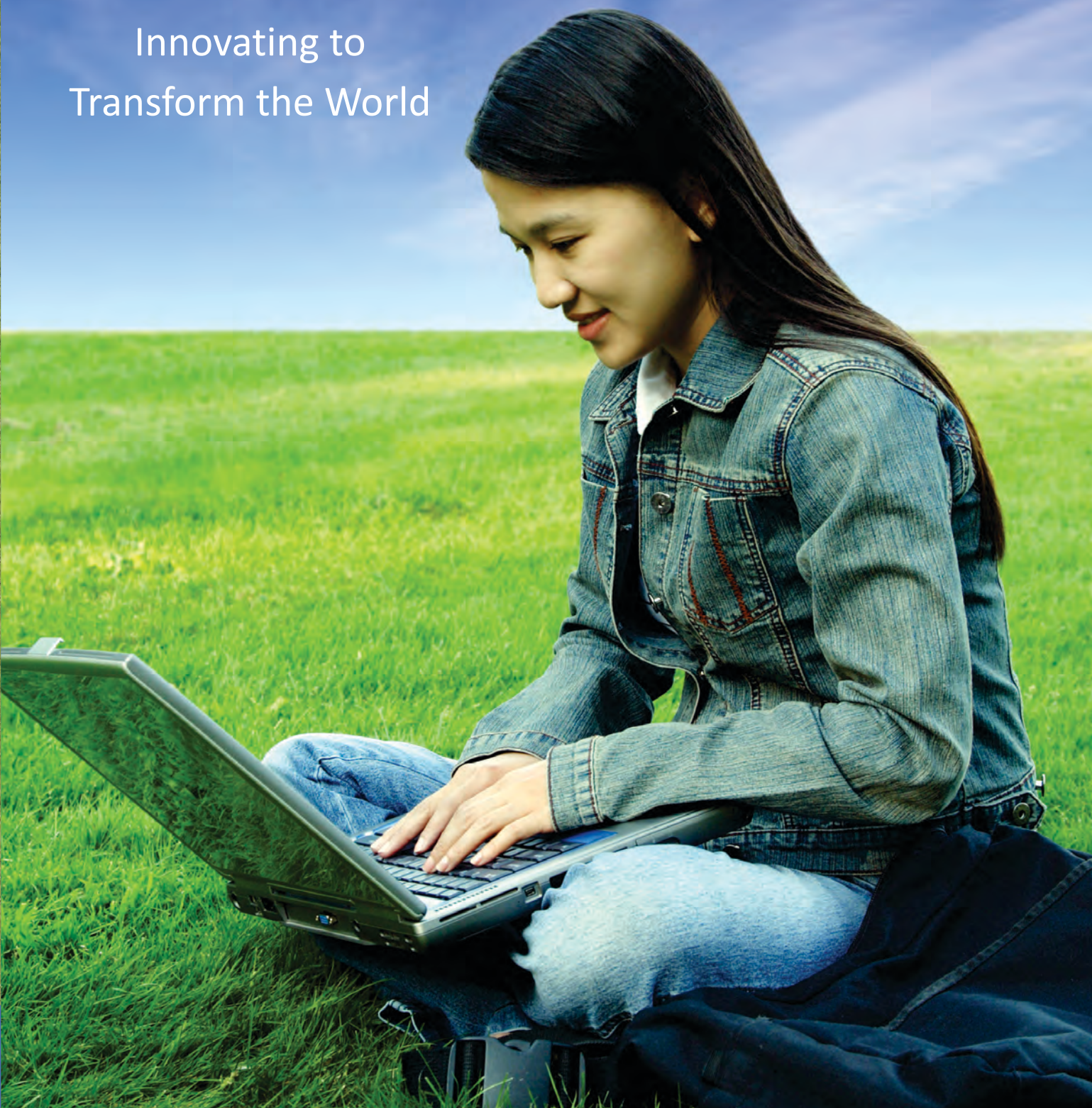


Innovating to  
Transform the World



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## **Forward-looking statements**

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements written and oral- that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate','estimate','expects','projects','intends','plans','believe' and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievements of results are subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumption prove inaccurate, actual results could vary materially from those anticipated, estimated, or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward- looking statements, whether as a result of new information, future events or otherwise.

## CHAIRMAN'S SPEECH

Dear Shareholders,

The financial year 2012-13 was a very challenging year for your company amidst subdued economic growth across developed and emerging markets. After having achieved the milestone of becoming "India's largest global education company", we have seen umpteen challenges across geographies. Now, your company's business is aligned across six key elements of education delivery - Teaching, Learning, Assessment & Intervention, Governance, Advanced Technologies and Consulting Solutions - that are designed to present customers with comprehensive and end-to-end solutions.

Our FY 2012-13 revenue grew by 16.5% to ₹ 1,907 crores — 79% of which came from the US, 10% from the UK and the remaining 11% from India and other countries. The operating margins (EBITDA) for FY 2012-13 was at ₹ 735 crores at a healthy 38%. However, the profit before tax showed a decline of 10.6% over the previous year mainly on account of the higher interest charges as well as the high depreciation and amortizations during the year. Your Company was able to sustain these results on account of its continued client relationships built in leading markets, ably supported by the ongoing development of IP and the ability to sew together a host of acquisitions to emerge as a specialist in technology-driven education solutions.

Your Company has also successfully consolidated its overseas subsidiaries during the year to exploit business and operational synergies between developed and developing markets. Now, Core Education & Consulting Solutions Pte Limited (the Singapore entity) is the holding company for some of its subsidiaries in USA, UK and Middle East.

Further, despite a tough financial market accentuated by global and domestic uncertainties, your Company was able to raise USD 50 million by way of a Term Loan in its US Subsidiary – Core Education & Consulting Solutions Inc.

However, FY 2012-13 has not been a smooth ride for the Company. Your Company faced significant financial stress towards the end of the fiscal year mainly on account of decrease in sales, increase in receivables and non-availability of assessed working capital limits. These were a result of the economic and liquidity stress felt by various governments across the world, leading to significant cuts in public expenditure in areas including education. Such cuts in government expenditure significantly impacted the order flow and cash flows of the company since your Company mainly follows the Business to Government model. The company's fund raising plans were further impacted by a sharp decline in its market capitalization led by a turbulent period for the Indian equity market, especially the listed mid-cap universe. All these have prompted your Company to initiate discussions with its lenders to restructure its debts and it has approached the Corporate Debt Restructuring forum for the same. The debt restructuring exercise will enable the Company to comprehensively address the liquidity issues by matching the maturity profile of debt with the business cash flows which would get streamlined in some time.

The muted growth was also a result of tightening of government budgets in your company's major markets – USA and UK. In the USA, the Congress passed the Budget Control Act of 2011, which put into place automatic federal budget cuts, known as a "sequester," to take effect if Congress

failed to enact legislation to reduce the federal deficit by March 1, 2013. However, since the Congress did not act on the same, these budget cuts are now in effect. Further, the austerity measures in the UK resulted in a year of stagnation there as well.

Despite all these, in line with your Company's mission of making students "campus or career oriented", your Company is betting big on vocational training for the Indian market and intend to take up new initiatives in this area in the current financial year. Further, in the area of vocational development, the goal is to help bring constructive reforms in employability education.

Your Company has a collaboration with the University of Oxford and based on which it has been able to create teacher training content which is ready for commercial use in India as well as across the globe. The Continuous Teacher Professional Development program is ready for launch and the Company expects to reap the benefits of this collaboration in the near future.

In the coming year, your Company plans to foray into the Model Schools scheme to be implemented under Public Private Partnership (PPP) model with Ministry of Human Resource Development (MHRD) in India.

Besides India, our focus on developing markets includes foray into African and Middle East markets. Initial success includes a partnership with the provincial government of Ras al-Khaimah in the UAE for running a higher education institute offering management, architecture and engineering degrees in content partnership with BIT, Ranchi. As you are aware, your Company had entered into a strategic tie up with BIT, Ranchi for management of its RAK Campus. It plans to launch multiple new programmes - Diploma and Bachelor degree in Mechanical Engineering, Professional Certificate courses in IATA, CIMA etc, Part time Degree courses in Engineering and Management Discipline.

While we have always strived to deliver our best, the global acknowledgment of same is always heartening. We were recently named Dell Premier Partner of the year for 2012. Your Company was also ranked No. 1 under "India's Top 10 Transnational Companies with International Asset Base of USD 500 million" by Indian School of Business.

Though we expect a tepid growth in our established markets, we see a moderate pick up towards the end of 2014 on the back of improved financial environment. Whilst we look to consolidate in these regions, our expansion into new geographies like Middle East, Africa and Far East will contribute to the Company's overall growth in the years ahead.

In conclusion, I would like to thank all the employees for their unstinted commitment and contribution in your Company in these tough times. I continue to look forward to the Board of Directors' guidance and your support during this challenging phase for the Company.

Best wishes,

**Sanjeev Mansotra**  
Chairman



# MANAGEMENT DISCUSSION & ANALYSIS

## ECONOMIC OVERVIEW:

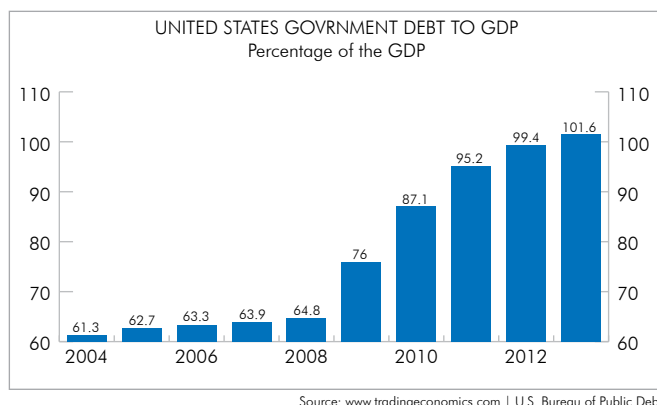
### Global economy

Global growth slowed during 2012, with North America as the exception. A number of challenges stood in the path towards more widespread economic growth, including Eurozone crisis, waning demand for Chinese products, reduced reliance of commodities in Asia/ Pacific region and economic sensitivity in emerging economies.

### Real GDP Growth (%)

	2011	2012f	2013f
World	2.6	2.0	2.3
Advanced economies	1.5	0.9	1.3
US	1.8	2.0	1.9
Euroland	1.4	-0.8	0.2
Japan	-0.8	1.7	1.6
UK	0.9	0.0	0.9
Emerging economies	5.5	4.6	4.8
Brazil	2.7	1.9	4.0
Russia	4.3	3.6	3.7
India	6.9	5.5	6.1
China	9.2	7.4	7.1

Individual countries fared quite differently throughout the year. United States is expected to record a Government Debt equivalent to 101.60% of the country's Gross Domestic Product in 2012.



China struggled against sluggish European demand for its exports and weak domestic demand, resulting in serious recessions in a range of industries, from steel-making to construction equipment to consumer electronics. Nevertheless, the country nearly hit target growth of 7.5% in 2012. Japanese growth likewise rebounded after the devastating effects of the 2010 earthquake and tsunami, but stalled in Q4 2012. Austerity measures in the UK resulted in a year of stagnation.

A unique set of challenges and opportunities face business globally at the tail end of 2012. Critical growth factors in the near and long term include: 1) Fiscal challenges facing countries in the Organisation for Economic Co-operation and Development (OECD); 2) Deregulation and rebalancing in key sectors of developing economies; 3) Sectoral issues such as housing; 4) The uncertain longer-term effects of new monetary policies; 5) Commodity price uncertainty, including oil prices; and 6) Food inflation. On a positive note, growing strength in the US corporate sector could spark a quicker-than-anticipated rebound in the global economic recovery.

### Industry structure and developments:

Globally, the education sector comprises of preschools, schools (K-12), colleges and Universities (Higher / Tertiary education), technical and professional institutes (Vocational), eLearning, Education Gaming, Coaching and Test preparation. Globally K-12 continues to be the largest segment forming close to half of the total education spend, followed by higher education that is just over a third of the total market.

The economic slowdown has once again highlighted the key role of educated workforce in achieving a sustainable long-term economic growth. Despite reducing budgetary support, countries are striving to maintain spend on education as it helps them to boost their productivity, competitiveness and economic growth over medium term. Not surprisingly, in many developing countries like South Asia, Gulf Co-operation Council members (GCC) and Africa the overall spending on education is growing in double digits.

During the year, the thrust on improving the standards of education continued globally, with countries increasingly adopting the modern technology and communication tools to create an interactive and engaging learning environment. Globally, entire education spectrum from pre-school to K12 to higher education to vocational education to teacher learning to school infrastructure is being re-evaluated to create a more knowledge driven environment than the earlier content driven one.

### Initiatives undertaken by various countries:

The U.S. Department of Education has proposed USD 69.8 billion in discretionary funding for 2013, including a USD 5 billion investment to provide support to states and districts as they pursue bold reforms, in spite of budgetary and liquidity constraints. Key reform areas like aligning education programs with workforce demands, enhancing the teaching profession, and increasing college affordability and education quality has evinced special interest from the President with his proposal to make a USD 14 billion one-time strategic investment.

However, on August 2, 2011, Congress passed the Budget Control Act of 2011, which put into place automatic federal budget cuts, known as a "sequester," to take effect if Congress failed to enact legislation to reduce the federal deficit by 1st March, 2013. Because Congress did not act, these budget cuts are now in effect. These cuts – nearly \$3 billion for education alone would result in:

- Services cut or eliminated for millions of students.
- Funding for children living in poverty, special education, and Head Start slashed by billions.
- Ballooning class sizes.
- Elimination of after-school programs.
- Decimation of programs for our most vulnerable—homeless students, English language learners, and high-poverty, struggling schools.
- Slashing of financial aid for college students.
- Loss of tens of thousands of education jobs—at early childhood, elementary, secondary and postsecondary levels

In the **UK**, the Government invested USD 12.30 billion in 2011-12 in education and training for 16 to 19 year olds alone. Additionally, it is investing USD 2.27 billion in apprenticeship programme.

**GCC** countries have also ramped up their investments in training and education to meet the growing demand of skilled workforce. In 2010, Saudi Arabia increased its budget for educational activities to 25% of its annual budget. Similarly UAE and Qatar invested 22.5% and 20.5% of their annual budget in the same year, significantly higher than US which

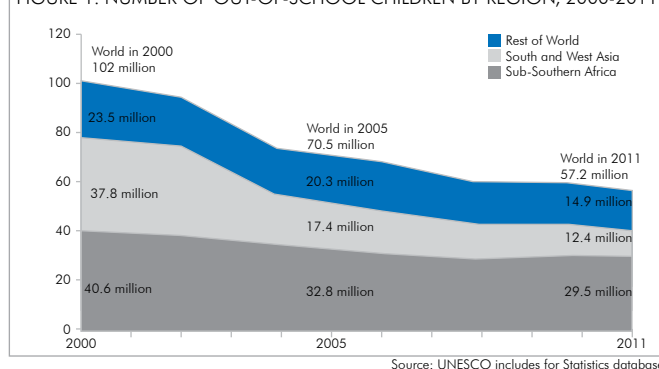
invested 16% of its annual budget. With governments across the world stepping up their spends on reinventing their education system in line with the unfolding realities of 21st century.

The **Indian Education sector (IES)** has witnessed growth especially since the last decade led by a mix of macro-economic & demographic factors such as strong economic growth, greater proportion of youth comprising the Indian populace, growing Private Final Consumption Expenditure (PFCE) on education etc. India's education sector is globally the third largest. Of the said growth, the contribution of K-12 and Higher education segment has remained the highest. Whilst the Government's fiscal plans have lofty goals, the ground reality suggests that States are struggling to find resources to support the realisation of these goals.

#### Stumbling blocks to universal primary education: Repetition rates decline but dropout rates remain high

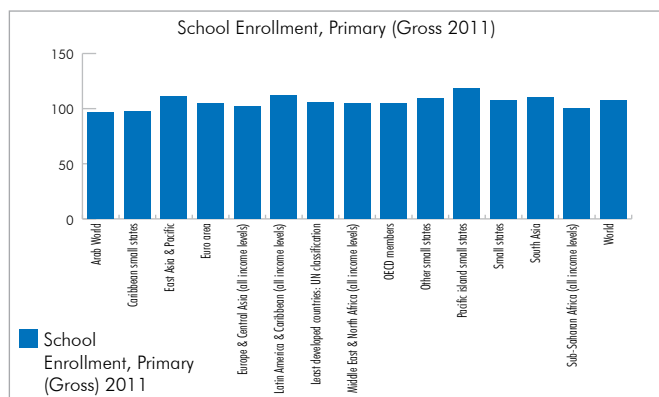
As of 2011, 57 million children of primary school age and another 69 million children of lower secondary school age were still out of school. This marks a slight decline from 2010, when the global total reached 59 million children. This slight dip came after successive years of stagnation.

FIGURE 1. NUMBER OF OUT-OF-SCHOOL CHILDREN BY REGION, 2000-2011



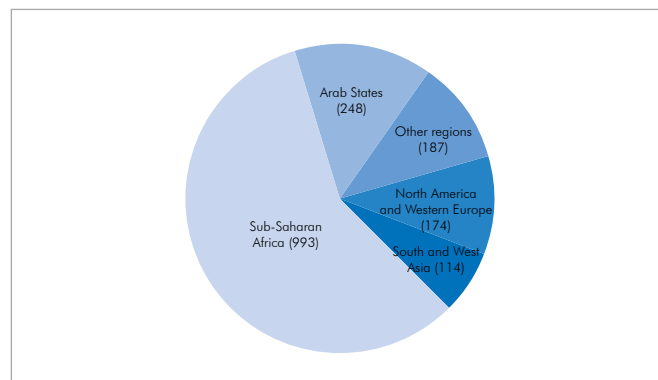
Sub-Saharan Africa accounts for more than one-half of all out-of-school children worldwide and has the highest out-of-school rate of all regions; almost more than one in five primary school-age children have either never attended school or left before completing the last grade of primary education.

#### World School Enrolment, Primary (Gross) - 107% in 2011 (Source- World Bank data)



#### Global demand for Primary Teachers

Teacher shortages remain a major obstacle for countries to achieve the goal of universal primary education (UPE). Total of 1.7 mn teachers posts are needed globally to reach Universal Public Education



Number of additional primary teaching posts needed to reach Universal Public Education, (in thousands)

Source- UNESCO Institute for Statistics (UIS)

The year 2012-13 was generally a steady year for the Company, though the beginning of the headwinds that were to afflict the entire industry were being felt towards the end of the year. On a consolidated basis, the Company achieved a total operating income of ₹ 19,074.83 million as compared to ₹ 16,378.57 million during the previous financial year. Similarly, profit before tax was ₹ 3,826.98 million as compared to ₹ 4,281.73 million during the previous financial year. Profit after tax was ₹ 2,708.98 million as compared to ₹ 3,230.92 million during the previous financial year.

During the year, integration of ITN Mark (acquired in FY12) went very much as planned by the management and resulted in sustained operations for the year. Similarly the strategic tie-up with BIT, Ranchi, for management of its RAK Campus in UAE in FY12 saw significant improvement with 113 students graduating in academic year 2012-13 and around 125 new students to be enrolled for academic year 2013-14

#### CORE's critical trends:

Key Statistics	31st March, 2006	31st March, 2013
Schools served per year	~ 15,000	~88,750
Children reached per year	~8,000,000	~35,000,000
Teacher covered per year	0	~105,000
Total clients	~75	2,200+
Total countries served	2	15
Total Core offices	3	35
Operating segments	3	6

#### UNITED STATES OF AMERICA

##### Key Stats

**49.8 million** students in primary and secondary public school

**5.3 million** students in primary and secondary private school

**3.7 million** pre-schoolers

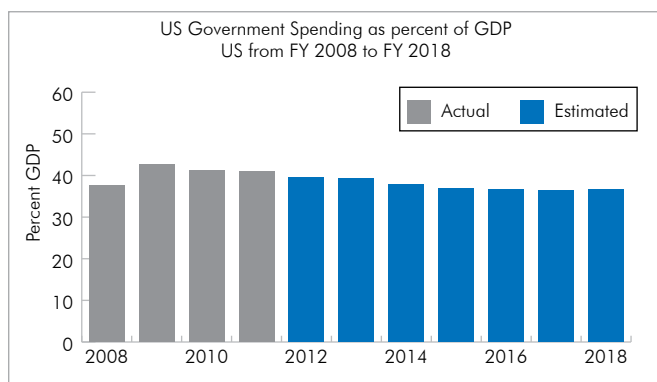
**98,800+** public schools

**33,300+** private schools of all levels and types

The Department of Education has budgeted \$69.8 billion in discretionary funding for Fiscal Year 2013, an increase of \$1.7 billion, or 2.5 percent, from 2012. It includes new education investments that will give U.S. students and workers the education and training they need for the jobs of today and tomorrow. However, on 2nd August, 2011, Congress passed the Budget Control Act of 2011, which put into place automatic federal budget cuts, known as a “sequester,” to take effect if Congress failed to enact legislation to reduce the federal deficit by 1st March, 2013. Because Congress did not act, these budget cuts are now in effect.

The United States spends more money educating its students than any other developed nation, according to a recent report by the Organisation for Economic Co-operation and Development (OECD).

In 2010, the U.S. spent more than \$11,000 per primary school student and more than \$12,000 per high school student. When all levels of education spending were included, the U.S. spent a total of \$15,171 on every student – more than any of the other 34 nations covered in the report



## CORE US Business Overview

CORE is already present in 42+ States in the US providing Education Solutions and aligned across four key elements of education delivery namely Assessment and Intervention, Governance, Advanced Technologies and Consulting Solutions. They are designed to present CORE’s customers with a comprehensive, end-to-end solution. For FY 2013, approximately 79% of CORE’s total revenue was US-based.

The effects of sequestration (or forced Federal Budget Cuts) on Education are significant. This will have impacts on our business in all areas, more specifically in the areas of Special Ed- Governance where our client’s rely on federal funding to support many of the programs.

We therefore will adopt a more student –centric, achievement oriented solution approach using a combination of products, technologies and services. Our plans are to wean away from a segment focused manner of driving business especially in areas of Governance and Assessment. Our go forward approach is offering at the individual levels the tools necessary to learn and achieve through rich interactive content, couple with regular assessment and intervention supported by innovative learning technologies coupled with professional development and other services.

The impacts of the sequestration with several more rounds of cuts to go will reduce significantly the funding of several programs that rely on these sources and also put more pressure of local and state dollars to supplement those cuts. With many states still slowly recovering from the recession, these cuts only add more burdens on to the districts and therefore the outlook for the next 24 months is one of slow to stable movement in business than that was previously forecast.

## UK Market

### Key Stats

#### The education market in UK (England and Wales)

**8.1 million** pupils in all schools in England

**4.1 million** pupils in secondary schools in England

**3.3 million** pupils in primary schools in England

**600k** pupils in independent schools

**24,300** schools in England

Public expenditure on education as % of Total Spending for 2013- 12% (£87.3 billion)

The number of children in England’s primary and nursery schools is set to rise by 18% in the next eight years, according to the Department for Education. By 2020 the numbers are expected to reach levels last seen in the 1970s, reaching about 4,850,000 compared with 4,114,000 today. Numbers are predicted to increase by 8% between 2012 and 2015 alone.

### Teaching

Department for Education’s annual workforce survey shows 6% rise in teaching assistants and 0.1% teacher vacancy rate. State schools now employ more than one teaching assistant for every two full-time teachers, with lower paid, less-skilled teaching assistants bearing the brunt of the expansion of a school system straining to cope with the mini-baby boom filling classrooms in England.

The Department for Education’s annual workforce survey of teacher and school staff showed a slight recovery in teacher numbers from their post-austerity low the previous year but the improvement was dwarfed by a 6% rise in teaching assistants employed in primary and secondary schools within the space of a year.

Including both academy and maintained schools, the number of teaching assistants employed in schools in England on a full-time basis rose to 232,000 in November last year, compared with 219,000 in November 2011. Meanwhile, the equivalent of 442,000 full-time teachers were employed in 2012, compared with 438,000 in 2011 – a rise of barely 1%

The 1:2 ratio of teaching assistants to teachers in state schools is in stark contrast to the private sector.

According to a survey earlier this year by the Independent Schools Council, private schools employed 7,000 teaching assistants and 54,000 teachers, for a ratio of around 1:8.

The growth in teaching assistants is even more pronounced in comparison with 2010. The total number of teachers employed in the current academic year is still 6,000 below 2010’s full-time total. But in the same period the number of teaching assistants employed on a full-time basis rose by 18,000.

The increase continues the trend of recent years, with a three-fold rise in the number of teaching assistants employed in state-funded schools since 2000, when just 79,000 were employed.

## CORE UK Business Overview

ITN Mark is based in Manchester with a nationwide branch network consisting of 13 sites. CORE is keen to tap its U.K. teacher supply solutions from primarily providing only teachers and teaching assistants to also providing special education need specialists, nursery and support staff as well. In addition, CORE plans to provide temporary education professionals to academies or schools in the UK that are directly funded by the central government.

CORE over the coming months will seek to further invest in the leadership and advisory arm of the business to help secure a competitive advantage on the evolving school inspections and leadership consultancy space. The business is also aiming to bolster its international presence via London by continuing to offer international schools staffing solutions with preferred agreements with UK based school groups in China and the Middle East.

### India Market

Indian education sector's market size in FY12 is estimated to be INR 3,411.8 bn (USD71.2 bn).

### FACTS

- FDI inflows in the education sector stood at US\$ 680.64 million during April 2000-February 2013, according to the Department of Industrial Policy and Promotion (DIPP).
- The country has 40 central universities, 45 technical institutes, 13 management institutes, 4 information technology institute, 6 science and research institute, 3 planning and architecture institutes, and 4 training institutions, according to the Ministry of Human Resource Development (HRD) Annual Report 2011-12.

The Indian education system is divided into the core and non-core segments. The core group consists of primary, secondary and higher education, while the non-core segment focuses on segments such as pre-schools, vocational training and coaching institutes.

### Vocational Training/Skill Development

While the global population is ageing rapidly, India, with one of the youngest populations in the world, is at a strategic advantage with regards to demographic dividend. However, almost three fourths of India's population is unskilled. The World Economic Forum's Global Talent Risk report (2011) cautions that developing countries like India and Brazil will also face huge skill gaps due to low employability. There is a wide gap between the skills required in industry and those provided by the education system.

To be sure, it's not as if India's youth are inherently employable. Skills are indeed needed. A September 2012 Ernst and Young report for Ficci estimates that only 10 per cent of India's workforce receives some kind of training and 80 per cent of entrants into the pool do not have the opportunity for training. Many of those trained are hardly employable though they may have certificates. The difficulty in filling up jobs in India in 2012 was 48 per cent when the global standard was 34 percent.

In May 2013, the Union cabinet decided to set up a single entity to streamline and co-ordinate federal and state-level skill development programmes. It replaced the NSDCB, the PM's National Council for Skill Development, and the Office of the Advisor to the PM on Skill Development with the National Skill Development Agency (NSDA). It will be housed in the finance ministry and be headed by S. Ramadorai, who was advisor to the Prime Minister's National Council on Skill Development and is vice chairman of Tata Consultancy Services (TCS), India's biggest software services company.

The new dispensation-of having a single entity coordinating, overseeing and monitoring all skill development programmes in the country, state-run as well as in the private sector-looks sensible on paper but the wrangling that went on behind the scenes suggests that it would be anything but effective.

The government has put taxpayers' money where its mouth is. It set up the National Skill Development Corporation funded by the National Skill Development Fund with an initial corpus of ₹ 1,000 crore and beefed it up with another ₹ 658 crore in Budget 2010-11. Union Budget 2012-13 added another ₹ 1,000 crore to the kitty and also promised the entire funding for the Himayat programme to train one lakh Kashmiri youth in five years.

According to a recent presentation of the NSDC, it has approved 83 skill businesses with a total capacity to train 16 million people annually. It has also approved 18 Sector Skill Councils. Of these, only 38 partners and 10 councils were active as on 31st March, 2013. In 2012-13, 4,01,324 people were trained of which 2,16,692 were placed, according to the NSDC.

### CORE's India Business Overview

With a strong presence in developed countries such as US and UK, Core is now looking to consolidate its position in emerging economies like India. Core's initiatives and focus would be around model schools, vocational training opportunities, and teacher training programs.

### Vocational

CORE is aggressively looking at expanding to the vocational training business on a pan-India basis as there is a high demand of skilled manpower across all large and small corporates. Currently, Core has significant presence and competencies in Retail, IT, ITES, Hospitality, Soft skills and Accounting courses. It plans to make a footprint in new upcoming sectors such as Wellness, Healthcare and Automobile. With its dedicated sales and delivery operations, Core is attempting to maintain its growth strategy while giving equal impetus to the quality deliverables of all vocational projects. Company has an order book of over 135,000 students with its vocational footprint in 14 states. In addition, CORE has been able to successfully place over 80% of the students trained by the Company which gives further credence to its focused S-T-P (Source-Train-Place) model.

