

Report on Valuation of Investments

GIF Eduserve Private Limited

Private & confidential

August 2017

Dear Mr. Sajen,

We have performed the work set out as per our proposal in relation to business valuation. The findings of the engagement are presented in the attached report. Our work entailed Determination of value of the assets of partners of GEMS and shareholders of GIF Eduserve as on 31st March 2017.

Scope and nature of our work

Our scope included identifying the appropriate technique to value the assets and liabilities of GIF Eduserve, investment by GEMS and SJECT and valuing the business as on 31st March 2017. For this purpose the investment made by individual parties to the respective entities have been obtained and compared with the available audited statement provided to us.

Information and data used

The management of GIF Eduserve is solely responsible for all the information used in our work and provided in this report. The information in the report has not been subjected to verification procedures nor have we sought to establish the reliability of information given to us except as specifically stated in the report. Consequently, we give no assurance or opinion on the accuracy or completion of the information contained in the report beyond its extraction from the identified sources.

References to GJA do not indicate that we take any responsibility for the information concerned or are assembling or associating ourselves with any financial information.

In the following sections we have described about various aspects covered under our scope.

In performing our work we have relied entirely on the following :

Investment details of partners of GEMS made available to us by mode of excel sheets, audited financial statements of SJECT , additional investment into SJECT not recorded in the books of accounts of SJECT provided as excel workings, details of investments to share capital and goodwill by shareholders of GIF Eduserve provided in excel sheet and valuation reports of land & building.

We have, within our report disclosed the sources of the information presented. We have not sought to establish the reliability of these sources with reference to independent evidence. We have analyzed the information made available and to the extent possible, have satisfied ourselves that the information presented is consistent with other information provided to us during the course of our work.

In performing our work, we have assumed the genuineness of all signatures and the authenticity of all documents submitted to us, whether original or in copies.

Further we have assumed that all the explanations provided to us by the Management reflect the factual position.

Our report

Our report should be read in its entirety for a full understanding of our findings. Our conclusions are based on the findings derived from our analysis of information received.

Restrictions on the use of the report

This report should not be regarded as suitable for use by any person or persons other than the members of GIF Eduserve and GEMS. A party, other than the Client may rely on this report only if it has executed a hold harmless letter with GJA. If you have not executed a formal hold harmless letter with GJA you may not rely upon this report. If you have not executed a hold harmless letter with GJA, please note that GJA:

- owes you no duty (whether in contract or in tort or under statute or otherwise) with respect to or in connection with the attached report or any part thereof; and

- will have no liability to you for any loss or damage suffered or costs incurred by you or any other person arising out of or in connection with the provision of the attached report or any part thereof, however the loss or damage is caused, including, but not limited to, as a result of negligence but not as a result of the fraud or dishonesty of GJA.

If you have not executed a hold harmless letter with GJA and you wish to rely upon the attached report or any part thereof you will do so entirely at your own risk.

