

**Educomp Child Care Pvt. Ltd.**  
**Balance Sheet as at 31st March, 2010**

(Amount in Rupees)

|  | Schedule | As at<br>31st March,<br>2010 | As at<br>31st March, 2009 |
|--|----------|------------------------------|---------------------------|
| <b>Sources of funds</b>  |          |                              |                           |
| <b>Shareholders' funds</b>   |          |                              |                           |
| Share capital  | 1        | 94,802,390                   | 100,000                   |
| Share Application Money  |          | 12,723,077                   | -                         |
| <b>Loan Funds</b>  |          |                              |                           |
| Unsecured Loans  |          | -                            | 189,200                   |
| <b>Deferred tax liability (Net)</b><br>(refer note 2 (v), schedule 12) |          | (3,814,751)                  | -                         |
|  |          | <b>103,710,716</b>           | <b>289,200</b>            |
| <b>Application of funds</b>  |          |                              |                           |
| <b>Fixed assets</b>  |          |                              |                           |
| Gross Block  | 2        | 70,199,469                   | -                         |
| Less: Accumulated depreciation/amortisation                            |          | 3,935,352                    | -                         |
| Net block  |          | 66,264,117                   | -                         |
| (refer note 1 (iv), schedule 12)                                       |          |                              |                           |
| <b>Current assets, loans and advances</b>                              |          |                              |                           |
| Inventories  | 3        | 18,382,514                   | -                         |
| Sundry debtors   |          | 6,663,669                    | -                         |
| Cash and bank balances   |          | 3,669,330                    | 99,250                    |
| Loans and advances   |          | 13,813,942                   | -                         |
| Other current assets   |          | -                            | -                         |
|  |          | 42,529,454                   | 99,250                    |
| <b>Less : Current liabilities and provisions</b>                       |          |                              |                           |
| Liabilities  | 4        | 19,906,397                   | 16,545                    |
| Provisions   |          | 967,759                      | -                         |
|  |          | 20,874,156                   | 16,545                    |
| <b>Net current assets</b>  |          | 21,655,299                   | 82,705                    |
| <b>Miscellaneous Expenditure</b>                                       |          |                              |                           |
| [to the extent not written off or adjusted]                            | 5        | -                            | 206,495                   |
| Profit & Loss Account  |          | 15,791,300                   | -                         |
|  |          | <b>103,710,716</b>           | <b>289,200</b>            |

**Educomp Child Care Pvt. Ltd.**  
**Profit and Loss Account for the Period ended 31st March , 2010**

(Amount in Rupees)

|   | Schedule | 31st March,<br>2010 | 31st March 2009 |
|---|----------|---------------------|-----------------|
| <b>Income</b>                           |          |                     |                 |
| Sales & Service income                  | 6        | 29,766,815          | -               |
| Other income                            | 7        | 795,943             | -               |
|   |          | <b>30,562,759</b>   | <b>-</b>        |
| <b>Expenditure</b>                      |          |                     |                 |
| Cost of goods sold                      | 8        | 5,842,743           | -               |
| Personnel expenses                      | 9        | 16,708,390          | -               |
| Administration and other expenses       | 10       | 23,475,830          | -               |
| Depreciation/amortisation               | 2        | 3,935,352           | -               |
| Miscellaneous Expenditure written off   |          | 206,495             | -               |
|   |          | <b>50,168,810</b>   | <b>-</b>        |
| <b>Profit before tax</b>                |          | <b>(19,606,052)</b> | <b>-</b>        |
| Provision for income tax                |          |                     |                 |
| - Current tax                           |          | -                   | -               |
| - Deferred tax                          |          | (3,814,751)         | -               |
| <b>Profit after tax</b>                 |          | <b>(15,791,301)</b> | <b>-</b>        |
| <b>Balance carried to balance sheet</b> |          | <b>(15,791,301)</b> | <b>-</b>        |
| <b>Earning per share (Rs.)</b>          |          |                     |                 |
| Basic                                   | 11       | (113.01)            | -               |
| Diluted                                 |          | (113.01)            | -               |

## Educomp Child Care Pvt. Ltd.

## Cash Flows Statement for the year ended 31st March, 2010

(Amount in Rupees)

| Particulars   | Year Ended          | Year Ended       |
|---|---------------------|------------------|
|   | 31st March,<br>2010 | 31st March, 2009 |
| <b>Cash flows from operating activities</b>   |                     |                  |
| <b>Net profit before taxation and after prior period as per Profit and Loss Account</b> | (19,606,052)        | -                |
| Adjusted for:   |                     |                  |
| Misc Expenses written off   | 206,495             | (206,495)        |
| Net prior period adjustments  |                     | -                |
| Provision for doubtful debts/ advances  |                     |                  |
| Depreciation  | 3,935,352           | -                |
| Unrealised Foreign exchange effects   |                     |                  |
| Dividend income   |                     |                  |
| Interest / other income   | (93,000)            |                  |
| Interest expense  |                     |                  |
| Esop Amortisation cost  |                     |                  |
| Loss / (Profit) on Sale of Fixed Assets   | 1,445,024           |                  |
| Operating profit before working capital changes   | <b>(14,112,180)</b> | <b>(206,495)</b> |
| Adjusted for:   |                     |                  |
| Trade & other receivables   | (7,775,892)         | -                |
| Inventory   | (2,794,000)         |                  |
| Loans & Advances  | (3,026,472)         |                  |
| Trade & Other Payables  | 16,532,000          | 16,545           |
| <b>Cash generated from operations</b>   | <b>(11,176,545)</b> | <b>(189,950)</b> |
| Net prior period adjustments  |                     |                  |
| Taxes Paid  | (15,528)            |                  |
| <b>Net cash from operating activities</b>   | <b>(11,192,073)</b> | <b>(189,950)</b> |
| <b>Cash flows from investing activities</b>   |                     |                  |
| Purchase of fixed assets (including capital work-in-progress)                           | (2,062,000)         |                  |
| Proceeds from Sale of fixed assets  | 86,275              |                  |
| Investment in subsidiaries  |                     |                  |
| Purchase of Investments (Un-quoted, Non trade)  |                     |                  |
| Sale of Investments (Un-quoted, Non trade)  | -                   |                  |
| Dividend income   | -                   |                  |
| Interest income   | 93,000              |                  |
| <b>Net cash used in investing activities</b>  | <b>(1,882,725)</b>  | <b>-</b>         |
| <b>Cash flows from financing activities</b>   |                     |                  |
| Proceeds from issue of FCCB/ESOP  | 16,834,077          | 100,000.00       |
| Unsecured loans from directors  | -                   | 189,200.00       |
| Repayment of Unsecured loan from director   | (189,200)           | -                |
| <b>Net cash from financing activities</b>   | <b>16,644,877</b>   | <b>289,200</b>   |
| <b>Net increase in cash and cash equivalents</b>  | <b>3,570,080</b>    | <b>99,250</b>    |
| Opening cash and cash equivalents   | 99,250              |                  |
| Exchange difference on translation of foreign currency cash and cash equivalents        |                     |                  |
| <b>Closing cash and cash equivalents</b>  | <b>3,669,330</b>    | <b>99,250</b>    |