### Teacher Training

Teacher Education is the essential element of a developing education society. Teacher is the single most important link in the fulfilment of education goals of the society. But often this aspect is overlooked resulting in the deterioration of quality of education. CORE understands this premise and has made constructive investments in providing quality Teacher Education through CORE ConnecTeach. CORE ConnecTeach is a professional development program which was developed from a joint research of over 3 years conducted by CORE and the University of Oxford and is aimed at improving the professional working knowledge of teachers worldwide. ConnecTeach is an ongoing, progressive research-led program that provides support to teachers in all areas of their professional working knowledge. While it develops the best forms of learning support for teachers to grow subject matter knowledge, pedagogical content knowledge, and context knowledge, it continues to research newer aspects of teacher knowledge. Another important feature of the program is its focus on developing school leaders who play a vital role in delivering improved learning outcomes and building a culture of continued improvement. ConnecTeach comprises of a Networked Learning Community that operates within and across national borders. It is essentially an activity system in which teachers develop their professional knowledge through dialogue, mediation, action and reflection. Teachers who become members of this community engage in learning activities over a period of 32 weeks that are designed to extend their professional knowledge of learning, teaching and assessment. The key features of ConnecTeach Program include robust delivery and learning platform, SAAS & B2B implementation of training blended with basic Instructor Led Training (ILT), expert interactions, certification and mentoring. This can be delivered in Public Private Partnership (PPP) mode in alignment with Governments' teacher development requirement involving fresh skilling of new teachers and re-skilling of existing teachers.

### Model Schools

The Model School scheme was launched in November 2008 in pursuance to the announcement of the Prime Minister in his Independence Day speech of 2007. The scheme aims to provide quality education to talented rural children through setting up of model schools as benchmark of excellence at block level at the rate of one school per block.

The scheme has the following objectives:

- To have at least one good quality senior secondary school in every block.
- To have a pace setting role.
- To try out innovative curriculum and pedagogy.
- To be a model in infrastructure, curriculum, evaluation and school governance.

The scheme has two modes of implementation, viz.

- through State/UT Governments in educationally backward blocks (EBBs), and
- under Public-Private Partnership (PPP) mode in blocks which are not educationally backward

CORE's plans to foray into model schools scheme to be implemented under PPP model with MHRD. This is an exciting business opportunity primarily due to –

- a) PPP to be implemented in non-educationally backward blocks having greater purchasing power capacity
- b) **Focus on tier II and III cities** and clear guidelines on the basis of CBSE infrastructure, makes capital investments in model schools very competitive
- c) **Assurance of at least 40% of students** and their reimbursement of fees at CBSE levels from year 1 of operations from Government makes this economically viable project

**Other related activities** are allowed in model schools (for e.g.: vocational education post school hours) which increases utilization of existing premises and adds to the return on investments from such asset

In the pilot stage of this first phase, the Authority intends to award concessions for 41 schools to be located in any of the Blocks selected by it and concessions for the balance 459 schools shall be awarded subsequently.

CORE has been shortlisted in the RFQ stage. MHRD will distribute the RFP to the shortlisted vendor only to build 41 Model Schools as a pilot project

#### **CORE's MEA Business Overview**

Core had entered into a strategic tie up with BIT, Ranchi for Management of its RAK Campus. Core is running the institute and offers multiple streams of higher education including international programmes. Core plans to launch multiple new programmes - Diploma and Bachelor degree in Mechanical Engineering, Professional Certificate courses in IATA, CIMA etc, Part time Degree courses in Engineering and Management Discipline. For academic year 2012-13, total no of students that studied in the campus was 226 out of which 113 students graduated last academic year. CORE is expecting around 125 new enrolments for academic year 2013-14.

Over the last 18 months, Company has recruited a dedicated experienced sales force and has made significant inroads in Middle East and Africa region with a strong business pipeline. Consequently company has signed MoUs and Letter of Intent with potential clients which are expected to be converted in firm orders in coming months. Company has formed Joint Ventures with some of the region's leading private, Government & Quasi-Government institutions to get an accelerated entry into some of the targeted markets. At present, Company is already working with African countries like Ghana, Lesoto, Mozambique, Kenya etc. Company is aggressive and focused to tap the US\$ 60 bn education sector in Kingdom of Saudi Arabia (KSA). Core has signed an MOU with Muscat Overseas Co. LLC to explore, evaluate and implement several projects in Education advisory & consultancy and Educational & training institutions in Oman.

#### **Risk mitigation**

##### **1. Regulatory risk**

The education sector in every country is highly regulated by the government. Changes in government policies may affect business, resulting in operations and financial condition.

##### *Risk mitigation*

This is an industry-wide risk and the Company being a part of the sector is dependent on the impact of the regulations and policies. However, education is considered a priority sector for major governments globally. This makes it a progressive sector and therefore mitigates the risk of any potentially adverse policy and measure from respective governments. The Public Private Partnership initiative has also enabled the companies to reduce their dependence on government spending, ensuring sustained sector-centrist investments.

##### **2. Dealing with government agencies**

The Company's education business operations in the United States and India requires that it works with various state governments which can often result in delays in payment, which may adversely affect business, financial condition or results of operations.

##### *Risk mitigation*

The company has taken effective steps to follow up regularly for payments from governments to minimize the time taken to receive the same. The company has also taken adequate steps to mitigate the risk by factoring the additional cost, which may be incurred due to payment delays, into the price of the product/service offered by the Company.

##### **3. Competition risk**

The markets for technology-enabled education products, services and solutions are highly competitive

##### *Risk mitigation*

The Company has emerged as an integrated player. It provides solutions aimed at management of education as well as its delivery across the value chain, from K-12 education, to higher education, to vocational education, and school management. It has developed expertise organic and inorganic growth as well as forged partnerships with the University of Oxford, ITEE Singapore and EVIT. The Company's wide range of products and solutions through various delivery models and in diverse geographies has enabled it to perform against competition.

##### **4. Geographical concentration risk**

A significant part of income from operations comes from the United States and the United Kingdom. Furthermore, the Company generates a significant portion of its income from one customer in the United States. Any loss of market share in the United States or the United Kingdom could adversely affect business, financial condition and results of operations.

##### *Risk mitigation*

Since the public education system is highly matured in the US and UK, they were the first markets of operations for CORE. Over the years, while India has emerged as a promising market for education with a strong order book, the US and UK continue to offer large volumes and avenues for high-end technology based services and products. However, the Company has also diversified into the Indian markets as well as the Middle East, South East and Caribbean Islands. In the years to come, the company expects to derive reasonable contributions on the revenues from non-US and UK markets.



## 5. Technology obsolescence risk

Being a player in a dynamic industry, any change in technology can render the Company's existing infrastructure outdated.

### Risk mitigation

CORE has always believed in keeping up with changes in technology. The Company has a dedicated R&D unit that helps upgrade, implement and incorporate latest methodologies, techniques, systems and products to the Company's offerings. We have also partnered with best-in-class technology leaders to understand and offer the latest in technology to our clients.

## 6. Attrition risk

The Company is a player in the intellectual-capital driven business. Any attrition in the senior management levels can adversely affect growth.

### Risk mitigation

CORE actively takes due interest in the development, growth and due retention of talent across multiple levels. The Company offers ESOPs and better remunerations, coupled with greater roles and a customised career path for each employee across management levels.

## 7. Foreign exchange risk

The revenues for our products, solutions and services that are exported from India are priced in US dollars, and we are therefore vulnerable to foreign exchange rate fluctuations.

### Risk mitigation

Our exposure to foreign exchange is only towards the exports from India, which constitutes 18% of total consolidated operations. We hedge the transactions at strategic points in time with reasonable care.

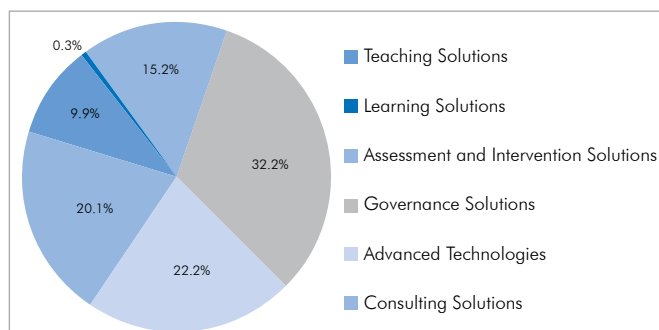
## 8. Liquidity Risk

Core is serving multiple Government agencies in which the projects involve higher levels of capital expenditures. Delays in payment on the projects adversely impact the Company's ability to meet its commitments towards various Financial institutions / Banks. Currently, the Company is going through a liquidity crunch due to such circumstances which could impact the Company's payment obligations and thereby its operations.

### Risk mitigation

CORE has initiated discussions with its lenders and has approached Corporate Debt Restructuring forum to restructure its debt. The debt restructuring exercise will enable the Company to comprehensively address the liquidity issues by matching the maturity profile of debt with the business cash flows which would get streamlined in some time.

## IV. CORE's comprehensive global offerings



CORE's comprehensive offering is delivered through a combination of content, licensing or service modalities across the entire education

continuum from pre-kindergarten and K-12 to higher education and vocational training. The Company's solutions are aligned across six key elements of education delivery.

## Release of New Products

**Core** will be unveiling **CORE XLR8** and **CORE Explore**. CORE XLR8 is the new Assessment platform that will take over the role of Assessment Center 3. Upgraded features and added functionality vastly improve the new platform and put us on the leading edge of Learning and Innovation. CORE Explore is the new Professional Development tool with great upgrades and feature specs as well.

Education Solutions Group (ESG) is focused on three key "product" segments:

- Platforms and Solutions (which include Core XLR8, Core Learner, Bright Response, Bright Idea, Core XPLORE, Bright BudgetEd and Bright PreKare)
- Content Services (focuses on item banks, screeners and test development)
- Education Consulting (delivers productized services around PD, Training, Ed Staff Augmentation, Partner Solutions, Best Practices, Turnaround Strategies and Data/Instructional Coaching).

As it pertains to the key products launched this year, ESG repurposed its entire product stack and will be introducing new products along with new branding.

We have also developed a cadre of Common Core aligned Universal Screeners and have made it easier to access our 270K items in our state-of-the-art item bank.



The Solutions group has had key renewals during FY13:

- Orange County Public Schools – Item development and test development
- Palm Beach County Schools – Assessment platform and item content delivery
- US Skills covering school districts in Iowa, Alaska and Hawaii – Assessment platform and item content delivery
- Anchorage Public Schools – Assessment platform and item content delivery
- District of St. Croix – Assessment platform and item content delivery
- Manchester Township Board of Education – Assessment platform and item content delivery

- North Carolina State Board of Education – Special education compliance information system
- Georgia Department of Early Childhood – Pre-K facilities accreditation system

#### New clients include:

- Miami-Dade Public Schools
- Duval County Public Schools
- Gadsden County Public Schools

#### Advanced Technology Group

- **DELL - CORE was named Dell Premier Partner of the year for 2012.** Dell's partner network in the US consists of approximately 50,000 partners of which 1200 are Certified Premier Partners. This award honors Dell partners for delivering exemplary solutions for their customers during the past year. CORE was selected for this prestigious award by the entire US Executive Team at Dell. Obtaining this achievement is especially gratifying as we have surpassed our prior year numbers by a little more than 300%.
- **CORE's new partnership with T-Mobile,** will allow us to offer broadband connectivity for all of our mobile devices. T-Mobile's data service will fall under Priority 1 Services, which receives the most funding from Universal Service Administrative Company; by combining the T-mobile data service, with the Kuno tablet offering, CORE gives our customers the ability to have their one-to-one initiatives funded by up to 90% by the federal government.
- **Partnership with Anthro Corp.** - At the direction of an existing customer, CORE has partnered with Anthro Technology Furniture. Anthro's furniture solutions are used in healthcare, education, government, and business markets, plus they offer custom solutions for the OEM market, especially for medical equipment manufacturers. Along with technology furniture and mobile carts for laptops, Anthro and CORE are working together to create a security/charging cabinet for the Kuno solution. This solution will replace the current Jinx solution provided by Tech Innovations, which was not able to keep up with demand, and will allow CORE to be more competitive and achieve greater margins

#### Consulting and Staffing

CORE is a leading provider of staffing services and solutions in the education market, and with offices across the country, we are able to service effectively and efficiently. Almost every department of an educational institution can utilize CORE Consulting and Staffing solutions. We have helped more than 1,000 organizations recruit, screen, and retain talent.

Our industry leading candidate searching resources and management tools along with an extremely large social network allow us to identify quality candidates for almost any position, including: Administrators, Case Manager, Data Analyst, Educational Coordinator, IT Directors, Help Desk, Principals, Programmers, Para Professionals, Receptionist, Substitute Teachers, Teachers.

#### Recent achievements:

- Awarded Staffing Contract for **Milwaukee Public School district** (covering 78000 students)
- **Provide IT Staff Augmentation for Ohio** (part of our strategic growth and expansion plan as we continue to move west from our Northeastern stronghold)
- **UMass selected CORE for IT Staff Augmentation in a multi- year contract** (covers its 5 campus locations)

- Award of Excellence from the **Veterans Outreach Center's (VOC)** (reinforces our mission to be a positive impact on the communities where we operate).

#### V. Segment-wise performance.

(INR in million)	FY13	FY12
Teaching Solutions	1,891	1,253
Learning Solutions	58	12
Assessment and Intervention Solutions	2,906	3,692
Governance Solutions	6,149	5,506
Advanced Technologies	4,242	1,910
Consulting Solutions	3,829	4,005
<b>Total</b>	<b>19,074</b>	<b>16,379</b>

#### V. Internal control systems and their adequacy.

##### Internal Control System

The Company possesses an adequate system of internal controls to safeguard its assets from loss or unauthorized use. All transactions are properly authorized, recorded and reported to the management. The Company is following relevant Accounting Standards for properly maintaining the books of account and reporting of financial statements. The audit reports are reviewed by the Audit Committee of the Board periodically.

#### VI. Financial performance with respect to operational performance.

##### Consolidated financial and operational performance

##### Sources of funds

##### 1. Share capital

At present, the Company's capital structure comprises only one class of shares i.e. equity shares of par value ₹ 2 each. The authorized share capital is ₹ 500 million divided into 250 million equity shares of ₹ 2 each.

During the year, the Company's share capital increased by ₹ 4.02 million by addition of 2,011,485 equity shares of ₹ 2 each, of which 1,659,173 equity shares were allotted against the conversion of FCCBs issued in 2010 and 352,312 equity shares were allotted on exercise of Employee Stock Options under the CORE ESOS 2007 and 2009 Schemes.

##### 2. Reserves and surplus

##### a. Capital Reserve

There was no change in the Capital Reserve Account during the year under review.

##### b. Securities premium account

During the year, Securities Premium increased by ₹ 514 million with due premium on allotment of shares on conversion of FCCBs, Exercise of Warrants Employee Stock Options which are net of expenses incurred on the issue.

##### c. General reserve

A sum of ₹ 190 million has been transferred from the current year profits to the general reserve account with a balance of ₹ 696 million at the end of the year.

##### d. Profit and loss account

The opening balance in the profit and loss account was ₹ 8,786 million. A sum of ₹ 2,709 million was added during the year. The balance retained in the profit and loss account as of 31st March, 2013, after transfer to the general reserve, debenture redemption reserve and making provision for proposed dividend and dividend tax is ₹ 11,136 million.

### 3. Loan funds

INR in million

Particulars	31st March, 2013	31st March, 2012
Long-term borrowings	13,343	11,152
Short-term borrowings	4,095	2,446

Increase in long-term borrowings comprise of term loans, project loan facilities. Short-term borrowings comprise of working capital facilities availed by the Company during the year.

### 4. Deferred tax liability

The deferred tax liability increased by ₹ 233 million on account of timing differences between taxable income and accounting income.

### Application of funds:

#### 5. Fixed assets

Net block of tangible and intangible assets (including goodwill and capital work in progress) increased by ₹ 1,447 million and depreciation and amortization increased by ₹ 947 million during the current year. The increase is mainly on account of addition of developing IPRs and purchase of immovable properties. Net block of tangible and intangible assets at the end of the financial year stands at ₹ 11,498 million (As at 31st March, 2012 - ₹ 11,630 million).

#### 6. Investments

On a standalone basis, investments increased by ₹ 1,724 million during the year. The increase resulted mainly out of further investments in the existing wholly owned subsidiaries. Further, the Company has restructured its overseas subsidiaries this year by way of share transfers between the Parent Company and CECS Pte (the Singapore entity) which is now the holding company for some of its subsidiaries in US and UK. Total outstanding investments by the Company as on 31st March, 2013 stands at ₹ 13,308 million. Part of the investments also includes investments in liquid funds/ mutual funds for temporary period till utilised.

### Current assets, loans, and advances

#### 7. Inventories

Those portions of software development contracts which have not been billed, but which are partly completed, are recognized in our balance sheet under Inventories. This is valued at the lower end of net realizable value of work completed or the cost incurred. For this purpose, manpower cost of the software development team and other directly attributable costs are considered as cost for valuation. As on 31st March, 2013 Inventories stand at ₹ 3,021 million which includes unbilled revenue and manpower cost incurred in developing software.

#### 8. Sundry debtors

Sundry debtors amounted to ₹ 6,771 million (net of provision for doubtful debts) as on 31st March, 2013, compared to ₹ 6,112 million as at 31st March, 2012. These debtors are considered good and realizable. The need for provisions is assessed based on various factors including collectability of specific dues, continuity of business with the customer, risk perceptions of the industry in which the customers operate, general economic factors, which could affect the customer's ability to settle and on the management's perception of the risk.

#### 9. Cash and bank balance

Cash and bank balance stands at ₹ 943 million as compared to ₹ 1,547 million in the previous year.

### 10. Loans and advances

Loans and advances include short-term and long-term advances to vendors and associates.

### 11. Current liabilities

Current liabilities primarily include payables for goods and services for various operational expenses, current portion of long-term borrowings payable by the Company and its subsidiaries. Provisions have been made fully for our tax liabilities.

### Results of operations

#### 1. Income

Our revenues for software development, both domestic and international, are generated primarily on fixed time frame and time and material basis. Revenue from software services on fixed-price, fixed-time frame contracts is recognized as per the proportionate completion method. On time-and-materials contracts, revenue is recognized as the related services rendered. Revenue from the sale of user licenses for software applications is recognized on transfer of the title in the user license. Revenue from ICT contracts is recognized equally over the contract period post implementation of contract. Our consolidated income from operations was ₹ 19,074 million.

#### 2. Revenues and margins

On a consolidated basis, the Company achieved gross revenue of ₹ 19,074 million for the financial year ended 31st March, 2013 (Previous Year: ₹ 16,379 million). Profit before tax decreased by 10.6% to ₹ 3,827 million from ₹ 4,282 million.

(INR in million)	FY13	FY12
Teaching Solutions	1,891	1,253
Learning Solutions	58	12
Assessment and Intervention Solutions	2,906	3,692
Governance Solutions	6149	5,506
Advanced Technologies	4,242	1,910
Consulting Solutions	3,829	4,005
<b>Total</b>	<b>19,074</b>	<b>16,379</b>

Total revenue increased from ₹ 16,379 million in FY 2012 to ₹ 19,074 million in FY 2013.

- Acquisition of ITN Mark in FY12 has sustained operations through the integration phase during the year contributing about 9% of consolidated revenues.
- Our assessment, intervention and governance solutions are predominantly focused on developed markets such as US and UK which were stable during FY13 and have contributed about 48% of consolidated revenues in FY13
- Our advanced technologies segment comprises of business in US and India which contributed 22% of consolidated revenues in FY13. The increase was primarily on account of India and Middle East revenues contributing to ₹ 2,069 million in FY 2013. This was driven through complete execution of various ICT BOOT contracts and other technology sales in these regions.
- Learning segment constituted vocational education revenues from India in FY13 and contributed to <1% of consolidated revenues but is expected to increase in coming years.
- Key new contract awards during FY 2013 include Miami-Dade Public Schools, Duval County Public Schools, Gadsden County Public Schools, Odhisa Model Tribal Education Society etc.

### 3. Expenditure

- a. **Software development costs** represent employee costs and cost of utilizing outside consultants to correct the mismatch in certain skill sets that are required in various projects for software development and purchase of hardware and software, establishment expenses, interest & finance cost and depreciation. The Company continues to use these external consultants based on needs. Employee costs consist of salaries paid to employees. Travelling expenses mainly consist of cost of travel incurred by our project managers and sales and operations team. Advertisement and sales promotion primarily consist of cost of advertising for recruitment and certain sales promotion expenses incurred in the normal course of business. Exchange loss or gain mainly arises from the restatement of the foreign currency assets and liabilities as at 31st March, 2013.
- b. **Interest and finance cost:** We avail of working capital facilities and term loan facilities from our bankers and have also raised funds through long-term debt through banks, financial institutions, finance leases etc. Total interest costs towards servicing the availed facilities were ₹ 1,677 million compared to ₹ 1,483 million during the previous year. During the year, the Company has been successful in raising a long term facility of US\$ 50 million at its US subsidiary (CECS Inc.). During current year, there was an unrealised foreign exchange fluctuation loss of ₹ 90 million, (previous year ₹ 239 million).

### 4. Provision for tax

We have provided fully for our tax liability, both in India and overseas. The present Indian corporate tax rate is 33.99% comprising base rate, surcharge and cess. The profits attributable to operations under the Software Technology Park (STP) scheme can be deducted from income for a consecutive period of 10 years from the financial year in which the unit starts producing computer software, or 31st March, 2011, whichever is earlier. As effective tax-planning measures we have shifted our export activities to Special Economic Zones (SEZ).

### 5. Related party transactions

These have been discussed in detail in the notes to the financial statements.

#### viii. Material developments in Human Resources / Industrial Relations front, including number of people employed.

The ability to attract and retain talented employees is critical to business success of any organization. At Core, we recognize that each individual is unique and brings his/her unique talents to the organization.

Current challenging economic environment has prompted many corporate to manage cost more diligently by increasing productivity & efficiency. Core understands the need of business to adapt to these economic realities and consequently has revamped the India team to become more adept. Due to anticipated slowdown in exports from India, the Company has pruned down its Software Development team in order to ensure optimum utilization of resources. Also, due to deceleration in the ICT business, the project teams for this segment have also been right sized.

The Company recognizes the need to maintain its core team of skilled and competent work force. For this, it has identified these core team members and would make all efforts to ensure to retain them so as to be prepared for the upturn expected in FY 15.

#### Cautionary statement

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations may be "forward-looking statements" within the meaning of applicable securities, laws and regulations. Actual result could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include, among others, economic conditions, affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and incidental factors.



# DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 28th Annual Report on business and operations of your Company along with the audited financial statements for the year ended 31st March, 2013.

## RESULTS OF OPERATIONS:

(in Million)

	Consolidated		Standalone	
	2012-13	2011-12	2012-13	2011-12
Income from Operations	19,074.83	16,378.57	11,228.40	8,783.88
Other Income	330.80	496.86	337.58	451.95
Variation in Inventory	(913.83)	(641.96)	(762.97)	349.75
Expenses	16,492.48	13,235.66	10,320.04	6,532.97
Profit Before tax	3,826.98	4,281.73	2,008.91	2,353.12
Less: Provision for tax (current)	1,097.12	1,027.39	402.03	449.01
Excess/(Short) Provision for earlier years	0	(124.74)	0	(124.74)
Provision for tax (deferred)	20.88	148.17	20.86	148.17
Profit after Tax	2,708.98	3,230.92	1,586.03	1,880.68
Add: Balance B/F from Previous Year	8,785.90	5,879.16	4,713.67	3,157.16
Excess/(Short) Provision for Earlier years	0	(124.74)	0	(124.74)
Profit Available for appropriations	2,708.98	3,230.92	1,586.03	1,880.68
Debenture Redemption Reserve	87.83	57.73	87.83	57.73
Transfer to General Reserve	190.00	188.00	190.00	188.00
Proposed Dividend	68.69	67.49	68.69	67.49
Provision for Taxes on Dividends	11.14	10.95	11.14	10.95
Minority Interest	1.82	0	0	0
Balance C/F to Balance Sheet	11,135.40	8,785.90	5,942.03	4,713.67

## Overview:

The year 2012-13 was generally a steady year for your Company, though the beginning of the headwinds that were to afflict the entire industry were being felt towards the end of the year. On a consolidated basis, your Company achieved a total operating income of ₹ 19,074.83 million as compared to ₹ 16,378.57 million during the previous financial year. Similarly, profit before tax was ₹ 3,826.98 million as compared to ₹ 4,281.73 million during the previous financial year. Profit after tax was ₹ 2,708.98 million as compared to ₹ 3,230.92 million during the previous financial year.

The headwinds that were felt towards the end of the year turned into a virtual tornado for the Company in the first quarter of current financial year 2013-14. The Company faced significant financial stress due to decrease in sales revenue, increase in overdue trade receivables and payables and non-availability of assessed working capital limits. All this was the result of the economic and liquidity stress felt by various governments across the world, leading to significant cuts in public expenditure in areas including education. Since the company mainly follows the Business to Government model, cuts in government expenditure significantly impact the order flow and cash flows of the Company.

The Company's order book for the current year declined significantly in the USA due to fewer RFPs being issued at the beginning of this calendar year. In addition to the "sequester" effect that kicked in for the Federal Government of the USA, the implementation of the Common Core Standard across the United States from the next academic year 2014 significantly reduced the order flow for the current year. This in turn will adversely impact the volume of exports that the company will execute from its Offshore Development Centers in India, putting further strain on Indian Operations. This substantial impact on the Company is expected to taper off over the next two to three years, once the implementation of the Common Core Standard gathers full steam.

In India, the Company was plagued by very high receivables from State Government customers, largely due to liquidity constraints faced by both the Central and State Governments. The company's market capitalization also witnessed a drastic fall, impacting the fund raising exercise of the company. The Company was able to complete only one tranche of fund raising USD 50 million out of a total expected raise of USD 150 million.

The cumulative impact of the reduced order flow in the USA, the reduced cash flows in India and the inability to complete the USD 150 million fund raising exercise due to adverse market conditions was seen in the financial performance of the first quarter of the current year, which saw a loss of ₹ 3,336.95 million. The revenue trends witnessed in the first quarter are expected to continue through the year.

To mitigate the financial stress, the Company has taken various steps including cost cutting exercise and opted for Corporate Debt Restructuring (CDR) plan. Considering the above and based on a detailed plan for the next 12 months prepared by the Management and approved by the Board of Directors, the Company is confident of meeting its obligations as and when they fall due.

## Dividends and Appropriations:

In view of the Corporate Debt Restructuring Plan, your Company does not recommend any dividend to the members for the financial year 2012-13.

## Transfer to Reserves:

The Company proposes to transfer ₹ 190 Million (Previous year ₹ 188 Million) to the General Reserve. An amount of ₹ 11,135.40 million (Previous year ₹ 8,785.90 million) has been proposed on consolidated basis to be retained in the Profit and Loss Account on consolidated basis.

## OPERATIONAL HIGHLIGHTS

A brief overview of our business operation is provided in this section which is discussed in detail in the Management Discussion and Analysis section, forming part of this report.

## OVERSEAS OPERATIONS:

### US Business

In the US, CORE has a presence in over 42+ States and provides Technology enabled Education Solutions across four key elements of education delivery, namely Assessment and Intervention, Governance, Advanced Technologies and Consulting Solutions. Assessment and Intervention products aims to effectively and actively track, measure and improve student proficiency as well as ensure continuous progress toward key educational objectives. While Governance segment is focused

on meeting the compliance and accountability needs of school districts, government and corporate entities through a variety of special needs student services and student tracking and ID software solutions.

Currently approximately 79% of the Consolidated revenues are generated from the US business, and during the year under review, CORE Education & Consulting Solutions INC., USA, one of our main wholly owned subsidiaries in the US registered a Profit after Tax, to USD 16.8 million (₹ 914.24 million). Overall we saw a decrease of 6.2% in the revenues of our US subsidiaries (comprising CECS Inc, CETI Inc and CITS Inc) from ₹ 9,233.8 million in FY12 to ₹ 8,658.06 million in the current year FY 2012-13. Profit after tax for our US subsidiaries was at ₹ 1,327.9 million in FY 2012-13 compared to ₹ 1,246.9 million in FY 2011-12. New clients contracted by your company during the year include Miami Dade Public Schools, Duval County Public Schools & Gadsden County Public Schools.

#### **New Partners**

CORE is actively involved in forging partnerships with other successful companies to provide hardware products along with managed IT solutions, integrated innovative products within classroom management, assessment, and improvement. CORE has partnered with T-Mobile to offer broadband connectivity for all of our mobile devices. In another partnership, CORE tied up with Anthro Corp to create a security/charging cabinet for the Kuno solution.

#### **UK Business**

ITN Mark is based in Manchester with a nationwide branch network consisting of 13 sites. CORE is keen to tap its U.K. teacher supply solutions from primarily providing only teachers and teaching assistants to also providing special education need specialists, nursery and support staff as well. In addition, CORE plans to provide temporary education professionals to academies or schools in the UK that are directly funded by the central government.

Currently approximately 10% of the consolidated revenues are generated from the UK business, and during the year under review, CORE Education & Consulting Solutions (UK) Limited registered revenue of ₹1,890.7 million, growth of 18.82% compared to ₹ 1,591.2 million in FY 2011-12.

#### **Middle East and North Africa Business**

CORE –BIT Campus spread over an area of 4 acres in Ras-al-Khaimah had a good academic year 2012-13 with total of 226 students studying in campus. Your Company also participated in GETEX Exhibition at Dubai International convention centre in April 2012. For the current academic year 2013-14, there are 125 new enrollments across multiple courses.

