

Summary Report on Valuation of Investments

GIF Eduserve Private Limited

Private & confidential

June 2017

Details of plots proposed to be transferred

SUMMARY OF PLOTS AND VALUATION

Summary:

In the below paragraphs we have summarized the details of the plots proposed to be taken over by GIF Eduserve and also the basis of valuation of these plots as on 31.03.2013.

Plot 1 – Jointly owned by Sneha Sajen and Roshan Joyce

Total Area	-	181.5 cents
Purchase cost	-	45.72 lakhs
Date of purchase	-	17.09.2004

Brief facts:

Land leased to SJECT. Land investment was shown as investment in GEMS.

Plot 2 – Owned by Shena Sajen

Total Area	-	19.95 cents
Purchase cost	-	Not Known
Date of purchase	-	????

Brief facts:

Land leased to SJECT. The land cost was not brought into GEMS as per the investment details of GEMS provided to us.

Plot 3 – Owned by Sajen John

Total Area	-	16.5 cents
Purchase cost	-	Not Known
Date of purchase	-	????

Brief facts:

Land leased to SJECT. The land cost was not brought into GEMS as per the investment details of GEMS provided to us.

Plot 7 – Land purchased from third party for fulfilling statutory requirement on temporary basis

Cost incurred by Sajen John	-	12.79 lakhs	Year in which cost incurred	-	2010-11
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Brief facts:

As per the communication received by us, this cost was incurred by Sajen John personally so as to obtain NOC from Govt. of Kerala and includes stamp paper, land registration costs, travel expenditure and other allied costs. Document supporting such costs are yet to be verified.

Valuation of Land:

Market rate of land as per valuation report on 02.05.2013 - 4 lakhs/cent

Rate of land purchased by GIF in 2013 -3.27 lakhs/cent
(Document supporting the above price was not verified)

As per the communication received from Sajen John, the rate at which Plot 1 was to be transferred was agreed to be Rs. 4 lakhs/cent between members of GEMS and GIF. No supporting document in relation to this was made available.

Hence, market value of the plots to be transferred is taken as Rs. 4 lakhs/cent on the basis of valuation report.

Costs related to Plot 7 were taken at actuals and added to investment of Sajen John in GEMS for the year 2010-11

Interest rate applied for investment appreciation

INTEREST RATES

Summary:

The interest rates for appreciation of the investments made by the partners of GEMS from 2004-05 to 2012-13 and the shareholders of GIF for the period 2012-13 have been taken on the basis of the historical Benchmark Prime Lending Rate (BPLR) of State Bank of India.

We are of the opinion that applying this rate is prudent rather than applying an arbitrary rate of 12% but it is ultimately upto the combined decision of partners of GEMS and GIF whether to follow these rate or to apply the 12% interest rate as orally agreed between the parties.

The below table shows the average BPLR rates prevalent during the years:

Year	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Rate	10.30	10.25	10.25	11.09	12.69	12.79	11.87	12.26	14.40	14.61

Investment details of GEMS

INVESTMENT DETAILS OF PARTNERS OF GEMS

Base data:

The summary of data provided by Mr. Sajen in relation to the investment by the respective partners of GEMS in form of cash/bank, contribution to land, contribution to working capital etc.. are given below:

Party	Investment
Sneha Sajen	1,43,67,202.00
Sajen John	2,41,01,636.00
Roshan Joyce	3,59,978.00
John Kurien	15,00,000.00
Mukundakumar N.V	40,32,602.00
Evanjelist Pathrose	45,00,000.00
Total	4,88,61,418.00

In this table the investment by the various partners in form of contribution to GEMS, contribution to SJECT, estimated salary to Mr. Sajen and Mrs. Sneha and the estimated expenses incurred by Mr. Sajen for the period 2004-05 to 2016-17 have been summarized.

The estimate lease rent cost and cost of purchase of Plot 1 have not been considered in this table as we are of the opinion that the same will be factored in once the market value of the proposed plots to be transferred are considered separately.

Purchase cost of Plot 1 amounting to Rs. 45.72 lakhs has been excluded in this table. It is assumed that the purchase cost of Plot 2 and Plot 3 were not included in the investment details provided to us.

