeemable, Non-convertible Debentures are listed on BSE Limited

6. The Applicant Company No: 2 was incorporated on 09/01/2004 under the provisions of the Companies Act, 1956 with the Registrar of Companies Karnataka at Bengaluru under the name and style of "Manipal Servicecorp Facility Management Private Limited". Thereafter the name was, changed to the present name ***"Manipal Integrated Services Private Limited"*** with the

Registration No. U74140KA2004PTC033168 and PAN No. AADCM8103A. The Applicant Company No: 2 is engaged in the business of Hostel Services, Facility Management Services, Support and Other Allied Services.

7. The Registered Office of the Applicant Company No: 2 is situated at Tower B-1, 3rd Floor, Golden Enclave, Old Airport Road Bengaluru-560 017.

8. By the Scheme of Arrangement, it is proposed to transfer the Demerged Undertaking/ Identified Business of Manipal Integrated Services Private Limited into Quess Corp Limited in order to improve business focus, resulting in maximization of benefits to all stakeholders and provide better opportunity of growth.

9. Capital Structure

a. The authorized, issued, subscribed and paid-up share capital of the Applicant Company No. 1 as on March 31, 2016, was as follows:

Authorized Capital	**Amount Rs.**
20,00,00,000 Equity Shares of Re. 10/- each	2,00,00,00,000
Issued, Subscribed and Paid-Up Capital	**Amount Rs.**
11,33,35,056 Equity Shares of Re. 10/- each fully paid up	1,13,33,50,560

Subsequent to March 31, 2016, the Applicant Company No: 1 has issued/allotted shares. Post this issue, the Authorised, Issued, Subscribed and Paid-up Share capital of the Applicant Company No: 1 is as follows:

Authorized Capital	**Amount Rs.**
20,00,00,000 Equity Shares of Re. 10/- each	2,00,00,00,000
Issued, Subscribed and Paid-Up Capital	**Amount Rs.**
12,67,90,961 Equity Shares of Re. 10/- each fully paid up	1,26,79,09,610

b. The Authorized, issued, subscribed and paid-up share capital of the Applicant Company No.2 as on March 31st, 2016 is as follows:

Authorised Capital	**Amount Rs.**
2,00,00,000 Equity Shares of Rs.10/- each	20,00,00,000

Issued, Subscribed and Paid-Up Capital*	Amount Rs.
1,18,96,319 Equity Shares of Rs.10/- each fully paid up	11,89,63,190

*Certain Employee Stock Option granted to employees of Applicant Company No: 2 may get exercised before the Effective Date. The details of unexercised employee stock options (Net of Cancellation) of the employees of Applicant Company No: 2 as on March 31, 2016 set out below:

Unexercised Stock Options	Amount Rs.
2,35,750 Options entitling equivalent Equity Shares of Rs.10/- each	23,57,500

Subsequent to March 31, 2016, the Applicant Company No: 2 has issued/allotted shares. Post this issue, the Authorised, Issued, Subscribed and Paid-Up share capital of Applicant No: 2 is as follows:

Authorised Capital	Amount Rs.
2,00,00,000 Equity Shares of Rs.10/- each	20,00,00,000
1,00,00,000 Preference Shares of Rs. 10 /- each	10,00,00,000
Issued, Subscribed and Paid-Up Capital**	**Amount Rs.**
1,20,73,319 Equity Shares of Rs.10/- each fully paid up	12,07,33,190
40,36,697 Preference Shares of Rs. 10 /- each	4,03,66,970

** Certain Employee Stock Option granted to employees of Applicant Company No: may get exercised before the Effective Date. The details of unexercised employee stock options (Net of Cancellation) of the employee of Applicant Company No: 2 as on December 6, 2016 are set out below:

Unexercised Stock Options	Amount Rs.
58,750 Options entitling equivalent Equity Shares of Rs.10/- each	5,87,500

10. The Board of Directors of the Applicant Company No: 2 and Applicant Company No: 1 have adopted the Scheme of Arrangement at their respective meetings held on November 28, 2016. Subject to approval by the requisite

majority of the Unsecured Creditors of the Company and creditors of the Company, as may be required, and subject to the sanction of the National Company Law Tribunal and of such other authorities as may be necessary.

11. BSE & NSE have issued their respective observation letters for the proposed Scheme of Arrangement between MIS and Quess, wherein BSE & NSE directed Quess to disclose information pertaining to Mr. Pratip Chaudhuri as a 'willful defaulter'. Quess has submitted its response to BSE and NSE stating that Mr. Pratip Chaudhuri is / was not a 'willful defaulter' based on the records of Quess and explanation provided by Mr. Pratip Chaudhuri.

12. **REPORT UNDER SECTION 230 AND 232 OF THE COMPANIES ACT 2013**

A. Under the proposed Scheme, the entire assets and liabilities of the Demerged undertaking of the Applicant Company No: 2 is proposed to be transferred to and vested in Quess Corp Limited (Applicant Company No: 1). The said scheme will be effective from December 1, 2016 the Appointed Date.

B. The objectives of the above scheme are as follows:

(i) It is proposed to transfer the Demerged Undertaking/Identified Business (more particularly defined hereinafter) of MIS into Quess, on agreed terms and conditions as set out herein.

(ii) The management proposes to achieve the above pursuant to this Scheme under Sections 230 to 232 of the Act read with Sections 52 and 66 of the Act and other applicable provisions of the Companies Act, 2013 or the Act (to the extent notified), in the manner set out herein.

(iii) The proposed demerger would inter alia result in the following benefits:

(i) In case of MIS and its shareholders:

1. Unlocking value for MIS in relation to the undertaking being demerged; and

2. Pursue growth opportunities in line with its strategic directions.

(ii) In case of Quess:

1. Strategic fit with Quess's integrated facility management business segment with expansion of operations and business on a pan India basis; and

2. Gaining of strong operational capabilities in the niche and high growth verticals of healthcare and education vertical facility management.

The valuation report issued by M/s. Walker, Chandiok & Co. LLP is enclosed herewith

C. Share Exchange Ratio: Clause 5.1

Upon this Scheme becoming effective and as consideration for the proposed demerger, Quess shall, without any act, application, payment or deed, issue and allot equity shares (***"Equity Shares"***) credited as fully paid-up, as per the share entitlement ratio set out below, to the equity shareholders of MIS whose names appear in the register of members of MIS on the Record Date, or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the Board of Directors of Quess and MIS in proportion to their equity shareholding in MIS in consideration for the transfer of the Demerged Undertaking. The share entitlement ratio shall be:

165 (*One Hundred and Sixty Five)* equity shares of Quess of Rs. 10 each fully paid up for every 280 (*Two Hundred and Eighty*) equity shares of MIS of Rs. 10/- each fully paid-up.

The valuation report is obtained from M/s. Walker, Chandiok & Co. LLP and accepted and adopted by the Board

D. A summary of the assets and liabilities of the Applicant Company No: 1 as per the Audited Balance Sheet as on March 31, 2016 are as follows:

(INR in Crores)

Liabilities	Amount	Assets	Amount
Share capital	**113.34**	Non-Current Assets	**405.10**
Reserves and surplus	**243.28**	Current Assets	**844.94**
Non-Current liabilities	**78.84**		
Current liabilities	**814.58**		
TOTAL	**1,250.04**	**TOTAL**	**1,250.04**

Subsequent to the date of the aforesaid audited accounts, there has been no

substantial change in the financial position of the Applicant Company No: 1 excepting those arising or resulting from the usual course of business.

E. As per the audited balance sheet of the Applicant Company No: 1 made upto 31 / 03 / 2017, the summarized position of the assets and liabilities of the company are as follows:

(*INR in Crores*)

Liabilities	Amount	Assets	Amount
Share capital	126.79	Non-Current Assets	929.52
Reserves and surplus	709.38	Current Assets	1350.81
Non-Controlling Interests	0.88		
Non-Current liabilities	429.78		
Current liabilities	1,013.50		
TOTAL	**2,280.33**	**TOTAL**	**2,280.33**

F. A summary of the assets and liabilities of the Applicant Company No: 2 as per the Audited Balance Sheet as on March 31, 2016 are as follows:

(*INR in Crores*)

Liabilities	Amount	Assets	Amount
Share capital	11.90	Non-Current Assets	579.29
Reserves and surplus	34.24	Current Assets	45.73
Non-Current liabilities	496.73		
Current liabilities	82.14		
TOTAL	**625.01**	**TOTAL**	**625.01**

Subsequent to the date of the aforesaid audited accounts, there has been no substantial change in the financial position of the Applicant Company No: 2 excepting those arising or resulting from the usual course of business.

G. As per the unaudited balance sheet of the Applicant Company No: 2 made upto March 31, 2017, the summarized position of the assets and liabilities of the company are as follows:

(*INR in Crores*)

Liabilities	Amount	Assets	Amount

Share capital	16.11	Non-Current Assets	612.98
Reserves and surplus	163.38	Current Assets	79.71
Non-Current liabilities	437.07		
Current liabilities	76.13		
TOTAL	**692.69**	**TOTAL**	**692.69**

H. Names of the promoters and directors of the Applicant Company No. 1 along with their addresses

LIST OF DIRECTORS	
Sl. No	Name, Designation, DIN and address
1.	Ajit Isaac, Chairman, Managing Director & CEO DIN: 00087168, Address: 242, 3rd Main, 4th Cross, 1st Block, Koramangala, Bangalore 560034
2.	Chandran Ponnaiah Ratnaswami, Non- Executive Director DIN: 00109215 Address: 177 MCKEE avenue, Ontario, M2N4C6 Toronto
3.	Madhavan Karunakaran Menon, Non- Executive Director DIN:00008542, Flat No. 702, Supreme Pearl 17th Road, Khar (West) Mumbai 400052
4.	Pratip Chaudhuri, Independent Director DIN: 00915201 Address: H - 1591 Pocket H C. R. Park, New Delhi 110019
5.	Pravir Kumar Vohra, Independent Director DIN:00082545 Address: E-602, Oberoi Splendor, J V Link Rd Opp Majas Depot, Andheri East Mumbai 400060
6.	Revathy Ashok, Independent Director DIN: 00057539 Address: 139/6-2 Domlur Layout, Sharadamma Layout Bangalore 560071
7.	Sanjay Anandaram, Independent Director DIN: 00579785 Address: 709,Pine Block, Raheja Residency 3rd Block, 8th C Main, Koramangala Bangalore 560034
8.	Subrata Kumar Nag, Whole-time Director & CFO DIN: 02234000

	Address: A2,303,Ganga Block, NGV, Koramangala, Bangalore 560047
LIST OF PROMOTERS	
Sl. No	Name, Designation, DIN and address
1	Ajit Isaac, Chairman, Managing Director & CEO DIN: 00087168, Address: 242, 3rd Main, 4th Cross, 1st Block, Koramangala, Bangalore 560034
2	Thomas Cook (India) Limited, CIN: L63040MH1978PLC020717 Address: Thomas Cook Building, Dr D N Road Fort Mumbai 400001

I. Disclosure about the effect of the compromise or amalgamation on:

(a)	Key managerial personnel:	- Nil – except equity shareholding dilution in the Applicant company No. 1
(b)	Directors:	- do -
(c)	Promoters:	- do -
(d)	Non-promoter members:	- do -
(e)	Depositors:	Nil
(f)	Creditors:	Nil
(g)	Debenture holders:	Nil
(h)	Deposit trustee and debenture trustee:	Nil
(i)	Employees of the Company:	Nil

J. The Scheme will be filed with the Registrar on 4.8.2017

13. Inspection of the following documents may be taken at the Registered Office of the Applicant Company No: 1 on any working day (except Saturday and Sunday) prior to the date of the aforesaid meeting between 10.00 A.M. to 4.00 PM.