During FY 13, your Company made significant inroads in the Middle East & Africa region with a strong business pipeline. Core has expanded its Teacher Supply Business in Middle East and has successfully signed few Letter of Intent (LOI) in Ghana and Kenya. Company has also secured an order for providing Campus Management Solution and is aggressively looking to sell other technology enabled solutions such as FAIM across the region.

#### **India Business:**

During FY 2012-13, the India business witnessed a sharp rise in receivables from its State Government customers. This put a lot of stress on the liquidity position in India. As a result, the Company decided to consciously slow down its growth in the ICT Segment. Whilst the company did receive new orders for implementation of Information & Communication Technology (ICT) and Computer Aided Learning (CAL), it had to perforce abandon three projects mid-way through implementation in the first quarter of FY 2013-14 due to lack of financial closure.

In Vocational business, in addition to the existing contracts under the Swarnajayanti Gram Swarojgar Yojana (SGSY), Swarna Jayanti Shahari Rozgar Yojana (SJSRY) & Government Hostel Scheme- Maharashtra. Your Company has bagged significant contracts with one them being, the contract from Ministry of Rural Development (MORD) to train and place 2,000 students from North Eastern states. We were also awarded the contract from Social Justice and Special Assistance Department, Government of Maharashtra to conduct training for 7,820 students in Government hostels across Mumbai

and Nagpur region. Another important contract is from Gujarat Knowledge Society to provide training and conduct exams for 11,800 students in Gujarat.

The Company deployed customized version of its turnkey examination management tool 'EdMastery' for Central Board of Secondary Education (CBSE). CORE's solution helped CBSE to automate the process of generation and distribution of question papers and marking schemes across the 12,000+ CBSE affiliated schools. The solution provided password protected unique question paper to every school. This solution also provides the web based online test- Performance Analysis Test (PAT) across different countries.

We have signed an MoU with EdCIL, a Public Sector Enterprise under Ministry of Human Resource Development (MHRD), Government of India to develop solutions for the Education sector in India and at International level through the innovative knowledge base of EdCIL in educational arena and our knowledge and experience in providing technology based solutions for Education Training, Content Development and Skill Testing.

#### **Changes in Capital Structure**

##### **Allotment of equity shares against conversion of Foreign Currency Convertible Bonds ('FCCBs'):**

Pursuant to the approval received from the Members at the 24th AGM held on September 24, 2009. The company had launched and priced the issue of USD 60 Million 7% Convertible Bonds with an upsize option of USD 15 million, convertible into ordinary / equity shares of the Company. The issue was fully subscribed and closed on 6th May 2010, with an aggregate issue of USD 75 million. The Bonds mature over a period of 5 years and 1 day with the maturity date 7th May, 2015. The Bonds carry YTM and coupon of 7% p.a. The initial conversion price of the said bonds, was fixed at 10% premium over the reference share price of ₹ 247.09 calculated in accordance with the applicable rule and regulations governing the issue, under the guidelines issued by the Reserve Bank of India and the Securities and Exchange Board of India in this regard, which works out to ₹ 271.80. The fixed exchange rate for the issue was USD 1 = ₹ 44.43. During the year under review, bonds worth USD 10,150,000 were converted (P.Y. USD 15,696,000 ) against which the Company had allotted 1,659,173 equity shares (P.Y. 25,65,749) of ₹ 2 each at a premium of ₹ 269.80 per equity share. As on 31st March, 2013, the end of the year, USD 48,937,000 bonds (P.Y. USD 59,087,000 bonds) were outstanding for conversion.

##### **CORE Employee Stock Option Scheme:**

The Company introduced and implemented the CORE Employee Stock Option Scheme (the scheme) in CORE ESOS 2007 and CORE ESOS 2009, in accordance with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (the Guidelines). The detailed disclosure required under the relevant guidelines is attached herewith and forms part of this report.

During the year, 48,326 equity shares (P.Y. 169,628 equity shares) under CORE ESOS 2007 and 303,986 equity shares (P.Y. 591,328 equity shares) under CORE ESOS 2009, were allotted against the exercise of stock options by the eligible employees / Directors.

Considering all the allotments above, during the year 2012-2013, the paid-up share capital of your Company stands increased from ₹ 224,944,682/- comprising 112,472,341 equity shares of ₹ 2/- each to ₹ 228,967,652 comprising 114,483,826 equity shares of ₹ 2/- each.

##### **SUBSIDIARY COMPANIES AND PARTICULARS REQUIRED UNDER SECTION 212 OF THE COMPANIES ACT, 1956**

Being a Global Corporate entity, your Directors believe that the Consolidated Results represent the performance of the Company in a more comprehensive manner as compared to the stand alone operations. In view of that and also as required under the Listing Agreements with the Stock Exchanges, a Consolidated Financial Statement of the Company and all its subsidiaries are attached and forms part of this report. The Consolidated Financial Statement has been prepared in accordance with applicable Accounting Standards issued by The Institute of Chartered Accountants of India. Details of the subsidiary companies are discussed in the Management Discussion & Analysis, forming part of this report.

As per the provisions of Section 212 of the Companies Act, 1956 (hereinafter referred to as 'the Act'), your Company is required to attach the Directors' Report, Balance Sheet, Profit and Loss Account and other information of the subsidiaries to its Balance Sheet. Government of India (Ministry of Corporate Affairs), vide General Circular 2/2011 dated 8th February, 2011 has granted general exemption to all the companies from attaching to its Balance Sheet, the individual Annual Reports of all its subsidiary companies, as required under Section 212 of the Act, subject to Board approval and fulfillment of certain other conditions. Your Directors believe that the audited consolidated accounts present a full and fair picture of the state of affairs and financial conditions of the Company and its subsidiaries, as is done globally. A statement pursuant to Section 212 of the Companies Act, 1956 relating to the Company's interest in subsidiaries is attached to the financial statement and forms part of this Report. The annual accounts of these subsidiaries and the related detailed information will be made available to any Member of the Company seeking such information and are also available for inspection by any Member of the Company at the Registered Office of the Company.

### BOARD OF DIRECTORS

Board of Directors of the Company comprises of Non-Executive Promoter Chairman, Mr. Sanjeev Mansotra; three Executive Directors namely, Mr. Naresh Sharma, Executive Director, Mr. Nikhil Morsawala, Director-Finance and Prof. Dr. Arun Nigavekar, Executive Director; and three Independent Directors, namely Mr. S. S. Dua, Mr. Harihar Iyer and Mr. Pundi L. Narasimham. Four Directors of the Company, namely Mr K C Ganjwal, Mr M. N. Nambiar, Mr Awinash Arondekar and Ms Maya Sinha have resigned during the period under report. One new Director, namely Mr. Pundi L. Narasimham, was appointed during the period under report.

In accordance with the provisions of the Act and the Articles of Association of your Company, Prof. Dr. Arun Nigavekar, Executive Director of your Company, is retiring by rotation at the ensuing Annual General Meeting and expressed his unwillingness to continue to be reappointed as Director of the Company.

Brief resume of Mr. Pundi L. Narasimham appointed as an Additional Director at the Board Meeting held on 14th August, 2013, proposed to be reappointed as Director, nature of his expertise in specific functional areas and names of companies in which he holds directorships and memberships/chairmanships of Board Committees, as stipulated in Clause 49 of the Listing agreement with the stock exchanges are provided in the report on Corporate Governance forming part of the annual report.

### Directors' Responsibility Statement

Pursuant to the requirement under Section 217(2AA) of the Act, with respect to Director's Responsibility Statement, it is hereby confirmed:

- that in preparation of the Annual Accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;
- that we have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year;
- that we have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that we have prepared the annual accounts on a going concern basis.

### Material developments in human resources and industrial relations

The ability to attract and retain talented employees is critical to business success of any organization. At Core, we recognize that each individual is unique and brings his/her unique talents to the organization.

As part of our talent management strategies, we practice Strategic Talent Acquisition, which takes a long-term view of not only filling vacancies for today, but also using the candidates to fill positions in the future to create sufficient

talent pool. This has helped in ensuring the availability of the right talent at the right time and sometimes even ahead of time. With a view to develop future capabilities, Core is also involved in Campus hiring to develop new potential and through highly skilled training programmes to nurture the skills of these new talents to enhance the talent pool for future assignments.

We have been successful in building a culture of personal growth and have been able to engage talented people. This has been possible with a robust performance management system. We are committed to cultivating a performance-driven culture that rewards results and recognise excellence. The objective of the performance management system is to align each individual goal to the company's business goals. Our strong performance management system provides the ongoing processes and practices to maintain a stellar workforce.

Employee development planning is an ongoing activity and people are trained in the areas of technical competencies and behavioral competencies such as leadership development, organizational change management, team building and management of diverse teams. The environment of continuous learning enables employees to shoulder higher responsibilities with élan.

These initiatives provide a platform to the employees to understand the organization and imbibe its culture. It promotes the sense of working at an individual level and collective level to integrate their goals with the company's goal.

### Corporate Social Responsibility

As a socially responsible organization, Core has been part of various initiatives during the course of the year towards contributing to a better society. Prominent amongst these initiatives have been the Blood Donation Camp organised at its office premises across various locations in Mumbai in association with the Umang Foundation which received an overwhelming response from its employees. It saw participation from employees at all levels come together to contribute towards this noble cause making it a huge success. Such was the popularity of the initiative that we had people from other organizations in and around also participating in the Camp.

The organization has also been at the forefront of creating environmental awareness amongst its employees. In order to create a better environment and increase the Green Cover in the city it organized a tree plantation drive whereby free saplings were distributed to all its employees to be planted in areas in and around their localities. Core had also organized various sessions to spread awareness amongst its employees on the importance of following a healthy lifestyle through interactive mediums like games and activities.

Core has always been aware of its responsibilities as an organization with a Social Conscience and it would always be its endeavor to contribute to socially relevant issues in the years to come.

### BEST PRACTICES

During the year, your Company has achieved CMMi Level 5 certification. The Company continues to be an ISO 9001:2008 organization and working towards achieving ISO 27001 certification, a standard for Information Security Management Systems.

### CORPORATE GOVERNANCE

The Company endeavours to attain highest values of Corporate Standards. The Company has adhered to the requirements set out by the Securities and Exchange Board of India's Corporate Governance practices and has implemented all the stipulations prescribed, in the Clause 49 of the Listing Agreement with Stock Exchanges. The Report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement forms part of the Annual Report.

The Chairman's declaration regarding compliance with CETL Code of Conduct for Directors and Senior Management personnel forms part of report on Corporate Governance.

### MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges is presented as a separate section forming part of this Annual Report.

## AUDITORS AND AUDITOR'S REPORT

M/s. Chaturvedi & Shah, Chartered Accountants and M/s Asit Mehta & Associates, Chartered Accountants, the Joint Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

The Company has received confirmations from the auditors to the effect that their re-appointment, if made would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for such reappointment within the meaning of Section 226 of the said Act.

The notes to Accounts referred to in the Auditor's Report are self-explanatory and therefore do not call for any further Comments.

## FIXED DEPOSITS

The Company has not accepted any deposits from the public within the meaning of Section 58A of the Act and as such, no amount of principal or interest was outstanding on the date of the Balance Sheet.

## EMPLOYEE PARTICULARS

In terms of the provisions of Section 217(2A) of the Act, read with (Particulars of Employees) Rules, 1975 as amended, the names and other particulars of employees forms part of the Director's Report.

However, having regard to the provisions of Section 219(1) (b) (iv) of the said Act, the Annual report excluding the aforesaid information is being sent to all the members of the Company and others entitled thereto. Any member interested in obtaining such particulars may write to the Company Secretary at the registered office of the Company.

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUT GO

The particulars relating to energy conservation, technology absorption, foreign exchange earnings and outgo as required under Section 217(1) (e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 are provided in the Annexure I to this report.

## TRANSFER OF UNPAID / UNCLAIMED AMOUNTS TO INVESTOR EDUCATION PROTECTION FUND (IEPF)

During the year 2012-13, the company has transferred the Unclaimed Dividend declared for the Year 2004-05 to the Investors Education and Protection Fund (IEPF) established by the Central Government. The dividend declared for the year 2005-06 is being transferred within the stipulated period to the IEPF established by the Central Government in terms of Section 205C of the Companies Act 1956. The Unclaimed Dividend for the year 2006-07 & onwards can be claimed by the members by Corresponding the same to the company or the Registrar & Transfer Agent of the company. Members are requested to note that dividends not encashed or claimed within 7 years from the date of transfer to the Company's unpaid dividend account will, as per Section 205A of the Companies Act, 1956, be transferred to the IEPF. No claim shall lie against the Company or the said Fund in respect of any amounts, which were unclaimed and unpaid for a period of seven years from the dates they first became due for payment and no payment shall be made in respect of any such claims.

## ACKNOWLEDGEMENTS

We thank our customers, investors, bankers and other stakeholders for their continued support during the year. We place on record our sincere appreciation of the contribution made by employees at all levels. Our consistent growth was made possible by their hardwork, solidarity, cooperation and support and look forward to their continued support.

## ANNEXURE TO DIRECTORS' REPORT

### ANNEXURE I

Particulars pursuant to Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988:

#### A) Details on Conservation of Energy

Though the operations of your Company are not energy-intensive, significant measures are taken to reduce energy consumption. We constantly evaluate new technologies and invest to make our infrastructure more energy-efficient.

Some of the energy efficient practices adopted across the facilities of the Company to reduce consumption of power are:

- Installation of energy efficient lighting.
- Use of energy efficient computers and by purchasing energy-efficient equipment.
- Energy monitor and controlling system.
- Incorporating new technologies in the air-conditioning systems at all upcoming facilities to optimize power conservation.
- Identification and replacement of outdated and low-efficient UPS systems in a phased manner.
- Installation of LCD monitors (Energy Efficient) in place of normal CRT monitors, thereby saving energy.
- Turning of lights in all floors when COREans are not working.
- Turning off the Air conditioners during non peak hours and on weekends.
- Toughened glass windows to reduce infrared radiation.
- Effective management of ventilation to ensure acceptable air quality.

Our strategy to adopt the best practices, latest technologies and high levels of efficiency in our operations will help us build an environment where energy is conserved.

#### B) Technology Absorption and Research & Developments

Research and Development for new solutions and services, designs, frameworks, processes, and methodologies continue to be of top priority for us. This allows us to enhance quality, productivity and customer satisfaction through continuous innovation. The Company believes that technological obsolescence is a reality. Only progressive research and development will help us to accomplish future challenges and opportunities. We invest and encourage continuous innovation.

#### C) Foreign Exchange Earnings and Outgo:

The Company continued to be net foreign earner during the year.

Total foreign exchange earned by the Company during the year under review was ₹ 3,391.73 million as compared to ₹ 2,796.15 million during the previous year.

Total foreign exchange outflow during the year under review was ₹ 301.94 million, as against ₹ 325.33 million during the previous year.

For and on behalf of the Board  
**Sanjeev Mansotra**  
Chairman

Place: Mumbai  
Date: 14th August, 2013



## Annexure II

## Disclosure pursuant to the provisions of Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 as on 31st March, 2013

Sr. No.		Scheme-1 : ESOS 2007						Scheme-2 : ESOS 2009									
		14.06.2007	13.03.2008	22.05.2008	27.06.2008	31.07.2008	15.10.2009	12.08.2010	11.11.2010	11.02.2011	26.05.2011	30.07.2011	24.10.2011	09.02.2012	30.08.2012		
1	Date of grant																
2	Options granted	1,421,500	1,179,340	170,690	77,960	109,755	4,200,000	978,000	351,000	474,000	997,000	583,000	630,000	576,000	261,000		
3	Pricing Formula	Exercise price shall be the latest available closing market price of the Equity Shares of the Company on BSE or NSE, where the highest volume of shares are traded, prior to the date of grant.															
4	Price of the share in market at the time of option grant (₹)	136.80	204.85	222.75	181.45	214.70	192.00	261.90	306.30	267.50	288.65	301.25	281.50	277.70	290.80		
5	Outstanding options as at 1st April, 2012 (Nos.)	97,736	136,355	83,074	1,400	20,367	1,886,147	523,950	168,000	379,000	840,000	533,000	601,000	568,000	-		
6	Options granted during the year ended 31st March, 2013 (Nos.)	0	0	0	0	0	0	0	0	0	0	0	0	0	261,000		
7	Options vested during the year ended 31st March, 2013 (Nos.)	Nil	Nil	Nil	Nil	Nil	Nil	97,500	79,750	159,250	582,000	370,250	245,500	241,500	0		
8	Options exercised during the year ended 31st March, 2012 (Nos.)	37,811	4,865	1,400	1,400	2,850	275,219	28,617	0	0	150	0	0	0	0		
9	Total no. of shares arising as a result of exercise of options (Nos.)	37,811	4,865	1,400	1,400	2,850	275,219	28,617	0	0	150	0	0	0	0		
10	Options lapsed / surrendered during the year ended 31st March, 2013 (Nos.)	59,925	131,490	54,445	-	11,678	226,167	138,900	15,000	91,000	221,000	275,000	171,000	87,000	17,000		
11	Options in force as at 31st March, 2013 (Nos.)			27,229	-	5,839	1,384,761	356,433	153,000	288,000	618,850	258,000	430,000	481,000	244,000		
12	Variation of terms of options	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil		
13	Money realised by exercise of options (₹)	5,172,544.80	996,595.25	311,850.00	254,030.00	611,895.00	52,842,048.00	7,494,792.30	Nil	Nil	43,297.50	Nil	Nil	Nil	N.A.		
14	Employee-wise details of options granted to:																
	i) Senior Managerial Personnel	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2		
	ii) Employees receiving 5% or more of the total number of options granted during the year	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil			
	iii) Employees granted options equal to or exceeding 1% of the issued capital	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil		
15	Diluted EPS on issue of shares on exercise calculated in accordance with AS 20 (₹)																
	i) Method of calculation of employee compensation cost	Intrinsic Value Method															
	ii) Difference between the employee compensation cost so computed (i) above and the employee compensation cost that shall have been recognized if fair value of options had been used.	38,447,830															
	iii) The impact of the difference on profits and EPS of the Company had fair value of options had been used for accounting Employee Options	Profirma Profit ₹ 2,670,529,261 and Profirma Basic EPS - ₹ 23.48 and Profirma Diluted EPS - ₹ 21.94															

## Annexure II (Cont.)

### Disclosure pursuant to the provisions of Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 as on 31st March, 2013

16	Weighted-average exercise prices and weighted-average fair values of options, exercise price of which is less than the market price on the date of grant shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock	136.80	204.85	222.75	181.45	214.70	192.00	261.90	306.30	267.50	288.65	301.25	281.5	277.7	290.8
	i) Weighted average exercise price (₹)	72.76	108.95	101.35	83.88	105.34	Type A - ₹ 115.37, Type B - ₹ 115.37, Type C - ₹ 118.76	Type A - ₹ 105.17, Type C - ₹ 109.71	Type C - ₹ 119.18	Type C - ₹ 122.76	Type C - ₹ 113.11	Type A - ₹ 97.65, Type C - ₹ 102.65	Type C - ₹ 95.05	Type C - ₹ 92.28	Type C - ₹ 91.99
	ii) Weighted average fair value (₹)														
17	Significant assumptions used to estimate fair values of options granted during the year														
	i) Risk free interest rate (%)	7.81	7.81	7.67	8.65	9.09	7.24	7.44	7.69	7.75	8.05	8.22	8.54	8.03	7.98
	ii) Expected life (years)	5	5	5	5	5	5	5	5	5	5	5	5	5	5
	iii) Expected volatility (%)	54	54	46.23	46.23	46.23	73.64	36.98	31.91	33.13	31.66	19.44	18.34	18.41	13.41
	iv) Dividend yield (%)	0.10	0.10	0.10	0.10	0.10	0.51	0.33	0.33	0.33	0.33	0.33	0.36	0.36	0.22

### Note-2: The details of options granted to senior managerial personnel under various ESOs of the Company are given as under :

Name of Senior Managerial Personnel	No. of Stock Options Granted											
	Scheme-1 : ESOS 2007				Scheme-2 : ESOS 2009							
	14-Jun-10	13-Mar-08	15-Oct-09	12-Aug-10	26-May-11	30-Jul-11	24-Oct-11	30-Aug-12				
Mr. Prakash Gupta	80,000	20,000	110,000	Nil	Nil	Nil	Nil	Nil				
Mr. Shekhar Iyer	40,000	Nil	60,000	Nil	Nil	Nil	Nil	Nil				
Mr. Sanjay Minocha	40,000	Nil	57,500	Nil	Nil	Nil	Nil	Nil				
Ms. Sucheta Phadke	Nil	Nil	Nil	Nil	50,000	Nil	Nil	Nil				
Mr. Brian Keenan	Nil	Nil	Nil	Nil	50,000	Nil	Nil	Nil				
Mr. Allison Keenan	Nil	Nil	Nil	Nil	50,000	Nil	Nil	Nil				
Prof. Arun Nigavekar	Nil	Nil	Nil	Nil	Nil	100,000	Nil	Nil				
Mr. Anwar Ahmed Khan	Nil	Nil	Nil	Nil	Nil	Nil	50,000	Nil				
Mr. Anandkumar Sangneria	Nil	Nil	Nil	Nil	Nil	Nil	50,000	Nil				
Steve VanGinkel	Nil	Nil	Nil	Nil	Nil	Nil	125,000	Nil				
Stan Lupkes	Nil	Nil	Nil	Nil	Nil	Nil	125,000	Nil				
Ms. Rupamala Singh	Nil	Nil	Nil	Nil	Nil	Nil	Nil	50,000				

# CORPORATE GOVERNANCE REPORT

## Auditors' Certificate regarding compliance of conditions of Corporate Governance under clause 49 of the Listing Agreement(s).

To the Members,

### CORE Education & Technologies Limited

We have examined the compliance of Corporate Governance by CORE Education & Technologies Limited for the year ended 31st March, 2013 as stipulated in Clause 49 of the Listing Agreement (as amended from time to time) entered with the stock exchanges in India.

The compliance of various provisions of Corporate Governance is the responsibility of the management. Our examination was limited to the review of the procedures and implementations thereof, adopted by the Company for ensuring compliance of the conditions of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

On the basis of the records maintained by the Company and further certified by the Registrars & Share Transfer Agents of the Company, we state that there were no investor grievances pending for the period ended 31st March, 2013.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Chaturvedi & Shah**  
Chartered Accountants

For **Asit Mehta & Associates**  
Chartered Accountants

**Jignesh Mehta**  
Partner  
Membership No.: 102749  
Firm Regn. No. 101720W

**Sanjay Rane**  
Partner  
Membership No.: 100374  
Firm Regn. No. 100733W

Place: Mumbai  
Date: 14 August, 2013

Securities and Exchange Board of India (SEBI) introduced a formal code of Corporate Governance through Clause 49 of the Listing Agreement executed by the Company with the Stock Exchanges in India. Clause 49 of the Listing Agreement lays down several corporate governance practices, which are to be adopted by the listed companies. The Corporate Governance Code has been periodically upgraded to ensure that the companies follow and put into practice the best possible governance in managing the affairs of the Company with greater responsibility and transparency. This report sets out the status of various compliances adopted by the Company as set out in Clause 49 during the financial year 2012-13. We believe good governance practices stem from the culture and mindset of the organization.

Over the years, governance processes, practices and systems have evolved at CORE to adopt the global standard practices. In addition to complying with statutory requirements, effective governance systems and practices, inter alia, towards transparency, disclosure, internal controls and promotion of ethics at work place have been institutionalized. Good governance is a continuing process and CORE reiterates its commitment to pursue and adopt global standards of Corporate Governance in the overall interest of the stakeholders.

Our Company is listed on the BSE Limited and the National Stock Exchange of India Limited in India and forms part of 'B' Group, S&P BSE 500 Index on the BSE and CNX 500, CNX IT at the NSE. Report on Corporate Governance as per Clause 49 of the Listing Agreement is given hereunder:

### 1. Company's Philosophy on Code of Governance

At CORE, we believe that as we move forward of being global corporation, our corporate governance standards must also be globally benchmarked. Therefore we are committed to meet the aspiration of all our stake holders. This is reflected in the shareholders returns, credit ratings, governance practices, entrepreneurial and performance focused working environment.

The Board of Directors and the Management of your Company have adopted the following Code of Conduct:

1. To maintain the highest standards of transparency and professionalism in all aspects of decision and transactions.

2. To ensure that the core values of the Company are protected.
3. To ensure timely dissemination of all price sensitive information and other matters of interest to our stakeholders.
4. To ensure that the Board exercises its fiduciary responsibilities towards Shareholders, Creditors and other stakeholders.
5. To comply with such laws and regulations applicable to the Company.
6. To promote the interest of all stakeholders including customers, shareholders, employees, lenders, vendors and society.

## 2. Board of Directors

The Board of Directors along with its committees provides leadership and vision to the management and supervises the functioning of the Company. The composition of the Board is governed by the Listing Agreement executed with the Stock Exchange(s), the Companies Act, 1956 and the provisions of the Articles of Association of the Company. The Board has an optimum combination of executive and non executive Directors as on 31st March, 2013. Currently, the Company has seven members on the Board of which three members are Independent Directors, one Non-Executive Director and three

Executive Directors. Whilst the Chairman of the Board is a Non-Executive Director, for the benefit of the Group he was appointed as the "Global CEO" of the Group.

We follow a self-certification process for ensuring that the criteria are fully met and the certificates are tabled before the Board.

None of the Directors on the Company's Board is a member of more than ten committees and Chairman of more than five committees across all the companies in which he or she is a Director. All the Directors have made necessary disclosures regarding Committee positions held by them in other companies. Also none of the Directors on board hold the office of Director in more than 15 public limited companies.

The requisite information as enumerated in Annexure IA to Clause 49 of the Listing Agreement is tabled before the Board for discussion and their consideration. The maximum time gap between two Board meetings did not exceed 4 months.

The composition of the Board, attendance at Board meetings held during the year under review, number of Directorships and memberships and the current status of directors till the date of this Report is given below:

### Composition of the Board and attendance of directors at Board meetings and AGM

Name of Directors	Category*	Attendance in Board Meetings		Attendance at Last AGM	On the Board/ Committee of other Companies		
		Held	Attended @		Directorship**	Committee Chairmanship***	Committee Membership ***
Mr. Sanjeev Mansotra	CM & PD	6	1	NO	5	-	-
Mr. Naresh Sharma	PD & ED	6	6	YES	5	-	-
Mr. Sunder Shyam Dua	ID	6	6	YES	2	-	-
Mr. Nikhil Morsawala	ED	6	6	YES	4	-	2
Mr. Awinash Arondekar ^	ID	6	6	YES	3	1	2
Mr. M. N. Nambiar ^	ID	6	5	YES	1	-	-
Mr. Harihar Iyer §	ID	6	0	NO	Nil	-	-
Ms. Maya Sinha ^	ED	6	1	NO	-	-	-
Prof. A. S. Nigavekar	ED	6	0	YES	2	-	-
Mr. K C Ganjwal ^	ID	1	1	NO	-	-	-
Mr. Pundi L. Narasimham ^ ^	AD	-	-	N.A.	-	-	-

\* PD – Promoter Director, CM – Chairman, ID – Independent Director, ED – Executive Director, AD – Additional Director.

\*\* In Indian public limited companies, as on 31.03.2013.

\*\*\* In Audit Committee and Shareholders Grievances Committee of Indian public limited companies as on 31st March, 2013.

@ Leave of absence has been granted to the Directors for the Board/Committee Meetings not attended by them.

^ Mr. K.C. Ganjwal resigned with effect from 11th August, 2012.

^ Mr. M.N. Nambiar resigned with effect from 5th June, 2013.

^ Ms. Maya Sinha resigned with effect from 18th June, 2013.

^ Mr. Awinash Arondekar resigned with effect from 25th June, 2013.

§ Mr. Harihar Iyer categorized as Independent Director with effect from 10th November, 2012.

^ ^ Mr. Pundi L. Narasimham has been appointed as an Additional Director with effect from 14th August, 2013.



**Details of Board Meetings Held during the Year**

Date of Board Meeting	Board Strength	No. of Directors Present
30th April, 2012	10	7
14th August, 2012	9	5
30th August, 2012	9	5
10th November, 2012	9	5
28th November, 2012	9	5
13th February, 2013	9	5

**3. Board Committees**

The Board of Directors have constituted the Audit Committee, the Shareholders / Investors Grievance Committee, the Remuneration / Compensation Committee, the Management Committee, the FCCB Committee and the Guarantee Committee. Each Committees' roles and responsibilities have been defined and specified by the Board.

Details of Committees membership and its Chairmanships are detailed as given below.

**A. Audit Committee**

**Present composition of the members of the Audit Committee, Meetings held and Attendance of the Members is as follows:**

Names of the Members	Position
Mr. Sunder Shyam Dua	Chairman
Mr. Nikhil Morsawala	Member
Mr. Pundi L. Narasimham ^ ^	Member
Mr. Naresh Sharma *	Member
Mr. Awinash Arondekar ^	Member
Mr. M. N. Nambiar ^	Member

- \* Mr. Naresh Sharma has ceased to be a member with effect from 10th November, 2012.
- ^ Mr. M.N. Nambiar has ceased to be a member with effect from 5th June, 2013.
- ^ Mr. Awinash Arondekar has ceased to be a member with effect from 25th June, 2013.
- ^ ^ Mr. Pundi L. Narasimham has been inducted as a member with effect from 14th August, 2013.