Add:

Market Value of Plot1, 2,3 and costs in relation to Plot 7

Please refer page 2 for details for basis of value of Plots.

Party	Value of Land as on 31.03.2013	Remarks
Sneha Sajen	4,48,53,185.14	Includes share of Plot 1 and Plot 2.
Sajen John	78,79,000.00	Includes share of Plot 3.
Roshan Joyce	3,57,26,814.86	Includes share of Plot 1.
Total	8,84,59,000.00	

Value of Land as on 31.03.2013 has been arrived at at Rs. 4 lakhs per cent.

It is in our opinion that all the plots proposed to be transferred should be valued at the same price irrespective of the commercial specification of the plot.

Actual investments including value of plots

Party	Investment
Sneha Sajen	5,92,20,387.14
Sajen John	3,19,80,636.00
Roshan Joyce	3,60,86,792.86
John Kurien	15,00,000.00
Mukundakumar N.V	40,32,602.00
Evanjelist Pathrose	45,00,000.00
Total	13,73,20,418.00

INVESTMENT DETAILS – SPLITTING OF GOODWILL PORTION GEMS

Summary:

The investment as given in the previous page has been split into 2 period i.e Investments prior to 31.03.2013 and after 31.03.2013. On the basis of this split up, the investments made during the period 2004-05 to 2012-13 was appreciated on the basis of the yearly interest rate as given in page 4. Thereby the value of the appreciated investment of the partners of GEMS including the market value of land is arrived at as below:

Party	Appreciated Inv. Value till 31.03.2013
Sneha Sajen	6,23,21,215.13
Sajen John	4,85,05,623.33
Roshan Joyce	3,64,94,147.28
John Kurien	32,55,421.04
Mukundakumar N.V	74,02,633.34
Evanjelist Pathrose	66,23,782.79
Total	16,46,02,822.91

As per the MOU with GIF the 70% of the value of investment of GEMS will be issued as share capital in GIF Eduserve and the balance will be treated as goodwill.

On the basis of this we have split the figures as given in the table to the right:

Party	Appreciated Inv. Value till 31.03.2013	70% to be issued as Shares	30% as Goodwill
Sneha Sajen	6,23,21,215.13	4,36,24,850.59	1,86,96,364.54
Sajen John	4,85,05,623.33	3,39,53,936.33	1,45,51,687.00
Roshan Joyce	3,64,94,147.28	2,55,45,903.09	1,09,48,244.18
John Kurien	32,55,421.04	22,78,794.73	9,76,626.31
Mukundakumar N.V	74,02,633.34	51,81,843.34	22,20,790.00
Evanjelist Pathrose	66,23,782.79	46,36,647.96	19,87,134.84
Total	16,46,02,822.91	11,52,21,976.04	4,93,80,846.87

The investments after 31.03.2013 have not been appreciated and has been taken at actual costs. The details of such additional investments in GEMS are:

Party	Additional Inv. For period 01.04.2013 to 31.03.2017
Sneha Sajen	33,30,942.00
Sajen John	45,62,231.00
Roshan Joyce	-
John Kurien	-
Mukundakumar N.V	-
Evanjelist Pathrose	-
Total	78,93,173.00

Investment details of Shareholders of GIF

INVESTMENT DETAILS OF SHAREHOLDERS OF GIF

Base data:

The summary of data provided by Mr. Sajen in relation to the investment by the respective shareholder of GIF Eduserve in form of share capital, loan and goodwill are as follows:

Party	Appreciated Inv. Value till 31.03.2013	Additional Inv. For period 01.04.2013 to 31.03.2017	Goodwill
Ajeesh Kuruvilla	5,73,074.66	-	5,00,000.00
B. Gopalakrishnan Nair	28,65,373.29	44,50,000.00	50,00,000.00
Chandran Velayudhan	-	15,00,000.00	15,00,000.00
Evanjelist Pathrose	5,73,074.66	-	5,00,000.00
Girish K. Variar	-	17,50,000.00	17,50,000.00
John Emmanuel	14,32,686.64	17,50,000.00	25,00,000.00
Joseph Edacheril James	-	5,00,000.00	5,00,000.00
Joseph John	11,46,149.32	2,50,000.00	12,50,000.00
Jyothi Mallery	-	57,50,000.00	52,50,000.00
Manu P. Sam	1,14,614.93	-	1,00,000.00
Mathew Kavalam	10,08,152.94	31,20,500.00	25,00,100.00
Mukesh K. Haneefa	-	25,00,000.00	25,00,000.00
Mukundakumar. N.V	8,59,611.99	24,50,000.00	12,00,000.00
Nasimudeen Ebrahim	-	10,00,000.00	10,00,000.00
Navaneetha Krishnan. J	-	30,00,000.00	30,00,000.00
Nujum Navaz	5,73,074.66	15,00,000.00	15,00,000.00
Omar Malikka Barkath	-	23,25,000.00	18,25,000.00
Sajen John	1,14,614.93	17,00,000.00	-
Sneha Sajen	1,19,199.53	2,00,000.00	-
Thomas V. J	31,51,910.62	37,50,000.00	50,00,000.00
Total	1,25,31,538.15	3,74,95,500.00	3,73,75,100.00

The investments made by shareholder of GIF prior to 31.03.2013 have been appreciated using the same rate of interest as applied for the partners of GEMS.

Investments consist of amounts received as share capital as well as loans from the respective person.

Such investments received after 31.03.2013 have not been appreciated.

Goodwill for the respective person was taken on the basis of the figures provided by Mr. Sajen.

Consolidated investor summary as on 31.03.2017

INVESTMENT DETAILS – CONSOLIDATED AND PENDING MATTERS

Summary:

The consolidated investment and goodwill as at 31.03.2017 of partners of GEMS and shareholders of GIF considering the valuation as stated earlier will be as follows:

Party	Investment Amount	Goodwill	% of shares in GIF after 31.03.2017
Sneha Sajen	4,72,74,992.12	1,86,96,364.54	27.30%
Sajen John	4,03,30,782.26	1,45,51,687.00	23.29%
Roshan Joyce	2,55,45,903.09	1,09,48,244.18	14.75%
John Kurien	22,78,794.73	9,76,626.31	1.32%
Mukundakumar N.V	84,91,455.33	34,20,790.00	4.90%
Evanjelist Pathrose	52,09,722.61	24,87,134.84	3.01%
Ajeesh Kuruvilla	5,73,074.66	5,00,000.00	0.33%
B. Gopalakrishnan Nair	73,15,373.29	50,00,000.00	4.23%
Chandran Velayudhan	15,00,000.00	15,00,000.00	0.87%
Girish K. Variar	17,50,000.00	17,50,000.00	1.01%
John Emmanuel	31,82,686.64	25,00,000.00	1.84%
Joseph Edacheril James	5,00,000.00	5,00,000.00	0.29%
Joseph John	13,96,149.32	12,50,000.00	0.81%
Jyothi Mallery	57,50,000.00	52,50,000.00	3.32%
Manu P. Sam	1,14,614.93	1,00,000.00	0.07%
Mathew Kavalam	41,28,652.94	25,00,100.00	2.38%
Mukesh K. Haneefa	25,00,000.00	25,00,000.00	1.44%
Nasimudeen Ebrahim	10,00,000.00	10,00,000.00	0.58%
Navaneetha Krishnan. J	30,00,000.00	30,00,000.00	1.73%
Nujum Navaz	20,73,074.66	15,00,000.00	1.20%
Omar Malikka Barkath	23,25,000.00	18,25,000.00	1.34%
Thomas Valamparambil	69,01,910.62	50,00,000.00	3.99%
Total	17,31,42,187.19	8,67,55,946.87	100.00%

Pending Matters:

1. The details of investments and the supporting documents in relation to both GIF and GEMS are to be verified.
2. The details of actual cost of land purchase by GIF has to be verified.
3. The market value of land as on 31.03.2013 which was fixed at Rs. 4 lakhs will have to be ratified by the shareholders of GIF.
4. The income tax accruing to partners of GEMS has not been factored in while computing the figures as given in this table. This could be done once the final investment figures are arrived at on the basis of our discussion.