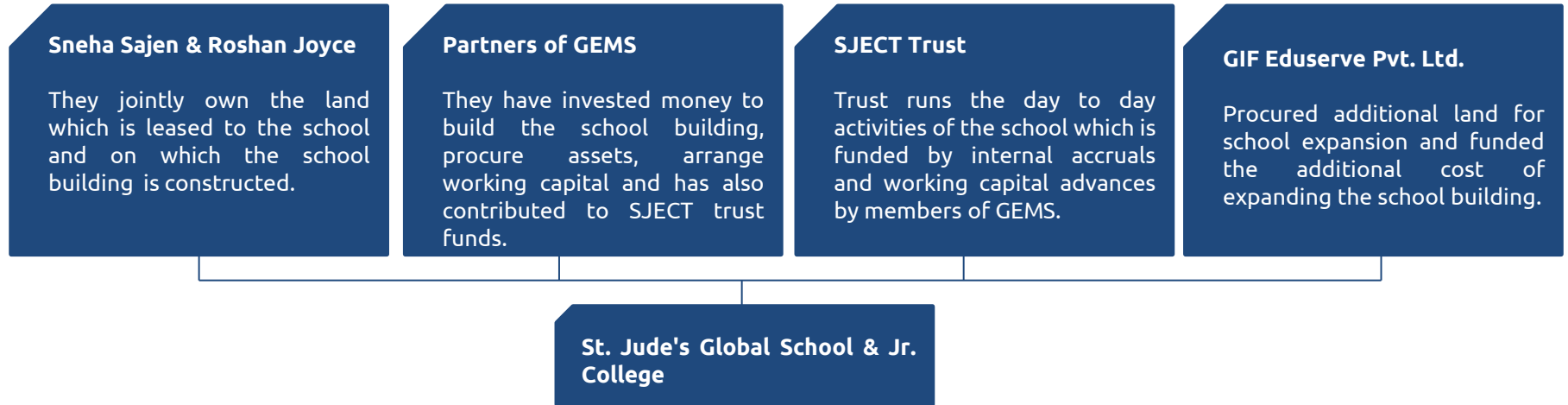
Yours faithfully

G Joseph & Associates
Raphael Sharon
Partner

Methodology – Business Valuation

EXISTING STRUCTURE

Structure of the entities owning the various assets of the school are as given below:



On the basis of Memorandum on Understanding signed by the Partners of GEMS and shareholders of GIF Eduserve now the entire assets including land, building and other assets are to be consolidated under one entity, i.e GIF Eduserve Private Limited. The investors from whom the assets will be taken over by GIF Eduserve will be compensated by mode of issue of shares in the Company. After this process there will be only two entities as given below:



METHOD APPLIED FOR VALUATION | SUMMARY

In the below paragraphs we have summarized the method used to value the investment value of individual investors of GIF Eduserve and GEMS.

GEMS – Investment made by Partners

Date wise investment made by partners of GEMS, excluding investment in land, was obtained for the period beginning from 2004-05 to 2016-17.

Less:

Investment made after 31.03.2013 transferred as GIF Eduserve investment.

Appreciated value of investment

as on 31.03.2017 worked out by applying bank interest rate.

100% of appreciated value to be issued as Share capital

(As per MOU and clarification email issued to us in this regard.)

GIF Eduserve – Investment made by shareholders

Date wise investment into the Company in form of contribution to capital, goodwill and as loan was obtained for the period 2012-13 to 2016-17.

Add:

Investment made after 31.03.2013 transferred as GIF Eduserve investment.

Appreciated value of investment

as on 31.03.2017 worked out by applying bank interest rate.

50% of appreciated value to be issued as Share capital

50% of appreciated value to be treated as Goodwill Deposit

Investment in Land (Plot 1 – Sneha Sajen & Roshan Joyce)

The fair value of land as on 31.03.2013 was established so as to apportion the same to respective partner.

Appreciated value of investment

as on 31.03.2017 worked out by applying bank interest rate.

70% of appreciated value to be issued as Share capital

30% of appreciated value to be treated as Goodwill Deposit

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 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

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 2016-17 and the shareholders of GIF for the period 2012-13 to 2016-17 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
Rate	10.30	10.25	10.25	11.09	12.69	12.79	11.87	12.26

Year	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Rate	14.40	14.61	14.61	14.75	14.29	14.05

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	2,39,81,824
Sajen John	1,45,78,207
Roshan Joyce	3,59,978
John Kurien	15,00,000
Mukundakumar N.V	40,00,000
Evanjelist Pathrose	45,00,000
Total	4,89,20,009

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 personal 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 plot to be transferred is considered separately.

The lease rental cost for Plot 2 has been considered as interest foregone on the investment by Sneha Sajen of Rs. 57 lakhs in the land.

Add:

Market Value of Plot1 as on
31.03.2013

Please refer page 7 for details for basis of value of Plots.

Party	Value of Land as on 31.03.2013
Sneha Sajen	3,68,73,185
Roshan Joyce	3,57,26,815
Total	7,26,00,000

Value of Land as on 31.03.2013 has been arrived at Rs. 4 lakhs per cent on the basis of the email communication dated 15.05.2017.