(a) Order dated 31/07/2017 passed by the Hon'ble Tribunal passed in Company Application No CA CAA) 41/BB of 2017, directing the convening of the meetings of Equity Shareholders, Secured and Unsecured Creditors of the Applicant Company No: 1.

(b) Scheme of Arrangement.

(c) Memorandum and Articles of Associations of the Applicant Company No: 1 and the Applicant Company No: 2.

(d) Annual Report of the Applicant Company No: 1 for the year ended 31/3/2016 and 31/3/2017

(e) Annual Report of the Applicant Company No: 2 for the year ended 31/3/2016 and unaudited report dated 31/3/2017

14. This statement may also be treated as an Explanatory Statement under Section 102 of the Companies Act, 2013.

15. After the Scheme of Arrangement is approved by Shareholders, it will be further subject to the approval by the Hon'ble Bengaluru Bench of National Company Law Tribunal.

Sd/-

Dated this 3rd Day of August 2017

Subrata Nag
(DIN 02234000)
Chairman appointed for the meeting

Registered Office:
3/3/2, Bellandur Gate,
Sarjapur Main Road,
Bengaluru- 560 103

Walker Chandiok & Co LLP

STRICTLY PRIVATE & CONFIDENTIAL

Quess Corp Limited
Quess House,
3/3/2 Bellandur Gate, Sarjapur Road,
Bengaluru 560 103,
Karnataka, India

And

Manipal Integrated Services Private Limited
Golden Enclave,
Tower B1, H A L Old Airport Road,
Bengaluru 560 017,
Karnataka, India.

Walker Chandiok & Co LLP
(Formerly Walker, Chandiok & Co)
5th Floor, No. 65/2, Block "A",
Bagmane Tridib, Bagmane Tech Park
C V Raman Nagar, Bengaluru 560093
India

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Sub: Recommendation of the share entitlement ratio for the Proposed Demerger of the Identified Business of Manipal Integrated Services Private Limited into Quess Corp Limited

Dear Sirs,

We refer to our engagement letter, wherein Quess Corp Limited (hereinafter referred to as ("QCL") and Manipal Integrated Services Private Limited (hereinafter referred to as "MIS") (hereinafter jointly referred to as the "Companies") have requested Walker Chandiok & Co LLP (hereinafter referred to as "WCC" or the "Valuer") to carry out valuation of QCL and Identified Business of MIS for the purpose of estimating the share entitlement ratio for the proposed demerger of the Identified Business of MIS into QCL (hereinafter referred to as the "Proposed Demerger") based on the valuation of the Business/Companies and pursuant to the provisions of Sections 391 to 394 and other applicable provisions of the Companies Act, 1956 and corresponding provisions of the Companies Act, 2013, and the discussions that we have had with, and information that we have received from the management of the Companies (the "Management") from time to time in the above matter.

SCOPE AND PURPOSE OF THIS REPORT

QCL was incorporated in 2007 as an integrated business service provider. It is headquartered in Bengaluru. It is engaged in the business of providing business related services through four segments namely, Global Technology Solutions, People & Services, Integrated Facility Management and Industrial Asset Management. Global Technology solutions segment provides Information technology (IT) staffing and IT product solutions and services. The People & Services segment offers general staffing, recruitment and executive search and recruitment process outsourcing services, as well as payroll and background verification services. The Integrated Facility Management segment provides

facility management services which comprise electro-mechanical, pest control services, as well as food and hospitality services to corporates, hospitals, and schools. The Industrial Asset Management segment offers industrial operations and maintenance services and related asset record maintenance services across various industries, such as power, energy, oil and gas, chemicals, and ferrous and non-ferrous metal industries. QCL is listed on both; the Bombay Stock Exchange of India and the National Stock Exchange.

MIS was founded in the year 2004 and is based out of Bengaluru. The business segments of MIS include hostels for university student living, facility management services, catering services and security services. Facility management segment provides housekeeping, healthcare support services, engineering services and pest control services to Corporates and Educational institutes. Catering segment provides services to corporates, healthcare and educational sectors. Security segment provides services to Education and healthcare sectors.

The Identified Business of MIS would include the entire activities, operations, business division and undertaking of MIS and its subsidiaries as well as investments of MIS, in each case, pertaining to the (i) Facilities Management Business and (ii) Catering Business. The Subsidiaries forming part of the Identified Business includes Golden Star Facilities & Services (P) Ltd and Masterstaffing Solution (P) Ltd.

The Management of QCL and MIS are contemplating demerger of Identified Business of MIS into QCL pursuant to the Scheme of Arrangement (the "Scheme") under the relevant provisions of the Companies Act, 2013. In this regard, the Companies have approached WCC to recommend a fair share entitlement ratio for the Proposed Demerger based on the valuation of the Companies as on an agreed upon date (the "Valuation Date").

The following is the proposed modus operandi for the Proposed Demerger:

- Demerger of the Identified Business of MIS into QCL.
- Cancellation of Investment made by QCL in Compulsorily Convertible Preference Shares ("CCPS") of MIS for no consideration and reduction of Preference Share Capital of MIS to the extent of the face value of such CCPS.
- Having considered the cancellation of CCPS, QCL would issue to the shareholders of MIS such number of equity shares of the face value of INR 10 each fully paid up based on the share entitlement ratio.

In this connection, WCC has been requested by the Companies to submit a report recommending a fair share entitlement ratio in the event of the Proposed Demerger for the consideration of the Board of Directors of the Companies. This report will be placed before the Board of QCL and MIS and to the extent mandatorily required under applicable laws of India, maybe produced before judicial, regulatory or government authorities, in connection with the Proposed Demerger.

The scope of our services is to conduct valuation of QCL as well as the Identified Business of MIS for recommending a fair share entitlement ratio for the Proposed Demerger in accordance with generally accepted professional standards.

WALKER CHANDIOK & CO LLP BENGALURU CHARTERED ACCOUNTANTS

Chartered Accountants

This report is our deliverable in respect of our recommendation of fair share entitlement ratio for the purpose of the Proposed Demerger.
This report is subject to the scope, assumptions, exclusions, limitations and disclaimers 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.

SOURCES OF INFORMATION

In connection with this exercise, we have used information available in the public domain as well as following information from either the official website of the Companies or as provided by the Management:

- Management certified financial statements of Identified Business of MIS for the years 31 March 2016 and Year to Date ('YTD') financials for 31 August 2016;
- Projected financials statements of the Identified Business of MIS as provided by the Management;
- Market price of equity shares of Quess Corp Limited quoted on the stock exchanges;
- Draft Scheme of Arrangement;
- Discussions with the Management in connection with the business operations of the Companies and their key operating subsidiaries, past trends, future plans and prospects, etc.;
- Other relevant information and documents for the purpose of this engagement.

QSL and MIS have been provided with the opportunity to review the draft report (excluding the recommended ratio) for this engagement to make sure that factual inaccuracies are avoided in our final report.

SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

Provision of valuation opinions and consideration of the issues described herein are areas of our regular practice. The services do not represent accounting, assurance, accounting / tax due diligence, consulting or tax related services that may otherwise be provided by us or our affiliates.

This report, its contents and the results herein are specific to and based on (i) the purpose of valuation agreed as per the terms of our engagement; (ii) the date of this report (iii) the five month financial statements ending 31 August 2016 of the Identified and (iv) Financial Projections and other information provided by the Management . We have been informed that the financial position of the Identified Business of MIS as on the Appointed Date of the Proposed Demerger would not be materially different from the financial statements as on 31 August 2016.

WALKER CHANDIOK & CO LLP BENGALURU Chartered Accountants

A valuation analysis of this nature is necessarily based on the prevailing stock market, financial, economic and other conditions in general and industry trends in particular as in effect on, and the information made available to us as of the date hereof. Events occurring after this date may affect this report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this report.

The ultimate analysis will have to be tempered by the exercise of judicious discretion by the Valuers and judgment taking into account the relevant factors. There will always be several factors, e.g. management capability, present and prospective competition, yield on comparable securities, market sentiment, etc. which are not evident from the face of the balance sheets but which will strongly influence the worth of a share. This concept is also recognized in judicial decisions.

The recommendation(s) rendered in this Report only represent our recommendation(s) based upon information furnished by the Companies (or its representatives) and other sources and the said recommendation(s) shall be considered to be in the nature of non-binding advice, (our recommendation will however not be used for advising anybody to take buy or sell decision, for which specific opinion needs to be taken from expert advisors). We have no obligation to update this Report.

In the course of the analysis, we were provided with both written and verbal information, including market, financial and operating data.

We must emphasize that the Financial Projections are prepared by the Management and provided to us for the purpose of our analysis. The fact that we have considered the Financial Projections in this exercise should not be construed or taken as our being associated with or a party to such projections. Realization of free cash flow forecast used in the analysis will be dependent on the continuing validity of assumptions on which they are based. Our analysis, therefore, will not, and cannot be directed to provide any assurance about the achievability of the Financial Projections. Since the Financial Projections relate to future, actual results are likely to be different from the projected results because events and circumstances do not occur as expected, and the differences may be material.

In accordance with the terms of the engagement, we have assumed and relied upon, without independently verifying, (i) the accuracy of the information that was publicly available and formed a substantial basis for this report and (ii) the accuracy of information sourced from data bases. In accordance with our engagement letter and in accordance with the customary approach adopted in valuation exercises, we have not audited, reviewed or otherwise investigated the historical financial information available in the public domain. Accordingly, we do not express an opinion or offer any form of assurance regarding the truth and fairness of the financial position as indicated in the historical financial statements.

Also, with respect to explanations and information sought from the Companies, we have been given to understand by the Management that they have not omitted any relevant and material factors about the Companies/ the Identified Business and that they have checked the relevance or materiality of any specific information to the present exercise with us in case of any doubt. Our conclusions are based on the assumptions and information given by/on behalf of the Companies. The Management has indicated to us that they have understood that any omissions, inaccuracies or misstatements may materially affect our valuation analysis/ results. Accordingly, we assume no responsibility for any errors in the information furnished by the Companies and their impact on the Report. Nothing has come to our attention to indicate that the information provided was materially mis-stated/

incorrect or would not afford reasonable grounds upon which to base the report. Also, we assume no responsibility for technical information (if any) furnished by the Companies

The report assumes that the Companies comply fully with relevant laws and regulations applicable in all its areas of operations unless otherwise stated, and that the Companies will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this valuation report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not recorded in the audited/unaudited balance sheet of the Companies.

This report does not look into the business / commercial reasons behind the Proposed Demerger nor the likely benefits arising out of the same. Similarly, it does not address the relative merits of the Proposed Demerger as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available.

We are not advisors with respect to legal tax and regulatory matters for the Transaction. No investigation / enquiry of the Companies' claim to title of assets has been made for the purpose of this report and the Companies' claim to such rights have 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 is assumed for matters of a legal nature.

The fee for the engagement is not contingent upon the results reported.

