



talati & talati
Chartered Accountants

December 19, 2018

To,

**The Board of Directors,
Thomas Cook (India) Limited**
Thomas Cook building,
Dr. D. N. Road, Fort,
Mumbai – 400001

**The Board of Directors,
Qess Corp Limited**
Qess House,
3/3/2 Bellandur Gate, Sarjapur
Road, Bengaluru 560103,
Karnataka, India

**The Board of Directors,
Travel Corporation (India) India**
324, Dr. D.N.Road,
Fort, Mumbai – 400001.

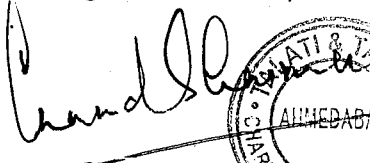
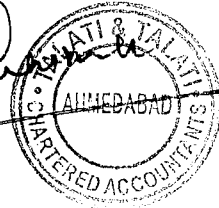
**The Board of Directors,
SOTC Travel Management Private
Limited**
7th Floor, Tower A,
Urmi Estate,
95 Ganpatrao Kadam Marg,
Lower Parel West, Mumbai 400013.

Sub: Addendum to Valuation Report dated October 12, 2018 recommending Share Entitlement and Share Exchange Ratio pursuant to the Composite Scheme of Arrangement and Amalgamation ("Scheme")

Dear Sir,

With respect to your email dated December 19, 2018 and further confirmation that the underlying Draft Composite scheme of arrangement and amalgamation under the provisions of Section 230-232 and other applicable provisions of the Companies Act, 2013 ("Scheme") remains the same and there are no material changes to the reference date and/or any other conditions therein, which merits a review, revisit and reworking of the underlying valuation, we hereby state that the Addendum to Valuation Report issued to you dated October 12, 2018 stands unchanged as at today.

For **Talati & Talati**
Chartered Accountants
(Firm Regn No: 110758W)

Anand Sharma
(Partner)
Mem No: 129033



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Chartered Accountants

To,

Board of Directors
Thomas Cook (India) Limited,
Thomas Cook Building,
Dr. D. N. Road, Fort,
Mumbai - 400001, Maharashtra.

Board of Directors
Travel Corporation (India) Limited,
324, Dr. D.N. Road, Fort,
Mumbai - 400001, Maharashtra.

Board of Directors
SOTC Travel Management Private Limited,
7th Floor, Tower A,
Urmi Estate 95, Lower Parel (West),
Mumbai – 400013, Maharashtra.

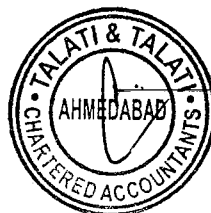
Board of Directors
Quess Corp Limited
3/3/2, Bellandur Gate,
Sarjapur Main Road,
Bangalore–560103, Karnataka.

Sub: Computation of Fair Share Exchange Ratio pursuant to the Composite Scheme of Arrangement and Amalgamation (“Scheme”)

Valuation Approach	QCL		TCIL	
	Value per Share	Weight	Value per	Weight
Asset Approach	-	-	-	-
Income Approach	-	-	205.3	100%
Market Approach	1088.7	100%	-	-
Relative Value per Share	1088.7		205.3	
Exchange Ratio (rounded off)			1,886	

RATIO:

1,886 fully paid equity shares of QCL of INR 10 each for every 10,000 fully paid equity shares of INR 1 of TCIL



Valuation Approach	TCI	
	Value per Share	Weight
Asset Approach	-	-
Income Approach	1203.26	100%
Market Approach	-	-
Relative Value per Share	1203.26	
Exchange Ratio (rounded off)		
Equity Shares	75	
Preference Shares	75	

RATIO:

75 Non-Cumulative Optionally Convertible Redeemable Preference shares ('NCOCPs') of INR 10 of SOTC TRAVEL for every 100 equity shares of INR 10 in TCI;

75 NCOCPs of INR 10 of SOTC TRAVEL for every 100 existing NCOCPs of INR 10 in TCI.

For **Talati & Talati**
Chartered Accountants
(Firm Regn No: 110758W)



Anand Sharma

Anand Sharma
(Partner)
Mem No: 129033

Place: Ahmedabad
Date: 12th October, 2018



talati & talati *Chartered Accountants*

To,
Board of Directors
Thomas Cook (India) Limited,
Thomas Cook Building,
Dr. D. N. Road, Fort,
Mumbai - 400001, Maharashtra.

Board of Directors
Travel Corporation (India) Limited,
324, Dr. D.N. Road, Fort,
Mumbai - 400001, Maharashtra.

Board of Directors
SOTC Travel Management Private Limited,
7th Floor, Tower A,
Urmi Estate 95, Lower Parel (West),
Mumbai - 400013, Maharashtra

Board of Directors
Quess Corp Limited
3/3/2, Bellandur Gate,
Sarjapur Main Road,
Bangalore - 560103, Karnataka

Sub: Addendum to Valuation Report Dated. April 19, 2018 Recommending Share Entitlement and Share Exchange Ratio pursuant to the Composite Scheme of Arrangement and Amalgamation ("Scheme")

Dear Sir / Madam,

We refer to the existing Valuation Report dated. April 19, 2018 ("Valuation Report") recommending share entitlement and share exchange ratio pursuant to the composite scheme of arrangement and amalgamation ("Scheme").