**Mr. Ganesh Umashankar, Company Secretary acts as the Secretary to the Committee.**

During the year, the Committee had met 5 times on 30-04-2012, 14-08-2012, 30-08-2012, 10-11-2012 and 13-02-2013. The Audit Committee Chairman attended the last Annual General Meeting.

**Details of meeting and attendance of the members during the financial year 2012-13:**

	Attendance in Audit Committee Meetings	
	Held	Attended
Mr. Sunder Shyam Dua	5	5
Mr. M. N. Nambiar ^	5	4
Mr. Nikhil Morsawala	5	5
Mr. Awinash Arondekar ^	5	5
Mr. Naresh Sharma *	4	3
Mr. Pundi L. Narasimham ^ ^	N.A.	N.A.

- \* Mr. Naresh Sharma has ceased to be a member with effect from 10th November, 2012.
- ^ Mr. M.N. Nambiar has ceased to be a member with effect from 5th June, 2013.
- ^ Mr. Awinash Arondekar has ceased to be a member with effect from 25th June, 2013.
- ^ ^ Mr. Pundi L. Narasimham has been inducted as a member with effect from 14th August, 2013.

**Terms of Reference of the Audit Committee**

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Clause (2AA) of Section 217 of the Companies Act, 1956.
  - Changes, if any, in accounting policies and practices and reasons for the same.
  - Major accounting entries involving estimates based on the exercise of judgment by management.
  - Significant adjustments made in the financial statements arising out of audit findings.
  - Compliance with listing and other legal requirements relating to financial statements.
  - Disclosure of related party transactions.
  - Qualifications in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
- 5.A Reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

8. Discussion with internal auditors on any significant findings and follow up there on.
9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
10. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
12. Review the following information,
  1. Management discussion and analysis of financial condition and results of operations;
  2. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
  3. Management letters / letters of internal control weaknesses issued by the statutory and auditors;
  4. Internal audit reports relating to internal control weaknesses.

**The Audit Committee has the following powers:**

- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

**B. Remuneration / Compensation Committee**

The Remuneration / Compensation Committee has been constituted to recommend and review remuneration of the Managing Director and Executive Directors and to review the appointments of Senior Management Personnel. The Committee has been further authorized to administer and supervise the Employee Stock Option Scheme implemented by the Company. The committee meets as and when required. During the year, committee met four times on 30-04-2012, 30-08-2012, 10-11-2012 and 13-02-2013.

**Currently the Remuneration / Compensation Committee is constituted with following members:**

Names of the Members	Position
Mr. Sunder Shyam Dua	Chairman
Mr. M. N. Nambiar ^	Member
Mr. Awinash Arondekar ^	Member
Mr. Nikhil Morsawala	Member
Mr. K.C. Ganjwal *	Member
Mr. Pundi L. Narasimham ^ ^	Member

\* Mr. K.C. Ganjwal has ceased to be a member with effect from 11th August, 2012.

^ ^ Mr. Pundi L. Narasimham has been inducted as a member with effect from 14th August, 2013.

^ Mr. M.N. Nambiar has ceased to be a member with effect from 5th June, 2013.

^ Mr. Awinash Arondekar has ceased to be a member with effect from 25th June, 2013.

**Attendance of members during the financial year 2012-13:**

Committee Members	Attendance in Remuneration/ Compensation Committee meeting	
	Held	Attended
Mr. Sunder Shyam Dua	4	4
Mr. M. N. Nambiar ^	4	4
Mr. Nikhil Morsawala	4	4
Mr. Awinash Arondekar ^	4	4
Mr. K.C. Ganjwal *	1	1
Mr. Pundi L. Narasimham ^ ^	N.A.	N.A.

\* Mr. K.C. Ganjwal has ceased to be a member with effect from 11th August, 2012.

^ Mr. M.N. Nambiar has ceased to be a member with effect from 5th June, 2013.

^ Mr. Awinash Arondekar has ceased to be a member with effect from 25th June, 2013.

^ ^ Mr. Pundi L. Narasimham has been inducted as a member with effect from 14th August, 2013.

**Brief Terms of Reference:**

1. Make recommendations for appointment on the Board.
2. Recommend compensation payable to the Executive Directors and Senior Personnel.
3. Review of HR Policies / initiatives.
4. Administer and supervise Employees Stock Option Schemes.

**Remuneration Policy**

The remuneration policy approved by the Board of Directors, inter alia, provides for the following:

**Executive Directors**

1. Salary and Commission not to exceed limits prescribed under the Companies Act, 1956
2. No Sitting Fee to be paid for attending the Board / Committee meetings.
3. Promoter Director not eligible for participating in ESOS

**Non-executive Directors**

1. Sitting Fee and Commission not to exceed the limits prescribed under the Companies Act, 1956.
2. Eligible for Commission based on time, effort and output given by them.
3. Eligible for ESOP (Other than Promoter Directors).

**Details of Remuneration and Shareholding of Directors in the Company as at 31st March, 2013:**

Name of Directors	Salary	Bonus / Commission	Sitting Fees for Board & Committee meetings	Service Contracts	No. of Shares held as on 31st March, 2013	No. of Options Granted
Mr. Sanjeev Mansotra	-	-	-	Not liable to retire by rotation	Nil	Nil
Mr. Naresh Sharma	48,00,000	-	-	Not liable to retire by rotation	Nil	Nil
Mr. Sunder Shyam Dua *	-	-	4,90,000	Retirement by rotation	14,144	1,50,000
Mr. Nikhil Morsawala	50,00,004	-	-	Retirement by rotation	Nil	1,50,000
Mr. Harihar Iyer *	-	-	-	Retirement by rotation	337,500	40,000
Mr. Awinash Arondekar *	-	-	4,90,000	Retirement by rotation	500	1,50,000
Mr. M. N. Nambiar *	-	-	4,10,000	Retirement by rotation	1,000	1,50,000
Ms. Maya Sinha	1,50,00,000	-	-	Retirement by rotation	Nil	1,00,000
Prof. Arun S. Nigavekar	34,80,000	-	-	Retirement by rotation	Nil	1,00,000
Mr. K.C. Ganjwal *	-	-	30,000	Retirement by rotation	Nil	1,00,000

**Notes:**

\*The Company has not entered into any pecuniary relationship or transaction with the Non-executive directors.

**C. Shareholders/Investors Grievances Committee**

The Committee, *inter alia* approves issue of duplicate share certificates, oversees and reviews all matters connected with transfer of shares and allotment of shares under CORE ESOS and allotment of shares against conversion of FCCBs of the Company. The Committee also looks into redressal of investor complaints related to transfer of shares, non receipt of dividend and annual accounts etc. The Committee oversees the performance of the Registrar and Transfer agents of the Company. The Committee also monitors the implementation and compliance of the Company's Code of Conduct for Prohibition of Insider trading in pursuance of the SEBI (Prohibition of Insider Trading) Regulations, 1992.

Currently, the Shareholders/Investors Grievances Committee constituted with following members

Names of the Members	Position
Mr. Pundi L. Narasimham ^ ^	Chairman
Mr. Awinash Arondekar ^	Chairman
Mr. Nikhil Morsawala	Member
Mr. Naresh Sharma	Member
Mr. Sunder Shyam Dua	Member
Mr. Sanjeev Mansotra	Member
Mr. M.N. Nambiar ^	Member
Mr. K.C. Ganjwal *	Member

^ ^ Mr. Pundi L. Narasimham has been inducted as a member with effect from 14th August, 2013.

^ Mr. M.N. Nambiar has ceased to be a member with effect from 5th June, 2013.

^ Mr. Awinash Arondekar has ceased to be a member with effect from 25th June, 2013.

\* Mr. K.C. Ganjwal has ceased to be a member with effect from 11th August, 2012.

Presently, Mr. Pundi L. Narasimham is the chairman of the Shareholders & Investors Grievance Committee. The committee meets as and when required. During the financial year 2012-13, committee met twelve times on 16-04-2012, 30-04-2012, 18-05-2012, 18-06-2012, 17-07-2012, 14-08-2012, 30-08-2012, 15-10-2012, 10-11-2012, 11-12-2012, 15-01-2013 and 13-02-2013.

**Attendance during the financial year 2012-13:**

Committee Members	Attendance in Shareholders/ Investors Grievances Committee meeting	
	Held	Attended
Mr. Awinash Arondekar ^	12	12
Mr. Sunder Shyam Dua	12	12
Mr. Nikhil Morsawala	12	9
Mr. Naresh Sharma	12	8
Mr. Sanjeev Mansotra	12	4
Mr. M. N. Nambiar ^	12	10
Mr. K. C. Ganjwal *	5	1
Mr. Pundi L. Narasimham ^ ^	N.A.	N.A.

\* Mr. K.C. Ganjwal has ceased to be a member with effect from 11th August, 2012.

^ Mr. M.N. Nambiar has ceased to be a member with effect from 5th June, 2013.

^ Mr. Awinash Arondekar has ceased to be a member with effect from 25th June, 2013.

^ ^ Mr. Pundi L. Narasimham has been inducted as a member with effect from 14th August, 2013.

**Brief Terms of Reference:**

1. Redressal of shareholder/investors complaints related to transfer of shares.
2. Oversees and review all matters connected with transfer of securities of the Company and insider trading regulations.

**Name and Designation of Compliance Officer:**

Ganesh Umashankar - Company Secretary & Compliance Officer

**Shareholders/Investors Complaints during the year:**

Number of Shareholders Complaints at the beginning of the year: Nil

Number of Shareholders Complaints Received during the year: Six

Number of Complaints resolved to the satisfaction of Shareholders: Six

Number of Complaints pending: NIL

#### 4. Details of last 3 General Body Meetings

Annual General Meeting (AGM)	Date	Time	Venue	No. of special resolutions passed
27th AGM	27-09-2012	12:30 p.m.	Hotel Ramada, 156, Millennium Business Park, MIDC, Sector 2, Mahape, Navi Mumbai 400 710.	2
26th AGM	11-08-2011	12:30 p.m.	Hotel Ramada, 156, Millennium Business Park, MIDC, Sector 2, Mahape, Navi Mumbai 400 710.	4
25th AGM	30-09-2010	12:30 p.m.	Hotel Tunga Regency, Plot No. 37, Sector 30-A, Vashi, Navi Mumbai 400 703.	2

#### ii) Special Resolutions passed at the last 3 Annual general Meetings

Year 2011-12	Special Resolution under section 198, 269, 309 and 310 read with Schedule XIII of the Companies Act, 1956 for appointment of Mr. Naresh Sharma as Executive Director for a period of 5 years with effect from 1st April, 2012.
	Special Resolution under Section 81(1A) and other applicable provisions of the Companies Act, 1956 to create, offer, issue and allot equity shares, ADRs, GDRs, FCCBs, etc. of an aggregate amount of USD 500 Million.
Year 2010-11	Special Resolution under Section 198, 269, 309 and 310 read with Schedule XIII of the Companies Act, 1956 for appointment of Prof. Arun Nigavekar as Executive Director w.e.f. 26th May, 2011.
	Special Resolution under Section 198, 269, 309 and 310 read with Schedule XIII of the Companies Act, 1956 for appointment of Ms. Maya Sinha as Executive Director w.e.f. 10th June, 2011.
	Special Resolution under Section 21 and such other applicable provisions of the Companies Act, 1956 for change of name of the Company to CORE Education & Technologies Ltd.
	Special Resolution under Section 81(1A) and other applicable provisions of the Companies Act, 1956 to create, offer, issue and allot equity shares, ADRs, GDRs, FCCBs, etc. of an aggregate amount of USD 500 Million.
Year 2009-10	Special Resolution under Section 309 and other applicable provisions of the Companies Act, 1956 for payment of commission to Non-Executive Director for a period of 3 years commencing from the financial year 2010-11.
	Special Resolution under Section 81(1A) and other applicable provisions of the Companies Act, 1956 to create, offer, issue and allot equity shares, ADRs, GDRs, FCCBs, etc. of an aggregate amount of ₹ 750 crores.

#### 7. Disclosures by Management

- No material, financial and commercial transactions were reported by the management to the Board, in which the management had personal interest having a potential conflict with the interest of the Company at large.
- There were no material transactions with Directors or Management, their associates or their relatives that may have potential conflict with the interest of the Company at large.
- There was no instance of non-compliance during the last three years by the Company on any matter related to capital market. There were neither penalties imposed nor strictures passed on the Company by Stock Exchanges, SEBI or any statutory authority.
- Though there is no formal Whistle Blower Policy, the Company takes cognizance of the complaints made and suggestions given by the employees and others. Anonymous complaints are also looked into and whenever necessary, suitable corrective steps are taken. Employees of the Company are freely accessible to the Audit Committee of the Board of Directors of the Company.
- The Company has fulfilled a non-mandatory requirement as prescribed in Annexure I D to Clause 49 of the Listing Agreement with the Stock Exchanges, related to constitution of Remuneration /Compensation Committee.

#### 8. Means of Communication

- The Quarterly Unaudited results immediately after its declaration are published in Newspapers.
- News Papers wherein the results are published: The Financial Express (English financial newspaper) & Lokmat (Marathi – regional language newspaper).
- The financial results are also displayed on the company's website at [www.core-edutech.com](http://www.core-edutech.com).
- Official news releases are intimated to the Stock Exchanges immediately and are also displayed on the website of the Company.
- Presentations are made to Institutional Investors as and when requested.
- As a part of green initiatives, the Company had e-mailed Annual Report of the Company for the year 2011-12 to the shareholders who had registered their e-mail id with their respective depositories; However, the Company had also sent physical copy of the Annual Reports to the shareholders.

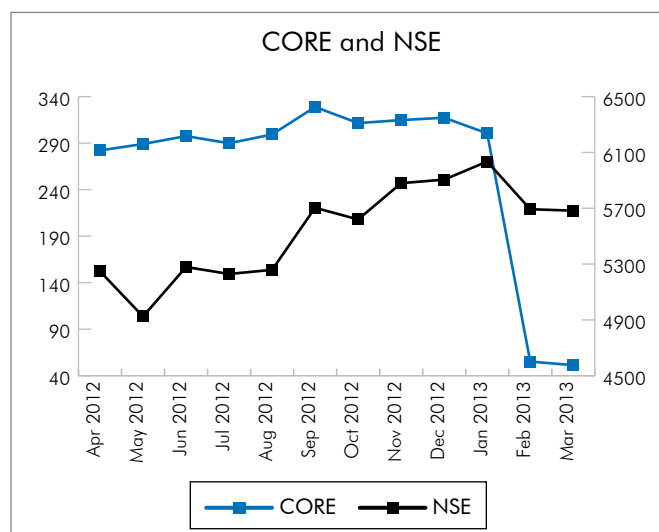
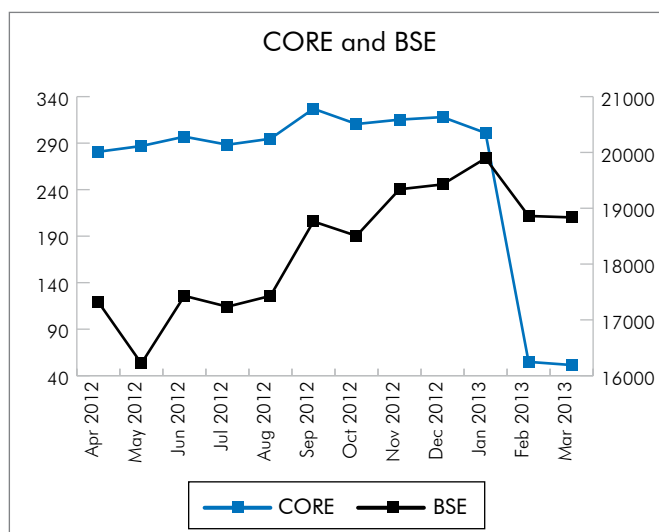
#### 9. General Shareholder information

- 28th Annual General Meeting
- Date and Time: Thursday, 26th September, 2013 at 10:00 a.m.
- Venue: Hotel Ramada, 156, Millennium Business Park, MIDC, Sector 2, Mahape, Navi Mumbai 400 710.



- iv) Financial year: April to March
- v) Book Closure Date: Thursday, 19th September, 2013 to 26th September, 2013.  
(both days inclusive - for the purpose of AGM)
- vi) Listing on Stock Exchange: BSE Limited (BSE) National Stock Exchange of India Limited (NSE)
- vii) Listing Fee: The Company has paid the annual listing fees for the year 2013-14.
- viii) Stock Code: BSE : 512199  
NSE : COREEDUTEC  
Equity ISIN : INE247G01024
- ix) Stock Market Data: Average of the High, Low and the close price during each month in last financial year as available from the websites of BSE and NSE:

Month	BSE				NSE			
	High (₹)	Low (₹)	Close (Rs.)	No. of shares traded	High (₹)	Low (₹)	Close (Rs.)	No. of shares traded
Apr 2012	289.00	271.20	280.75	5,83,835	294.00	270.50	282.15	13,17,418
May 2012	324.00	275.20	286.90	12,22,735	325.20	275.15	289.05	33,96,111
Jun 2012	318.65	286.00	296.95	22,27,605	324.90	287.00	297.55	46,80,043
Jul 2012	302.00	260.00	288.30	15,68,217	301.45	272.05	289.90	26,42,528
Aug 2012	303.00	282.50	294.70	18,04,077	305.10	282.85	299.30	31,77,423
Sep 2012	345.00	296.15	326.95	81,88,548	350.00	276.95	328.90	1,08,99,428
Oct 2012	332.00	305.00	310.55	7,74,431	332.70	305.50	311.55	43,40,907
Nov 2012	333.50	292.00	315.25	10,99,180	334.00	298.00	314.75	23,88,845
Dec 2012	332.45	307.10	318.00	12,10,576	332.80	304.40	317.30	48,10,979
Jan 2013	324.80	298.00	300.95	8,08,881	322.50	298.00	300.55	6,78,213
Feb 2013	320.00	54.10	54.85	2,88,93,691	307.00	54.20	55.15	6,76,73,817
Mar 2013	73.75	45.80	51.45	3,22,19,107	73.75	45.25	51.35	6,77,54,611



x) Registrar & Transfer Agents & Investor Correspondence

All shareholders Complaints / Queries in respect of their shareholding may be addressed to the Company's Registrar & Share Transfer Agent.

**M/s. Adroit Corporate Services Private Limited**

19, Jaferbhoy Industrial Estate, Makwana Road,

Marol Naka, Andheri (E), Mumbai – 400 059

Phone: 022 42270400 / 2859 6060

Fax No. 022 28503748

E-mail id: adroits@vsnl.net

Investors may directly contact the Compliance Officer of the Company at investors@core-edutech.com for any type of complaints or queries.

**Dematerialization of Shares and Liquidity**

The Shares of the Company are tradable only in dematerialized (electronic) form and are available for trading under both the depository systems in India – National Securities Depository Ltd. (NSDL) & Central Depository Services (India) Ltd. (CDSL) 99.997% of the Company's share are held in electronic form as on 31st March, 2013.

Sl. No	Category	No. of Shareholders	Total Shares	% of Equity
1.	NSDL	18,526	9,52,76,039	83.22%
2.	CDSL	10,395	1,92,04,669	16.78%
3.	PHYSICAL	6	3,118	0.00%
<b>TOTAL</b>		<b>28,927</b>	<b>11,44,83,826</b>	<b>100.00%</b>

**Share Transfer System**

Shareholders/investors are requested to send share transfer related documents directly to our Registrar and Share Transfer Agents whose address is given as above in this section. If the transfer documents are in order, the transfer of shares(s) is registered within 15 days of receipt of transfer documents by our Registrar and Share Transfer Agents.

**Distribution of Share Holding as on 31st March, 2013**

**A. Distribution of Shares by Shareholders Category as on March 31, 2013**

Sl. No.	Shareholders Category	No. of Shareholders	Shares Held	Voting Strength %
1.	Promoters *	2	4,57,26,282	39.94
2.	Directors and their relatives	4	16,644	0.02
3.	Bodies Corporate (Domestic)	885	3,01,06,344	26.30
4.	Banks/ Financial Institutions/ Insurance Companies/ Central/ State Govt. Financial Institution	7	69,11,631	6.04
5.	Foreign Institutional Investors/ FFI/ FDI	66	1,65,00,727	14.41
6.	Non Resident Individuals (NRIs)	320	6,43,571	0.56
7.	Foreign Nationals	2	4,59,533	0.40
8.	Resident Individuals	27,586	1,33,46,947	11.66
9.	Trust	6	15,264	0.01
10.	Employees	44	7,56,883	0.66
	<b>Total</b>	<b>28,922</b>	<b>11,44,83,826</b>	<b>100.00</b>

**B. Distribution of Shares according to size of holding**

Sl. No.	No. of Shares	No. of Shareholders	% of Total Shareholders	Total Shares	Amount (₹)	%
1	Upto-500	25,864	89.41	29,34,338	58,68,676	2.56
2	501-1000	1,496	5.17	12,22,903	24,45,806	1.07
3	1001-2000	682	2.36	10,45,627	20,91,254	0.91
4	2001-3000	260	0.90	6,70,538	13,41,076	0.59
5	3001-4000	109	0.38	3,89,361	7,78,722	0.34
6	4001-5000	104	0.36	4,88,810	9,77,620	0.43
7	5001-10000	165	0.57	12,37,793	24,75,586	1.08
8	10001 & above	247	0.85	10,64,94,456	21,29,88,912	93.02
	<b>Total</b>	<b>28,927</b>	<b>100.00</b>	<b>11,44,83,826</b>	<b>22,89,67,652</b>	<b>100.00</b>

\* One of the promoters, Wisdom Global Enterprises Limited, hold shares through six demat accounts. Hence, the difference of five shareholders appears in the above tables.

### Details of Foreign Currency Convertible Bonds (FCCBs):

Details of ADR/GDR or any Convertible instruments, conversion date and likely impact on equity:

### Foreign Currency Convertible Bonds:

The Company had issued USD 60,000,000-7% Convertible Bonds due 2015 vide Offering Circular with an upsize of USD 15,000,000 which were fully subscribed. The said issue was closed on 16th May, 2010 and an aggregate of USD 75,000,000 were raised.

During the year under review, USD 10,150,000 (previous year USD 15,696,000) FCCBs were converted and 1,659,173 equity shares (Previous Year 2,565,749 equity shares) were allotted to the Bondholders and there is an outstanding of USD 48,937,000 bonds (Previous Year USD 59,087,000 bonds) as on 31st March, 2013.

Utilization of proceeds from FCCB's: Proceeds from FCCB's were utilized for acquisition of overseas companies and investment in existing overseas subsidiaries and for eligible capital expenditure in India in accordance with Utilization Proceeds as mentioned in the said Offering Circular.

### Employee Stock Option Schemes:

The Company had introduced CORE Employee Stock Options Scheme 2007 in April 2007 reserving 45,00,000 stock options to the eligible employees and the directors of the Company and also for the employees of the subsidiaries. During the financial year 2012-13, 48,326 stock options (previous year 169,628 stock options) were exercised and equivalent numbers of equity shares were allotted to the eligible employees, on exercise of their stock options granted under the said Scheme. Under this Scheme, 33,068 stock options (previous year 338,932 stock options) were outstanding as on 31st March, 2013. Details of vested, live and lapsed options are given in the Directors' Report

The Company had also introduced CORE Employee Stock Option Scheme 2009. During the financial year under report, the Company had granted 2,61,000 stock options (previous year 2,786,000 stock options) to the eligible employees of the Company. During the year under Report, 303,986 stock options (previous year 591,328 stock options) were exercised and equivalent number of equity shares of ₹ 2/- each, were allotted to the eligible employees/ Directors of the Company and employees of the subsidiary companies under the said Scheme. Under the said Scheme, 4,214,044 stock options (previous year 5,499,097 stock options) were outstanding as on 31st March, 2013. The details of vested, live and lapsed options are given in the Directors report.

### Office Locations

<b>Registered Office</b>	: Unit No.1-4, Building No.4, Sector III, Millennium Business Park, Mahape, Navi Mumbai 400 710
<b>Corporate Office</b>	: Lotus Business Park, 10th Floor, Dalia Industrial Estate, Off Andheri Link Road, Andheri (W), Mumbai 400 053
<b>Global Delivery Centers</b>	: Unit No.5-8, Building No.4, Sector III, Millennium Business Park, Mahape, Navi Mumbai 400 710  Unit No. 403, 4th floor, Multistoried Building, SEEPZ – SEZ, Andheri (E), Mumbai 400 093  Block – 1, 2nd Floor, DLF Assets Private Limited, IT/ITES Special Economic Zone, Plot No.129 to 132, Gachibowli, Hyderabad – 500 032

Other offices' locations given elsewhere in this report

On behalf of the Board of Directors

Place: Mumbai  
Dated: 14th August, 2013

**Sanjeev Mansotra**  
Chairman

## CEO & CFO Certification

Mr. Sanjeev Mansotra, Chairman & Global CEO and Mr. Nikhil Morsawala, Director Finance have provided requisite certificate to the Board pursuant to sub-clause V of the Clause 49 of the Listing Agreement with the Stock Exchange(s).

### Code of conduct and ethics for Directors and Senior Management personnel

The Board of Directors at its meeting held on 22nd December, 2005, adopted the Code of Conduct for Directors and senior management personnel. Further, Code of Conduct for prevention of Insider Trading in the securities of the Company as amended by Securities and Exchange Board of India (SEBI), in the SEBI (Prohibition of Insider Trading) Regulations, 2008 was revised vide Board Resolution dated 28th January, 2009 and subsequently on 30th July, 2011. A copy of the Code has been put on the Company's website. The Code has been circulated to all members of the Board and senior management personnel who have confirmed compliance with the same for the year ended 31st March, 2013.

### Insider Trading Policy

In compliance with the provisions of the SEBI (Prohibition of Insider Trading) Regulation 1992, (as amended from time to time) and to preserve the confidentiality of all unpublished price sensitive information as well as to prevent the misuse of such information, the company has adopted an insider trading policy for the Directors and specified employees of the Company, relating to dealing in the shares of the Company, that provides for information from the employees.

Compliance of the Insider Trading Policy is monitored by the Compliance Officer of the Company.

**A declaration signed by the Chairman is given below:**

**I hereby confirm that:**

The Company has obtained from all members of the Board and Senior Management personnel, affirmation that they have complied with the Code of Conduct for Directors and Senior Management personnel for the financial year 2012-13.

Place: Mumbai  
Date: 14th August, 2013

**Sanjeev Mansotra**  
Chairman & Global CEO

# INDEPENDENT AUDITOR'S REPORT

To the Members of Core Education & Technologies Limited

## 1. Report on the Financial Statements

We have audited the accompanying financial statements of Core Education & Technologies Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

## 2. Management's responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## 3. Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## 4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required, and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (ii) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

## 5. Report on other legal and regulatory requirements

- 1. As required by the Companies (Auditor's Report) Order 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- 2. As required by sub-section (3) of section 227 of the Act, we report that:
  - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b. in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. in our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the accounting standards referred to in sub-section (3C) of section 211 of the Act; and
  - e. on the basis of the written representations received from the directors as on March 31, 2013, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

### For Chaturvedi & Shah

Firm Registration Number: 101720W  
Chartered Accountants

### Jignesh Mehta

Partner  
Membership No.: 102749

Place : Mumbai

Date : May 30, 2013

### For Asit Mehta & Associates

Firm Registration Number: 100733W  
Chartered Accountants

### Sanjay Rane

Partner  
Membership No.: 100374

Place : Mumbai

Date : May 30, 2013



# ANNEXURE TO INDEPENDENT AUDITORS' REPORT

## Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date

- (i) In respect of fixed assets : -
- The Company has maintained proper records showing the particulars, including quantitative details and situation of its fixed assets except for the assets at its overseas branches and BOOT Projects where the records are stated to be under compilation.
  - As explained to us, the fixed assets have been physically verified by the management in accordance with a phased programmed of verification, which in our opinion is reasonable, considering the size and nature of its business. No material discrepancies were noticed on such physical verification of assets.
  - No substantial part of the fixed assets has been disposed off during the year.
- (ii) The inventories of the company comprises of software work-in-progress. Being intangible, the same could not be physically verified by the management. Hence, clause (ii) of paragraph 4 of the Order is not applicable.
- (iii) The Company has neither granted nor taken any loan, secured or unsecured to/from companies, firms and other parties covered in the Register maintained under Section 301 of the Companies Act, 1956 and hence clause (iii) of paragraph 4 of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, on an overall basis there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and sale of products and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in respect of these areas.
- (v) Based on the audit procedures applied by us and according to the information and explanations given to us, we are of the opinion that there are no transactions that need to be entered into the register in pursuance of section 301 of the Companies Act. Hence clause (v) (b) of paragraph 4 of the Order are not applicable.
- (vi) We are informed that the Company, has not accepted any public deposits covered under the provisions of section 58A of the Companies Act, 1956 and the rules framed there under. We are also informed by the Company's management that no order has been passed by the Company Law Board or any other authority.