Actual investments including value of plots

Party	Investment
Sneha Sajen	6,08,55,009
Sajen John	1,45,78,207
Roshan Joyce	3,60,86,793
John Kurien	15,00,000
Mukundakumar N.V	40,00,000
Evanjelist Pathrose	45,00,000
Total	12,15,20,009

Appreciated
value of
investment
on 31.03.2017

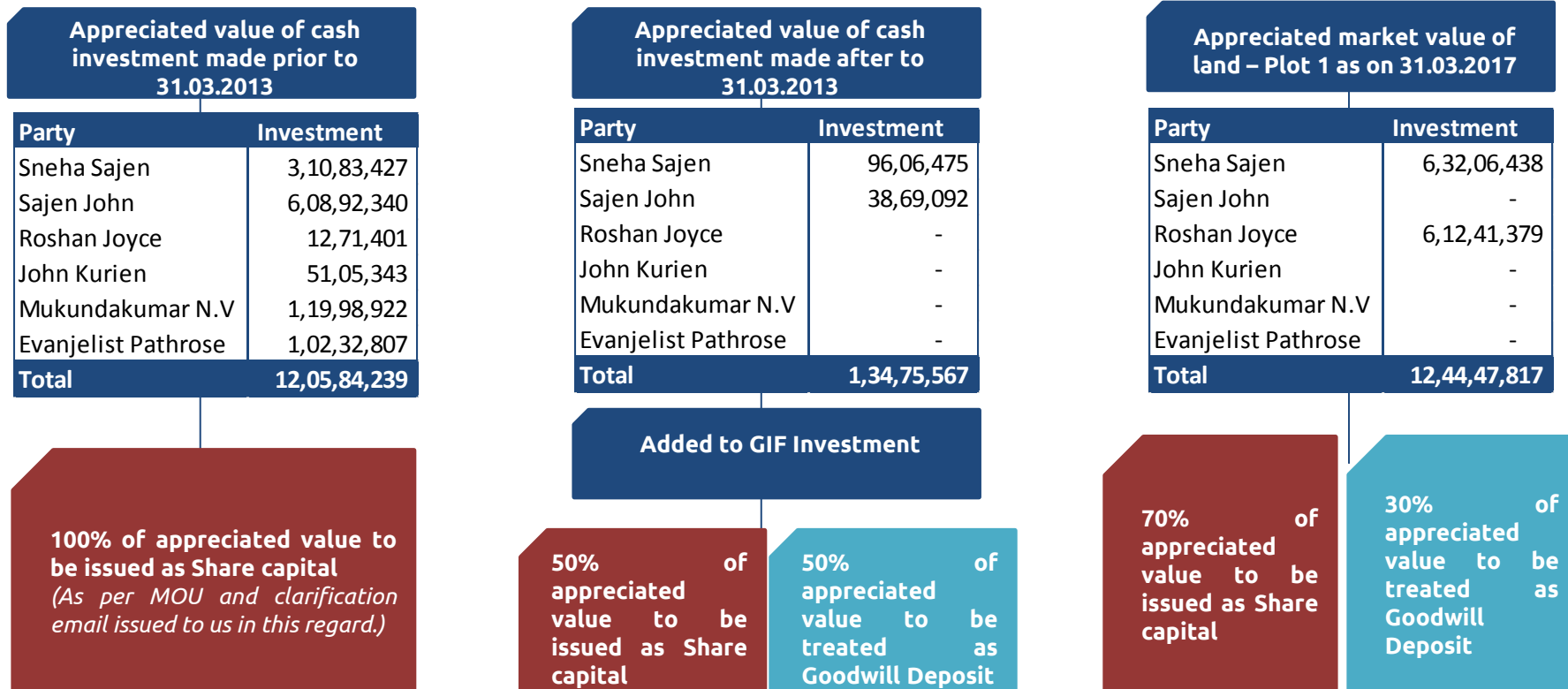
Party	Appreciated Inv. Value	Appreciated Value of Land
Sneha Sajen	4,06,89,901	6,32,06,438
Sajen John	6,47,61,432	-
Roshan Joyce	12,71,401	6,12,41,379
John Kurien	51,05,343	-
Mukundakumar N.V	1,19,98,922	-
Evanjelist Pathrose	1,02,32,807	-
Total	13,40,59,806	12,44,47,817