We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions of or advice given by any other to the Companies. In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or wilful default on part of the Companies, their directors, employees or agents. In no circumstances shall the liability of the Valuer, its partners, its directors or employees, relating to the services provided in connection with the engagement set out in this report shall exceed the amount paid to the Valuer in respect of the fees charged by it for these services.

We do not accept any liability to any third party in relation to the issue of the Report and our Report is conditional upon an express indemnity from the Companies in our favour holding us harmless from and against any cost, damage, expense and other consequences in connection with the provision of this Report. It is clarified that this Report is not a fairness opinion under any of the stock exchange/ listing regulations. This Report is not a substitute for the third party's own due diligence/ appraisal/ enquiries/ independent advice that the third party should undertake for his purpose.

This Report is subject to the laws of India. WCC would not be referred to as an 'expert' in any regulatory filings under the US Securities Act of 1933 or under any of the securities laws/ regulations of any other state or jurisdiction in the United States/ United Kingdom.

WALKER CHANDIOK & CO LLP BENGALURU CHARTERED ACCOUNTANTS

Neither the valuation report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties, other than in connection with the Proposed Demerger, without our prior written consent. In addition, this report does not in any manner address the prices at which QCL's shares will trade following the announcement of the Proposed Demerger and we express no opinion or recommendation as to how the shareholders of the Companies should vote at any shareholders' meeting(s) to be held in connection with the Proposed Merger.

DETAILS OF SHARE CAPITAL AND SHAREHOLDING PATTERN OF THE COMPANIES

Quess Corp Limited (QCL)

The current equity share capital of QCL is INR 125.95 Million consisting of 125,953,353 equity shares of face value of INR 10 each. For the purpose of determining the share entitlement ratio, we have considered the equity share capital of QCL as on 30 September 2016.

The shareholding pattern as at 30 September 2016 is as follows:

Sr No	Particulars	No. of shares	Shareholding
1	Ajit Abraham Isaac	18,585,960	14.8%
2	Net Resources Investments Pvt Ltd	15,365,824	12.2%
3	Thomas Cook (India) Limited	78,823,496	62.6%
4	Public	13,178,073	10.5%
	TOTAL	**125,953,353**	**100.0%**

Manipal Integrated Services Private Limited

The current equity share capital of MIS is INR 118.96 Million consisting of 11,896,319 equity shares of face value of INR 10 each. Further, MIS has fully vested 235,750 employee stock options. For the purpose of determining the fair share entitlement ratio, we have considered the fully diluted equity shares of MIS as on 31 August 2016.

The shareholding pattern as at 31 August- 2016 is as follows:

Sr. No	Particulars	No of shares	Shareholding
1	Manipal Education and Medical Group India Private Limited	10,721,295	88.37%
2	Mr. TV Mohandas Pai	822,222	6.78%
3	Others	352,802	2.91%
4	Fully vested Employee Stock Options	235,750	1.94%
	Total	**12,132,069**	**100.0%**

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Chartered Accountants

APPROACH - BASIS OF PROPOSED DEMERGER of IDENTIFIED BUSINESS INTO QCL

The Scheme contemplates the Proposed Demerger pursuant to the provisions of Sections 391 to 394 and other applicable provisions of the Companies Act, 1956 and corresponding provisions of the Companies Act, 2013. Arriving at the fair share entitlement ratio for the Proposed Demerger of the Identified Business into QSL would require determining the relative values of the concerned businesses and shares of the Companies. These values are to be determined independently but on a relative basis, and without considering the effect of the Proposed Demerger.

The Proposed Demerger envisages the demerger of Identified Business which essentially constitutes the facility management business and catering business of MIS and its identified subsidiaries into QCL. Further, as per the Scheme, the investment to be made by QCL in the CCPS of MIS for the purpose of securing an interest in the Identified Business, development of the same and to facilitate the Proposed Demerger, would be cancelled for no consideration. Determination of a fair share entitlement ratio for the Proposed Demerger would require valuation of equity shares of QCL and Identified Business of MIS.

We have used the carved out financials of Identified business of MIS and the projections provided by the Management to derive the value of the Identified Business.

There are several commonly used and accepted methods for deriving value of a company/ undertaking, which have been considered in the present case, to the extent relevant and applicable, including:

1. Net Asset Value method
2. Market Price method
3. Discounted Cash Flows method

It should be understood that the valuation of any company or its assets is inherently subjective and is subject to certain uncertainties and contingencies, all of which are difficult to predict and are beyond our control. In performing our analysis, we made assumptions with respect to industry performance and general business and economic conditions, many of which are beyond the control of the companies. In addition, this valuation will fluctuate with changes in prevailing market conditions, the conditions and prospects, financial and otherwise, of the companies, and other factors which generally influence the valuation of companies and their assets.

The application of any particular method of valuation depends on the purpose for which the valuation is done. Although different values may exist for different purposes, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose. Our choice of methodology of valuation has been arrived at using usual and conventional methodologies adopted for transactions of a similar nature and our reasonable judgment, in an independent and bona fide manner based on our previous experience of assignments of a similar nature.

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Net Asset Value (NAV) Method

The asset based valuation technique is based on the value of the underlying net assets of the business, either on a book value basis or realizable value basis or replacement cost basis. The Net Asset Value ignores the future return the assets can produce and is calculated using historical accounting data that does not reflect how much the business is worth to someone who may buy or invest in the business as a going concern. This valuation approach is therefore mainly used in case where the firm is to be liquidated or in case where the assets base dominates earnings capability. A scheme of demerger / amalgamation would normally be proceeded with, on the assumption that the companies / businesses demerge / amalgamate as going concerns and an actual realization of the operating assets is not contemplated. The operating assets are therefore considered at their book values. In such a going concern scenario, the relative earning power is of importance to the basis of demerger / amalgamation, with the values arrived at on the net asset basis being of limited relevance.

Considering the nature of business of QCL and the Identified Business of MIS, which does not require significant asset base as well as the fact that the transaction is taking place on a going concern basis and NAV ignores the future return expected from both the Companies, we have not considered this method for value of both QCL and Identified Business.

Market Price Method

The market price of an equity share as quoted on a stock exchange is normally considered as the value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded in, subject to the element of speculative support that may be inbuilt in the value of the shares. But there could be situations where the value of the share as quoted on the stock market would not be regarded as a proper index of the fair value of the share especially where the market values are fluctuating in a volatile capital market. Further, in the case of a merger, where there is a question of evaluating the shares of one company against those of another, the volume of transactions and the number of shares available for trading on the stock exchange over a reasonable period would have to be of a comparable standard. This method would also cover any other transactions in the shares of the company including primary / preferential issues / open offer in the shares of the company as envisaged in the overall scheme of arrangement and reported to the stock exchanges / available in the public domain.

In the present case, the equity shares of QCL are listed on BSE and NSE and there are regular transactions on the bourses in their equity shares. Accordingly in the present case, the volume weighted average share price over reasonable periods for the shares of QCL, as deemed appropriate for the purpose of our valuation analysis, have been considered for determining the equity value of the shares of the Companies under the market price methodology. However, as the Identified Business of MIS, is an unlisted undertaking, the market price method is not applicable for the same.

Discounted Cash Flows (DCF) Method

Under the DCF method the projected free cash flows to firm/ the equity shareholders are discounted at the weighted average cost of capital/ cost of equity. The sum of the discounted value of such free cash flows is the value of the firm / equity.

Using the DCF analysis involves determining the following:

WALKER CHANDIOK & CO LLP BENGALURU CHARTERED ACCOUNTANTS

Chartered Accountants

Estimating future free cash flows to equity:
Free cash flows to equity are the cash flows expected to be generated by the company that are available to the shareholders of the company.

Appropriate discount rate to be applied to cash flows i.e. the cost of equity:
This discount rate, which is applied to the free cash flows, should reflect the opportunity cost to the capital provider. The cost of equity reflects the opportunity cost that shareholders expect to earn on other investments of equivalent risk.

For the purpose of DCF valuation, the free cash flow to equity forecast is based on Financial Projections as provided by the Management. While carrying out this engagement, we have relied extensively on the Financial Projections of the Identified Business made available to us by the management of the Companies. We did not carry out any validation procedures or due diligence with respect to the information provided/ extracted or carry out any verification of the assets or comment on the achievability of the assumptions underlying the Financial Projections, save for satisfying ourselves to the extent possible that they are consistent with other information provided to us in the course of this engagement.

To arrive at the total value available to the equity shareholders, value arrived above under DCF method is adjusted, as appropriate, for cash and cash equivalent, non-operating assets and other matters. We have used the DCF method for valuation of Identified Business of MIS.

BASIS OF FAIR SHARE ENTITLEMENT RATIO

The fair basis for the Proposed Demerger would have to be determined after taking into consideration all the factors and methodologies mentioned hereinabove. The Valuer has carried out valuation of the shares of QCL and the Identified Business and based on their evaluation and judgement of the businesses of the Companies arrived at the fair share entitlement ratio for the Proposed Demerger.

In the ultimate analysis, valuation will have to be arrived at by the exercise of judicious discretion by the Valuer and judgments taking into account all the relevant factors. There will always be several factors, e.g. quality of the management, present and prospective competition, yield on comparable securities and market sentiment, etc. which are not evident from the face of the balance sheets but which will strongly influence the worth of a share. This concept is also recognised in judicial decisions.

The fair share entitlement ratio of equity shares of QCL and Identified Business has been arrived at on the basis of a relative valuation of QCL and Identified Business based on the various methodologies explained herein earlier and various qualitative factors relevant to each company and the business dynamics and growth potentials of the businesses of the Companies, having regard to information base, key underlying assumptions and limitations.

As per the Scheme of Arrangement, for the Proposed Demerger, the investment to be made in MIS by QCL for the purpose of securing an interest in the Identified Business, development of the same and to facilitate the Proposed Demerger would stand cancelled for no consideration. The share entitlement ratio for the Proposed Demerger has therefore been determined having considered cancellation of the CCPS.

WALKER CHANDIOK & CO LLP BENGALURU CHARTERED ACCOUNTANTS

Chartered Accountants

In view of the above, and on a consideration of all the relevant factors and circumstances as discussed and outlined hereinabove, in our opinion the share entitlement ratio for the Proposed Demerger is as follows:

- **165 (One Hundred and Sixty Five)** equity shares of QCL of face value of Rs 10 each fully paid up for every **280 (Two Hundred and Eighty)** equity shares of the face value of Rs 10 each fully paid up held in MIS.

Yours faithfully,

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No. 001076N/N500013

Shashishekhar Chaugule
Partner
Membership No. 212151

Date: 28 November 2016

WALKER CHANDIOK & CO LLP BENGALURU CHARTERED ACCOUNTANTS

Share Entitlement Ratio for the Proposed Demerger of:

Identified Business of Manipal Integrated Services Private Limited into Quess Corp Limited

Annexure 1

Fair Value of Equity of Balance value of Identified Business of Manipal Integrated Services Private Limited ("MIS") (a)	Per share value	Weights
Discounted Cash Flow Method	345.8	100%
Fair Value of Equity per share of balance value of Identified Business of MIS after considering CCPS cancellation (in INR)		**345.8**

(a) Refer Annexure 2

Fair Value of Equity of Quess Corp Limited ("QCL") (b)	Per share value	Weights
Market Price Method	586.8	100%
Fair Value of Equity per share of QCL (in INR)		**586.8**

(b) Refer Annexure 3

Share Entitlement Ratio in the event of Proposed Demerger would be
165 (One Hundred and Sixty Five) equity shares of QCL of face value of Rs 10 each fully paid up
for
every 280 (Two Hundred and Eighty) equity shares of the face value of Rs 10 each fully paid up held in MIS.