- (vii) During the year, the Company had an internal audit system commensurate with the size of the company and the nature of its business.
- (viii) According to the information and explanations given to us, the requirement for maintenance of cost records u/s 209 (1) (d) of the Companies Act, 1956 is not applicable to the Company.
- (ix) (a) Based on test-verification of records and information and explanations given to us, the Company is not regular in depositing with appropriate authorities undisputed amount of statutory dues including Sales Tax, State Value Added Tax, Service Tax, Employee State Insurance, Provident Fund, Profession Tax, Advance Tax and Tax deducted at source.
- (b) According to the information and explanations given to us undisputed amounts, in respect of the statutory dues referred above outstanding as at 31st March, 2013 for a period of more than six months from the date they became payable are as under:

Nature of Dues	Amount	Period to Which amount Relates
Tax Deducted at Source	83,334,356	1st November 2011 to 31st August 2012
VAT	32,207,046	1st November 2011 to 31st August 2012
<b>Total</b>	<b>115,541,402</b>	

- (c) According to the information and explanations given to us, there are no dues payable by the Company, under the Investor Education and Protection Fund.
- (d) According to the information and explanations given to us, there are no statutory dues of Sales Tax, State Value Added Tax, Income Tax and Service Tax, which have not been deposited, on account of any dispute.
- (x) The Company has no accumulated losses at the end of the financial year. The Company has not incurred cash losses during the financial year covered by our audit or in the immediately preceding financial year.
- (xi) Based on our Examination of records and according to information and explanation given to us the Company has defaulted in payment of dues to Bank and financial institution during the year as under:

Amount in ₹

Delay in number of days	Banks		Financial Institutions		Cash Credit/ Overdraft Facilities
	Interest	Principal	Interest	Principal	Overdrawn (Minimum to Maximum)
Upto 60 days	255,020,423	456,263,089	38,360,625	-	2,67,418 - 64,45,179
Upto 61-120 days	12,290,374	94,000,000	-	-	-

Further Company has Continuing Default in respect of following dues to bank/Financial institutions as at year ended:

Amount in ₹

Delay in number of days	Banks		Financial Institutions		Cash Credit/ Overdraft Facilities
	Interest	Principal	Interest	Principal	Overdrawn (Minimum to Maximum)
Upto 60 days	19,235,314	177,773,148	-	-	8,071,775
Upto 61-120 days	-	306,219,121	-	-	-

Company has not defaulted in repayment of dues to debenture holder during the year.

- (xii) Based on our examination of records and according to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other investments.
- (xiii) The Company is not a chit/nidhi/mutual benefit fund/society and therefore provisions of clause 4 (xiii) of the Order are not applicable to the Company.
- (xiv) The Company is not dealing or trading in shares, securities, debentures and other investments.
- (xv) According to the information and explanations given to us, the Company has given the guarantee of ₹ 4,182,237,159 for loans taken by its wholly owned subsidiary, viz. Core Education and Consulting Solution, Inc. from bank and/or financial institutions. In our opinion and according to information and explanations given to us, the terms and conditions, though not formalized, are not prejudicial to the interest of the company.
- (xvi) In our opinion and according to the information and explanations given to us, the term loans taken during the year were applied for the purpose for which they were taken.
- (xvii) According to the information and explanation given to us and on overall examination of the balance sheet of the Company, we report that, prima-facie no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Act.
- (xix) The company has created securities/charges in respect of the secured debentures issued in earlier year.
- (xx) The Company has not raised any money by public issue during the year.
- (xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

**For Chaturvedi & Shah**

Firm Registration Number: 101720W  
Chartered Accountants

**Jignesh Mehta**

Partner  
Membership No.: 102749

Place : Mumbai

Date : May 30, 2013

**For Asit Mehta & Associates**

Firm Registration Number: 100733W  
Chartered Accountants

**Sanjay Rane**

Partner  
Membership No.: 100374

Place : Mumbai

Date : May 30, 2013

# BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2013

(Amount in ₹)

Particulars	Note No.		As at 31st March, 2013	As at 31st March, 2012
<b>EQUITY AND LIABILITIES</b>				
<b>Shareholder's Funds</b>				
Share Capital	1	228,967,652		224,944,682
Reserves and Surplus	2	14,474,744,152		12,386,763,250
			14,703,711,804	12,611,707,932
<b>Non-Current Liabilities</b>				
Long-term borrowings	3	6,704,702,922		8,306,514,667
Deferred tax liabilities (Net)	4	232,840,600		211,984,164
Long-term provisions	5	12,528,803		11,411,243
			6,950,072,325	8,529,910,074
<b>Current Liabilities</b>				
Short-term borrowings	6	4,095,990,299		2,205,586,559
Trade payables	7	722,735,988		438,875,684
Other current liabilities	8	4,756,341,827		2,613,819,814
Short-term provisions	9	550,717,415		617,022,747
			10,125,785,529	5,875,304,804
<b>Total</b>			<b>31,779,569,658</b>	<b>27,016,922,810</b>
<b>ASSETS</b>				
<b>Non-current assets</b>				
<b>Fixed assets</b>				
Tangible assets	10	5,379,833,390		6,174,270,109
Intangible assets	11	1,576,870,941		1,084,867,829
Capital work-in-progress		-		17,746,903
Intangible assets under development		-		472,786,339
		6,956,704,331		7,749,671,180
Non-current investments	12	13,308,331,301		11,584,066,254
Long-term loans and advances	13	1,301,784,664		1,459,731,244
			21,566,820,296	20,793,468,678
<b>Current assets</b>				
Inventories	14	817,465,650		54,491,156
Trade receivables	15	5,125,910,850		3,560,904,368
Cash and Cash Equivalents	16	903,620,445		1,314,627,931
Short-term loans and advances	17	3,365,752,417		1,293,430,677
			10,212,749,362	6,223,454,132
<b>Total</b>			<b>31,779,569,658</b>	<b>27,016,922,810</b>

See accompanying notes forming part of the financial statements - 1 to 38

As per our report of even date

**For Chaturvedi & Shah**  
Chartered Accountants  
Firm Registration No. 101720W

**Jignesh Mehta**  
Partner  
Membership No. 102749

Date: 30th May, 2013  
Place: Mumbai

**For Asit Mehta & Associates**  
Chartered Accountants  
Firm Registration No. 100733W

**Sanjay Rane**  
Partner  
Membership No. 100374

For and on behalf of the Board

**Sanjeev Mansotra**  
Chairman

**Nikhil Morsawala**  
Director - Finance

**Naresh Sharma**  
Executive Director

**Ganesh Umashankar**  
Company Secretary

# STATEMENT OF PROFIT & LOSS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013

(Amount in ₹)

Particulars	Note No.	For the year ended 31 <sup>st</sup> March, 2013	For the year ended 31 <sup>st</sup> March, 2012
Revenue from operations	18	11,228,398,371	8,783,883,709
Other Income	19	337,580,041	451,954,764
<b>Total Revenue</b>		<b>11,565,978,412</b>	<b>9,235,838,473</b>
<b>Expenses:</b>			
Operating Cost	20	7,148,466,528	4,159,507,145
Changes in inventories of work-in-progress	21	(762,974,494)	349,747,919
Employee benefit expenses	22	275,123,568	187,696,497
Finance costs	23	1,438,072,881	1,253,276,206
Depreciation and amortization expense	10 & 11	1,073,902,296	423,550,624
Other expenses	24	384,475,580	508,942,695
		9,557,066,359	6,882,721,086
<b>Total Expenses</b>		<b>9,557,066,359</b>	<b>6,882,721,086</b>
Profit before tax		2,008,912,053	2,353,117,387
<b>Tax expense:</b>			
Current tax		402,028,164	449,008,337
Provision for tax no longer required written back		-	(124,739,298)
Deferred tax		20,856,436	148,165,923
		422,884,600	472,434,962
Profit/(Loss) for the year		1,586,027,453	1,880,682,425
Earning per equity share (Face Value per share ₹ 2):	29		
Basic		13.95	16.91
Diluted		13.95	16.91

See accompanying notes forming part of the financial statements - 1 to 38

As per our report of even date

**For Chaturvedi & Shah**  
Chartered Accountants  
Firm Registration No. 101720W

**Jignesh Mehta**  
Partner  
Membership No. 102749

Date: 30th May, 2013  
Place: Mumbai

**For Asit Mehta & Associates**  
Chartered Accountants  
Firm Registration No. 100733W

**Sanjay Rane**  
Partner  
Membership No. 100374

For and on behalf of the Board

**Sanjeev Mansotra**  
Chairman

**Nikhil Morsawala**  
Director - Finance

**Naresh Sharma**  
Executive Director

**Ganesh Umashankar**  
Company Secretary

## 1. SIGNIFICANT ACCOUNTING POLICIES:

- (i) **Basis of Preparation of Financial Accounts :** These financial statements have been prepared under the historical cost convention, on accrual basis and are in accordance with the generally accepted accounting principles (GAAP) in India, the provisions of the Companies Act, 1956 and the Accounting Standards as specified in the Companies (Accounting Standards) Rules, 2006.

(ii) **Use of Estimates**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statement and reported amounts of income and expenses during the period. Any revision to accounting estimates and or difference, if any, between the actual results and estimates is recognized in the period in which the results are known.

(iii) **Tangible Fixed Assets**

All fixed assets are stated at cost less accumulated depreciation. Cost is inclusive of freight, duties, levies and any directly attributable cost of bringing the assets to their present working condition.

Capital Work-in-Progress represents cost of fixed assets that are not yet ready for their intended use as at the Balance sheet date and includes advances paid.

(iv) **Intangible Assets**

Intellectual Property Rights (IPR) and software Licences which have been separately paid for and put to use are shown under "Fixed Assets" in the Balance Sheet.

Expenses incurred for software product development are expensed as incurred unless technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the Company has an intention and ability to complete and use or sell the software and the costs can be measured reliably. Such expenses and the advances paid for acquiring intellectual property rights & licenses for projects under development on Balance Sheet date are shown under Capital Work-in-Progress.

(v) **Depreciation**

Depreciation on fixed assets is provided on Straight Line Method at the rates prescribed under Schedule XIV of the Companies Act, 1956 on pro-rata basis, except depreciation on assets used in BOOT projects which are depreciated equally over the period of respective projects, depreciation on foreign branch assets has been provided at the rates followed under the relevant law of the foreign country which are: Computers 5%; Furniture & Fixture 5% and Computer Software are amortized over 5 years.

(vi) **Impairment of Assets**

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss, if any is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

(vii) **Leases**

- (a) Lease arrangement, where the risks and rewards incidental to ownership of an asset substantially vests with the lessor, are recognized as operating leases. Lease payments under operating lease are recognized as an expense in the statement of profit and loss. Operating lease rentals are expensed with reference to lease term and other considerations.
- (b) The lower of the fair value of the assets and present fair value of the minimum lease rentals is capitalised as fixed assets with corresponding amount shown as lease liability. The principal component in the lease rental is adjusted against the lease liability and the interest component is charged to statement of profit and loss.

(viii) **Foreign Currency Transactions**

- a. Transactions denominated in foreign currencies are recorded at the rate of exchange prevailing on the date of transactions.
- b. Monetary items denominated in foreign currencies at the year end are restated at year end rates.
- c. Non-monetary foreign currency items are carried at cost.
- d. In respect of foreign operations, which are non-integral operations, all assets and liabilities, both monetary and non-monetary, are translated at closing rate, while all income and expenses are translated at average exchange rate for the year. The resulting exchange differences are accumulated in the 'Foreign Currency Translation Reserve'.
- e. Any income or expense on account of exchange difference either on settlement translation or restatement, is recognized in the statement of profit and loss.

(ix) **Investments**

Current investments are carried at the lower of the cost and fair market value. Long-term investments are stated at cost. Cost includes costs incidental to acquisition such as legal costs, investment banking fees etc. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary.

(x) **Inventories**

The portion of the Software development contracts which has remained unbilled, though partly completed is inventorised as "Software Development – Work-in-Progress."

The aggregate of 'Software Development' income and the inventories viz. "Software Development – Work-in-Progress" is restricted to the contract value or the net realizable value of the work completed or the cost, whichever is less. For this purpose, manpower cost of the software development team and other directly attributable costs are considered for valuation.

(xi) **Revenue Recognition**

Our revenues for software development, both domestic and international, are generated primarily on fixed timeframe and time and material basis. Revenue from software services under fixed-price contracts is recognized to the extent of



billings due on achievement of milestones specified in the agreement. The expenditure incurred on unbilled services are inventoried. On time-and-materials contracts, revenue is recognized as the related services are rendered. Revenue from the sale of user licenses for software applications is recognized on transfer of the title in the user license. Revenue from ICT contracts which are on BOOT/BOO basis are recognized equally over the contract period post implementation of contract.

Revenues in case of hardware and software trading are recognized as and when these are delivered.

#### (xii) Employee Benefits

- a) Short-term employee benefits are recognized as an expense at the undiscounted amount in the statement of profit and loss of the year in which the related service is rendered.
- b) In respect of Indian operations of the Company, post-employment and other long-term employee benefits are recognized as an expense in the statement of profit and loss for the year in which the employee has rendered services. The expense is recognized at the present value of the amount payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the statement of profit and loss.
- c) In respect of employee stock options, the intrinsic value of the options, i.e. the excess of market price of the underlying share on the date of the grant over the exercise price of the option is accounted as deferred employee compensation cost to be amortized over the vesting period.

#### (xiii) Borrowing Cost

Borrowing costs that are specifically attributable to the acquisition or construction of qualifying asset are capitalised as part of the cost of such asset till such time as the asset is ready for its intended use. A qualifying asset is an asset that necessarily requires/takes a substantial period of time to get ready for its intended use. All other borrowing costs, i.e. not specifically attributable to the qualifying asset are charged to revenue in the period in which those are incurred.

#### (xiv) Taxes on Income

Current Income Tax comprises of taxes on income from operations in India and in foreign jurisdictions. Income tax liability in India is determined and provided in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax resulting from “timing differences” between taxable income and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the Balance Sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a virtual certainty that the asset will be realized in future.

- (xv) Provisions, Contingent Liabilities and Contingent Assets. Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

#### (xvi) Derivative Contracts

In respect of derivative contracts, premium paid, gain/loss on settlement and provision for losses on restatement are recognised along with the underlying transactions and charged to Statement of Profit and Loss.

#### (xvii) Research and Development Costs

- (a) Research costs are expensed as incurred.
- (b) Development costs including costs paid to third parties for technical knowhow, content etc. for software/content development are expensed as incurred, unless the technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the Company has an intention and ability to complete and use or sell the software/content and the costs can be measured reliably. Costs of such projects upon completion are classified as Intellectual property rights under intangible assets and amortised. Costs of such projects under development on Balance Sheet date are shown under Intangible assets under development.
- (c) Research and development expenditure of a capital nature is included in the fixed assets.
- (d) The carrying value of development costs is reviewed for impairment annually when the asset is not yet in use, and otherwise when events or changes in circumstances indicate that the carrying value may not be recoverable.

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Amount In ₹)

	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
<b>1 - SHARE CAPITAL</b>		
<b>Authorised:</b>		
250,000,000 (Previous year 250,000,000 ) equity shares of ₹ 2 each.	500,000,000	500,000,000
	500,000,000	500,000,000
<b>Issued, Subscribed and Paid-up:</b>		
114,483,826 (Previous year 112,472,341 ) equity shares of ₹ 2 each fully paid-up.	228,967,652	224,944,682
<b>Total</b>	<b>228,967,652</b>	<b>224,944,682</b>

(Amount In ₹)

Reconciliation of the no. of shares outstanding at the beginning and at the end of the year:	For the year ended on 31 <sup>st</sup> March, 2013 No. of shares	For the year ended on 31 <sup>st</sup> March, 2012 No. of shares
No. of Equity Shares outstanding at the beginning of the year	112,472,341	109,145,636
Add: Additional Equity Shares issued during the year		
- on conversion of FCCB	1,659,173	2,565,749
- on exercise of ESOP	352,312	760,956
No. of Equity Shares outstanding at the end of the year	114,483,826	112,472,341

**i) Number of Equity Shares held by each shareholder holding more than 5% shares in the company are as follows:**

Particulars	Number of shares as at 31 <sup>st</sup> March, 2013	%	Number of shares as at 31 <sup>st</sup> March, 2012	%
Wisdom Global Enterprises Limited	27,426,282	23.96%	34,834,360	30.97%
Core Infrapower Limited	18,300,000	15.98%	18,300,000	16.27%
Albula Investment Fund Limited	1,481,068	1.29%	6,737,468	5.99%
Airspace Infrastructure Pvt. Ltd.	5,795,000	5.06%	60,000	0.05%

**ii) Option on Unissued Share Capital**

- 4,500,000 Equity Shares are reserved for allotment of equity shares under Core Employee Stock Option Scheme 2007. Out of this 48,326 (P.Y. 169,628) Equity Shares have been issued & allotted to the Employees/Director against exercise of Options under Core ESOS 2007.
- 7,500,000 Equity Shares are reserved for allotment of equity shares under Core Employee Stock Option Scheme 2009. Out of this 303,986 (P.Y. 591,328) Equity Shares have been issued & allotted to the Employees/Director against exercise of Options under Core ESOS 2009.
- Refer Note no. 3.5 for option vested on share capital in respect of foreign currency convertible bonds.

**iii) Terms/rights attached to equity shares**

The Company has only one class of equity shares having a par value of ₹ 2/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(Amount In ₹)

	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
<b>2 - RESERVES AND SURPLUS</b>		
<b>Capital Reserves</b>	189,500,000	189,500,000
<b>Securities Premium Account:</b>		
As per last Balance Sheet	6,703,551,618	5,874,400,131
Add: On conversion of FCCB	447,641,078	692,240,343
Add: On exercise of ESOS	67,022,493	137,954,560
Less : FCCB/Warrant issue expenses	937,249	1,043,416
	7,217,277,941	6,703,551,618
<b>Debenture Redemption Reserve</b>		
As per last Balance Sheet	58,083,467	350,000
Add: Additions issued during the year	87,831,409	57,733,467
	145,914,876	58,083,467
<b>Foreign Currency Translation Reserve:</b>		
As per last Balance Sheet	215,958,371	(49,862,555)
Add: Exchange differences arising on translating foreign operations	68,058,989	265,820,926
	284,017,360	215,958,371
<b>General Reserve:</b>		
As per last Balance Sheet	506,000,000	318,000,000
Add: Transfer from Statement of Profit & Loss	190,000,000	188,000,000
	696,000,000	506,000,000
<b>Statement of Profit and Loss</b>		
As per last Balance Sheet	4,713,669,794	3,157,162,607
Add: Profit/(Loss) for the year	1,586,027,453	1,880,682,425
Less: Appropriations		
Debenture Redemption Reserve	87,831,409	57,733,467
Proposed Dividend*	68,690,296	67,494,211
Tax on Proposed Dividend	11,141,566	10,947,562
Transfer to General Reserves	190,000,000	188,000,000
	5,942,033,976	4,713,669,794
<b>Total</b>	<b>14,474,744,152</b>	<b>12,386,763,250</b>

\* Dividend amount per equity share proposed to be distributed to Shareholders ₹ 0.60 (P.Y. ₹ 0.60 per share).

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Amount in ₹)

	As at 31st March 2013		As at 31st March 2012	
	Current	Non Current	Current	Non Current
<b>3 - LONG-TERM BORROWINGS</b>				
<b>Secured Loan</b>				
Non Convertible Debentures	192,000,000	1,188,000,000	-	1,380,000,000
Term Loans from Banks	1,961,980,490	1,974,868,180	965,864,870	2,097,176,391
Vehicle Loans from Banks	3,132,642	1,782,874	6,534,908	2,917,026
<b>Unsecured Loan</b>				
Foreign Currency Convertible Bonds	-	2,661,649,174	-	3,022,684,116
Finance Lease Obligations (Refer Note No. 31)	212,493,648	516,006,769	138,024,405	676,346,709
From other parties	619,524,108	362,395,925	448,344,802	1,127,390,425
<b>Total</b>	<b>2,989,130,889</b>	<b>6,704,702,922</b>	<b>1,558,768,985</b>	<b>8,306,514,667</b>

3.1 ₹ 1,380,000,000 (PY. ₹ 1,380,000,000) is to be secured by pari passu first charge on immovable asset and tangible Fixed assets of the Company.

Name of Investor (debenture holder)	Subscription Amount (₹ in Crores)	No. of debentures of face value ₹ 10,00,000	No. of debentures in the form of STRPPs of ₹ 1,00,000 each	ISINs and respective number of debentures in the form of STRPPs under each ISIN to be redeemed in the ratio of 30:30:40, at the end of 3rd/4th/5th year from date of allotment		
				INE247G07013 (No. of debentures in the form of STRPPs)	INE247G07021 (No. of debentures in the form of STRPPs)	INE247G07039 (No. of debentures in the form of STRPPs)
<b>First Tranche; date of allotment of debentures : 30th March, 2011</b>						
Bank of Maharashtra	100,000,000	100	1,000	300	300	400
Bank of Maharashtra Employees Gratuity Fund	40,000,000	40	400	120	120	160
Bank of Maharashtra Employees Pension Fund	50,000,000	50	500	150	150	200
Bank of Maharashtra Employees Provident Fund	50,000,000	50	500	150	150	200
Oriental Bank of Commerce	100,000,000	100	1,000	300	300	400
Canara Bank	100,000,000	100	1,000	300	300	400
Union Bank of India	100,000,000	100	1,000	300	300	400
Dena Bank Employees' Pension Fund	50,000,000	50	500	150	150	200
Dena Bank Employees' Gratuity Fund	50,000,000	50	500	150	150	200
<b>Total (A)</b>	<b>640,000,000</b>	<b>640</b>	<b>6,400</b>	<b>1,920</b>	<b>1,920</b>	<b>2,560</b>
<b>Second Tranche; date of allotment of debentures : 17th June, 2011</b>						
Chhattisgarh State Electricity Board Provident Fund Trust	50,000,000	50	500	150	150	200
Chhattisgarh State Electricity Board Gratuity & Pension Fund Trust	50,000,000	50	500	150	150	200
Dena Bank Employees Pension Fund	45,000,000	45	450	135	135	180
Dena Bank Employees Provident Fund	5,000,000	5	50	15	15	20
<b>Total (B)</b>	<b>150,000,000</b>	<b>150</b>	<b>1,500</b>	<b>450</b>	<b>450</b>	<b>600</b>
<b>Third Tranche; date of allotment of debentures : 30th December, 2011</b>						
Central Bank of India	100,000,000	100	1,000	300	300	400
Canara Bank	150,000,000	150	1,500	450	450	600
Bank of Maharashtra	100,000,000	100	1,000	300	300	400
Indian overseas Bank	150,000,000	150	1,500	450	450	600
Bank of Maharashtra Employees Provident Fund	40,000,000	40	400	120	120	160
Bank of Maharashtra Employees Pension Fund	50,000,000	50	500	150	150	200
<b>Total (C)</b>	<b>590,000,000</b>	<b>590</b>	<b>5,900</b>	<b>1,770</b>	<b>1,770</b>	<b>2,360</b>
<b>Grand Total (A+B+C)</b>	<b>1,380,000,000</b>	<b>1,380</b>	<b>13,800</b>	<b>4,140</b>	<b>4,140</b>	<b>5,520</b>

## 3.2 Maturity Profile

	2013-14	2014-15	2015-16	2016-17	2017-18
11.75% Non Convertible Debentures	192,000,000	192,000,000	256,000,000	-	-
12.75% Non Convertible Debentures	-	45,000,000	45,000,000	60,000,000	-
13% Non Convertible Debentures	-	177,000,000	177,000,000	236,000,000	-
Term Loan from Banks	2,519,708,221	1,243,893,490	688,519,295	415,825,270	43,842,845
Vehicle Loan	3,132,642	1,782,874	-	-	-
Foreign Currency Convertible Bonds	-	2,661,649,174	-	-	-
<b>Total</b>	<b>2,714,840,862</b>	<b>4,321,325,538</b>	<b>1,166,519,295</b>	<b>711,825,270</b>	<b>43,842,845</b>

**3.3 Term Loans comprising of:**

- (a) ₹ Nil (P.Y. ₹ 27,499,994) is secured by First charge of property at unit No. 1 to 7, 10th Floor, Lotus ' Neelkamal Business Park, New Link Road, Andheri (West), Mumbai.
- (b) ₹ 490,973,717 (P.Y. ₹ 490,973,717) is secured by way of an exclusive charge on the project assets and project receivables.
- (c) ₹ 85,436,786 (P.Y. ₹ 101,810,561) is secured by an exclusive charge on the assets to be created under the Gujarat school project.
- (d) ₹ 264,704,800 (P.Y. ₹ 382,352,400) is secured by first exclusive charge on its property at Mahape, Navi Mumbai (CORE Knowledge Centre), measuring 38,300 square feet.
- (e) ₹ 329,000,000 (P.Y. ₹ 470,000,000) is secured by equitable mortgage over properties of the Parent Guarantor located at Units no. 1 and 1A, 2nd and 5th Floor, Plot No. 797, United Infotech Park Building, Trans Thane Creek Industrial Area, Savli Village, Opposite Millennium Business Park, Mahape, Navi Mumbai.
- (f) ₹ 1,087,786,000 (P.Y. ₹ 1,358,400,000) is secured by a first *pari passu* charge and mortgage over the properties of the Parent Guarantor located at Office Nos. 1 to 7, 10th Floor, Lotus Nilkamal Business Park, New Link Road, Andheri, Mumbai, a first *pari passu* charge over all movable assets of and project receivables from the ICT project at Haryana and the non-interest bearing escrow account maintained by the Parent Guarantor with Standard Chartered Bank, Delhi branch.
- (g) ₹ Nil (P.Y. ₹ 232,004,589) is secured by an exclusive charge on the assets created under ICT projects.
- (h) ₹ 4,915,516 (P.Y. ₹ 9,451,934 ) is secured by hypothecation of respective vehicles.

- 3.4 Earlier the Company had issued foreign currency convertible bonds of USD 75 million which matures on 7th May, 2015. The initial conversion price of the said bonds was fixed at 10% premium over the reference share price of ₹ 247.09 calculated in accordance with the applicable rule and regulations governing the issue, issued by the Reserve Bank of India and the SEBI in this regards and, which works out to ₹ 271.80 the fixed exchange rate for the issue was USD 1 = 44.43.

During the year ended 31.03.2011 FCCB of USD 0.217 million were converted into 35,472 equity shares at the conversion price of ₹ 271.80 comprising face value of ₹ 2/- and premium of ₹ 269.80 for each equity share. As on 31st March, 2011 USD 74.783 million bonds are outstanding for conversion.

During the year ended 31.03.2012, FCCB of USD 15.696 million were converted into 2,565,749 equity shares at the conversion price of ₹ 271.80 comprising face value of ₹ 2/- and premium of ₹ 269.80 for each equity share. As on 31st March, 2012 USD 59.087 million bonds are outstanding for conversion.

During the Financial year 2012-13, FCCB of USD 10.150 million were converted into 2,394,766 equity shares at the conversion price of ₹ 271.80 comprising face value of ₹ 2/- and premium of ₹ 269.80 for each equity shares. As on 31st March, 2013 USD 48,937 million bonds are outstanding for conversion.

- 3.5 (a) Period and amount of Continuing default in repayment of long term borrowing and interest (overdue) as at 31st March, 2013 is as under:

Lender/period of delays	Principal	Interest	Total
1. Bank			
0-60 Days	129,982,663	19,235,314	149,217,977
2. Other Parties			
0-90 Days	149,517,006	75,380,145	224,897,151
90-120 Days	45,332,707	18,758,394	64,091,101

(Amount In ₹)

	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
<b>4 - DEFERRED TAX LIABILITY (NET):</b>		
<b>Deferred Tax Liability</b>		
Provision for Depreciation	281,806,298	217,982,269
<b>Deferred Tax Assets</b>		
Provision for Employee Benefits	(5,348,654)	(5,998,105)
Finance Lease	(43,617,044)	-
Deferred Tax Liability (Net)	232,840,600	211,984,164

(Amount In ₹)

	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
<b>5 - LONG-TERM PROVISIONS</b>		
Provision for Employee Benefits (Refer Note No. 25)	12,528,803	11,411,243
<b>Total</b>	12,528,803	11,411,243



# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Amount In ₹)

	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
<b>6 - SHORT TERM BORROWINGS</b>		
<b>Secured Loan</b>		
<b>From Banks</b>		
- Working Capital Loan	2,954,929,272	1,755,586,559
- Other Short Term Loan	1,044,646,012	-
<b>Unsecured Loan</b>		
- Other Short Term Loan	96,415,015	450,000,000
<b>Total</b>	<b>4,095,990,299</b>	<b>2,205,586,559</b>

- 6.1 Working Capital Loan 'Secured by hypothecation of entire stocks, book debts & other current assets of the Company (present & future); further secured by equitable mortgage on the immovable properties of the Company situated at Unit No.: 1 to 8, Sector III, Building No.: 4, Millennium Business Park, Navi Mumbai and Unit No. 1, 4th floor, United Infotech Park, TTC Industrial Area, Navi Mumbai; and further secured by immovable properties of the company situated at a) 10th floor, Lotus Neelkamal Business Park, Near Fun Republic, Off Andheri Link Road, Andheri (W) b) Unit No. 1, 1st Flr, United Infotech Park, (CKC), Plot No. R-797, Navi Mumbai c) Unit No. 1, 3rd Flr, United Infotech Park, (CKC), Plot No. R-797, Navi Mumbai, d) Land measuring 50 acres situated at Hyderabad.