INVESTMENT DETAILS – SPLITTING OF GOODWILL PORTION GEMS

Summary:

- The investment as given in the previous page has been appreciated using the bank rates as given in [Page 7](#) and been split into 3 parts.
- Cash investments made prior to 31.03.2013 – Treated as investment by GEMS and no goodwill apportionment is done to this part.
 - Cash investments made after 31.03.2013 – Treated as investment in GIF as same treatment of goodwill apportionment is done as for GIF members.
 - Market value of investment in land as on 31.03.2013 – Goodwill apportionment done on the basis of the MOU.

The appreciated value of these 3 parts are as under:



Investment details of Shareholders of GIF

INVESTMENT DETAILS OF SHAREHOLDERS OF GIF

Base data:

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

Base data as provided by management		Appreciated value of investment on 31.03.2017	Investment value as on 31.03.2017	
Party	Investment value	<p>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.</p> <p>Investments consist of amounts received as share capital as well as loans from the respective person.</p> <p>Goodwill and loan for the respective person was taken on the basis of the figures as provided to us.</p> <p>The figures given as the base data has not been verified with the books of accounts or financial statements of GIF.</p>	Party	Appreciated Inv. Value
Ajeesh Kuruville	10,00,000.00		Ajeesh Kuruville	17,53,108.42
B. Gopalakrishnan Nair	1,19,50,000.00		B. Gopalakrishnan Nair	1,87,43,700.09
Chandran Velayudhan	30,00,000.00		Chandran Velayudhan	41,95,909.24
Evanjelist Pathrose	10,00,000.00		Evanjelist Pathrose	17,64,948.20
Girish K. Variar	35,00,000.00		Girish K. Variar	45,50,563.24
John Emmanuel	55,00,000.00		John Emmanuel	89,87,233.35
Joseph Edacheril James	10,00,000.00		Joseph Edacheril James	13,62,432.37
Joseph John	25,00,000.00		Joseph John	43,26,842.65
Jyothi Mallery	1,10,00,000.00		Jyothi Mallery	1,46,74,916.37
Manu P. Sam	2,00,000.00		Manu P. Sam	3,52,303.28
Mathew Kavalam	65,00,200.00		Mathew Kavalam	1,01,46,447.47
Mukesh K. Haneefa	50,00,000.00		Mukesh K. Haneefa	60,68,445.71
Mkundakumar. N.V	44,00,000.00		Mkundakumar. N.V	64,98,342.30
Nasimudeen Ebrahim	20,00,000.00		Nasimudeen Ebrahim	27,27,287.71
Navaneetha Krishnan. J	60,00,000.00		Navaneetha Krishnan. J	82,55,994.02
Nujum Navaz	35,00,000.00		Nujum Navaz	52,38,610.08
Omar Malikka Barkath	41,50,000.00		Omar Malikka Barkath	53,33,452.09
Sajen John	18,00,000.00		Sajen John	19,58,149.22
Sneha Sajen	3,04,000.00		Sneha Sajen	4,36,877.01
Thomas Valamparambil Joseph	1,15,00,000.00	Thomas Valamparambil Joseph	1,88,93,017.52	
Total	8,58,04,200.00	Total	12,62,68,580.34	

INVESTMENT DETAILS – SPLITTING OF GOODWILL PORTION GIF

Summary:

The appreciated investment value as given in the previous page has been adjusted with the following:

- Appreciated value of cash investment of partners of GEMS after 31.03.2013 has been added to the investment of GIF.
- Goodwill apportionment of appreciated investment value has been done on the basis of the MOU.