Based on letter received from Thomas Cook (India) Limited ("TCIL") and Quess Corp Limited ("QCL") dated. August 8, 2018, we understand that pursuant to Clause 38 of the Scheme, all ESOPs which were not granted under the various existing ESOP Scheme of TCIL were to lapse automatically. This included the 6,47,633 ungranted options comprised under the ESOP 2013 Scheme in Clause 38 which were also mentioned in the Schedule to the Scheme (which gives details of the ungranted options under the various ESOP Schemes of TCIL that were to lapse). However, in fact, these were to continue along with the New ESOP Schemes of 2018 and were never to get cancelled/lapsed.

The share exchange ratio for the Demerger of Human Resource Services Business ("Demerged Undertaking 2") of TCIL into QCL on a going concern basis shall stand amended taking into consideration the continuation of employee stock options (ESOP's) under the ESOP 2013 Scheme alongwith the New ESOP Schemes of 2018 of TCIL. The dilutive impact to the extent of 10,725,569 equity shares was considered on account of ESOP's in Valuation Report. The amended dilutive equity shares stand at 11,373,202 on account of continuation of employee stock options (ESOP's) under the ESOP 2013 Scheme alongwith the New ESOP Schemes of 2018 as determined by the management of TCIL post the issue of Valuation Report.

The amended share exchange ratio shall be as follows:

Demerger of Demerged Undertaking 2 into QCL on a going concern basis;

As per the proposed scheme, Demerged Undertaking 2 shall be transferred to and vested in QCL on a going concern basis.

As per the proposed Scheme, in consideration of the transfer and vesting of Demerged Undertaking 2, QCL to issue equity shares to shareholders of TCIL.

On the basis of foregoing and on consideration of all the relevant factors and circumstances (as discussed and outlined in valuation report dated. April 19, 2018), the share entitlement ratio in consideration of transfer and vesting of Demerged Undertaking 2 to be as follows:

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MUMBAI : 9867353743 DELHI (O11) 32553900 INDORE (073) 4257344



- **For Demerger of Demerged Undertaking 2 in QCL:**

1886 fully paid equity shares of INR 10 each of QCL to for every 10,000 fully paid equity shares of INR 1 each of TCIL to Shareholders of TCIL.
(Details as per Annexure A)

The addendum shall be in addition to and should be considered a part of Valuation Report dated. April 19, 2018. All other facts and figures except the change as provided by this Addendum mentioned in valuation report dated. April 19, 2018 shall continue to be in full force and effect. The Addendum along with the valuation report dated. April 19, 2018 shall constitute the valuation report for the purpose of the Scheme.

For Talati & Talati
Chartered Accountants
(Firm Regn No: 110758W)



A handwritten signature in black ink, appearing to read "Anand Sharma".

Anand Sharma
(Partner)
Mem No: 129033

Place: Ahmedabad
Date: 12th October, 2018

Annexure A

Entitlement ratio for Demerger of Demerged Undertaking 2 into QCL as at valuation date:

Method	Qess		TCIL	
	No. of shares	Value per share	Value per share	Weights
	145,484,178		378,413,004	
A) QCL - Pref Allotment Guidelines		1,088.7		100%
B) Demerged Undertaking 2 - DCF and Pref Allotment Guidelines			205.3	100%
Weighted Average Price		1,088.7	205.3	100%
Share Entitlement Ratio		10000	1886	

For every 10000 shares in TCIL 1886 shares shall be allotted as a consideration towards Demerged Undertaking 2

Valuation of Demerged Undertaking 2 as at valuation date

Income Approach (INR in Millions)

1. Free Cash Flow to Firm (FCFF):

Particulars	3Mended FY 2018	Projection period				Terminal Value
		FY 2019	FY 2020	FY 2021	FY 2022	
Revenue	13.3	79.6	87.5	96.3	105.9	109.1
EBIT	(0.1)	9.0	10.1	11.3	12.6	12.9
Less: Income Taxes	34.94%	-	3.1	3.9	4.4	4.5
EBIT Less Tax		(0.1)	5.8	6.6	7.4	8.2
Add: Depreciation		0.3	1.4	1.3	1.3	1.2
Less: Capital Expenditure		(0.0)	(0.0)	(0.0)	(0.0)	-
Add / (Less): Changes in Working Capital		0.0	(0.2)	0.0	0.0	0.0
Free Cashflows		0.3	7.0	7.9	8.6	9.4
Time to Midpoint	19.65%	0.12	0.75	1.75	2.75	3.75
Discount Rate		0.98	0.87	0.73	0.61	0.51
Discounted Cash Flow		0.3	6.1	5.8	5.3	4.8
						50.8

(INR in Millions)

Present value of FCFF of the projection period	22.3
Present value of perpetuity	25.9
Enterprise Value	48.2
Add: Cash & cash equivalents	0.5
Add: Fair value of investments in Qess Corp Limited	77,652.2
Equity Value	77,700.9

Valuation of shares of QCL as at valuation date

Pref Allotment Guidelines

As on 31 December 2017

2 weeks - Close

Dates	Average	High	Low	Average
29-Dec-17	1151.5	1151.5	1087.5	1119.5
28-Dec-17	1131			
27-Dec-17	1088.7			
26-Dec-17	1087.5			
22-Dec-17	1079.2	1079.2	1036.8	1058.0
21-Dec-17	1074.9			
20-Dec-17	1064.6			
19-Dec-17	1051.1			
18-Dec-17	1036.8			
Average of weekly high and low of the VWAP over 2 weeks				1088.7

