



SEBI REGN. NO. INM 000010163

**Strictly Private & Confidential**

Dated: June 22, 2022

To,

The Board of Directors,

**Allsec Technologies Limited**

46C, Velachery Main Road,  
Chennai – 600 042

**Dear Members of the Board:**

**Sub: Fairness Opinion on the share exchange ratio for the proposed merger of Allsec Technologies Limited, the Transferor Company with Qess Corp Limited, the Transferee Company**

We refer to our letter of engagement dated April 19, 2022 (“LoE”) whereby Fedex Securities Private Limited (“Fedex”) is *inter alia* engaged by the management of Allsec Technologies Limited to provide a fairness opinion to the Board of Directors of the Transferor Company (*as defined*) on the Share Exchange Ratio (defined herein) recommended by the Valuer (defined herein) through report dated June 21, 2022 issued by Drushti R. Desai, Registered Valuer bearing registration number IBBI/RV-E/06/2019/10666 (“Valuer”) appointed by the Transferor Company and the Transferee Company for the proposed amalgamation of Allsec Technologies Limited with Qess Corp Limited (“**Proposed Amalgamation**”) as a part of a Scheme of Amalgamation (as defined below) under the provisions of Section 230 to 232 and other applicable provisions of the Companies Act, 2013 and Rules framed thereunder (“**Proposed Scheme**”). We understand that the Proposed Scheme will be considered by the Board of Directors of the Transferor Company.

**Company Background and Purpose**

Allsec Technologies Limited (“Allsec” or “ATL” or the “Transferor Company”) is a public limited company, incorporated on August 24, 1998, under the provisions of the Companies Act, 1956, having its registered office situated at Chennai, Tamil Nadu. Allsec is engaged in the business of providing digital business services and human resource outsourcing services. The equity shares of the Transferor Company are listed on the National Stock Exchange of India Limited (“NSE”) and BSE Limited (“BSE”). As on March 31, 2022 Qess Corp Limited, the Transferee Company indirectly holds 73.39% of the equity share capital of Allsec.



Quess Corp Limited ("**Quess**" or "**QCL**" or the "**Transferee Company**") is a public limited company, incorporated on September 19, 2007, under the provisions of the Companies Act, 1956, having its registered office situated at Bengaluru, Karnataka. Quess is engaged in the business of providing services in workforce management, operating asset management and global technology solution segment. The equity shares of the Transferee Company are listed on the NSE and BSE.

For the purpose of the proposed amalgamation of the Transferor Company with the Transferee Company ("**Proposed Scheme**"), the Transferor Company and the Transferee Company has appointed Valuer to determine the Share Exchange Ratio (as defined below) and has in terms of the LoE the Transferor Company has requested Fedex Securities Private Limited to examine the Valuation Report issued by the Valuer and other related information provided by the Company and issue our independent opinion as to the fairness of the Share Exchange Ratio ("**Fairness Opinion**") as per the requirements of the relevant SEBI circulars ("**SEBI Circulars**"). This Fairness Opinion is being provided solely to the Board of Directors of the Transferor Company and strictly within this context and is not intended to represent the valuation at which such transaction is carried out, and does not address the Transferor Company (or any other party's) underlying business decision to proceed with or effect any commercial decisions relating to the Proposed Scheme.

As per the Valuation Report dated June 21, 2022, the Valuers have recommended the Share Exchange Ratio as under:

*"For every 100 (Hundred) Equity Shares of face and paid-up value of Rs. 10/- (Ten) held in ATL, 74 (Seventy Four) Equity Shares of face and paid-up value of Rs.10/- in QCL"*

(defined as "**Share Exchange Ratio**")

Further, upon the Scheme of Amalgamation between Greenpiece Landscapes India Private Limited (Transferor Company No.1) (WOS), MFX Infotech Private Limited (Transferor Company No.2) (WOS) and Conneqt Business Solutions Limited (Transferor Company No.3) (WOS) with Quess Corp Limited and their respective Shareholders and Creditors becoming effective, Quess will hold 73.39% of the equity share capital of Allsec. Accordingly, no equity shares shall be issued by the Transferee Company in respect of the shares held by the Transferee Company in the Transferor Company and all such shares shall stand cancelled.

All terms not specifically defined in this Fairness Opinion Report shall carry the same meaning as in the Proposed Scheme.