Appreciated value of cash investment as at 31.03.2017									
Add: Appreciated value of investment of Partner's of GEMS after 31.03.2013									
50% of appreciated value to be issued as Share capital		50% of appreciated value to be treated as Goodwill Deposit							
		Party	Appreciated Inv. Value till 31.03.2017	Appreciated Value of Inv after 01.04.2013	Total Appreciated Value of Investment	50% of Inv. To be issued as Shares	50% of Inv. To be issued as Goodwill		
		Sneha Sajen	4,36,877	96,06,475	1,00,43,352	50,21,676	50,21,676		
		Sajen John	19,58,149	38,69,092	58,27,241	29,13,621	29,13,621		
		Mukundakumar. N.V	64,98,342	-	64,98,342	32,49,171	32,49,171		
		Evanjelist Pathrose	17,64,948	-	17,64,948	8,82,474	8,82,474		
		Ajeesh Kuruvilla	17,53,108	-	17,53,108	8,76,554	8,76,554		
		B. Gopalakrishnan Nair	1,87,43,700	-	1,87,43,700	93,71,850	93,71,850		
		Chandran Velayudhan	41,95,909	-	41,95,909	20,97,955	20,97,955		
		Girish K. Variar	45,50,563	-	45,50,563	22,75,282	22,75,282		
		John Emmanuel	89,87,233	-	89,87,233	44,93,617	44,93,617		
		Joseph Edacheril James	13,62,432	-	13,62,432	6,81,216	6,81,216		
		Joseph John	43,26,843	-	43,26,843	21,63,421	21,63,421		
		Jyothi Mallery	1,46,74,916	-	1,46,74,916	73,37,458	73,37,458		
		Manu P. Sam	3,52,303	-	3,52,303	1,76,152	1,76,152		
		Mathew Kavalam	1,01,46,447	-	1,01,46,447	50,73,224	50,73,224		
		Mukesh K. Haneefa	60,68,446	-	60,68,446	30,34,223	30,34,223		
		Nasimudeen Ebrahim	27,27,288	-	27,27,288	13,63,644	13,63,644		
		Navaneetha Krishnan. J	82,55,994	-	82,55,994	41,27,997	41,27,997		
		Nujum Navaz	52,38,610	-	52,38,610	26,19,305	26,19,305		
		Omar Malikka Barkath	53,33,452	-	53,33,452	26,66,726	26,66,726		
		Thomas Valamparambil	1,88,93,018	-	1,88,93,018	94,46,509	94,46,509		
		Total	12,62,68,580	1,34,75,567	13,97,44,147	6,98,72,074	6,98,72,074		

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	8,03,49,609.08	2,39,83,607.27	28.95%
Sajen John	6,38,05,960.46	29,13,620.63	22.99%
Roshan Joyce	4,41,40,366.61	1,83,72,413.69	15.90%
John Kurien	51,05,343.09	-	1.84%
Mukundakumar N.V	1,52,48,092.73	32,49,171.15	5.49%
Evanjelist Pathrose	1,11,15,281.02	8,82,474.10	4.00%
Ajeesh Kuruvilla	8,76,554.21	8,76,554.21	0.32%
B. Gopalakrishnan Nair	93,71,850.05	93,71,850.05	3.38%
Chandran Velayudhan	20,97,954.62	20,97,954.62	0.76%
Girish K. Variar	22,75,281.62	22,75,281.62	0.82%
John Emmanuel	44,93,616.68	44,93,616.68	1.62%
Joseph Edacheril James	6,81,216.19	6,81,216.19	0.25%
Joseph John	21,63,421.32	21,63,421.32	0.78%
Jyothi Mallery	73,37,458.19	73,37,458.19	2.64%
Manu P. Sam	1,76,151.64	1,76,151.64	0.06%
Mathew Kavalam	50,73,223.74	50,73,223.74	1.83%
Mukesh K. Haneefa	30,34,222.86	30,34,222.86	1.09%
Nasimudeen Ebrahim	13,63,643.85	13,63,643.85	0.49%
Navaneetha Krishnan. J	41,27,997.01	41,27,997.01	1.49%
Nujum Navaz	26,19,305.04	26,19,305.04	0.94%
Omar Malikka Barkath	26,66,726.04	26,66,726.04	0.96%
Thomas Valamparambil	94,46,508.76	94,46,508.76	3.40%
Total	27,75,69,784.80	10,72,06,418.65	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.