(Amount In ₹)

	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
<b>7 - TRADE PAYABLES</b>		
Acceptances*	354,009,607	150,106,749
Others	429,098,616	288,768,935
<b>Total</b>	<b>722,735,988</b>	<b>438,875,684</b>

\*Acceptances of ₹ 354,009,607 (Previous Year ₹ Nil) are in continuing default as on 31st March, 2013.

## 7.1 Micro and Small Entities

The particulars required to be disclosed under the Micro, Small and Medium Enterprises Act, 2006 (MSMED Act) in respect of principal amount remaining unpaid to any supplier as at the end of the year, amount due to the suppliers beyond the appointed day during the year, amount of interest if any, accrued and remaining unpaid as at the end of the year etc. could not be disclosed for want of information whether sundry creditors include dues payable to any such undertakings. The Company has initiated the exercise of identifying the status of the suppliers as required under MSMED Act where supplier confirmations are awaited.

(Amount In ₹)

	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
<b>8 - OTHER CURRENT LIABILITIES</b>		
Current maturities of long-term debt (Refer Note No. 3)	2,776,637,241	1,420,744,580
Current maturities of finance lease obligations (Refer Note No. 3)	212,493,648	138,024,405
Interest accrued but not due on borrowings	214,716,191	141,196,561
Interest accrued and due on borrowing	113,373,853	-
Unpaid dividends*	422,891	433,581
Advances received from Related Parties	1,142,052,230	582,190,294
Income received in advance	77,798,400	211,857,467
Other payables (including statutory dues payable)	218,847,373	119,372,926
<b>Total</b>	<b>4,756,341,827</b>	<b>2,613,819,814</b>

\* No amount is due to Investor Education and Protection Fund.

(Amount In ₹)

	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
<b>9 - SHORT-TERM PROVISIONS</b>		
Provision for Employee Benefits (Refer Note No. 25)	3,207,160	3,061,900
Proposed Dividend	68,690,296	67,494,211
Tax on proposed dividend	11,141,566	10,947,561
Other Provisions (including Current/Fringe Benefit Taxes - Provisions net of payments)	467,678,393	535,519,075
<b>Total</b>	<b>550,717,415</b>	<b>617,022,747</b>

## 10 - FIXED ASSETS- TANGIBLE

Description of Assets	Cost				Depreciation				Net Block		(Amount in ₹)
	As at 01.04.2012	Foreign Exchange Revaluation Difference	Additions during the year	Disposals during the year	As at 31.03.2013	As at 01.04.2012	Foreign Exchange Revaluation Difference	For the year	On disposals	As at 31.03.2013	
<b>Owned Assets</b>											
Land	1,585,060,000	-	-	-	1,585,060,000	-	-	-	-	1,585,060,000	1,585,060,000
Building	863,307,915	-	-	-	863,307,915	44,978,617	-	14,071,919	-	804,257,379	818,329,298
Computers	1,964,691,131	1,109,678	31,201,174	20,517,513	1,976,484,472	195,903,187	(304,231)	396,531,371	9,752,551	1,394,106,696	1,768,787,944
Furniture & Fixtures	606,285,229	838,500	4,757,511	-	611,881,239	81,438,268	13,580,356	88,902,435	23,340,993	451,301,172	524,846,961
Electrical Equipments	27,835,374	-	-	1,759,374	26,076,000	6,551,915	-	3,894,876	1,759,373	17,388,582	21,283,459
Office Equipments	640,297,694	(180,922)	63,103,809	1,191,306	702,029,275	44,088,980	7,760,037	129,522,171	(22,614,679)	498,043,408	596,208,714
Motor Car	38,619,796	(284,667)	-	2,838,521	35,496,609	12,090,518	534,764	3,372,178	3,020,170	22,519,319	26,529,278
<b>Leased Assets</b>											
Leasehold Improvement	85,809,307	(7,821,228)	-	77,988,080	(0.55)	27,314,529	5,877,023	-	33,191,552	(0.82)	58,494,779
Computers	755,821,155	-	-	706,180	755,114,973	36,657,796	-	155,156,668	-	563,300,509	719,163,358
Furniture & Fixtures	58,549,960	-	-	-	58,549,960	2,983,642	-	11,709,992	-	43,856,326	55,566,318
Total Amount (₹)	6,626,277,561	(6,338,639)	99,062,494	105,000,974	6,614,000,442	452,007,452	27,447,949	803,161,610	48,449,960	5,379,833,390	6,174,270,109
Previous Year	2,919,072,251	27,711,469	3,679,493,841	-	6,626,277,561	163,594,666	4,913,600	283,499,186	-	452,007,452	6,174,270,109

## 11 - FIXED ASSETS - INTANGIBLE

Description of Assets	Cost				Amortization				Net Block		(Amount in ₹)	
	As at 01.04.2012	Foreign Exchange Revaluation Difference	Additions during the year	Disposals during the year	As at 31.03.2013	As at 01.04.2012	Foreign Exchange Revaluation Difference	For the year	On disposals	As at 31.03.2013		As at 31.03.2012
<b>Owned Assets</b>												
Intellectual Property Rights	1,46,315,292	65,198,982	740,543,489	713,425	1,951,344,337	137,685,269	(10,786,579)	253,624,351	(41,097,981)	421,621,022	1,529,723,315	1,008,630,023
(Other than internally generated)												
Computer Software	110,427,950	(1,620,778)	6,328,786	36,879,691	78,256,268	34,190,144	4,352,113	17,116,335	24,549,951	31,108,642	47,147,626	76,237,806
Total Amount (₹)	1,256,743,242	63,578,204	746,872,275	37,593,116	2,029,600,605	171,875,413	(6,434,464)	270,740,687	(16,548,030)	452,729,664	1,576,870,941	1,084,867,829
Previous Year	99,179,341	1,602,378	1,155,961,523	-	1,256,743,242	40,199,088	(8,375,113)	140,051,438	-	171,875,413	1,084,867,829	-

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Amount In ₹)

		As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
<b>12 - NON CURRENT INVESTMENTS</b>			
<b>Non-Current Investments (Unquoted, Trade)</b>			
<b>(At Cost)</b>			
<b>Investments in Equity Instruments of Subsidiaries:</b>			
-	Core Education & Consulting Solutions, Inc. (USA) (CECS)	-	729,290,963
(1,000,000)	of No Par Value fully paid-up*		
-	Core Education & Consulting Solutions (UK) Ltd.	-	80,910,392
(1,000,000)	of GBP 1 each, fully paid-up*		
40,030	Core Projects & Technologies (FZC)	848,153,522	446,559,367
(21,910)	of AED 1,500 each fully paid-up, UAE		
129,960	Aarman Software Pvt. Ltd.	5,379,100	5,379,100
(129,960)	of ₹ 10 each fully paid-up		
9,000,000	Core Education InfraTech Limited	90,000,000	90,000,000
(9,000,000)	of ₹ 10 each fully paid-up		
7,904,194	Core Education Consulting Solutions Ltd. (IOM)	181,030,000	181,030,000
(7,904,194)	of GBP 1 each fully paid-up		
6,621,447	Core Higher Education Pvt. Ltd.	66,214,470	66,214,470
(6,621,447)	of ₹ 10 each fully paid-up		
6,396,043	Core K 12 Schools Pvt. Ltd.	63,960,430	63,960,430
(6,396,043)	of ₹ 10 each fully paid-up		
6,406,935	Core Skill Development & Careers Pvt. Ltd.	64,069,350	64,069,350
(6,406,935)	of ₹ 10 each fully paid-up		
23,133,004	Core Education & Consulting Solution Pte Ltd.	1,843,905,826	1,000,060,753
(19,970,100)	of USD 1 each fully paid-up*		
6,374	Core Information Technology Solutions Inc.	318,494,260	318,494,260
(6,374)	of USD 1000 each fully paid-up		
15,000	Core Global Education Pte Ltd	716,900	716,900
(15,000)	of USD 1 each fully paid-up		
		3,481,923,858	3,046,685,985
<b>Investments in Preference Shares of Subsidiaries:</b>			
-	Core Education & Consulting Solutions, Inc., (USA)	-	6,578,976,779
(121,963,300)	of USD 1 each fully paid-up*		
-	Core Education & Consulting Solutions (UK) Ltd.	-	769,660,846
(9,758,732)	of GBP 1 each, fully paid-up*		
	(Formerly known as Core Projects & Technologies (UK) Ltd.)		
147,486,445	Core Education & Consulting Solution Pte Ltd.	7,038,220,955	-
(-)	of ₹ 10 each fully paid-up*		
10,164,258	Core Education Consulting Solutions Ltd. (IOM)	1,117,849,144	1,117,849,144
(10,164,258)	of GBP 1 each fully paid-up		
-	Core Education Technologies Inc.,	-	70,893,500
(1,420,000)	of USD 1 each fully paid-up		
30,170	Core Information Technology Solutions Inc.	1,670,337,345	-
(-)	of USD 1000 each fully paid-up	9,826,407,444	8,537,380,269
<b>Total</b>		<b>13,308,331,301</b>	<b>11,584,066,254</b>
Aggregate Value of Unquoted Investment		13,308,331,301	11,584,066,254

\* Refer Note 38(d)

(Amount In ₹)

	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
<b>13 - LONG TERM LOANS AND ADVANCES</b>		
(Unsecured and considered good)		
<b>Loans and Advances to other than related parties:</b>		
Capital Advances	1,192,676,229	1,291,620,438
Deposits (Including Security & EMD Deposits)	6,088,926	37,872,647
Advance Income Tax & TDS (Net of provisions)	-	9,689,729
Balances with Government Authorities (Service Tax & VAT Credit Receivables)	103,019,509	120,548,430
<b>Total</b>	<b>1,301,784,664</b>	<b>1,459,731,244</b>

(Amount In ₹)

	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
<b>14 - INVENTORIES</b>		
(at cost or net realisable value whichever is lower)		
Software Development Work-in-Progress	817,465,650	54,491,156
(Taken, valued and certified by the management)		
<b>Total</b>	<b>817,465,650</b>	<b>54,491,156</b>

(Amount In ₹)

	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
<b>15 - TRADE RECEIVABLES</b>		
(Unsecured and considered good)		
Over six months	1,885,149	1,533,000
Others	5,124,025,701	3,559,371,368
<b>Total</b>	<b>5,125,910,850</b>	<b>3,560,904,368</b>

(Amount In ₹)

	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
<b>16 - CASH AND CASH EQUIVALENTS</b>		
<b>Balances with banks</b>		
In Current Accounts	254,313,669	354,882,866
In Unpaid Dividend Accounts	419,102	338,776
Cash on hand	62,212	691,491
Cheques on hand	-	372,163,538
Other Bank Balance		
Fixed Deposits	648,825,462	586,551,260
(Includes given as security for bank guarantee)		
<b>Total</b>	<b>903,620,445</b>	<b>1,314,627,931</b>

(Amount In ₹)

	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
<b>17 - SHORT-TERM LOANS AND ADVANCES</b>		
(Unsecured and considered good)		
Loans and Advances to related parties (Refer Note No. 27)	1,288,688,307	874,117,434
<b>Others</b>		
Others (including Advances against supplies and services, Staff Advances, etc.)	2,077,064,110	419,313,243
<b>Total</b>	<b>3,365,752,417</b>	<b>1,293,430,677</b>

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Amount In ₹)

	For the year ended 31 <sup>st</sup> March, 2013	For the year ended 31 <sup>st</sup> March, 2012
<b>18 - REVENUE FROM OPERATIONS</b>		
<b>EOU:</b>		
Software Development : Off-shore	3,391,731,939	2,796,150,406
Software Development : On -shore	6,148,781,145	5,228,501,680
	9,540,513,084	8,024,652,086
<b>Non-EOU:</b>		
Software Development & Services	452,343,230	476,556,015
Government ICT Projects	1,235,542,057	282,675,608
	1,687,885,287	759,231,623
<b>Total</b>	11,228,398,371	8,783,883,709

(Amount In ₹)

	For the year ended 31 <sup>st</sup> March, 2013	For the year ended 31 <sup>st</sup> March, 2012
<b>19 - OTHER INCOME</b>		
Interest Income	42,287,364	37,362,267
Exchange Gain (Net)	288,002,514	413,822,517
Miscellaneous Income	7,290,163	769,980
<b>Total</b>	337,580,041	451,954,764

(Amount In ₹)

	For the year ended 31 <sup>st</sup> March, 2013	For the year ended 31 <sup>st</sup> March, 2012
<b>20 - OPERATING COST</b>		
A. 1) Employee Cost	2,134,853,786	1,142,109,637
2) Other Manpower Cost	1,762,404,383	987,330,039
B. Supplies & Services	3,251,208,359	2,030,067,469
<b>Total</b>	7,148,466,528	4,159,507,145

(Amount In ₹)

	For the year ended 31 <sup>st</sup> March, 2013	For the year ended 31 <sup>st</sup> March, 2012
<b>21 - CHANGES IN INVENTORIES OF WORK-IN-PROGRESS</b>		
Opening stock		
Work-in-progress	54,491,156	404,239,075
Closing stock		
Work-in-progress	(817,465,650)	(54,491,156)
<b>Total</b>	(762,974,494)	349,747,919

(Amount In ₹)

	For the year ended 31 <sup>st</sup> March, 2013	For the year ended 31 <sup>st</sup> March, 2012
<b>22 - EMPLOYEE BENEFIT EXPENSES</b>		
Salaries and wages	232,646,598	142,591,814
Contribution to provident and other funds	16,450,007	25,388,179
Staff welfare expenses	26,026,963	19,716,504
<b>Total</b>	275,123,568	187,696,497



	(Amount In ₹)	
	For the year ended 31 <sup>st</sup> March, 2013	For the year ended 31 <sup>st</sup> March, 2012
<b>23 - FINANCE COST</b>		
Interest expense*	1,224,677,783	1,121,895,787
Other borrowing costs	123,470,615	69,967,233
Net (gain) / loss on foreign currency transactions and translation	89,924,483	238,569,083
	1,438,072,881	1,430,432,103
Less: Capitalised	-	177,155,897
	1,438,072,881	1,253,276,206
<b>Total</b>	<b>1,438,072,881</b>	<b>1,253,276,206</b>

\*Interest income of ₹ 463,788,189 (P.Y. ₹ 215,772,169) netted of against interest expenses.

	(Amount In ₹)	
	For the year ended 31 <sup>st</sup> March, 2013	For the year ended 31 <sup>st</sup> March, 2012
<b>24 - OTHER EXPENSES</b>		
Electricity Charges	11,580,809	7,982,771
Repairs and maintenance - Others	4,292,821	5,876,481
Insurance	4,970,982	37,977,720
Rates & Taxes (excluding taxes on income)	87,330,090	84,556,721
Payment to Auditors		
Audit Fees	5,000,000	5,000,000
Certificaton Fees	738,332	433,232
Other Matters	-	144,000
	5,738,332	5,577,232
Professional Charges	107,746,936	145,316,087
ROC, Listing Fees	892,234	1,117,595
Sundry Balances written off	14,571	577,169
Donation	149,001	1,606,631
Directors' Sitting Fees	1,420,002	1,130,001
Miscellaneous expenses	160,339,802	217,224,287
<b>Total</b>	<b>384,475,580</b>	<b>508,942,695</b>

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## 25 - DISCLOSURE AS PER ACCOUNTING STANDARD 15 (REVISED) "EMPLOYEE BENEFITS" NOTIFIED BY THE COMPANIES (ACCOUNTING STANDARD) RULES, 2006 ARE AS UNDER:

### Defined Contribution Plan

Contribution to Defined Contribution Plan, recognized as expense for the year are as under :

	(Amount In ₹)	
	2012-13	2011-12
Employer's Contribution to Provident Fund	12,198,520	11,773,848

### Defined Benefit Plan

The Company operate post retirement benefit plan as follows:

#### (a) Funded

Gratuity

#### (b) Unfunded

Leave Encashment

Table showing changes in present value of obligation as on 31<sup>st</sup> March, 2013.

	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2012-13	2011-12	2012-13	2011-12
Present Value of obligation as at the beginning of year	8,323,047	3,332,774	6,150,096	4,663,782
Interest Cost	860,627	396,385	748,579	479,530
Current Service Cost	2,442,613	2,249,183	3,114,679	1,949,243
Benefits Paid	(1,516,732)	(1,254,295)	(1,120,740)	(1,237,794)
Actuarial (gain)/loss on obligations	(1,019,830)	3,599,000	(2,246,376)	295,335
Present value of obligation as at the end of year	9,089,725	8,323,047	6,646,238	6,150,096

Table showing changes in the fair value of plan assets as on 31<sup>st</sup> March, 2013.

	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2012-13	2011-12	2012-13	2011-12
Fair value of plan asset at beginning of year	2,147,183	1,790,902	-	-
Expected return on plan asset	193,246	169,583	-	-
Contribution	1,516,732	1,440,993	-	-
Benefits Paid	(1,516,732)	(1,254,295)	-	-
Actuarial gain/(loss) on plan asset	(176,623)	0	-	-
Fair value of plan assets at the end of year	2,163,806	2,147,183	-	-

The amounts to be recognised in the Balance Sheet and Statement of Profit and Loss.

	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2012-13	2011-12	2012-13	2011-12
Present value of obligation as at the end of year	9,089,725	8,323,047	6,646,238	6,150,096
Fair value of plan assets as at the end of the year	2,163,806	2,147,183	-	-
Funded status asset/(liability)	(6,925,919)	(6,175,864)	(6,646,238)	(6,150,096)
Net asset/(liability) recognized in Balance Sheet	(6,925,919)	(6,175,864)	(6,646,238)	(6,150,096)

Expenses recognised in Statement of Profit and Loss

	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2012-13	2011-12	2012-13	2011-12
Current Service Cost	2,442,613	2,249,183	3,114,679	1,949,243
Interest Cost	860,627	396,385	748,579	479,530
Expected return on plan assets	(193,246)	(169,583)	-	-
Net Actuarial (gain)/loss recognized in the year	(843,207)	3,599,000	(2,246,376)	295,335
Expenses recognized in Statement of Profit and Loss	2,266,787	6,074,985	1,616,882	2,724,108

### Actuarial Assumption

	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2012-13	2011-12	2012-13	2011-12
Assumption Discount Rate	7.90%	8.60%	7.90%	8.60%
Salary Escalation	8.00%	8.00%	8.00%	8.00%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

The expected rate of return on plan assets is determined considering several applicable factors, mainly the composition of plan assets held, assessed risks, historical results of return on plan assets and the Company's policy for plan assets management.

26. Segment Reporting as per AS 17

1. Primary Segment Information

Particulars	31.03.2013	31.03.2012	Governance	Learning	Teaching	Consulting	Advance Technology	Total
<b>1 Segment Revenue</b>								
External Sales (Net of Int. Seg Sales)	2,941,952,893	2,737,162,785	3,711,991,742	3,015,964,207	-	2,857,739,967	2,076,248,192	11,311,999,809
Unallocable Revenue								8,834,525,350
Gross / Net Turnover	2,941,952,893	2,737,162,785	3,711,991,742	3,015,964,207	-	2,857,739,967	2,076,248,192	(83,601,438)
<b>2 Segment Results before Interest and Taxes</b>								
Unallocable Revenue	1,785,784,657	2,007,122,318	1,181,063,665	1,196,119,148	-	556,795,848	536,902,585	11,228,398,371
Results before Interest and Taxes								8,783,883,708
Less : Unallocable Expenses								3,303,998,733
Less : Interest Expenses								
Add : Interest Income								
Profit before Tax								(210,598,322)
Current Tax								3,109,890,551
Deferred Tax								3,093,400,411
Profit After Tax								1,348,634,056
<b>3 Other Information</b>								
Segment Assets	4,546,815,550	4,781,495,209	5,736,917,751	5,268,527,865	-	4,416,663,690	3,626,956,656	247,655,558
Segment Assets Unallocable								279,404,404
Segment Liabilities	7,027,145,708	4,463,105,431	8,866,459,725	4,917,707,601	-	6,825,994,798	3,385,445,189	2,008,912,053
Segment Liabilities Unallocable								2,352,104,798
Capital Expenditure								402,028,164
Depreciation								323,256,449
Non Cash Expenses other than Depreciation								20,856,436
								148,165,923
								1,586,027,453
								1,880,682,426
								15,432,856,556
								17,482,800,882
								27,019,831,316
								1,638,956,657
								828,187,864
								1,073,902,296
								423,550,624
								14,571
								577,168

2. Secondary Segment Information

Particulars	As at 31.03.2013	As at 31.03.2012
<b>1 Segment Revenue:</b>		
Within India	5,079,617,225	3,555,382,028
Outside India	6,148,781,146	5,228,501,680
Total Revenue	11,228,398,371	8,783,883,708
<b>2 Segment Assets:</b>		
Within India	10,173,453,232	8,116,662,336
Outside India	7,711,060,997	7,316,194,220
Total Assets	17,884,514,229	15,432,856,556
<b>3 Segment Liabilities:</b>		
Within India	16,061,651,121	13,746,998,838
Outside India	106,111,928	658,216,040
Total Liabilities	16,167,763,049	14,405,214,878
<b>4 Capital Expenditure:</b>		
Within India	232,656,644	4,112,312,182
Outside India	595,531,220	1,029,180,085
Total Expenditure	828,187,864	5,141,492,267

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 27 - AS PER THE ACCOUNTING STANDARD 18, THE DISCLOSURE OF TRANSACTIONS WITH THE RELATED PARTIES AS DEFINED IN THE ACCOUNTING STANDARDS, ARE GIVEN BELOW

(a) List of the related parties where control exist and related parties with whom transactions have taken place and relationship.

Sr. No.	Name of the Related Party	Relationship
	<b>Indian Subsidiaries</b>	
1	Aarman Software Private Limited	
2	CORE Education Infratech Ltd.	
3	CORE Higher Education Pvt. Ltd.	
4	CORE Skill Development & Careers Private Limited	
5	CORE K12 Schools Pvt. Ltd.	
	<b>Foreign Subsidiaries</b>	
6	CORE Education & Consulting Solutions Inc., USA	
7	Partners 4 Growth Inc., USA	
8	CORE Education Technologies Inc., Delaware USA	
9	CORE Careers & Skill Development Inc., USA	
10	Technical System Integrators Inc., Georgia, USA	
11	CORE Education & Consulting Solutions (UK) Ltd.	Subsidiary Companies
12	ITN Mark Education Ltd. (UK)	
13	Mark Education Limited	
14	International Teachers Network Limited, UK	
15	CORE Information Technology Solutions Inc., USA	
16	CORE Global Education Pte. Ltd.	
17	CORE Education & Consulting Solutions Pte. Ltd.	
18	CORE Education & Consulting Solutions Ltd (Isle of Man)	
19	CORE Education & Consulting Solutions (HK) Ltd. HK	
20	CORE Projects & Technologies FZC, Sharjah	
21	CORE Education & Consulting Solutions FZ - LLC, Dubai (w.e.f. 23rd October, 2012)	
22	CORE International Institute of Higher Education FZE, RAK (w.e.f. 23rd October, 2012)	
23	Wisdom Global Enterprises Limited	Promoter/ Group Company
24	CORE Infrapower Ltd.	
25	Mr. Sanjeev Mansotra, Chairman	Key Managerial Personnel
26	Mr. Nareshkumar Sharma, Executive Director	
27	Mr. Nikhil Morsawala, Director - Finance	
28	Prof. Arun Nigavekar, Executive Director	
29	Ms. Maya Sinha, Executive Director	
30	Mr. Prakash Gupta (CEO)	
31	CORE Wellness Ltd.	Enterprises over which Key Managerial Personnel having significant influence
32	Sohum Health Awareness Private Limited	
33	CORE Steel Industries Private Limited	
34	CORE Steel & Power Ltd.	
35	SM Infra Power (India) Private Limited	
36	SM Solar Energy (India) Private Limited	
37	SM MP Power (India) Private Limited	
38	SM Ratnagiri Power (India) Private Limited	
39	Wisdom Global Exports Pte. Ltd.	
40	Wisdom Global Exports FZCo	
41	CORE Education PLC (Isle of Man)	

## b) Transaction during the year with related parties :

(Amount in ₹)

Sr. No.	Nature of Transaction	Subsidiaries	Promoter/ Group companies	Key Managerial Personnel	Relative of Key Managerial Personnel	Key Managerial Personnel having significant influence	Total
	(Excluding reimbursements)						
1	Purchase/Subscription/ (Sales) of Investments	1,770,883,658	-	-	-	-	1,770,883,658
		2,300,331,562	(113,381,390)	-	-	-	2,186,950,172
2	Loans and advances given/ (returned/taken)	186,699,094	(619,476,165)	-	-	287,486,010	(145,291,061)
		806,355,481	27,555,405	-	-	(311,671,950)	522,238,936
3	Turnover	2,817,843,540	-	-	-	-	2,817,843,540
		2,559,705,042	-	-	-	-	2,559,705,042
4	Interest Income	463,788,189	-	-	-	-	463,788,189
		215,772,169	-	-	-	-	215,772,169
5	Payment to Key Managerial Person	-	-	71,456,804	-	-	71,456,804
		-	-	64,567,816	-	-	64,567,816
6	Rent	-	-	-	3,600,000	-	3,600,000
		-	-	-	3,600,000	-	3,600,000
	Balance as at 31st March, 2013						
7	Investments	13,308,331,302	-	-	-	-	13,308,331,302
		11,537,447,644	46,618,610	-	-	-	11,584,066,254
8	Sundry Debtors	2,216,186,435	-	-	-	-	2,216,186,435
		1,619,776,190	-	-	-	-	1,619,776,190
9	Loan & Advances	893,563,736	(591,561,292)	-	-	(155,366,366)	146,636,078
		706,864,642	27,914,873	-	-	(442,852,376)	291,927,139
10	Sundry Creditors	20,311,320	-	-	1,080,000	-	21,391,320
		13,772,684	-	-	270,000	-	14,042,684
11	Guarantee	4,182,237,159	-	-	-	-	4,182,237,159
		1,304,490,750	-	-	-	-	1,304,490,750

**Note :** Previous year's figures are in Italics which are below the current year's figures.

**Disclosure in respect of significant related party transaction during the year.**

- Purchase/Subscription of Investments includes CORE Education and Consulting Solutions Pte Ltd., ₹ 7882.07 Million (Previous Year ₹ 1000.06 Million., ₹ 401.59 Million (Previous Year ₹ 440.52 Million) in CORE Project FZE, ₹ 1670.34 Million (Previous year ₹ Nil) in CORE Information Tech Solutions Inc.
- Loans and Advances ₹ 251.29 Million (Previous Year ₹ Nil) given to CORE UK Limited.
- Income from Operations includes export of software developed of ₹ 2526.88 Million (Previous Year ₹ 1621.10 Million) to Core Education & Consulting Solution Inc., USA ₹ 19.73 Million (Previous Year ₹ 21.82 Million) to Core Projects & Technologies Ltd. (UK) a wholly owned subsidiary, ₹ 180.99 Million (Previous year ₹ 408.35 Million) to CORE Education Infratech Limited.
- Interest income represents income from Core Education & Consulting Solution Inc. USA ₹ 463.78 Million (Previous Year ₹ 215.77 Million).
- In Payment to Key Management Personnel includes ₹ 29.57 Million to Mr. Sanjeev Mansotra (Previous year ₹ 28.22 Million), ₹ 5 Million to Mr. Nikhil Morsawala (Previous Year ₹ 5 Million), ₹ 15.00 Million to Ms Maya Sinha (Previous Year ₹ 11.52 Million) and ₹ 13.61 Million to Mr. Prakash Gupta (Previous Year ₹ 14.07 Million).
- Rent paid to Relatives of Key Managerial person Mrs. Neelam Mansotra amounts to ₹ 3.6 Million (Previous Year ₹ 3.6 Million).
- Guarantees, includes ₹ 4,182.24 Million (Previous Year ₹ 1,304.49 Million) Corporate guarantee on behalf of Core Education Consulting Solutions Inc. a wholly owned subsidiary company.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 28 - LEASES

- (a) The company has operating lease in respect of office premises. Further lease rentals payable in respect of the above which are non cancellable is as follows :

Particulars	(Amount In ₹)	
	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
Not later than one year	3,283,690	-
Later than one year but not later than five years	8,818,750	-
Later than five year	-	-

- (b) The minimum lease rentals and the present value of minimum value of minimum lease payments in respect of assets acquired under finance leases are as follows:

Particulars	Total Minimum Lease Payments Outstanding		Future Interest on Outstanding Lease Payments		Present Value of minimum lease payments	
	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
Not later than one year	328,322,864	223,224,462	115,829,216	85,200,057	212,493,648	138,024,405
Later than one year but not later than five years	587,930,582	817,193,639	71,923,813	140,846,930	516,006,769	676,346,709
Later than five year	-	-	-	-	-	-

### 29 - EARNINGS PER SHARE (EPS)

- (a) Earnings Per Share (EPS) Basic and Diluted

Particulars	(Amount In ₹)	
	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
Net Profit after Tax as per Statement of Profit & Loss attributable to Equity Shareholders	1,586,027,453	1,880,682,425
Weighted average number of Equity Shares (Basic)	113,733,706	111,207,890
Weighted average number of Equity Shares (Diluted)	121,733,231	120,866,592
Basic Earning Per Share (EPS)	13.95	16.91
Diluted Earning Per Share (EPS)*	13.95	16.91
Face Value Per Equity Shares	2/-	2/-

\*After considering dilutive effect on profit, diluted EPS is increased as compared to Basic EPS. Hence Diluted EPS is restricted to Basic EPS.

