

ZEE LEARN LIMITED

Cash Flow Statement for the period ended 30th September, 2010

Particulars	(Amount in Rupees)
A. Cash Flow from Operating Activities	
Net Profit before tax	20,775,412
Adjustments for:	
Depreciation / Amortisation	2,468,090
Interest Income	(4,500,071)
Interest Expense	70,834
Provision for doubtful debts	2,055,451
Loss/ (Profit) on sale of fixed assets	(13,001)
Operating Profit before Working Capital Changes	20,856,715
Adjustments for:	
Decrease / (Increase) in Trade and other receivables	(107,667,357)
Decrease / (Increase) in Inventories	2,366,456
Increase / (Decrease) in Trade and other payables	37,209,235
Cash Generated from Operations	(47,234,951)
Direct Taxes paid	(673,665)
Net Cash from Operating Activities (A)	(47,908,616)
B. Cash Flow from Investing Activities	
Purchase of fixed assets (including Capital Work in Progress)	(25,635,754)
Sale of fixed assets	13,001
Interest received	4,500,071
Net Cash from Investing Activities (B)	(21,122,682)
C. Cash Flow from Financing Activities	
Proceeds from Issue of Share capital	500,000
Proceeds from Intercompany deposits	16,000,000
Repayment of Borrowings	(141,508)
Interest paid	(12,248)
Net Cash from Financing Activities (C)	16,346,244
Net Changes in Cash and Cash Equivalent (A+B+C)	(52,685,055)
Cash and Cash Equivalents transferred as per the Scheme of Arrangement (Refer Note B 2 of Schedule 17)	207,010,388
Cash and Cash Equivalents at the end of the period	154,325,334

Notes:

- (i) The Composite Scheme of Arrangement (Refer Note B 2 of Schedule 17) is not considered in the above cash flow statement being non cash transaction
- (ii) Cash and Cash Equivalents at the end of the period
- | | |
|---------------------------------|--------------------|
| Cash in hand | 95,507 |
| Balance with Scheduled Banks in | |
| - Current Accounts | 41,376,145 |
| - Fixed / Margin Deposits | 112,853,681 |
| Total | 154,325,334 |

As per our attached report of even date

For and on behalf of Board

For MGB & Co

Chartered Accountants

Sumeet Mehta
Whole Time Director

Surjit Banga
Director

Sanjay Kothari

Partner

Samir Raval
Company Secretary

Mumbai, November 26, 2010