WALKER CHANDIOK & CO LLP BENGALURU CHARTERED ACCOUNTANTS

Share Entitlement Ratio for the Proposed Demerger of:

Identified Business of Manipal Integrated Services Private Limited into Quess Corp Limited

Valuation of Identified Business of Manipal Integrated Services Private Limited ("MIS") **Annexure 2**

Discounted Cash Flow Method	
Particulars	**Amount (INR Million)**
Sum of Present Value of Net Free Cash Flows to Equity for projected period	2,111.0
Present Value of Net Free Cash Flows to Equity for perpetuity	4,498.7
Gross Enterprise Value	**6,609.7**
Add: Cash and other adjustments #	(214.2)
Equity Value of Identified Business of MIS	**6,395.5**
Investment amount in CCPS made by QCL in MIS that will be cancelled by MIS	2,200.0
Fair Value of Balance portion of Identified Business after considering CCPS cancellation	**4,195.5**
No. of Equity Shares including vested stock options (Face Value INR 10 each)	12,132,069
Per share balance value of Identified Business (in INR)	**345.8**

#Based on management certified Balance Sheet as on 31 August 2016 and projections provided by the Management

WALKER CHANDIOK & CO LLP BENGALURU CHARTERED ACCOUNTANTS

Share Entitlement Ratio for the Proposed Demerger of:

Identified Business of Manipal Integrated Services Private Limited into Quess Corp Limited

Valuation of Quess Corp Limited("QCL") **Annexure 3**

Market Price Method	
Particulars	**Amount**
Volume weighted average market price on the National Stock Exchange for a period of 60 Trading Days up to 25 November 2016 (in INR)	586.8
No. of Equity Shares	125,953,353
Equity Value of Quess Corp Limited in INR Million	**73,909.4**

QUESS CORP LIMITED

Registered office: 3/3/2, Bellandur Gate, Sarjapur Main Road, Bengaluru- 560 103
Tel +91 80 6105 6000 | Fax +91 80 6105 6406 | CIN L74140KA2007PLC043909
www.quesscorp.com; email id: investor@quesscorp.com

REPORT OF THE SCHEME OF ARRANGEMENT BETWEEN MANIPAL INTEGRATED SERVICES PRIVATE LIMITED (APPLICANT COMPANY NO. 2) AND QUESS CORP LIMITED (APPLICANT COMPANY NO. 1).

Objects of the scheme:

(i) It is proposed to transfer the Demerged Undertaking/Identified Business (more particularly defined hereinafter) of MIS into Quess, on agreed terms and conditions as set out herein.

(ii) The management proposes to achieve the above pursuant to this Scheme under Sections 230 to 232 of the Act read with Sections 52 and 66 of the Act and other applicable provisions of the Companies Act, 1956 or the Act (to the extent notified), in the manner set out herein.

(iii) The proposed demerger would inter alia result in the following benefits:

(iii) In case of MIS and its shareholders:

1. Unlocking value for MIS in relation to the undertaking being demerged; and

2. Pursue growth opportunities in line with its strategic directions.

(iv) In case of Quess:

3. Strategic fit with Quess's integrated facility management business segment with expansion of operations and business on a pan India basis; and

4. Gaining of strong operational capabilities in the niche and high growth verticals of healthcare and education vertical facility management.

EFFECTS OF THE SCHEME:

1. ***"Appointed Date"*** means December 1, 2016 or such other date as the Hon'ble Tribunal, Bengaluru Bench may direct.

2. ***"Effective Date"*** means the date on which the certified copy of the order of the National Company Law Tribunal Bengaluru Bench at Bangalore sanctioning the Scheme is filed with the Registrar of Company at Karnataka.

3. ***"Applicant Company No. 1"*** means Quess Corp Limited a company incorporated under the Companies Act, 1956 (L74140KA2007PLC043909), and having its registered office at 3/3/2, Bellandur Gate, Sarjapur Main Road, Bangalore Bengaluru-560 103

4. ***"Applicant Company No. 2"*** means Manipal Integrated Services Private Limited a company incorporated under the Companies Act, 1956 (U74140KA2004PTC033168), and having its registered office at Tower B-1, 3rd Floor, Golden Enclave, Old Airport Road Bengaluru-560 017.

5. The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the Tribunal or any other appropriate authority shall be operative from the Appointed Date but shall be effective from the Effective Date.

6. Subject to the provisions of this Scheme as specified hereinafter and with effect from the Appointed Date, the entire business and undertaking(s) of the demerged undertaking of the Applicant Company No: 2 , be transferred and/or deemed to be transferred to and vested in the Applicant Company No: 1 so as to become the properties, assets, rights, business and undertaking(s) of the Applicant Company No: 1.

7. With effect from, the Appointed Date all statutory licenses, permissions, approvals or consents to carry on the operations relating to the Demerged undertaking of the Applicant Company No: 2 shall stand vested in or transferred to the Applicant Company No: 1 without any further act or deed.

8. With effect from, the Appointed Date all debts, liabilities, duties and obligations of the demerged undertaking of the Applicant Company No: 2 as on the Appointed Date whether provided for or not in the books of account of the Applicant Company No: 2 shall be the debts, liabilities, duties and obligations of the Applicant Company No: 1 including any encumbrance on

the assets of the Applicant Company No: 2 or on any income earned from those assets.

9. Upon this Scheme becoming effective and as consideration for the proposed demerger, Quess shall, without any act, application, payment or deed, issue and allot equity shares (***"Equity Shares"***) credited as fully paid-up, as per the share entitlement ratio set out below, to the equity shareholders of MIS whose names appear in the register of members of MIS on the Record Date, or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the Board of Directors of Quess and MIS in proportion to their equity shareholding in MIS in consideration for the transfer of the Demerged Undertaking. The share entitlement ratio shall be:

   165 (*One Hundred and Sixty Five)* equity shares of Quess of Rs. 10 each fully paid up for every 280 (*Two Hundred and Eighty*) equity shares of MIS of Rs. 10/- each fully paid-up.

10. All suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against the demerged division of Applicant Company No: 1 continue in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Applicant Company No: 2 , as if this Scheme had not been made

11. All contracts, deeds, bonds, agreements, licenses, permits, registrations, approvals and other instruments, if any, of whatsoever nature to which pertaining to the Demerged undertaking of the Applicant Company No: 2 are parties and subsisting or having effect on the Effective Date, shall be in full force and effect against or in favor of the Applicant Company No: 1 , as the case may be.

12. All staff, workmen and employees pertaining to the Demerged undertaking Applicant Company No: 2 in service on the Effective Date shall be deemed to have become staff, workmen and employees of the Applicant Company No: 1, without any break or interruption in their service and on the basis of continuity of service.

13. The Transferee Company shall account for the acquisition of assets and liabilities of the demerged entity in accordance with the Indian accounting standards IND-AS 103, business combinations notified under Section 133 of the Act.

14. There are no specific valuation difficulties

ADOPTION BY THE BOARD OF DIRECTORS OF THE APPLICANT COMPANY NO: 1

Based on review of the Draft Scheme of Arrangement between the Applicant Company No: 2 and the Applicant Company No: 1, Valuation Report dated 28.11.2017 issued by M/s Walker, Chandiok & Co. LLP and the Board of Directors adopts the above report and believe that

1. The Scheme of Arrangement and the Share exchange Ratio is fair and reasonable.

2. The Board of Directors observe that no issues or difficulties regarding the valuation has been mentioned in the Valuation Report dated 28.11.2017 issued by M/s Walker, Chandiok & Co. LLP.

3. The Draft Scheme of Arrangement relates to transfer and vesting of the Applicant Company No: 2 including its assets and liabilities thereto to the Applicant Company No: 1. Upon the Scheme becoming effective, the equity shareholders of the Applicant Company No: 2 shall be allotted shares in the Applicant Company No: 1.

4. The proposed Scheme of Arrangement does not entitle the Promoter/Promoter Group, related parties of the Promoter/Promoter Group, associates of the Promoter/Promoter Group, subsidiaries of the Promoter/Promoter Group of the Applicant Company No: 1 to any additional shares.

5. The effect of the proposed Scheme of Arrangement on the equity shareholders and creditors of the Company would be as follows

A.	Key managerial personnel:	- Nil – except equity shareholding dilution in the Applicant company No. 1
B.	Directors:	- do -
C.	Promoters:	- do -
D.	Non-promoter members:	- do -
E.	Depositors:	Nil
F.	Creditors:	Nil
G.	Debenture holders:	Nil

H. Deposit trustee and debenture trustee: Nil
I. Employees of the Company: Nil

In the opinion of the Board, the said scheme will be of advantage and beneficial to the Company, its shareholders, creditors and other stakeholders and the terms thereof are fair and reasonable.

Sd/-	Sd/-
Ajit Isaac	Subrata Nag
Chairman, Managing Director & CEO	Executive, Whole-Time Director & CFO
(DIN 00087168)	(DIN 02234000)

Date: 3rd day of August , 2017
Bengaluru

L74140KA2007PLC043909

QUESS CORP LIMITED

Registered office: 3/3/2, Bellandur Gate, Sarjapur Main Road, Bengaluru- 560 103
Tel +91 80 6105 6000 | Fax +91 80 6105 6406 | CIN L74140KA2007PLC043909
www.quesscorp.com; email id: investor@quesscorp.com

EXTRACT OF THE RESOLUTION PASSED BY THE BOARD OF DIRECTORS OF QUESS CORP LIMITED AT ITS MEETING HELD ON MONDAY, THE 28TH DAY OF NOVEMBER, 2016.

APPROVAL OF ACQUISITION OF THE FACILITY MANAGEMENT BUSINESS AND THE CATERING BUSINESS OF MANIPAL INTEGRATED SERVICES PRIVATE LIMITED (TOGETHER KNOWN AS "FM BUSINESSES") THROUGH A COMPOSITE SCHEME OF ARRANGEMENT

"**RESOLVED THAT** pursuant to Sections 391 to 394 of the Companies Act, 1956 read with Sections 100 to 103 of the Companies Act, 1956and other applicable provisions of the Companies Act, 1956 and Companies Act, 2013 (to the extent notified), and subject to the requisite approvals, sanctions, consent, observations, no-objection from the shareholders and the creditors of the Company, Securities and Exchange Board of India (SEBI), BSE Limited (BSE), the National Stock Exchange of India Limited (NSE), Hon'ble High Court of Karnataka / National Company Law Tribunal (NCLT) or such other competent authority(ies) as may be applicable, the consent of the Board be and is hereby accorded to the scheme of arrangement between Manipal Integrated Services Private Limited ("MIS") and Quess Corp Limited ("the Company") by the Hon'ble High Court of Karnataka at Bangalore whereby the facility management business and the catering business of MIS are proposed to be demerged to the Company in terms of the draft scheme of arrangement, as placed before the meeting and initialed by the Chairman for the purposes of identification.

RESOLVED FURTHER THAT the draft Scheme, as recommended by the Audit Committee of the Board, placed before the Board and initialed by the Company Secretary for the purposes of identification, be and is hereby approved.

RESOLVED FURTHER THAT the Valuation Report dated November 28, 2016 prepared and issued by Walker Chandiok & Co LLP, as placed before the Board, be and is hereby accepted and approved.