- (b) Reconciliation of basic and diluted share used in computing earnings per share

Particulars	(Amount In ₹)	
	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
Number of Equity Shares considered as basic weighted average shares outstanding	113,733,706	111,207,890
Add: Effect of dilutive issues of FCCB	7,999,525	9,658,702
Number of Equity Shares considered as weighted average shares and potential share outstanding	121,733,231	120,866,592



**30 - EMPLOYEE STOCK OPTION SCHEME :**

During the year 2007, the Company had introduced CORE Employee Stock Option Scheme – 2007 in accordance with the Securities and Exchange Board of India (Employee Stock Option and Employee Stock Purchase Scheme) Guidelines, 1999. The eligibility and number of options to be granted to an employee is determined on the basis of his/her experience, seniority, designation/job title, and their performance and as approved by the Board/Remuneration and Compensation Committee.

The Remuneration/Compensation Committee have granted 4,159,245 option out of 4,500,000 under the scheme to the eligible directors and employees of the Company and its subsidiaries, as follows:

Date of Meeting	No. Of Options Granted
14th June, 2007	1,421,500
12th December, 2007	1,200,000
13th March, 2008	1,179,340
22nd May, 2008	170,690
27th June, 2008	77,960
31st July, 2008	109,755

Out of 4,500,000 options 1,200,000 granted on 12th December, 2007 were surrendered. The options do not vest on one date but have graded vesting schedule, as follows:

% of Option Granted which shall be vested	Period from the date of grant in which option shall vested
First 25%	On completion of 18 months
Next 25%	On completion of 24 months
Next 25%	On completion of 30 months
Next 25%	On completion of 36 months

During the financial year 2009-10, the Company had introduced CORE Employee Stock Option Scheme – 2009 where 7,500,000 options could be granted. The options are granted in three types and the vesting period is as follows:

**TYPE A: Applicable only for the first set of grants made to eligible employees who have joined on or before 31/03/2007 and to eligible Directors under this scheme**

First 75% of the Options granted	On completion of 12 (Twelve) months from the date of grant
And the balance 25% of the Options granted	On completion of 18 (Eighteen) months from the date of grant

**TYPE B:**

Applicable only for the first set of grants made to eligible employees who have joined between 01/04/07 and 31/03/2008

First 50% of the Options granted	On completion of 12 (Twelve) months from the date of grant
And the balance 50% of the Options granted	On completion of 18 (Eighteen) months from the date of grant

**TYPE C:**

Applicable for grants made to eligible employees who have joined on or after 01/04/2008 and for subsequent set of grants, if any made to employees joined on or before 01/04/2008

First 50% of the Options granted	On completion of 12 (Twelve) months from the date of grant
Next 25% of the Options granted	On completion of 18 (Eighteen) months from the date of grant
And the balance 25% of the Options granted	On completion of 24 (Twenty Four) months from the date of grant

The Remuneration/Compensation Committee have granted 9,050,000 under the ESOS scheme 2009 to the eligible directors and employees of the Company and its subsidiaries, as follows:

Date of Meeting	No. of Options Granted
15th October, 2009	4,200,000
12th August, 2010	978,000
11th November, 2010	351,000
11th February, 2011	474,000
26th May, 2011	997,000
30th July, 2011	583,000
24th October, 2011	630,000
9th February, 2012	576,000
30th August, 2012	261,000

The exercise price of both the options is the latest available closing market price of the equity shares of the Company, prior to the date of the grant. The Company has followed the intrinsic value method of valuation for the options. In the context, stock-based employee compensation recognized in the books of account is Nil, since the market price of the underlying share at the date of the grant is the same as the exercise price of the option, and the intrinsic value of stock option works out to be Nil.

Annexure II		Disclosure pursuant to the provisions of Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 as on 31st March, 2013															
Sr. No.		Scheme-1 : ESOS 2007								Scheme-2 : ESOS 2009							
		14.06.2007	13.03.2008	22.05.2008	27.06.2008	31.07.2008	15.10.2009	12.08.2010	11.11.2010	11.02.2011	26.05.2011	30.07.2011	24.10.2011	09.02.2012	30.08.2012		
1	Date of grant	1,421,500	1,179,340	170,690	77,960	109,755	4,200,000	978,000	351,000	474,000	997,000	583,000	630,000	576,000	261,000		
2	Options granted																
3	Pricing Formula																
4	Price of the share in market at the time of option grant (₹)	136.8	204.85	222.75	181.45	214.7	192.00	261.90	306.30	267.50	288.65	301.25	281.50	277.70	290.80		
5	Outstanding options as at 1st April, 2012 (Nos.)	97,736	136,355	83,074	1,400	20,367	1,886,147	523,950	168,000	379,000	840,000	533,000	601,000	568,000	0		
6	Options granted during the year ended 31st March, 2013 (Nos.)	0	0	0	0	0	0	0	0	0	-	-	-	-	261,000		
7	Options vested during the year ended 31st March, 2013 (Nos.)	Nil	Nil	Nil	Nil	Nil	Nil	97,500	79,750	159,250	582,000	370,250	245,500	241,500	Nil		
8	Options exercised during the year ended 31st March, 2013 (Nos.)	37,811	4,865	1,400	1,400	2,850	275,219	28,617	0	0	150	0	0	0	0		
9	Total no. of shares arising as a result of exercise of options (Nos.)	37,811	4,865	1,400	1,400	2,850	275,219	28,617	0	0	150	0	0	0	0		
10	Options lapsed/surrendered during the year ended 31st March, 2013 (Nos.)	59,925	131,490	54,445	-	11,678	226,167	138,900	15,000	91,000	221,000	275,000	171,000	87,000	17,000		
11	Options in force as at 31st March, 2013 (Nos.)			27,229	0	5,839	1,384,761	356,433	153,000	288,000	618,850	258,000	430,000	481,000	244,000		
12	Variation of terms of options	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil		
13	Money realised by exercise of options (₹)	5,172,545	996,595	311,850	254,030	611,895	52,842,048	7,494,792	Nil	Nil	43,298	Nil	Nil	Nil	N.A.		
14	Employee wise details of options granted to:																
	i) Senior Managerial Personnel	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2		
	ii) Employees receiving 5% or more of the total number of options granted during the year	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil		
	iii) Employees granted options equal to or exceeding 1% of the issued capital	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil		

(Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 as on 31st March, 2012

Sr. No.		Scheme-1 : ESOS 2007					Scheme-2 : ESOS 2009									
15	Diluted EPS on issue of shares on exercise calculated in accordance with AS 20 (₹)															
	i) Method of calculation of employee compensation cost															
	ii) Difference between the employee compensation cost so computed(i) above and the employee compensation cost that shall have been recognized if fair value of options had been used.	₹ 38,447,830														
	iii) The impact of the difference on profits and EPS of the Company had fair value of options had been used for accounting Employee Options	Proforma Profit ₹ 1,547,579,623 Proforma Basic EPS ₹ 13.61 and Proforma Diluted EPS ₹ 12.71														
16	Weighted-average exercise prices and weighted-average fair values of options, exercise price of which is less than the market price on the date of grant shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock															
	i) Weighted average exercise price (₹)	136.80	204.85	222.75	181.45	214.70	192.00	261.90	306.30	267.50	288.65	301.25	281.50	277.70	290.80	
	ii) Weighted average fair value (₹)	72.76	108.95	101.35	83.88	105.34	Type A - ₹ 115.37, Type B - ₹ 115.37, Type C - ₹ 118.76	Type A - ₹ 105.17, Type C - ₹ 109.71	Type C - ₹ 119.18	Type C - ₹ 122.76	Type C - ₹ 113.11	Type A - ₹ 97.65, Type C - ₹ 102.65	Type C - ₹ 95.05	Type C - ₹ 92.28	Type C - ₹ 91.99	
	Significant assumptions used to estimate fair values of options granted during the year															
17	i) Risk free interest rate (%)	7.81	7.81	7.67	8.65	9.09	7.24	7.44	7.69	7.75	8.05	8.22	8.54	8.03	7.98	
	ii) Expected life (years)	5	5	5	5	5	5	5	5	5	5	5	5	5	5	
	iii) Expected volatility (%)	54	54	46.23	46.23	46.23	73.64	36.98	31.91	33.13	31.66	19.44	18.34	18.41	13.41	
	iv) Dividend yield (%)	0.10	0.10	0.10	0.10	0.10	0.51	0.33	0.33	0.33	0.33	0.33	0.36	0.36	0.36	0.22

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## 31 - DISCLOSURE REQUIRED BY CLAUSE 32 OF THE LISTING AGREEMENT:

### Loans/Advances in the nature of Loans given to Subsidiaries & Associates

#### (a) Loans & Advances

(Amount In ₹)

Sr. No.	Name of the Company		As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012	Maximum Balance during the year
1	Core Education & Consulting Solutions (UK) Ltd.	Subsidiary	251,292,218	-	251,292,218

#### Note :

- Loans & Advances to subsidiaries shown above are of short-term nature and are repayable on demand and thus there is no repayment schedule as such.
- Advances in the nature of trade advances are not considered here for reporting under this clause.

## 32 - REMITTANCES IN FOREIGN CURRENCY ON ACCOUNT OF DIVIDEND

The Company has paid dividend in respect of shares held by Non-Residents on repatriation basis. This inter-alia includes portfolio investment and direct investment, where the amount is also credited to Non-Resident External Account (NRE A/c). The exact amount of dividend remitted in foreign currency cannot be ascertained. The total amount remittable in this respect is given herein below:

(Amount In ₹)

Particulars	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
(a) Year to which dividend relates	2011-12	2010-11
(b) Number of non-resident shareholders to whom remittance was made	188	167
(c) Number of equity shares held by them	27,389,855	379,562
(d) Amount remitted to Bankers in India of the Non-resident shareholders	16,433,913	227,737

## 33 - COMMITMENTS

- Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 878,315,655 (P.Y. ₹ 90,941,865).

## 34 - Financial and Derivative Instruments :-

- Derivative contracts entered into by the Company and outstanding as on 31st March, 2013

For Hedging Currency & Interest Rate Risks :-

For Nominal amounts of derivative contracts entered into by the Company and outstanding as on 31st March, 2013 amount to ₹ 2,17,14,21,269/- (Previous Year ₹ 2,10,47,36,444/-)

(Amount In ₹)

	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
Currency Swaps	1,945,678,516	1,945,678,516
Interest Rate Swaps	225,742,753	159,057,928
Total	2,171,421,269	2,104,736,444

- Details of foreign currency exposures that are not hedged by a derivative instrument or otherwise :

Foreign currency exposure (other than foreign operation) that are not hedged as on 31st March, 2013 amount to ₹ 6,770,823,178/- (P.Y. ₹ 5,667,786,610/-) on account of:

Particulars	Amount in foreign currency		Equivalent amount in ₹	
	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
Trade Receivables				
USD	56,058,933	33,122,954	3,049,006,101	1,694,454,398
GBP		379,606		30,748,097
Advances Received				
GBP	(335,493)		(27,618,097)	
Total			3,021,388,004	1,725,202,495
Borrowings				
USD	68,937,000	79,087,000	3,749,435,174	3,942,584,115

## 35 - EARNINGS IN FOREIGN EXCHANGE

(Amount In ₹)

Particulars	For the year ended 31st March, 2013	For the year ended 31st March, 2012
Export of Software calculated on FOB basis	3,391,731,939	2,796,150,406
<b>Total</b>	<b>3,391,731,939</b>	<b>2,796,150,406</b>

## 36 - EXPENDITURE IN FOREIGN CURRENCY

(Amount In ₹)

Particulars	For the year ended 31st March, 2013	For the year ended 31st March, 2012
FCCB Issue Expenses and interest	247,007,419	270,667,829
Travelling, Hotel & Lodging	13,721,829	8,429,899
Professional Fees	3,201,443	26,258,631
Interest on Term Loan	37,965,695	19,950,890
Other matters	48,602	27,550
<b>Total</b>	<b>301,944,988</b>	<b>325,334,799</b>

## 37 - CONTINGENT LIABILITIES:

(Amount In ₹)

Particulars	As at 31st March, 2013	As at 31st March, 2012
<b>Guarantees:</b>		
Bank Guarantees	1,428,618,390	570,612,151
Corporate Guarantee given on behalf of Core Education & Consulting Inc. USA, a wholly owned subsidiary Company	4,182,237,159	1,304,490,750
<b>Total</b>	<b>5,610,855,549</b>	<b>1,875,102,901</b>

- b) The income tax assessment of the company have been completed up to Assessment year 2010-11. The disputed demand outstanding up to the said Assessment year is Rs. 33,30,924. Based on the decisions of the appellate authorities and the interpretations of other relevant provisions, the company has been advised that the demand is likely to be either quashed or substantially reduced and accordingly no provision has been made.

## 38 - OTHER NOTES

- (a) In the opinion of the Board of Directors, other current assets have a value on realization in the ordinary course of the Company's business, which is at least to the amount at which they are stated in the Balance Sheet.
- (b) All advances, receivables and payables are subject to confirmation and reconciliation, if any.
- (c) These accounts of Core Education & Technologies Ltd. include accounts of its two overseas branches.
- (d) During the year, company restructured its investments in wholly owned subsidiaries. The investment comprising of 10,00,000 common shares and 12,19,63,300 preferred stock of Core Education & Consulting Solutions, Inc., USA and 10,00,000 common shares and 97,58,732 preferred stock of Core Education & Consulting Solutions (UK) Ltd., UK were transferred to wholly owned subsidiary Core Education & Consulting Solution Pte Ltd., Singapore. In lieu of transfer the Core Education & Consulting Solution Pte Ltd, Singapore has issued 25,88,394 common shares and 13,74,40,765 preferred stock to the company, which have been stated at fair value based on the valuation report dated 5th March, 2012 of M/s. P. Murali & Co.
- (d) Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

As per our report of even date

**For Chaturvedi & Shah**  
Chartered Accountants  
Firm Registration No. 101720W

**Jignesh Mehta**  
Partner  
Membership No. 102749

Date: 30th May, 2013  
Place: Mumbai

**For Asit Mehta & Associates**  
Chartered Accountants  
Firm Registration No. 100733W

**Sanjay Rane**  
Partner  
Membership No. 100374

For and on behalf of the Board

**Sanjeev Mansotra**  
Chairman

**Nikhil Morsawala**  
Director - Finance

**Naresh Sharma**  
Executive Director

**Ganesh Umashankar**  
Company Secretary

# CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH, 2013

(Amount In ₹)

		Year ended 31st March, 2013	Year ended 31st March, 2012
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Profit/(Loss) before tax:	2,008,912,053	2,353,117,387
	Adjustment for:		
	Depreciation/Amortisation/Diminution	1,073,902,296	423,550,624
	Unrealised exchange (Gain)/Loss	378,516,554	161,424,779
	Interest expense (Net of capitalisation)	1,438,072,880	1,253,276,207
	Interest income	(42,287,364)	(37,362,267)
		2,848,204,366	1,800,889,343
	Operating profit before Working Capital changes	4,857,116,419	4,154,006,730
	Adjustments for changes in Working capital		
	Inventories	(762,974,494)	349,747,919
	Trade Receivables	(1,434,302,107)	(1,433,353,287)
	Long Term and Short term Loans & Advances	(1,813,169,414)	(773,276,456)
	Trade Payables and Provisions	82,120,514	477,234,281
	Other current liabilities	526,023,982	683,861,616
		(3,402,301,519)	(695,785,927)
	Cash generated from operations	1,454,814,900	3,458,220,803
	Income taxes paid	(324,497,752)	(624,685,732)
	Net Cash from Operating activities	1,130,317,148	2,833,535,071
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Fixed Assets:		
	Purchase	(944,878,976)	(4,886,913,648)
	Sale	601,225,402	-
	Investments:		
	Purchase	(1,732,578,308)	(2,649,250,173)
	Sale		462,300,000
	Interest received	42,287,364	37,362,267
	Net Cash from/used in investing activities	(2,033,944,518)	(7,036,501,553)



(Amount In ₹)

		Year ended 31st March, 2013		Year ended 31st March, 2012	
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
	Proceeds from issuance of Share Capital	451,664,049		698,893,753	
	Increase /Decrease in Long term Borrowing	(171,449,842)		4,958,072,393	
	Increase/Decrease in Short Term Borrowing	1,595,513,840		(454,720,985)	
	Interest paid	(1,438,072,881)		(1,253,276,206)	
	Dividend paid	(11,120,526)		(13,051,963)	
	FCCB Issue Expenses	(937,249)		(1,043,416)	
	Issue of Share Warrant	67,022,493		137,954,560	
	Net Cash from/used in financing activities		492,619,884		4,072,828,136
<b>D</b>	<b>NET INCREASE / (DECREASE) IN CASH</b>				
	AND CASH EQUIVALENTS		(411,007,486)		(130,138,347)
	Cash and Cash Equivalents (Opening balance)	1,314,627,931		1,444,766,278	
	Cash and Cash Equivalents (Closing balance)	903,620,445		1,314,627,931	

Notes :

1 Figures in brackets represent outflows of cash and cash equivalents.

2 Cash flow statement is prepared as per the indirect method specified in Accounting Standard -"3" notified by the Companies (Accounting Standard) Rules, 2006

As per our report of even date

**For Chaturvedi & Shah**  
Chartered Accountants  
Firm Registration No. 101720W

**Jignesh Mehta**  
Partner  
Membership No. 102749

Date: 30th May, 2013  
Place: Mumbai

**For Asit Mehta & Associates**  
Chartered Accountants  
Firm Registration No. 100733W

**Sanjay Rane**  
Partner  
Membership No. 100374

For and on behalf of the Board

**Sanjeev Mansotra**  
Chairman

**Nikhil Morsawala**  
Director - Finance

**Naresh Sharma**  
Executive Director

**Ganesh Umashankar**  
Company Secretary

## Information Pursuant to Section 212 of the companies Act, 1956

### Subsidiary Companies

	1	2	2(a)	3	4	4(a)	4(a)(i)	5	
Name of Subsidiary	Core Education & Consulting Solution Inc. USA (Wholly owned subsidiary of CORE Education & Consulting Solutions Pte Ltd.)	Core Education & Consulting Solutions (U.K.) Ltd. (Wholly owned subsidiary of CORE Education & Consulting Solutions Pte Ltd.)	ITN Mark Education Ltd (UK) [Wholly owned subsidiary of Core Education & Consulting Solutions (U.K.) Ltd.]	CORE Information Technology Solutions Inc, USA	CORE Global Education Pte. Ltd. Singapore	Core Education & Consulting Solution FZ - LLC (Wholly owned subsidiary of CORE Global Education Pte Ltd)	Core International Institute of Higher Education FZE, RAK (60% of Core Education & Consulting Solution FZ - LLC)	CORE Education & Consulting Solutions Pte. Ltd. Singapore	
CIN	NA	NA	NA	NA	NA	NA	NA	NA	
Financial year of subsidiary ended on	31st Mar, 2013	31st Mar, 2013	31st Mar, 2013	31st Mar, 2013	31st Mar, 2013	31st Mar, 2013	31st Mar, 2013	31st Mar, 2013	
Shares of the subsidiary held by the company on the above date									
Nos.	Common Stock- 1,000,000 Preferred Stock- 111,963,300	Ordinary Shares- 1,000,000 Preference Shares- 9,758,732	Equity shares 550,000	Equity Shares 6374 Preference Shares 30,170	Equity Shares 15000	Equity Shares 50	Equity Shares 1	Equity Shares 23,133,004 Preference Shares 147,486,445	
Face value	Equity Shares- No par value Preferred Stock- USD 1 each	Ordinary shares- £ 1 each Preference Shares- £ 1 each	Equity Shares- GBP 1 each	Equity Shares- USD 1000 Each Preference Shares- USD 1000 each	Equity shares-1 \$ each	Equity Shares of 1000 AED each	Equity Shares of 1,00,000 AED each	Equity shares-1 \$ each Preference Shares-1 \$ Each	
Extent of holding	NIL	NIL	100%	100%	100%	NIL	NIL	100%	
The net Aggregate of profits or (losses) for the current period of the Subsidiary Company so far as it concerns the members of the Holding Company									
a. dealt with or provided for in the accounts of the Holding Company	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
b. not dealt with or provided for in the accounts of the Holding Company	914,241,348	668,324	830,161	381,248,541	(1,083,286)	3,504,356	2,118,816	(49,663,168)	
The net aggregate of profits or (losses) for previous financial years of the subsidiary so far as it concerns the members of the holding company									
a. dealt with or provided for in the accounts of the holding company									
b. not dealt with or provided for in the accounts of the Holding Company	1,013,342,308	55,468,895	65,818,384	120,526,260	(73,656)	-	-	(10,689,000)	

	6	6(a)	6(b)	7	8	9	10	11	12	12(a)
	CORE Education & Consulting Solutions Inc., Isle Of Man	CORE Education & Consulting Solutions (Hong Kong) Ltd. [Wholly owned subsidiary of CORE Education & Consulting Solutions Inc., Isle Of Man]	CORE Education Technologies Inc., Delaware, USA [Wholly owned subsidiary of CORE Education & Consulting Solutions Inc., Isle Of Man]	CORE Projects & Technologies FZC, Sharjah	Aarman Software Private Limited	CORE Education Infrotech Limited	CORE Higher Education Private Limited	CORE K12 Schools Private Limited	CORE Skill Development & Careers Private Limited	Core Careers & Skill Development Inc, USA [Wholly owned subsidiary of CORE Skill Development & Careers Private Limited]
	NA	NA	NA	NA	U72200DL2005 PTC142599	U80221MH2008 PLC184133	U80300MH2010 PTC211639	U80301MH2010 PTC211637	U80302MH2010 PTC211638	NA
	31st Mar, 2013	31st Mar, 2013	31st Mar, 2013	31st Mar, 2013	31st Mar, 2013	31st Mar, 2013	31st Mar, 2013	31st Mar, 2013	31st Mar, 2013	31st Mar, 2013
	Equity shares-7,904,194 Preferred shares-10,164,258	Equity shares-1	Equity Share 1000	Equity Shares 40,030	Equity shares 129,960	Equity Shares 9,000,000	Equity Shares 6,621,447	Equity Shares 6,396,043	Equity shares 6,406,935	Equity Shares 100,000
	Equity Shares- GBP 1 each Preferred Stock - GBP 1 each	Equity Shares 1 HKD Each	Equity Shares USD 1 Each	Equity shares of AED 1500 each	₹ 10/- each	Equity shares ₹ 10/- each	₹ 10/- each	₹ 10/- each	₹ 10/- each	USD 1 each
	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	(603,833)	(2,183,541)	32,458,793	-	4,408,123	82,448	(67,947)	604,148	(16,133,666)	8,783
	(1,422,595)	NIL	135,461,016	4,504,435	1,885,116	(1,307,306)	NIL	(3,114,718)	(8,474,617)	1,175,751

**Details of Subsidiaries under Section 212(8) of the Companies Act, 1956 for the Financial Year ending 31.03.2013**

Sr. No.	Name of Subsidiary	1	2	2(a)	3	4	4(a)	4(a)(i)	5	
		Core Education & Consulting Solutions Inc. USA (Wholly owned subsidiary of CORE Education & Consulting Solutions Pte Ltd.)	Core Education & Consulting Solutions (U.K.) Ltd. (Wholly owned subsidiary of CORE Education & Consulting Solutions Pte Ltd.)	ITN Mark Education Ltd (UK) [Wholly owned subsidiary of Core Education & Consulting Solutions (U.K.) Ltd.]	CORE Information Technology Solutions Inc, USA	CORE Global Education Pte. Ltd. Singapore	Core Education & Consulting Solution FZ - LLC (Wholly owned subsidiary of CORE Global Education Pte Ltd)	Core International Institute of Higher Education FZE, RAK (60% of Core Education & Consulting Solution FZ - LLC)	CORE Education & Consulting Solutions Pte. Singapore Ltd.	
A	Capital									
	Paid up Capital	6,627,240,045	10,758,732	563,230	1,987,602,579	815,840	739,725	1,490,546	8,678,643,365	
	Share Application	951,486,414	-	-	-	-	-	-	-	
B	Reserves	5,626,060,556	2,567,022	3,084,626	581,985,072	(1,163,193)	(27,181,487)	35,499,931	(61,113,445)	
C	Total Assets	17,574,449,717	23,388,155	3,647,856	2,691,254,799	1,232,997	443,075,466	146,832,044	8,628,486,271	
D	Total Liabilities	17,574,449,717	23,388,155	3,647,856	2,691,254,799	1,232,997	443,075,466	146,832,044	8,628,486,271	
E	Details of investments (except in case of investment in the subsidiaries)				-					
F	Turnover	5,693,835,238	4,013,757	16,188,267	1,445,776,802	-	398,956,783	59,119,789	-	
F	Turnover Accounts									
G	Profit before Taxation	1,385,158,334	903,141	1,008,161	577,640,841	(1,083,286)	3,504,356	2,118,816	(49,663,168)	
H	Provision for Taxation	470,916,986	234,817	178,000	196,392,300	-	-	-	-	
I	Profit after Taxation	914,241,348	668,324	830,161	381,248,541	(1,083,286)	3,504,356	2,118,816	(49,663,168)	
J	Proposed Dividend	-	-	-	-		-	-	-	

	6	6(a)	6(b)	7	8	9	10	11	12	12(a)
	CORE Education & Consulting Solutions Inc., Isle Of Man	CORE Education & Consulting Solutions (Hong Kong) Ltd. [Wholly owned subsidiary of CORE Education & Consulting Solutions Inc., Isle Of Man]	CORE Education Technologies Inc., Delaware, USA [Wholly owned subsidiary of CORE Education & Consulting Solutions Inc., Isle Of Man]	CORE Projects & Technologies FZC, Sharjah	Aarman Software Private Limited	CORE Education Infratech Limited	CORE Higher Education Private Limited	CORE K12 Schools Private Limited	CORE Skill Development & Careers Private Limited	Core Careers & Skill Development Inc, USA [Wholly owned subsidiary of CORE Skill Development & Careers Private Limited]
	1,487,411,230	3	54,389	584,564,959	1,299,600	90,000,000	66,214,470	63,960,430	64,069,350	5,438,930
	-	-	1,537,280,931	-	-	-	-	-	-	-
	2,716,810	(2,151,892)	194,522,846	309,533,417	38,957,035	(1,595,113)	(67,947)	(2,510,570)	(24,608,283)	(250,587)
	1,490,425,267	683,477	3,015,386,795	1,090,322,584	85,269,942	1,122,002,661	85,203,661	71,279,505	165,770,551	36,906,542
	1,490,425,267	683,477	3,015,386,795	1,090,322,584	85,269,942	1,122,002,661	85,203,661	71,279,505	165,770,551	36,906,542
					-		-			
	-	-	1,518,449,973	-	14,710,798	179,776,521	-	2,476,700	8,903,846	-
	(603,833)	(2,183,541)	49,201,999	-	6,715,679	124,903	(67,947)	874,310	(16,133,666)	8,783
	-	-	16,743,206	-	2,307,556	42,455	-	270,162	-	-
	(603,833)	(2,183,541)	32,458,792	-	4,408,123	82,448	(67,947)	604,148	(16,133,666)	8,783
	-	-	-	-	-	-	-	-	-	-

## NOTES



# INDEPENDENT AUDITOR'S REPORT

To the Board of Directors Core Education & Technologies Limited

## Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Core Education & Technologies Limited ("the Company") and its subsidiaries. (collectively referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2013, and the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

## Management's responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on the financial statement of the subsidiary noted below and on the financial information of the components, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at March 31 2013;
- (ii) in the case of the consolidated Statement of Profit and Loss, of the Profit of the Group for the year ended on that date; and
- (iii) in the case of the consolidated Cash Flow Statement, of the cash flow of the Group for the year ended on that date.

## Other Matters

1. Financial Statement of Four Subsidiaries which reflect total assets of ₹ 1,476,212,517 as at 31st March 2013, total revenue of Rs 198,476,083 and net cash outflow amounting to ₹ 1,681,521 have been audited by one of us
2. We did not audit the financial statement of eight subsidiaries, whose financial statement/consolidated financial statements reflect total asset of ₹ 36,256,619,226 as at 31st March, 2013, total revenue of ₹ 11,009,642,335 and net cash outflows of ₹ 190,552,997 for the year then ended. This financial statement/consolidated financial statements and other financial information have been audited by other auditor whose report has been furnished to us, and our opinion is based solely on the report of other auditor.
3. We report that the Consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standards (AS) 21, Consolidated financial statements as notified pursuant to the Companies (Accounting Standards) Rules, 2006, (as amended).