For avoidance of doubt, this Fairness Opinion is not to be construed as financial advice in relation to the sale of, or subscription for, any shares in the Transferor Company and/or the Transferee Company to any person.

#### **Brief Background of the Proposed Scheme**

The Transferee Company holds 73.39% of the equity share capital of the Transferor Company. The Transferor Company and the Transferee Company operate businesses that complement each other and the Proposed Amalgamation will result in simplified management structure, leading to better administration and reduction in costs from more focused operational efforts, rationalization, standardization and simplification of business processes, elimination of duplication, reduction in multiplicity of legal and regulatory compliances and rationalization of administrative expenses; Pooling of assets, proprietary information, personnel, financial, managerial and technical resources of the companies, thereby contributing to the future growth of the merged entity and simplification of group structure and consolidation of multiple listed companies within the group, amongst other rationale as per the Proposed Scheme.



In view of the aforesaid, the Board of Directors of the Transferor Company and the Transferee Company will consider the Proposed Scheme under the provisions of Section 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013.

#### Proposed Scheme

##### **Amalgamation of the Transferor Company with the Transferee Company**

- Part B of the Proposed Scheme deals with the transfer and vesting of the entire Undertaking (defined hereunder) of the Transferor Company into the Transferee Company.
- Part C of the Proposed Scheme deals with the consideration for the amalgamation and cancellation of shares held by the Transferee Company held in the Transferor Company. Upon the Proposed Scheme becoming effective and upon the amalgamation of the Transferor Company with the Transferee Company in terms of Proposed Scheme, the Transferee Company shall issue and allot, on a proportionate basis to each shareholder of the Transferor Company, other than to the Transferee Company as the shareholder of the Transferor Company, or to their respective heirs, executors, administrators or other legal representatives or the successors in-title, as the case may be, fully paid-up equity share of Rs. 10 (Indian Rupees Ten) each of the Transferee Company by virtue of and in the manner provided in Proposed Scheme.

As per Proposed Scheme, upon the coming into effect of the Scheme, the Transferor Company shall stand dissolved without winding-up, without any further act or deed.

##### **Source of Information**

For the said examination and for arriving at the opinion set forth below, we have received:

1. Valuation Report issued by the Valuer;
2. Draft of the Proposed Scheme;
3. Historical financial information for the year ended 31 March 2022 of the Transferor Company and the Transferee Company;
4. Necessary clarifications, explanations and information from the Valuers; and
5. Necessary explanations and information from the representatives of the Transferor Company and the Transferee Company.

##### **Limitation of Scope and Review**

This Fairness Opinion is confidential and is being provided solely for the benefit of the Board of Directors of the Transferor Company, and shall not confer rights or remedies upon, any shareholder of the Transferor Company or the Transferee Company, or any other person other than the members of the Board of Directors of Transferor Company, or be used for any other purpose. This Opinion may not be used or relied upon by nor is it issued for the benefit of any third party for any purpose whatsoever or disclosed, referred to or communicated by you (in whole or in part) except with our prior written consent in each instance. Provided however, this opinion may only be disclosed to Transferor Company or as may be required under any applicable law in India and may be kept open for inspection by shareholders of the Transferor Company, but we take no responsibility or liability for or arising out of any such disclosure. We specifically disclaim any responsibility to any third party to whom this Letter may be shown or who may acquire a copy of this Letter.

Each recipient acknowledges that some or all of the information contained in the Fairness Opinion is or may be inside information and that the use of such information may be regulated or prohibited by applicable legislation including securities law relating to insider dealing and market abuse and each recipient undertakes not to use any information contained in the opinion for any unlawful purpose.

In this Fairness Opinion, we have assumed and relied upon, without independent verification, the accuracy and completeness of all information supplied or otherwise made available to us either in verbal



or written form, discussed with or reviewed by or for us, or publicly available. We have been given to understand that all information required by us that was relevant for the purpose of our exercise was disclosed to us. We have not conducted any evaluation or appraisal of any assets or liabilities of the Transferor Company or the Transferee Company nor have we evaluated the solvency or fair value of the Transferor Company or the Transferee Company, under any laws relating to bankruptcy, insolvency or similar matters. In addition, we have not assumed any obligation to conduct any physical inspection of the properties or facilities of the Transferor Company or the Transferee Company.