RESOLVED FURTHER THAT the Fairness Opinion dated November 28, 2016 , prepared and issued by ICICI Securities Limited, Independent Category-I Merchant Banker, as placed before the Board, be and is hereby approved."

"CERTIFIED TRUE COPY"

FOR QUESS CORP LIMITED

Sd/-

(Sudershan Pallap)
COMPANY SECRETARY

SCHEME OF ARRANGEMENT

BETWEEN

MANIPAL INTEGRATED SERVICES PRIVATE LIMITED

AND

QUESS CORP LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

(Under 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))

I. **Preamble**

This Scheme of Arrangement is entered into between Manipal Integrated Services Private Limited (**"MIS"**) and Quess Corp Limited ("**Quess**") and their respective shareholders and creditors ("**Scheme**"), pursuant to the provisions of Sections 230 to 232 of the Act read with Sections 52 and 66 of the Act and other applicable provisions of the Companies Act, 1956 and Companies Act, 2013 (to the extent notified).

II. **Description of Companies**

1. MIS is a private limited company engaged, through itself and through its subsidiaries, in the following businesses: (i) provision of facility management services ("**Facility Management Business**"); (ii) provision of institutional catering services ("**Catering Business**"); (iii) provision of security services ("**Security Business**"); and (iv) provision of hostel related services ("**Hostel Business**"). The registered office of MIS is at tower B-1, 3rd floor, Golden Enclave Old Airport Road, Bangalore, Karnataka - 560017.

2. Quess is a public listed company engaged in the business of providing business related services organized under 4 (four) verticals namely: (i) global technology solutions, (ii) industrial asset management, (iii) integrated facility management, and (iv) people and services. The equity shares of Quess are listed and traded on the BSE Limited and the National Stock Exchange of India Limited. The registered office of Quess is at 3/3/2, Bellandur Gate, Sarjapur Main Road, Bangalore, Karnataka - 560103.

III. **Background and Rationale for the Scheme**

1. It is proposed to transfer the Demerged Undertaking / Identified Business (more particularly defined hereinafter) of MIS into Quess, on the agreed terms and conditions as set out herein.

2. The management proposes to achieve the above pursuant to this Scheme under Sections 230 to 232 of the Act read with Sections 52 and 66 of the Act and other applicable provisions of the Companies Act, 1956 or the Act (to the extent notified), in the manner set out herein.

3. The proposed demerger would *inter alia* result in the following benefits:

(i) In case of MIS and its shareholders:

1. Unlocking value for MIS in relation to the undertaking being demerged; and

2. Pursue growth opportunities in line with its strategic directions.

(ii) In case of Quess:

1. Strategic fit with Quess's integrated facility management business segment with expansion of operations and business on a pan India basis; and

2. Gaining of strong operational capabilities in the niche and high growth verticals of healthcare and education vertical facility management.

IV. **Parts of the Scheme**

The Scheme is divided into the following parts:

1. PART A - Definitions and Share Capital;

2. PART B - Transfer of Demerged Undertaking from MIS and its vesting in Quess for consideration and matters incidental thereto; and

3. PART C - General Terms and Conditions that would be applicable to the Scheme.

This Scheme also provides for various other matters consequential, incidental or otherwise integrally connected therewith.

PART A

DEFINITIONS AND SHARE CAPITAL

1. **DEFINITIONS**

In this Scheme, unless inconsistent with the subject, the following expressions shall have the meanings respectively assigned against them:

1.1. **"Act"** means the Companies Act, 2013 (to the extent of the sections thereof that have been brought into force) and shall include any statutory modification, re-enactment or amendments thereof for time to time.

1.2. **"Quess"** or **"Transferee Company"** or **"Resulting Company"** means Quess Corp Limited, a company incorporated under the Companies Act, 1956 and having its registered office at 3/3/2, Bellandur Gate, Sarjapur Main Road, Bangalore, Karnataka - 560 103.

1.3. **"Appointed Date"** means December 1, 2016 or such other date as may be approved by the Tribunal.

1.4. **"Board of Directors"** or **"Board"** means and includes the respective board of directors of MIS, or Quess, as the context may require, and shall include any committee constituted (if any) by such board of directors for the purposes of the Scheme.

1.5. **"Demerged Undertaking"** or "**Identified Business**" means the entire 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, outstandings, liabilities, duties, obligations as on the Appointed Date. Without prejudice to the generality of the aforesaid, it shall

include (without limitation) in particular the following:

(a) Rights in any immovable property under any lease, agreement to use, leave or license agreement, service agreement for any premises, guest house, business centers, office properties and residential properties, forming part of the Demerged Undertaking and/or used by MIS in connection with the Facility Management Business and Catering Business;

(b) all assets (whether movable, immovable, tangible or intangible, present, future or contingent), including, without limitation to, all rights and interest in connection with any land and buildings thereon whether corporeal or incorporeal, leasehold or otherwise, pertaining to all rights in any premises (whether pursuant to lease, leave and license agreements, agreement to use or otherwise), all agreements, rights, contracts, entitlements including those for provision or receipt of any services related to the Facility Management Business and Catering Business and rights relating thereto , plant and machinery, facilities, inventories, stores and stocks, accessories, utilities, services, implements, apparatus, instruments, vehicles, spares, tools, vessels, stabilizers, advances, deposits, sundry debtors, loans and advances, the benefit of any deposits including earnest suppliers' and security deposits, bills of exchange and prepaid expenses, cash and bank balances, office equipment, furniture and fixtures, communication facilities, other fixed assets, trademark, brands, investments in subsidiaries and other investments of MIS specifically relating to the Facility Management Business and Catering Business and all other assets whether real or personal, present/current, future or contingent and liabilities relating to the Facility Management Business and Catering Business;

(c) all permits, rights, entitlements, bids, tenders, letters of intent, expressions of interest, municipal and other statutory permissions, approvals, consents,

licenses, registrations, filings, rights, contracts, agreements, engagements, insurance policies, arrangements, authorities, allotments, notarization, declaration, subsidies, concessions, exemptions, incentives, grants, claims, tenancy rights, liberties, special status and other benefits or privileges, remissions, tax credits (including but not limited to credits in respect of income tax, sales tax, value added tax, turnover tax, service tax, etc.), tax deferrals, tenancies in relation to office, bank accounts, lease rights, licenses, industrial and other licenses, if any, powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity and other services, provisions, funds, benefits of any guarantees, reversions, powers, agreements, contracts and arrangements and all other approvals, sanctions and consents of every kind, nature and description whatsoever and all other interests in connection with or relating to the Facility Management Business and Catering Business;

(d) all debts, borrowings, obligations, taxes, duties and liabilities both present and future (including contingent liabilities and the liabilities and obligations under any licenses or permits or schemes) of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized, whether secured or unsecured, whether in rupees or foreign currency, relating to the Facility Management Business and Catering Business;

For the purpose of this Scheme, it is clarified that liabilities pertaining to the Demerged Undertaking will include:

- All debts, borrowings, obligations, taxes and liabilities, including tax and all other liabilities arising between the Appointed Date and the Effective Date, whether present or future, (including contingent liabilities), whether secured

or unsecured, which arise out of the activities or operations of the Facility Management Business and Catering Business;

- Specific loans and borrowings raised, incurred and utilised solely for the activities or operation of the Facility Management Business and Catering Business; and
- Liabilities other than those referred to above, being the amounts of general or multipurpose borrowings of MIS, allocated to the Facility Management Business and Catering Business in the same proportion in which the value of the assets transferred under this Scheme bear to the total value of the assets of MIS immediately before giving effect to the Scheme.

(e) all intellectual property and industrial property rights and assets, and all rights, interests and protections associated with, similar to or required for any of the foregoing, whether registered or unregistered, trade and service names and marks, brand names, logos, design rights, and other similar designations of source, sponsorship, association or origin, industrial property rights and assets, trade secrets, business and technical information and know-how, databases, data collections and other confidential and proprietary information and all rights therein, works of authorship, expressions, designs and design registrations, whether or not copyrightable, including copyrights, author, performer and neighboring rights, and all registrations, applications for registration and renewals of such copyrights, designs and other intellectual property rights of any nature whatsoever, books, records, files, papers, software and firmware, including data files, source code, object code, application programming interfaces, architecture, files, records, schematics, computerized databases and other related specifications and documentation. software licenses (whether proprietary or otherwise), drawings, computer programmes, manuals, data, catalogues, quotations, sales and advertising

material, lists of present and former customers and suppliers, other customer information, customer credit information, customer pricing information, and all other records and documents, whether in physical or electronic form relating to business activities and operations of the Facility Management Business and Catering Business, other than trade marks containing the word "Manipal";

(f) all employees of the Facility Management Business and Catering Business as on the Effective Date; and

(g) all legal proceedings of whatsoever nature by or against MIS pending on the Appointed Date and relating to the Facility Management Business and Catering Business.

Any question that may arise as to whether a specific asset or liability pertains or does not pertain to the Demerged Undertaking or whether it arises out of the activities or operations of the Demerged Undertaking or not, shall be decided by mutual agreement between the Board of Directors of MIS and Quess.

It is clarified that the Demerged Undertaking shall not include any employees, assets, liabilities, rights and obligations belonging to and forming part of the Remaining Business of MIS.

1.6. **"Effective Date"** means the later of the dates on which the certified or authenticated copies of the orders sanctioning the Scheme, passed by the Tribunal is filed with the Registrar of Companies, being the Registrar of Companies, Karnataka by Quess and MIS respectively. Any references in this Scheme to the "date of coming into effect of this Scheme" or "effectiveness of the Scheme" or "Scheme taking effect" shall mean the Effective Date.

1.7. **"MIS"** or **"Transferor Company"** or **"Demerged Company"** means Manipal Integrated Services Private Limited, a company incorporated under the

Companies Act, 1956 and having its registered office at Tower B-1, 3rd Floor, Golden Enclave Old Airport Road, Bangalore, Karnataka- 560001.

1.8. **"MIS Preference Shares"** means 40,36,697 compulsorily convertible preference shares of the Transferor Company having the terms set out in Annexure 2.

1.9. **"Record Date"** means the date to be fixed by the Board of Directors of Quess and the Board of Directors of MIS, for the purpose of determining the shareholders of MIS who shall be entitled to receive shares of Quess as per Clause 5 of the Scheme.

1.10. **"Remaining Business"** with respect to MIS means business, employees, assets and liabilities of MIS other than the Demerged Undertaking and all assets and liabilities of MIS related to such business including the entire immovable property to which MIS has title.

1.11. **"Scheme" or "the Scheme" or "this Scheme"** means this Scheme of Arrangement in its present form or with any modification(s) made under Clause 14 of this Scheme as approved or directed by the Tribunal.

1.12. **"SEBI"** means Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 1992.

1.13. **"SEBI Circular"** means Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015 issued by SEBI or any other circulars issued by SEBI applicable to schemes of arrangement from time to time.

1.14. **"Stock Exchanges"** means the BSE Limited and the National Stock Exchange of India Limited collectively.

1.15. **"Tribunal"** means the bench of the National Company Law Tribunal at Bengaluru that has been constituted under the Act having jurisdiction over the Transferor Company and the Transferee Company.

1.16. All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Securities Contract Regulation Act, 1956, the Depositories Act, 1996, the Income-tax Act, 1961 and other applicable laws, rules, regulations, bye-laws, as the case may be, or any statutory modification or re-enactment thereof from time to time.

