

**The Learning Internet, Inc. (DBA: Learning.com)**  
**Balance Sheet as at 31st March 2010**

(Amount in USD)

Particular	Schedule	As at 31st March 2010	As at 31st March 2009
<b>Sources of funds</b>			
<b>Shareholders' funds</b>			
Share capital	1	32,343,539	31,626,058
Reserves and surplus	2	(13,828,528)	(13,315,325)
<b>Loan funds</b>			
Secured loans	3	1,500,000	-
Unsecured loans	4	-	-
		<b>20,015,011</b>	<b>18,310,733</b>
<b>Application of funds</b>			
<b>Fixed assets</b>	5		
Gross Block		15,320,312	4,850,182
Less: Accumulated depreciation/amortisation		3,386,235	1,702,890
Net block		11,934,077	3,147,292
Capital work in progress		-	-
		11,934,077	3,147,292
<b>Investments</b>	6	-	-
<b>Deferred tax assets (net)</b>		716,900	898,000
<b>Current assets, loans and advances</b>	7		
Inventories		-	-
Sundry debtors		91,526	74,780
Cash and bank balances		13,407,673	18,950,173
Loans and advances		1,991,152	1,114,390
Other current assets		791,607	128,998
		16,281,958	20,268,341
<b>Less : Current liabilities and provisions</b>	8		
Liabilities		6,761,870	5,577,138
Provisions		2,156,054	425,764
		8,917,923	6,002,901
<b>Net current assets</b>		7,364,034	14,265,440
<b>Miscellaneous Expenditure</b> [to the extent not written off or adjusted]	9	-	-
		<b>20,015,011</b>	<b>18,310,732</b>

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**The Learning Internet, Inc. (DBA: Learning.com)**  
**Profit and Loss Account for the year ended 31st March 2010**

(Amount in USD)

Particular	Schedule	Year Ended 31st March 2010	For the period of 17 May 2008 to 31 March 2009
<b>Income</b>			
Sales & Service income	10	15,234,802	11,610,785
Other income	11	692,748	434,768
		<b>15,927,550</b>	<b>12,045,553</b>
<b>Expenditure</b>			
Cost of goods sold	12	-	-
Personnel expenses	13	6,276,247	4,454,695
Administration and other expenses	14	6,395,781	5,306,333
Finance charges	15	4,038	-
Depreciation/amortisation	5	1,756,830	178,958
Miscellaneous Expenditure written off			
		<b>14,432,896</b>	<b>9,939,986</b>
<b>Profit before tax</b>		<b>1,494,654</b>	<b>2,105,567</b>
Provision for income tax			
- Current tax		96,467	52,847
- Deferred tax		181,100	(38,500)
- any other tax			
<b>Profit after tax and before prior period items</b>		<b>1,217,087</b>	<b>2,091,220</b>
<b>Extraordinary item</b>			
Prior period Items		-	-
<b>Profit after tax &amp; prior period items</b>		<b>1,217,087</b>	<b>2,091,220</b>
Add: Balance brought forward from previous year		<b>(13,315,325)</b>	<b>(13,892,718)</b>
<b>Amount available for appropriations</b>		<b>(12,098,238)</b>	<b>(11,801,498)</b>
<b>Appropriations</b>			
Proposed dividend		1,730,290	1,513,827
Tax on proposed dividend		-	-
General Reserve		-	-
<b>Balance carried to balance sheet</b>		<b>(13,828,528)</b>	<b>(13,315,325)</b>

The Learning Internet, Inc. (DBA: Learning.com)  
Cash Flow for the period from 1st April 2009 to 31st March 2010

(Amount in USD)

Particulars	For the year ended 31st March 2010	For the year ended 31st March 2009*
<b>Cash flows from operating activities</b>		
<b>Net profit before taxation as per Profit and Loss Account</b>	1,494,654	2,105,567
<b>Add:</b>		
Depreciation	1,756,830	178,958
Unrealised foreign exchange effects	-	-
Adjusted for:		
ESOP Compensation	-	
Trade & other receivables	(16,746)	1,371,689
Loans & Advances	(1,539,370)	(524,945)
Trade & Other Payables	1,161,969	(548,621)
<b>Cash from operations</b>	<b>2,857,337</b>	<b>2,582,648</b>
Taxes Paid	(69,804)	(102,847)
<b>Net cash from operating activities</b>	<b>2,787,533</b>	<b>2,479,801</b>
<b>Cash flows from investing activities</b>		
Purchase of fixed assets	(10,547,514)	(2,205,057)
Sale of investment		-
<b>Net cash used in investing activities</b>	<b>(10,547,514)</b>	<b>(2,205,057)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of equity shares	717,481	73,850
Proceeds from Share application money	-	-
Proceeds/ (Repayment) of long-term borrowings	1,500,000	-
Dividend Payouts	-	(1,088,063)
<b>Net cash from financing activities</b>	<b>2,217,481</b>	<b>(1,014,213)</b>
<b>Net increase in cash and cash equivalents</b>	<b>(5,542,500)</b>	<b>(739,469)</b>
Opening cash and cash equivalents	18,950,171	19,689,640
Exchange difference on translation of foreign currency cash and cash equivalents		
<b>Closing cash and cash equivalents</b>	<b>13,407,671</b>	<b>18,950,171</b>