This Fairness Opinion does not factor overall economic environment risk, material adverse change and other risks and is purely based on the information and representations provided to us.

This Fairness Opinion express no view as to, and our Opinion does not address, the underlying business decision of the Transferor Company and the Transferee Company to effect the Proposed Scheme or the merits of the Proposed Scheme. Our Opinion does not constitute a recommendation to any shareholder or creditor of the Transferor Company and the Transferee Company as to how such shareholder or creditor should vote on the Proposed Scheme or any matter related thereto. We are not expressing any opinion herein as to the prices at which the shares of the Transferor Company will trade following the announcement or consummation of the Proposed Scheme or as to the prices at which the shares of the Transferor Company may be transacted.

This Fairness Opinion is not and does not purport to be an appraisal or otherwise reflective of the prices at which any business or securities actually could be ideally bought or sold by any party and are not indicative of actual value or actual future results that might be achieved, which value may be higher or lower than those indicated.

This Fairness Opinion is necessarily based on financial, economic, market and other conditions as in effect on the date of this issuing the Fairness Opinion, and the information made available to us as of, the date hereof, including the capital structure of the Transferor Company and the Transferee Company. We understand the business projections shared by the Companies have factored in the potential impact of COVID-19 pandemic. Hence, we have not considered any additional impact of COVID-19 pandemic on the cash flows of the Transferor Company. It should be understood that subsequent developments may affect this Opinion and that we do not have any obligation to update, revise, or reaffirm this Fairness Opinion.

We assume no responsibility for the legal, tax, accounting or structuring matters including, but not limited to, legal or title concerns. Title to all subject business assets is assumed good and marketable and we would urge the Transferor Company and the Transferee Company to carry out an independent assessment of the same prior to entering into any transaction, after giving due weightage to the results of such assessment. We have further assumed that the Proposed Scheme would be carried out in compliance with applicable laws, rules and regulations.

In the ordinary course of business, we and our affiliates may actively trade or hold securities of companies that may be the subject matter of this Proposed Scheme for our own account or for the account of our customers and, accordingly, may at any time hold long or short position in such securities and may vote at any general meeting as they deem fit. In addition, we and our affiliates maintain relationships with the Transferee Company, the Transferor Company and their respective affiliates

The laws of India govern all matters arising out of or relating to this Fairness Opinion (including, without limitation, its interpretation, construction, performance, and enforcement).

With respect to any suit, action or any other proceedings relating to this Fairness Opinion the courts of competent jurisdiction in India shall have exclusive jurisdiction.

For avoidance of any doubts, it is clarified that fees payable to Fedex Securities Private Limited by the Transferor Company are not in any way contingent upon nature of opinion provided to the Transferor Company.



### **Distribution of this Fairness Opinion**

The Fairness Opinion is addressed to the Board of Directors of the Transferor Company (in its capacity as such) solely for the purpose of providing them with an independent opinion on the fairness of the Valuation as determined by the Valuer and for the purpose of submission to the Stock Exchanges, National Company Law Tribunal along with the application/petition for the Proposed Scheme and such other regulatory authorities under SEBI Circular and /or Companies Act, 2013. The Fairness Opinion shall not be disclosed or referred to publicly or to any third party, other than as required by Indian law (in which case you would provide us a prior written intimation) without our prior written consent. The Fairness Opinion should be read in totality and not in parts. Further, this Fairness Opinion should not be used or quoted for any purpose. If this Fairness Opinion is used by any person other than to whom it is addressed or for any purpose other than the purpose stated hereinabove, then we will not be liable for any consequences thereof. In no circumstances however, will Fedex or its directors, officers, employees and controlling persons of Fedex accept any responsibility or liability including any pecuniary or financial liability to any third party, in any registration statement, prospectus, offering memorandum, annual report, loan agreement or any other agreement or documents given to third parties.

### **Conclusion**

Based on and subject to the foregoing, we are of the opinion that, as of the date hereof, Share Exchange Ratio as recommended by the Valuer, are **Fair** to the Equity Shareholders of the Transferor Company, from a financial point of view.

Yours truly,

**For Fedex Securities Private Limited**



Uday Nair

Director

DIN: 03431884

Place: Mumbai