2. **DATE OF TAKING EFFECT AND OPERATIVE DATE**

The Scheme set out herein in its present form or with any modification(s) and amendments(s) made under Clause 14 of the Scheme, approved or imposed or directed by the Tribunal, shall be effective from the Appointed Date but shall be made operative from the Effective Date.

3. **SHARE CAPITAL**

3.1 The share capital of MIS as on March 31, 2016 as per its audited financial statements is as under:

Particulars	**Amount (Rs.)**
Authorised	
2,00,00,000 Equity Shares of Rs. 10 each	20,00,00,000
Total	**20,00,00,000**
Issued Subscribed and Paid Up#	
1,18,96,319 Equity Shares of Rs. 10 each fully paid-up	11,89,63,190
Total	**11,89,63,190**

#Certain employee stock option granted to employees of MIS may get exercised before the Effective Date. The details of unexercised employee stock options (net of cancellation) of the employees of MIS as on March 31, 2016 are set out below:

Unexercised stock options	Amount (In Rs.)
2,35,750 options entitling equivalent Equity Shares of Rs. 10 each.	23,57,500
Total	23,57,500

3.2 Quess initially subscribed to MIS Preference Shares amounting to Rs. 220 Crores for securing an interest in the Facility Management Business and Catering Business, development of the same and facilitating the proposed demerger of the Facility Management Business and Catering Business as contemplated in this Scheme. MIS has passed necessary resolutions approving the issue of MIS Preference Shares by private placement to Quess prior to the passing the resolution approving the Scheme. Post allotment of the MIS Preference Shares, as on December 6, 2016 the share capital of MIS stands revised as under :

Particulars	Amount (Rs.)
Authorised	
1,00,00,000 Preference Shares of Rs. 10 each	10,00,00,000
2,00,00,000 Equity Shares of Rs. 10 each	20,00,00,000
Total	**30,00,00,000**
Issued Subscribed and Paid Up##	
40,36,697 Preference Shares of Rs. 10 each	4,03,66,970
1,20,73,319 Equity Shares of Rs. 10 each fully paid-up	12,07,33,190
Total	**16,11,00,160**

##Certain employee stock option granted to employees of MIS may get exercised before the Effective Date. The details of unexercised employee stock options (net of cancellation) of the employees of MIS as on December 6, 2016

are set out below:

Unexercised stock options	**Amount (In Rs.)**
58,750 options entitling equivalent Equity Shares of Rs. 10 each.	5,87,500
Total	5,87,500

3.3 The share capital of Quess as on March 31, 2016 as per its audited financial statements is as under:

Particulars	**Amount (Rs.)**
Authorised	
20,00,00,000 Equity Shares of Rs.(10) each	2,00,00,00,000
Total	**2,00,00,00,000**
Issued Subscribed and Paid Up	
11,33,35,056 Equity Shares of Rs.(10) each fully paid up	1,13,33,50,560
Total	**1,13,33,50,560**

3.4 The share capital of Quess as on the date of approval of the Scheme by the board of directors of Quess is as under:

Particulars	**Amount (Rs.)**
Authorised	
20,00,00,000 Equity Shares of Rs.(10) each	2,00,00,00,000
Total	**2,00,00,00,000**
Issued Subscribed and Paid Up	
12,67,48,751 Equity Shares of Rs.(10) each fully paid up	1,26,74,87,510
Total	**1,26,74,87,510**

PART B

TRANSFER OF DEMERGED UNDERTAKING FROM MIS TO QUESS

4. TRANSFER AND VESTING OF DEMERGED UNDERTAKING FROM MIS TO QUESS

4.1 With effect from the Appointed Date and upon this Scheme coming into effect, the Demerged Undertaking (including all accretions and appurtenances) shall, without any further act, instrument or deed, be and stand de-merged from MIS and transferred to and vested in or be deemed to be transferred to and vested in Quess as a going concern, so as to vest in Quess, all the rights, titles and interests pertaining to Demerged Undertaking, pursuant to Sections 230 to 232 of the Act and any other relevant provisions of the Act (as may be applicable), Section 2(19AA) of the Income-tax Act, 1961 and the order of the Tribunal sanctioning the Scheme, subject however, to subsisting charges pertaining to the Demerged Undertaking, if any.

4.2 Without prejudice to the provisions of Clause 4.1 above, in respect of such of the assets and properties (tangible or intangible) of the Demerged Undertaking, including cash in hand, as are movable in nature or otherwise capable of passing by manual delivery or by endorsement and delivery shall be so delivered or endorsed and delivered, as the case may be, and shall upon such delivery or endorsement and delivery, become the assets and properties of Quess, without requiring any deed or instrument or conveyance for the same.

4.3 In respect of movable assets of the Demerged Undertaking other than those specified in Clause 4.2 above, including sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received,

bank balances and deposits, if any, with government, semi-government, local and other authorities and bodies, customers and other persons, the following methodology shall to the extent possible be followed:

Quess shall give notice in such form as it may deem fit and proper to each person, debtor or depositee that pursuant to the Tribunal having sanctioned this Scheme, the said debt, loan, advance or deposit be paid to or made good to or held on account of Quess and that the right of MIS to recover or realize the same stands extinguished and deemed to be transferred to Quess.

4.4 Upon the Scheme coming into effect and with effect from the Appointed Date, all rights in any immovable property under any lease, agreement to use, leave or license agreement, service agreement for any premises, guest house, business centers, office properties and residential properties, forming part of the Demerged Undertaking and/or used by MIS in connection with the Demerged Undertaking, shall stand transferred to and be vested in Quess, as a successor of MIS in relation to the Demerged Undertaking, without any act or deed to be done or executed by MIS and/ or Quess. Quess shall be entitled to exercise all rights and privileges and be liable to pay appropriate rent, rates, taxes and charges and fulfil all obligations, in relation to or applicable to all such immovable properties.

4.5 Upon this Scheme coming into effect, and with effect from the Appointed Date, and subject to the provisions of this Scheme, all debts, liabilities, contingent liabilities, taxes, duties and obligations of every kind, nature and description of MIS pertaining or relating to the Demerged Undertaking shall, without any further act, instrument or deed, be and stand transferred from MIS and transferred to and vested in or be deemed to be transferred to and vested in and assumed by Quess so as to become as and from the Appointed Date, the debts, liabilities, contingent liabilities, taxes, duties and obligations

of Quess, pursuant to Sections 230 to 232 of the Act and any other relevant provisions of the Act and the order of the Tribunal sanctioning the Scheme, and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, contingent liabilities, duties and obligations have arisen in order to give effect to the provisions of this sub-clause.

4.6 With effect from the Appointed Date and upon this Scheme coming into effect, all permits, no objection certificates, contracts, deeds, agreements and other instruments, permissions, approvals, consents, rights, entitlements, licenses, including those relating to tenancies, copyrights, intellectual property rights, privileges, powers, facilities of every kind and description of whatsoever nature in relation to Demerged Undertaking of which MIS is a party or to the benefit of which MIS may be eligible and which are subsisting or having effect on the Effective Date, shall stand transferred to and vested in Quess without any further act or deed, and shall be appropriately mutated by the statutory authorities concerned therewith in favour of Quess upon the vesting and transfer of Demerged Undertaking in Quess pursuant to this Scheme, and shall be and remain in full force, operative and effectual for the benefit of Quess, and may be enforced by Quess as fully and effectually as if, instead of MIS, Quess had been the original party or beneficiary or obligee thereto, and Quess shall be bound by the terms thereof.

4.7 In so far as assets comprised in the Demerged Undertaking are concerned, the security, existing charges, mortgages and encumbrances, if any, over or in respect of any of the assets or any part thereof or charge over such assets relating to any loans or borrowings of MIS shall, without any further act or deed, be released and MIS will be discharged from the same and such assets shall no longer be available to lenders of the Remaining Business of MIS as

security.

4.8 It is clarified that all assets, estate, rights, interest and authorities acquired by MIS or any liabilities accrued to MIS after the Appointed Date and until the Effective Date for operation of or in connection with the Demerged Undertaking shall also stand transferred to and vested in Quess with effect from the Effective Date.

4.9 Where any of the liabilities mentioned in sub-clause 4.5 have been discharged by MIS after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of Quess.

4.10 All cheques and other negotiable instruments, payment orders received and presented for encashment which are in the name of MIS and pertaining to the Demerged Undertaking after the Effective Date, shall be accepted by the bankers of Quess and credited to the accounts of Quess, if presented by Quess.

5 CONSIDERATION FOR THE PROPOSED DEMERGER

5.1 Upon this Scheme becoming effective and as consideration for the proposed demerger, Quess shall, without any act, application, payment or deed, , issue and allot equity shares ("**Equity Shares**") credited as fully paid up, as per the share entitlement ratio set out below, to the equity shareholders of MIS whose names appear in the register of members of MIS on the Record Date, or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the Board of Directors of Quess and MIS in proportion to their equity shareholding in MIS in consideration for the transfer of the Demerged Undertaking. The share entitlement ratio shall be:

165 (one hundred and sixty five) equity shares of Quess of Rs. 10 each fully paid up

for every 280 (two hundred and eighty) equity shares of MIS of Rs. 10/- each fully paid up.

5.2 The Equity Shares of Quess to be issued and allotted as above shall, from the date of allotment in terms of the Scheme, be subject to the memorandum and articles of association of Quess in the same manner as the existing equity shares and shall rank *pari passu* with the existing equity shares of Quess in all respects including dividends.

5.3 The Equity Shares of Quess shall be issued and allotted in dematerialized form to those equity shareholders who hold shares of MIS in dematerialized form, and in to the demat account in which MIS shares are held or such other account as is intimated by the equity shareholders to MIS and / or its registrar. All those equity shareholders who hold equity shares of MIS in physical form shall also have the option to receive the Equity Shares in dematerialized form provided the details of their account with the depository participant are intimated in writing to MIS and / or its registrar. In the event that MIS has received notice from any person that equity shares are to be issued in physical form or if any person has not provided the requisite details relating to his/her /its account with a depository participant or other confirmations as may be required or if the details furnished by any person do not permit electronic credit of the Equity Shares, then Quess shall issue Equity Shares in physical form to such person or persons.

5.4 The Board of Directors of Quess shall, if and to the extent required, apply for and obtain any approvals from concerned government / regulatory authorities for the issue and allotment of Equity Shares pursuant to Clause 5.1 above of the Scheme.

5.5 Equity Shares of Quess to be issued and allotted to the equity shareholders of MIS pursuant to Clause 5.1 above of the Scheme will be listed and/or

admitted to trading on the BSE Limited and the National Stock Exchange of India Limited, where the equity shares of Quess are listed and/or admitted to trading in accordance with the applicable laws. Quess shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of the said stock exchanges.

5.6 In the event of there being any pending share transfers with respect to the application lodged for transfer by any equity shareholder of MIS, the Board of Directors or any committee thereof of MIS, or failing which the Board of Directors or any committee thereof of Quess, shall be empowered in appropriate case, even subsequent to the Record Date to effectuate such a transfer in MIS as if such changes in registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor or the transferee of the share(s) in MIS and in relation to the Equity Shares of Quess after the Scheme becomes effective.

5.7 Equity Shares to be issued and allotted by Quess to the equity shareholders of MIS pursuant to Clause 5.1 above of this Scheme, in respect of any equity shares in MIS which are held in abeyance under the provisions of Section 126 of the Act or otherwise, pending allotment or settlement of dispute, by order of court or otherwise, shall be held in abeyance by Quess.

5.8 If any equity shares of MIS held by the equity shareholders of MIS as on the Record Date are under any statutory lock-in, the Equity Shares issued and allotted by Quess to such equity shareholders shall also be locked-in for the remainder of the lock-in period as per applicable laws.

5.9 Fractional entitlements, if any, by Quess, to the equity shareholders of MIS at the time of issue and allotment of equity shares under Clause 5.1 above shall be consolidated.

5.10 Upon such consolidation, the Board of Directors of Quess shall allot Equity Shares in lieu thereof to a Director or such other authorized representative(s) as the Board of Directors of Quess shall appoint in this behalf, who shall hold the Equity Shares issued in Quess, in trust on behalf of the shareholders entitled to fractional entitlements with the express understanding that the Director or other authorized representative(s) shall sell the same in the market at such time or times and at such price or prices and to such person or persons, as it/he/they may deem fit, and pay to Quess, the net sale proceeds thereof, whereupon Quess shall distribute such net sale proceeds (after deduction of applicable taxes), to the shareholders in proportion to their respective fractional entitlements. Any fractional entitlements arising post such consolidation, if any, shall be ignored.

5.11 If the Market Value of the Equity Shares issued and allotted pursuant to Clause 5.1 above on the Calculation Date is less than the Threshold Value, the equity shareholders of MIS to whom the Equity Shares are issued under this Scheme shall be issued RPS as per the terms and subject to the conditions set out in Annexure 1.

5.12 Approval of this Scheme by the shareholders of Quess shall be deemed to be due compliance of the provisions of Sections 42, 55, 62 and the other relevant provisions of the Act and all applicable laws for the issue and allotment of shares by Quess, as provided in this Scheme.

5.13 The Transferee Company shall, prior to the Scheme becoming effective, take necessary actions including but not limited to passing necessary resolutions; making filing relevant filings with Ministry of Corporate affairs, Registrar of Companies, Mumbai; and payment of necessary stamp duty and filing related fees as may be payable under applicable law and regulations for increase in the authorized share capital for issuance of shares under the Scheme and

consequent amendments to the memorandum and articles of association of the Transferee Company.

6 ACCOUNTING TREATMENT

In the books of Quess

6.1 The Transferee Company shall account for the acquisition of the assets and liabilities of the Demerged Entity in accordance with Indian Accounting Standard Ind AS 103 - Business Combinations notified under Section 133 of the Act.

6.2 As on the Appointed Date and the Scheme becoming effective:

(i) The Transferee Company shall recognise, separately from goodwill, the identifiable assets acquired, the liabilities assumed and any non-controlling interest.

(ii) The Transferee Company may recognise certain assets and liabilities that the Demerged Company had not previously recognised in its financial statements at fair values determined as on Appointed Date. The Transferee Company may recognise certain identifiable intangible assets such as customer relationships, brand etc.

(iii) The initial investment in MIS Preference Shares of the Demerged Company amounting to INR 220 Crores as described in Clause 3.2 of this Scheme, shall stand cancelled and accordingly will be evaluated for the computation of the goodwill/ capital reserve / intangible assets (further as described in sub clause iv below).

(iv) Any excess of the aggregate value of the initial investment in MIS Preference Shares (Clause 3.2) and the shares issued pursuant to the Scheme (Clause 5) over the fair value of net assets acquired (paragraphs (i) and (ii) above) shall

be recognised in the Transferee Company's books of accounts as goodwill. If there is a deficit, the difference shall be credited to "capital reserve account".

In the books of MIS

6.3 As on the Appointed Date and the Scheme becoming effective:

(i) Upon the Scheme becoming effective, the book value of the assets and liabilities pertaining to the Identified Business of MIS shall be transferred to Quess and shall stand reduced from the book value of the assets and liabilities of MIS.

(ii) The difference between the book values of the assets and liabilities of the Identified Business of MIS vested in Quess, shall be first adjusted against its securities premium and, the balance, if any, against its profit and loss account balance.

(iii) MIS shall cancel MIS Preference Shares and make a corresponding credit to reserves. Such cancellation of MIS Preference Shares along with utilization of the securities premium account as aforesaid shall be effected as a part of the Scheme itself and not under a separate procedure in terms of Section 52 and Section 66 of the Act. Further, post cancellation of MIS Preference Shares, the rights of the holders of MIS Preference Shares shall cease to exist and they shall not have any further rights in MIS.

(iv) The cancellation of MIS Preference Shares and utilization of securities premium account as aforesaid in para (iii) do not involve either diminution of liability in respect of unpaid share capital and the same shall be effected as a part of the Scheme only.

7 CONDUCT OF BUSINESS

7.1 With effect from the Appointed Date and up to and including the Effective Date:

7.2 MIS shall, in respect of the Demerged Undertaking, be deemed to have been carrying on and shall carry on its business and activities and shall hold and stand possessed of and hold all its properties and assets in relation to the Demerged Undertaking for and on account of and in trust for Quess.

7.3 Quess shall be entitled, pending the sanction of the Scheme by the Tribunal, to apply to the central/state government and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which Quess may require to own and carry on the business of the Demerged Undertaking.

8 EMPLOYEES

8.1 On the Scheme becoming effective, all the employees of MIS engaged in or in relation to the Demerged Undertaking shall become the employees of Quess with effect from the Appointed Date, without any break or interruption in their services, on same (but in any case no less favourable) terms and conditions on which they are engaged as on the Effective Date. Quess further agrees that for the purpose of provident fund or superannuation or payment of any other retirement or termination benefit / compensation, or other statutory purposes, the services of such employees will be reckoned from the date of their respective appointments with the Demerged Undertaking of MIS. Any question that may arise as to whether any employee belongs to or does not belong to the Demerged Undertaking shall be decided jointly by the Boards of Directors of MIS and Quess.

8.2 The accumulated funds standing to the credit of the employees whose services are transferred under Clause 8.1 above, relating to superannuation, provident fund and gratuity fund or any other statutory or special fund or trusts created or existing for the benefit of the employees of MIS engaged in or in relation to the Demerged Undertaking shall be identified, determined and

transferred to such provident fund, superannuation fund and other funds nominated by the trusts / funds of Quess or other funds to be established and caused to be recognized by the concerned authorities by Quess, and such employees shall be deemed to have become members of such trusts / funds of Quess on the same terms and conditions as applicable to the Funds of MIS in relation to the said employees. On and from the Effective Date, with effect from the Appointed Date, and subject to getting the Scheme approved by the relevant authorities, Quess shall make the necessary contributions for such employees in relation to the funds. It is clarified that the services of the employees of MIS engaged in or in relation to the Demerged Undertaking of MIS shall be treated as having been continuous without any break, discontinuance or interruption for the purpose of the said funds.

8.3 It is the aim and intent of this Scheme that all the rights, duties, powers and obligations of the Demerged Undertaking in relation to such funds shall become those of Quess.

9 LEGAL PROCEEDINGS

9.1 All legal proceedings relating to the Demerged Undertaking of whatsoever nature by or against MIS pending and/or arising before the Effective Date, shall not abate or be discontinued or be in any way prejudicially affected by reason of the Scheme or by anything contained in this Scheme but shall be continued and enforced by or against Quess, as the case may be, in the same manner and to the same extent as would or might have been continued and enforced by or against MIS. It is hereby expressly clarified that any legal proceedings by or against MIS in relation to cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of MIS and pertaining to the Demerged Undertaking shall be instituted, or as the case may be, continued, by or against, Quess after the

coming into effect of the Scheme.

9.2 All legal or other proceedings initiated by or against the Demerged Undertaking referred in Clause 9.1 above shall stand transferred to the name of Quess and the same shall be continued, prosecuted, defended and enforced as the case may be by or against Quess, to the exclusion of MIS.

10 CONTRACTS, DEEDS AND OTHER INSTRUMENTS

10.1 Upon the coming into effect of this Scheme and subject to the other provisions of this Scheme, all contracts, deeds, bonds, schemes, insurance, letters of intent, undertakings, arrangements, policies, agreements and other instruments (including all tenancies, leases, and other assurances in favour of MIS or powers or authorities granted by or to it), if any, of whatsoever nature pertaining to the Demerged Undertaking, to which MIS is a party and subsisting or having effect on the Effective Date, shall be in full force and effect against or in favour of Quess, as the case may be, and may be enforced by or against Quess as fully and effectually as if, instead of MIS, Quess had been a party or beneficiary or oblige thereto and shall be binding on Quess.

10.2 Quess shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which MIS will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required or becomes necessary. Quess shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of MIS and to implement or carry out all formalities required on the part of MIS to give effect to the provisions of this Scheme.

11 TAXES

11.1 This Scheme has been drawn up to comply with the conditions relating to "Demerger" as specified under Section 2(19AA) of the Income-tax Act, 1961. If any terms or provisions of the Scheme is / are inconsistent with the provisions of Section 2(19AA) of the Income-tax Act, 1961, the provisions of Section 2(19AA) of the Income-tax Act, 1961 shall prevail and the Scheme to stand modified to the extent necessary to comply with Section 2(19AA) of the Income-tax Act, 1961; such modification shall not affect other parts of the Scheme.

11.2 All taxes (including income tax, sales tax, excise duty, custom duty, service tax, value added tax, etc.) paid or payable by MIS in respect of the operations and / or the profits of the Demerged Undertaking before the Appointed Date, shall be on account of MIS and, insofar as it relates to the tax payment (including, without limitation, income tax, sales tax, excise duty, custom duty, service tax, value added tax, etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by MIS in respect of the profits or activities or operation of the Demerged Undertaking after the Appointed Date, the same shall be deemed to be the corresponding item paid by Quess and shall, in all proceedings, be dealt with accordingly.

11.3 Quess and/or MIS shall be entitled to revise and file income tax returns, sales tax / value added tax return, service tax returns and other returns, and to claim refunds/ credits, pursuant to the provisions of this Scheme.

PART C

GENERAL TERMS & CONDITIONS

12 REMAINING BUSINESS

12.1 The Remaining Business and all the assets, liabilities and obligations relating

or pertaining thereto shall continue to belong solely to and continue to be vested solely in and be managed by MIS.

12.2 All legal, tax and other proceedings by or against MIS under any statute, whether pending on the Appointed Date or which may be instituted at any time thereafter, whether or not in respect of any matter arising before the Effective Date and pertaining or relating to the Remaining Business (including those relating to any property, right, power, liability, obligation or duty, of MIS in respect of the Remaining Business) shall be continued and enforced solely by or against MIS only.

12.3 MIS shall carry on all business and activities pertaining or relating to the Remaining Business in its own name and on its own account and its own behalf in all respects.

12.4 All profit accruing to MIS or losses arising or incurred by it pertaining or relating to the Remaining Business shall, for all purposes, be treated as its profit, or losses, as the case may be.

13 APPLICATION TO TRIBUNAL

Quess and MIS shall make all necessary applications/ petitions under Sections 230 to 232 and other applicable provisions of the Act to the Tribunal for seeking approval of the Scheme and for such other orders as the Tribunal may deem fit for bringing the Scheme into effect and all matters ancillary or incidental thereto.

14 MODIFICATION OR AMENDMENTS TO THE SCHEME

Subject to the approval of the Tribunal, Quess and MIS by their respective Boards of Directors (the "**Board**", which term shall include any Committee thereof), may assent to/make and/or consent to any modifications/amendments to the Scheme or to any conditions or limitations

that the Tribunal and/or any other statutory/ regulatory authority under law may deem fit to direct or impose, or which may otherwise be considered necessary, desirable or appropriate as a result of subsequent events or otherwise by them (i.e. the Boards). Quess and MIS, by their respective Boards, are authorised to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whatsoever for carrying the Scheme into effect, whether by reason of any directive or order of any other authorities or otherwise howsoever, arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith.

15 CONDITIONALITY OF THE SCHEME

15.1 This Scheme is and shall be conditional upon and subject to:

15.1.1 The Scheme being approved by the requisite majorities in number and value of the various classes of shareholders and/or creditors (where applicable) of Quess and MIS as may be directed by the Tribunal.

15.1.2 Receipt of approvals of the relevant Stock Exchanges where the equity shares of Quess are listed and traded and SEBI in terms of the SEBI Circular, as applicable.

15.1.3 The Scheme being sanctioned by the Tribunal under Sections 230 to 232 of the Act and other applicable provisions of the Act.

15.1.4 The requisite consent, approval or permission of any other statutory or regulatory authority, which by law may be necessary for the implementation of this Scheme.

15.1.5 Authenticated/ certified copies of the orders of the Tribunal sanctioning the Scheme being filed with the relevant Registrar of Companies by MIS and Quess respectively.

16 EFFECT OF NON-RECEIPT OF APPROVALS

16.1 In the event of any of the said sanctions and approvals referred to in Clause 15 not being obtained and/ or the Scheme not being sanctioned by the Tribunal by December 31, 2017, or such other date as may be mutually agreed by the board of directors of Quess and MIS, this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/ or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law.

16.2 In the event of revocation under Clause 16.1, no rights and liabilities whatsoever shall accrue to or be incurred *inter se* to MIS and Quess or their respective shareholders or creditors or employees or any other person save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or in accordance with the applicable laws and in such case, each company shall bear its own costs unless otherwise mutually agreed.

17 COSTS, CHARGES AND EXPENSES

All costs, charges, taxes including duties, levies and all other expenses arising out of or incurred in connection with and implementing this Scheme and matters incidental thereto including but not limited to stamp duty charges with respect to the issuance and allotment of shares of Quess to the equity shareholders of MIS, payment of all stamp duty and registration charges with respect to the transfer of the Demerged Undertaking (including all accretions

and appurtenances), as a going concern, from MIS to Quess, shall be borne by Quess.

18 SAVING OF CONCLUDED TRANSACTIONS

18.1 Subject to the terms of this Scheme, the transfer and vesting of the Demerged Undertaking under Clause 4 of this Scheme shall not affect any transactions or proceedings already concluded by the Demerged Undertaking on or before the Appointed Date or concluded after the Appointed Date till the Effective Date, to the end and intent that Quess accepts and adopts all acts, deeds and things made, done and executed by the Demerged Undertaking as acts, deeds and things made, done and executed by or on behalf of Quess.

19 SEVERABILITY

19.1 If any provision of this Scheme is held invalid, ruled illegal/ unenforceable for any reason whether under present or future laws by the Tribunal, parties or any other government authorities/ person(s) as applicable under the Act, then it is the intention of the parties that such provision shall be severable from the remainder of this Scheme and this Scheme shall not be affected thereby, unless the deletion of such provision shall cause this Scheme to become materially adverse to any party, in which case the parties shall attempt to bring about a modification in this Scheme, as will best preserve for the parties the benefits and obligations of this Scheme, including but not limited to such provision.

ANNEXURE 1

TERMS OF THE REDEEMABLE PREFERENCE SHARES

1. If the Market Value of the Equity Shares on the Calculation Date is less than the Threshold Value, Quess shall issue non-convertible redeemable preference shares of Quess ("**RPS**") of such aggregate value being the difference between the Threshold Value and the Market Value to the shareholders of MIS.

2. The face value of each RPS shall be INR 10 (Rupee Ten). Accordingly, the number of RPS issued shall be as follows:

   {Threshold Value *less* Market Value} / Rs 10

3. Such number of RPS issued shall be issued to MIS shareholders in the proportion of their equity holding in MIS.

4. Each RPS shall be redeemed by Quess on the Redemption Date at face value.

   where:

   "**Threshold Value**" means an amount equal to INR 3,575,000,000 (Rupees three billion five hundred and seventy five million).

   "**Market Value**" means the product of {the number of Equity Shares issued pursuant to the Scheme} and {the closing price of the Equity Shares on the Calculation Date, on the stock exchange on which Equity Shares are more frequently traded on the Calculation Date}.

   "**Calculation Date**" means the last trading day before the receipt of the final approval for the listing and trading of the Equity Shares issued pursuant to the Scheme is received from the Stock Exchanges.

   "**Redemption Date**" means the date that is 30 days from the date of the receipt of the final approval for the listing and trading of the Equity Shares of Quess from the Stock Exchanges.

5. The RPS shall carry no voting rights.

6. Upon the redemption of the RPS in accordance with these terms, the RPS shall be cancelled and all the rights of the holders of the RPS in respect of such RPS shall cease to exist.

ANNEXURE 2

TERMS OF THE MIS PREFERENCE SHARES

1. The face value of each MIS Preference Share shall be INR 10 (Rupees Ten).
2. Each MIS Preference Share shall be convertible into 1 (one) equity share of the Transferor Company having a face value of Rs. 10 (Rupees Ten).
3. Each MIS Preference Share shall be entitled to a dividend of 0.0001 % per annum on a non-cumulative basis.
4. The MIS Preference Shares shall be mandatorily converted into equity shares of the Transferor Company upon expiry of a period of 5 (five) years from the date of allotment.
5. The MIS Preference Shares shall carry no voting rights, except in accordance with the provisions of the Act.

The equity shares of the Transferor Company issued and allotted by the Transferor Company pursuant to the conversion of the MIS Preference Shares shall rank *pari passu* in all respects, including dividend, with the existing equity shares of the Transferor Company

L74140KA2007PLC043909

Form No. MGT-11
PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN:	L74140KA2007PLC043909
Name of the company:	Quess Corp limited
Registered office:	3/3/2, Bellandur Gate, Sarjapur Main Road, Bangalore-560 103
Name of the Unsecured Creditor:	
Registered Address	
E-mail Id	
Folio No. / Client Id	
DP Id	

I/We, being the Unsecured Creditor(s) of ……..…. shares of the above named company, hereby appoint

1. Name:
Address:
E-mail Id:
Signature:……..……, or failing him
2. Name:
Address:
E-mail Id:
Signature:……..……, or failing him
3. Name:
Address:
E-mail Id:
Signature:……..……..

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the NCLT Convened Extraordinary General Meeting of the Company, to be held on Tuesday 5th September 2017 at Hotel Royal Orchid, 1, Golf Avenue, Adjoining KGA Golf Course, HAL Airport Road, Bengaluru, Karnataka- 560 008 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution
	SPECIAL RESOLUTION
1.	To considering and, if thought fit, approving, with or without modification the Scheme of Arrangement of Manipal Integrated Services Private Limited (Applicant Company No.2) With Quess Corp Limited (Applicant Company No.1)

Signed this……..… day of……..…… 2017

……. …….

Signature of Unsecured Creditors Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

Affix Revenue Stamp of Re.1

QUESS CORP LIMITED

Registered office: 3/3/2, Bellandur Gate, Sarjapur Main Road, Bengaluru- 560 103
Tel +91 80 6105 6000 | Fax +91 80 6105 6406 | CIN L74140KA2007PLC043909
www.quesscorp.com; email id: investor@quesscorp.com

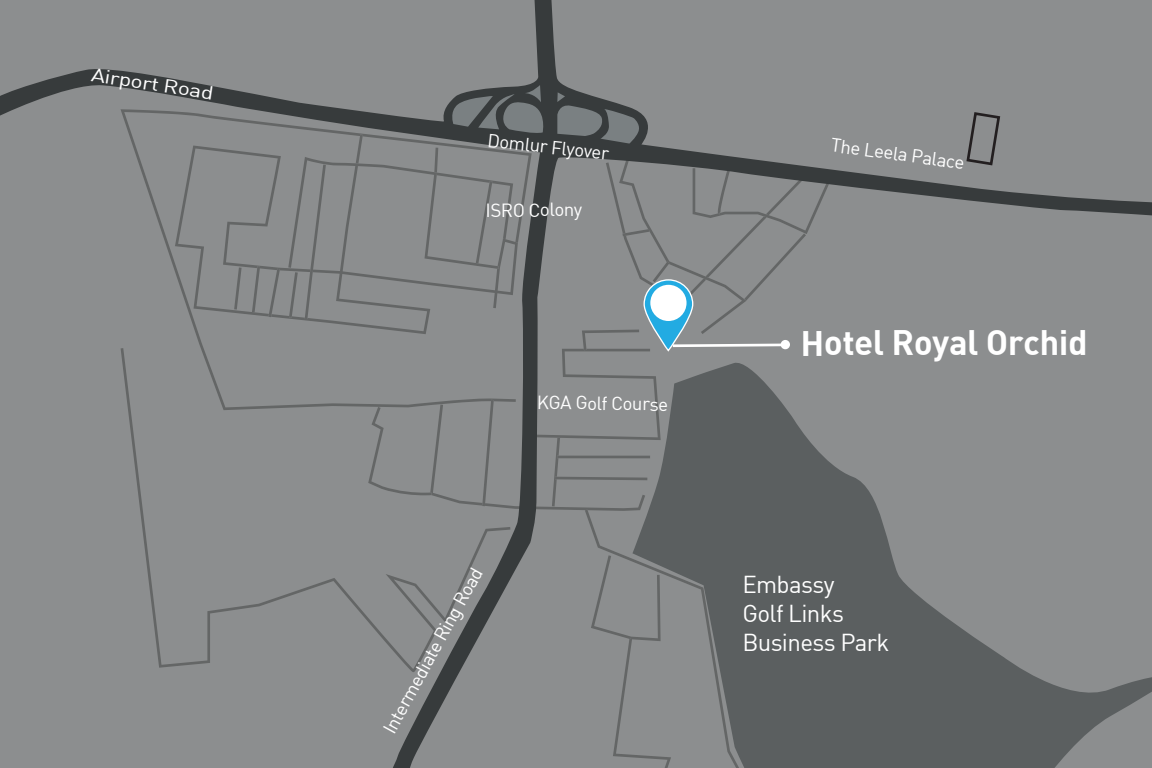
ATTENDANCE SLIP

In the matter of Scheme of Arrangement of Manipal Integrated Services Private Limited (Applicant Company No.2) with Quess Corp Limited (Applicant Company No.1)

ONLY UNSECURED CREDITORS OR OTHER PROXIES ARE ENTITLED TO BE PRESENT AT THE MEETING

NAME AND ADDRESS OF THE UNSECURED CREDITORS/ / PROXY HOLDER (IN BLOCK LETTERS)	
SIGNATURE OF THE Unsecured Creditor / PROXY	

Note : Unsecured Creditor /Proxy holder, as the case may be, is requested to sign and hand over this slip at the entrance of the meeting venue.


Airport Road
Domlur Flyover
The Leela Palace
ISRO Colony
Hotel Royal Orchid
KGA Golf Course
Embassy
Golf Links
Business Park
Intermediate Ring Road