### For Chaturvedi & Shah

Firm Registration Number: 101720W  
Chartered Accountants

### Jignesh Mehta

Partner  
Membership No.: 102749

Place : Mumbai  
Date : May 30th , 2013

### For Asit Mehta & Associates

Firm Registration Number: 100733W  
Chartered Accountants

### Sanjay Rane

Partner  
Membership No.: 100374

Place : Mumbai  
Date : May 30th, 2013

# CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2013

(Amount In ₹)

Particulars	Note No.		As at 31st March, 2013	As at 31st March, 2012
<b>EQUITY AND LIABILITIES</b>				
<b>Shareholder's Funds</b>				
Share Capital	1	228,967,652		224,944,682
Reserves and Surplus	2	21,024,618,003		17,683,611,799
			21,253,585,655	17,908,556,481
Minority Interest			3,174,725	-
<b>Non-current Liabilities</b>				
Long-term borrowings	3	9,720,384,567		9,070,908,379
Deferred tax liabilities (Net)	4	232,813,823		211,932,490
Long-term provisions	5	13,375,354		11,411,243
			9,966,573,744	9,294,252,112
<b>Current Liabilities</b>				
Short-term borrowings	6	4,095,990,299		2,445,577,234
Trade payables	7	924,290,238		1,307,610,334
Other current liabilities	8	5,437,079,533		3,060,381,989
Short-term provisions	9	1,132,239,065		1,578,239,694
			11,589,599,134	8,391,809,251
<b>Total</b>			<b>42,812,933,258</b>	<b>35,594,617,843</b>
<b>ASSETS</b>				
<b>Non-current assets</b>				
Fixed assets				
Tangible assets	10	6,133,723,832		6,881,127,504
Intangible assets	11	5,364,558,264		4,748,902,690
Capital work-in-progress		169,111,128		25,798,354
Intangible assets under development		6,570,433,253		5,229,900,498
		18,237,826,477		16,885,729,046
Goodwill on Consolidation		1,277,224,155		1,182,222,379
Non-current investments	12	-		343,359,735
Long-term loans and advances	13	4,167,511,606		1,483,378,869
Other non-current assets	14	553,964		1,107,919
			23,683,116,203	19,895,797,948
<b>Current assets</b>				
Inventories	15	3,021,390,296		2,107,564,667
Trade receivables	16	6,770,826,336		6,111,542,370
Cash and Cash Equivalents	17	943,330,200		1,546,572,204
Short-term loans and advances	18	8,393,716,263		5,932,586,695
Other current assets	19	553,959		553,959
			19,129,817,055	15,698,819,895
<b>Total</b>			<b>42,812,933,258</b>	<b>35,594,617,843</b>

See accompanying notes forming part of the financial statements - 1 to 37

As per our report of even date

**For Chaturvedi & Shah**  
Chartered Accountants  
Firm Registration No. 101720W

**Jignesh Mehta**  
Partner  
Membership No. 102749

Date: 30th May, 2013  
Place: Mumbai

**For Asit Mehta & Associates**  
Chartered Accountants  
Firm Registration No. 100733W

**Sanjay Rane**  
Partner  
Membership No. 100374

For and on behalf of the Board

**Sanjeev Mansotra**  
Chairman

**Nikhil Morsawala**  
Director - Finance

**Naresh Sharma**  
Executive Director

**Ganesh Umashankar**  
Company Secretary

# CONSOLIDATED STATEMENT OF PROFIT & LOSS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013

(Amount In ₹)

Particulars	Note No.		For the year ended 31 <sup>st</sup> March, 2013	For the year ended 31 <sup>st</sup> March, 2012
Revenue from operations	20		19,074,832,872	16,378,570,324
Other Income	21		330,798,545	496,859,446
<b>Total Revenue</b>			<b>19,405,631,417</b>	<b>16,875,429,770</b>
<b>EXPENSES:</b>				
Operating Cost	22	10,473,434,248		8,258,631,924
Changes in inventories of work-in-progress	23	(913,825,629)		(641,962,171)
Employee benefit expense	24	1,087,886,401		804,644,203
Finance costs	25	1,677,339,487		1,483,292,199
Depreciation and amortization expense	10 & 11	1,937,264,905		989,886,394
Other expenses	26	1,316,556,796		1,699,209,289
			<b>15,578,656,208</b>	<b>12,593,701,838</b>
<b>Total Expenses</b>			<b>15,578,656,208</b>	<b>12,593,701,838</b>
Profit before tax			<b>3,826,975,209</b>	<b>4,281,727,932</b>
Tax expense:				
Current tax		1,097,116,785		1,027,385,820
Provision for tax no longer required written back		-		(124,739,299)
Deferred tax		20,881,333		148,165,923
			<b>1,117,998,118</b>	<b>1,050,812,444</b>
Profit/(Loss) for the year			<b>2,708,977,091</b>	<b>3,230,915,488</b>
Earning per equity share (Face Value per share ₹ 2):	30			
Basic			<b>23.82</b>	<b>29.05</b>
Diluted			<b>23.82</b>	<b>28.61</b>

See accompanying notes forming part of the financial statements - 1 to 37

As per our report of even date

**For Chaturvedi & Shah**  
Chartered Accountants  
Firm Registration No. 101720W

**Jignesh Mehta**  
Partner  
Membership No. 102749

Date: 30th May, 2013  
Place: Mumbai

**For Asit Mehta & Associates**  
Chartered Accountants  
Firm Registration No. 100733W

**Sanjay Rane**  
Partner  
Membership No. 100374

For and on behalf of the Board

**Sanjeev Mansotra**  
Chairman

**Nikhil Morsawala**  
Director - Finance

**Naresh Sharma**  
Executive Director

**Ganesh Umashankar**  
Company Secretary

## SIGNIFICANT ACCOUNTING POLICIES:

### (i) Members of the Group

The accompanying Consolidated Financial Statements include the accounts of Core Education & Technologies Limited (the Company) with its foreign branches in U.S.A. & U.K. and it's below listed Subsidiaries:

Name of the Company	Country of Incorporation	Proportion of ownership interest	Year End
CORE Education & Consulting Solutions Inc. USA (with its wholly-owned subsidiary Partners 4 Growth, USA)	U.S.A	100%	December, 31
Core Educations & Consulting Solutions (UK) Limited (with its wholly-owned subsidiary ITN Mark Education Limited)	U.K	100%	December, 31
Core Education Infratech Limited	India	100%	March, 31
Core Projects & Technologies, FZC	UAE	100%	December, 31
Aarman Software Private Limited	India	100%	March, 31
Core K12 Schools Private Limited	India	100%	March, 31
Core Higher Education Private Limited	India	100%	March, 31
Core Skill Developments Private Limited (with its wholly-owned subsidiary CORE Careers & Skill Development Inc., USA)	India	100%	March, 31
Core Education & Consulting Solutions – ISLE of Man (With its Wholly-owned subsidiaries, viz Core Education Technologies Inc. (USA) wholly-owned subsidiaries of Core Education & Technologies Inc.)	ISLE of Man	100%	December, 31
Core Information Technology Solutions Inc. USA	USA	100%	December, 31
Core Global Education Pte Ltd. Singapore (with its wholly owned subsidiary Core Education & Consulting Solutions FZ-LLC, Dubai and Core International Institute of Higher Education FZE, RAK)	Singapore	100%	March, 31
Core Education & Consulting Solutions Pte Ltd. (with its wholly owned subsidiary Core Education & Consulting Solutions Inc., USA and Core Education & Consulting Solutions (UK) Limited)	Singapore	100%	March, 31

### (ii) Basis of preparation of Consolidated Financial Statements

The Consolidated financial statements are prepared and presented under historical cost convention, on the accrual basis of accounting, in accordance with the accounting principles generally accepted in India (GAAP) and in compliances with the Accounting Standards (AS) issued by the Companies (Accounting Standards) Rules, 2006, to the extent applicable."

### (iii) Principles of Consolidation :

- The financial statements of Core Education Technologies Limited and its subsidiaries have been combined on a line-by-line basis by adding together book values of similar items of assets, liabilities, income and expenses after eliminating intra-group balances and transactions and resulting unrealized gain/loss, in accordance with Accounting Standard (AS-21) "Consolidated Financial Statements"
- The consolidated financial statements are presented, to the extent possible, in the same format as that adopted by the Parents for its standalone financial statements;
- The consolidated financial statements are prepared using uniform accounting policies across the Group;
- The financial statements of the subsidiaries used in the preparation of consolidated financial statements have been drawn upto 31.03.2012, i.e same date as that of the parent,
- Goodwill arising on consolidation

The excess of cost to the Parent, of its investment in subsidiaries over its portion of equity in the subsidiaries at the respective dates on which investments in subsidiaries was made or as at close of the financial year of the acquisition as the case may be is recognized in the financial statements as goodwill and in the case where equity exceeds the cost; the same is being adjusted in the said goodwill. Goodwill as determined on consolidation is tested for impairment, if any on an annual basis.

Exchange differences resulting from the differences due to translation of foreign currency assets and liabilities in subsidiaries is disclosed as foreign currency translation reserve or adjustment as the case may be."

- Minority Interest's share of net profit or loss of consolidated Subsidiaries for the period is identified and adjusted against the income of the Group in order to arrive at the net income attributable to the shareholders of the company.
- Minority Interest's share of net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet as a separate item from liabilities and the shareholders' equity."

### (iv) Use of Estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statement and reported amounts of income and expenses during the period. Any revision to accounting estimates and or difference, if any, between the actual results and estimates is recognized in the period in which the results are known.

**(v) Tangible Fixed Assets:**

All fixed assets are stated at cost less accumulated depreciation. Cost is inclusive of freight, duties, levies and any directly attributable cost of bringing the assets to their present working condition.

Capital Work-in-Progress represents cost of fixed assets that are not yet ready for their intended use as at the Balance sheet date and includes advances paid."

**(vi) Intangible Assets**

Costs relating to intellectual property rights and software licenses which are acquired are capitalised as intangible assets.

**(vii) Depreciation and amortisation**

Depreciation on fixed assets is provided on Straight Line Method at the rates prescribed under Schedule XIV of the Companies Act, 1956 on pro-rata basis, except depreciation on assets used in BOOT projects which are depreciated equally over the period of respective projects, depreciation on foreign branch assets has been provided at the rates followed under the relevant law of the foreign country which are: Computers 5%; Furniture & Fixture 5% and Computer Software are amortized over 5 years. Intellectual property rights and software licenses are amortised on a straight-line basis over their estimated useful lives or five years whichever is lower.

**(viii) Impairment of Assets**

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss, if any is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount."

**(ix) Leases**

(a) Lease arrangement, where the risks and rewards incidental to ownership of an asset substantially vests with the lessor, are recognized as operating leases. Lease payments under operating lease are recognized as an expense in the profit & loss account. Operating lease rentals are expensed with reference to lease term and other considerations.

(b) The lower of the fair value of the assets and present fair value of the minimum lease rentals is capitalised as fixed assets with corresponding amount shown as lease liability. The principal component in the lease rental is adjusted against the lease liability and the interest component is charged to profit and loss account.

**(x) Foreign Currency Transactions**

a. Transactions denominated in foreign currencies are recorded at the rate of exchange prevailing on the date of transactions.

b. Monetary items denominated in foreign currencies at the year end are restated at year end rates.

c. Non-monetary foreign currency items are carried at cost.

d. In respect of foreign operations, which are non-integral operations, all assets and liabilities, both monetary and non-monetary, are translated at closing rate, while all income and expenses are translated at average exchange rate for the year. The resulting exchange differences are accumulated in the 'Foreign Currency Translation Reserve'.

e. Any income or expense on account of exchange difference either on settlement translation or restatement, is recognized in the profit and loss account.

**(xi) Investments**

Current investments are carried at the lower of the cost and fair market value. Long-term investments are stated at cost. Cost includes costs incidental to acquisition such as legal costs, investment banking fees etc. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary.

**(xii) Inventories**

The portion of the Software development contracts which has remained unbilled, though partly completed is inventorised as "Software Development – Work-in-Process."

The aggregate of 'Software Development' income and the inventories viz. "Software Development – Work-in-Process" is restricted to the contract value or the net realizable value of the work completed or the cost, whichever is less. For this purpose, manpower cost of the software development team and other directly attributable costs are considered for valuation.

**(xiii) Revenue Recognition**

Revenue is recognised only when it can be reliably measured and it is reasonable to expect ultimate collection. Revenue from Software / Content Development services are recognized to the extent of billings based on achievements of customer confirmation milestones, if available or else according to the management estimate of the completed work. Revenue from BOOT projects which are essentially fixed time frame contracts are recognized equally over the period of the respective contract. Provision for the estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the current estimates.

Revenues in case of hardware and software trading are recognized as and when these are delivered.

**(xiv) Employee Benefits**

- a) Short-term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.
- b) In respect of Indian operations of the Company, post-employment and other long-term employee benefits are recognized as an expense in the profit and loss account for the year in which the employee has rendered services. The expense is recognized at the present value of the amount payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the profit and loss account.
- c) In respect of employee stock options, the intrinsic value of the options, i.e. the excess of market price of the underlying share on the date of the grant over the exercise price of the option is accounted as deferred employee compensation cost to be amortized over the vesting period.

**(xv) Borrowing Cost**

Borrowing costs that are specifically attributable to the acquisition or construction of qualifying asset are capitalised as part of the cost of such asset till such time as the asset is ready for its intended use. A qualifying asset is an asset that necessarily requires/takes a substantial period of time to get ready for its intended use. All other borrowing costs, i.e. not specifically attributable to the qualifying asset are charged to revenue in the period in which those are incurred.

**(xvi) Taxes on Income**

Current Income Tax comprises of taxes on income from operations in India and in foreign jurisdictions. Income tax liability in India is determined and provided in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax resulting from “timing differences” between taxable income and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a virtual certainty that the asset will be realized in future.

The tax expenses and liabilities are determined separately for the Parent and each subsidiary company, as per their applicable laws and then aggregated.

**(xvii) Provisions, Contingent Liabilities and Contingent Assets.**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

**(xviii) Derivative Contracts**

In respect of derivative contracts, premium paid, gain/loss on settlement and provision for losses on restatement are recognised along with the underlying transactions and charged to Profit & Loss Account.

**(xvii) Research and Development Costs**

- Research costs are expensed as incurred.
- Development costs including costs paid to third parties for technical knowhow, content etc. for software/content development are expensed as incurred, unless the technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the Company has an intention and ability to complete and use or sell the software/content and the costs can be measured reliably. Costs of such projects upon completion are classified as Intellectual property rights under intangible assets and amortised. Costs of such projects under development on balance sheet date are shown under Intangible assets under development.
- Research and development expenditure of a capital nature is included in the fixed assets.
- The carrying value of development costs is reviewed for impairment annually when the asset is not yet in use, and otherwise when events or changes in circumstances indicate that the carrying value may not be recoverable.



# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount In ₹)

	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
<b>1 - SHARE CAPITAL</b>		
<b>Authorised:</b>		
250,000,000 (Previous Year 250,000,000) equity shares of ₹ 2 each.	500,000,000	500,000,000
	500,000,000	500,000,000
<b>Issued, Subscribed and Paid-up:</b>		
114,483,826 (Previous Year 112,472,371) equity shares of ₹ 2 each fully paid-up.	228,967,652	224,944,682
<b>Total</b>	228,967,652	224,944,682

Reconciliation of the no. of shares outstanding at the beginning and at the end of the year:	For the year ended on 31 <sup>st</sup> March, 2013 No of shares	For the year ended on 31 <sup>st</sup> March, 2012 No of shares
No. of Equity Shares outstanding at the beginning of the year	112,472,341	109,145,636
Add: Additional Equity Shares issued during the year		
- on conversion of FCCB	1,659,173	2,565,749
- on exercise of ESOP	352,312	760,956
No. of Equity Shares outstanding at the end of the year	114,483,826	112,472,341

i) Number of Equity Shares held by each shareholder holding more than 5% shares in the Company are as follows:

Particulars	Number of shares as at 31 <sup>st</sup> March, 2013	%	Number of shares as at 31 <sup>st</sup> March, 2012	%
Wisdom Global Enterprises Limited	27,426,282	23.96%	34,834,360	30.97%
Core Infrapower Limited	18,300,000	15.98%	18,300,000	16.27%
Albula Investment Fund Limited	1,481,068	1.29%	6,737,468	5.99%
Airspace Infrastructure Pvt. Ltd.	5,795,000	5.06%	60,000	0.05%

## ii) Option on Unissued Share Capital

- 4,500,000 Equity Shares are reserved for allotment of equity shares under Core Employee Stock Option Scheme 2007. Out of this issue 169,628 (P.Y. 272,173) Equity Shares have been issued & allotted to the Employees/Director against exercise of Options under Core ESOS 2007.
- 7,500,000 Equity Shares are reserved for allotment of equity shares under Core Employee Stock Option Scheme 2009. Out of this issue 591,328 (P.Y. 115,320) Equity Shares have been issued & allotted to the Employees/Director against exercise of Options under Core ESOS 2009.
- Refer Note no. 3.5 for option vested on share capital in respect of foreign currency convertible bonds.

## iii) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 2/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount in ₹)

		As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
<b>2 - RESERVES AND SURPLUS</b>			
<b>Capital Reserves</b>		189,500,000	189,500,000
<b>Securities Premium Account</b>			
As per last Balance Sheet	6,703,551,618		5,874,400,131
Add: On conversion of FCCB	447,641,079		692,240,343
Add: On exercise of ESOS	67,022,493		137,954,561
Less: FCCB/Warrant issue expenses	937,249		1,043,415
		7,217,277,941	6,703,551,618
<b>Debenture Redemption Reserve</b>			
As per last Balance Sheet	58,083,467		350,000
Add: Additions issued during the year	87,831,409		57,733,467
		145,914,876	58,083,467
<b>Foreign Currency Translation Reserve</b>			
As per last Balance Sheet	1,440,575,162		(653,166,840)
Add: Effect of foreign exchange rate variations during the year	199,950,606		2,093,742,002
		1,640,525,768	1,440,575,162
<b>General Reserve</b>			
As per last Balance Sheet	506,000,000		318,000,000
Add: Transfer from Statement of Profit & Loss	190,000,000		188,000,000
		696,000,000	506,000,000
<b>Statement of Profit and Loss</b>			
As per last Balance Sheet	8,785,901,552		5,879,161,303
Add: Profit/(Loss) for the period	2,708,977,091		3,230,915,488
Less: Appropriations			
Debenture Redemption Reserve	87,831,409		57,733,467
Proposed Dividend*	68,690,296		67,494,211
Tax on Proposed Dividend	11,141,566		10,947,561
Minority Interest	1,815,954		-
Transfer to General Reserves	190,000,000		188,000,000
		11,135,399,418	8,785,901,552
<b>Total</b>		21,024,618,003	17,683,611,799

\* Dividend amount per equity share proposed to be distributed to Shareholders ₹ 0.60 (P.Y. ₹ 0.60 per share).

(Amount in ₹)

	As at 31 <sup>st</sup> March, 2013		As at 31 <sup>st</sup> March, 2012	
	Current	Non Current	Current	Non Current
<b>3 - LONG-TERM BORROWINGS</b>				
<b>Secured Loans</b>				
Non Convertible Debentures	192,000,000	1,188,000,000	-	1,380,000,000
Term Loans from Banks	1,961,980,490	1,974,868,180	965,864,870	2,097,176,391
Foreign Currency Term Loans	633,322,611	3,015,681,645	522,303,338	764,393,713
Vehicle Loans from Banks	3,132,642	1,782,874	6,534,908	2,917,026
<b>Unsecured Loans</b>				
Foreign Currency Convertible Bonds	-	2,661,649,174	-	3,022,684,116
Finance Lease Obligations (Refer Note No. 29)	212,493,648	516,006,769	138,024,405	676,346,709
From Other Parties	619,524,108	362,395,925	448,344,802	1,127,390,424
<b>Total</b>	3,622,453,500	9,720,384,567	2,081,072,323	9,070,908,379

3.1 ₹ 1,380,000,000 (P.Y. 1,380,000,000) is to be secured by *pari passu* first charge on immovable asset and tangible Fixed assets of the Company.

Name of Investor (debenture holder)	Subscription Amount (₹ in Crores)	No. of debentures of face value ₹ 10,00,000	No. of debentures in the form of STRPPs of ₹ 1,00,000 each	ISINs and respective number of debentures in the form of STRPPs under each ISIN to be redeemed in the ratio of 30:30:40, at the end of 3rd/4th/5th year from date of allotment		
				INE247G07013 (No. of debentures in the form of STRPPs)	INE247G07021 (No. of debentures in the form of STRPPs)	INE247G07039 (No. of debentures in the form of STRPPs)
First Tranche; date of allotment of debentures : 30th March, 2011						
Bank of Maharashtra	100,000,000	100	1,000	300	300	400
Bank of Maharashtra Employees Gratuity Fund	40,000,000	40	400	120	120	160
Bank of Maharashtra Employees Pension Fund	50,000,000	50	500	150	150	200
Bank of Maharashtra Employees Provident Fund	50,000,000	50	500	150	150	200
Oriental Bank of Commerce	100,000,000	100	1,000	300	300	400
Canara Bank	100,000,000	100	1,000	300	300	400
Union Bank of India	100,000,000	100	1,000	300	300	400
Dena Bank Employees' Pension Fund	50,000,000	50	500	150	150	200
Dena Bank Employees' Gratuity Fund	50,000,000	50	500	150	150	200
Total (A)	640,000,000	640	6,400	1,920	1,920	2,560
Second Tranche; date of allotment of debentures : 17th June, 2011						
Chhattisgarh State Electricity Board Provident Fund Trust	50,000,000	50	500	150	150	200
Chhattisgarh State Electricity Board Gratuity & Pension Fund Trust	50,000,000	50	500	150	150	200
Dena Bank Employees Pension Fund	45,000,000	45	450	135	135	180
Dena Bank Employees Provident Fund	5,000,000	5	50	15	15	20
Total (B)	150,000,000	150	1,500	450	450	600
Third Tranche; date of allotment of debentures : 30th December, 2011						
Central Bank of India	100,000,000	100	1,000	300	300	400
Canara Bank	150,000,000	150	1,500	450	450	600
Bank of Maharashtra	100,000,000	100	1,000	300	300	400
Indian overseas Bank	150,000,000	150	1,500	450	450	600
Bank of Maharashtra Employees Provident Fund	40,000,000	40	400	120	120	160
Bank of Maharashtra Employees Pension Fund	50,000,000	50	500	150	150	200
Total (C)	590,000,000	590	5,900	1,770	1,770	2,360
Grand Total (A+B+C)	1,380,000,000	1,380	13,800	4,140	4,140	5,520

### 3.2 Maturity Profile

	2013-14	2014-15	2015-16	2016-17	2017-18
11.75% Non Convertible Debentures	192,000,000	192,000,000	256,000,000	-	-
12.75% Non Convertible Debentures	-	45,000,000	45,000,000	60,000,000	-
13% Non Convertible Debentures	-	177,000,000	177,000,000	236,000,000	-
Term Loan from Banks	2,519,708,221	1,243,893,490	688,519,295	415,825,270	43,842,845
Foreign Currency Term Loans	633,322,611	782,893,186	795,399,597	763,553,234	673,835,627
Vehicle Loan	3,132,642	1,782,874	-	-	-
Foreign Currency Convertible Bonds	-	2,661,649,174	-	-	-
<b>Total</b>	<b>3,348,163,473</b>	<b>5,104,218,724</b>	<b>1,961,918,892</b>	<b>1,475,378,504</b>	<b>717,678,472</b>

3.3 Term Loans (including vehicle loan and foreign currency loan) comprising of:

- ₹ Nil. (P.Y. ₹ 27,499,994) is secured by First charge of property at unit No. 1 to 7, 10th Floor, Lotus' Neelkamal Business Park, New Link Road, Andheri (West), Mumbai.
- ₹ 490,973,717 (P.Y. ₹ 490,973,717) is secured by way of an exclusive charge on the project assets and project receivables.
- ₹ 85,436,786 (P.Y. ₹ 101,810,561) is secured by an exclusive charge on the assets to be created under the Gujarat school project.
- ₹ 264,704,800 (P.Y. ₹ 382,352,400) is secured by first exclusive charge on its property at Mahape, Navi Mumbai (CORE Knowledge Centre), measuring 38,300 square feet.
- ₹ 329,000,000 (P.Y. ₹ 470,000,000) is secured by equitable mortgage over properties of the Parent Guarantor located at Units No. 1 and 1A, 2nd and 5th Floor, Plot No. 797, United Infotech Park Building, Trans Thane Creek Industrial Area, Savli Village, Opposite Millennium Business Park, Mahape, Navi Mumbai.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

- (f) ₹ 1,087,786,000 (P.Y. ₹ 1,358,400,000) is secured by a first *pari passu* charge and mortgage over the properties of the Parent Guarantor located at Office Nos. 1 to 7, 10th Floor, Lotus Nilkamal Business Park, New Link Road, Andheri, Mumbai, a first *pari passu* charge over all movable assets of and project receivables from the ICT project at Haryana and the non-interest bearing escrow account maintained by the Parent Guarantor with Standard Chartered Bank, Delhi branch.
- (g) ₹ Nil (P.Y. ₹ 232,004,589) is secured by an exclusive charge on the assets created under ICT projects.
- (h) ₹ 4,915,516 (P.Y. ₹ 9,451,934) is secured by hypothecation of respective vehicles.
- (i) ₹ 2,713, 434,378 (P.Y. Nil) Guarantee & Indemnity from the Parent Guarantor
- (j) ₹ 107,233,967 (P.Y. 104,540,436) is secured by First Charge of property located at 115P, 119P Rickman Industrial Drive, Holly Springs Cherokee, GA and 250 Turner Blvd, Ballground, Cherokee, G.A.
- (k) ₹ 828,345,911 (P.Y. 889,643,748) secured by a pledge of shares of ITN Mark Education Limited and is guaranteed by a personal guarantee from Mr. Sanjeev Mansorta and a corporate guarantee from the Parent Guarantor and Core Infrapower Limited. The loan is also secured by a pledge of shares held in Core UK by the Parent Guarantor.

- 3.4 Earlier the Company had issued foreign currency convertible bonds of USD 75 million which matures on 7th May, 2015. The initial conversion price of the said bonds was fixed at 10% premium over the reference share price of ₹ 247.09 calculated in accordance with the applicable rule and regulations governing the issue, issued by the Reserve Bank of India and the SEBI in this regards and, which works out to ₹ 271.80 the fix exchange rate for the issue was USD 1 = 44.43.

During the year ended 31.03.2011 FCCB of USD 0.217 million were converted into 35,472 equity shares at the conversion price of ₹ 271.80 comprising face value of ₹ 2/- and premium of ₹ 269.80 for each equity share. As on 31st March, 2011 USD 74.783 million bonds are outstanding for conversion.

During the year ended 31.03.2012, FCCB of USD 15.696 Million were converted into 2,565,749 equity shares at the conversion price of ₹ 271.80 comprising face value of ₹ 2/- and premium of ₹ 269.80 for each equity share. As on 31st March, 2012 USD 59.087 million bonds are outstanding for conversion.

During the Financial year 2012-13, FCCB of USD 10.150 Million were converted into 2,394,766 equity shares at the conversion price of ₹ 271.80 comprising face value of ₹ 2/- and premium of ₹ 269.80 for each equity shares. As on 31st March, 2013 USD 48,937 million bonds are outstanding for conversion.

- 3.5 Period and amount of Continuing default in repayment of long term borrowing and interest (overdue) as at 31st March, 2013 is as under

Lender/period of delays	Principal	Interest	Total
1. Bank			
0-60 Days	129,982,663	19,235,314	149,217,977
2. Other Parties			
0-90 Days	149,517,006	75,380,145	224,897,151
90-120 Days	45,332,707	18,758,394	64,091,101

(Amount In ₹)

	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
<b>4 - DEFERRED TAX LIABILITY (NET):</b>		
<b>Deferred Tax Liability</b>		
Provision for Depreciation	281,779,521	217,982,269
<b>Deferred Tax Assets</b>		
Provision for Employee Benefits	(5,348,655)	(6,049,779)
Finance Lease	(43,617,043)	-
<b>Deferred Tax Liability (Net)</b>	<b>232,813,823</b>	<b>211,932,490</b>

(Amount In ₹)

	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
<b>5- LONG-TERM PROVISIONS</b>		
Provision for Employee Benefits	13,375,354	11,411,243
<b>Total</b>	<b>13,375,354</b>	<b>11,411,243</b>

(Amount In ₹)

	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
<b>6 - SHORT-TERM BORROWINGS</b>		
<b>Secured Loans</b>		
From Banks		
- Working Capital Loan	2,954,929,272	1,755,586,559
- Other Short Term Loan	1,044,646,012	-
<b>Unsecured Loan</b>		
- Working Capital Loan	-	239,990,675
- Other short Term Loan	96,415,015	450,000,000
<b>Total</b>	<b>4,095,990,299</b>	<b>2,445,577,234</b>

- 6.1 Working Capital Loan- 'Secured by hypothecation of entire stocks, book debts & other current assets of the company (present & future); further secured by equitable mortgage on the immovable properties of the Company situated at Unit No.: 1 to 8, Sector III, Building No.: 4, Millennium Business Park, Navi Mumbai and Unit No. 1, 4th floor, United Infotech Park, TTC Industrial Area, Navi Mumbai; and further secured by immovable properties of the company situated at a) 10th floor, Lotus Neelkamal Business Park, Near Fun Republic, Off Andheri Link Road, Andheri (W) b) Unit No. 1, 1st Flr, United Infotech Park, (CKC), Plot No. R-797, Navi Mumbai c) Unit No. 1, 3rd Flr, United Infotech Park, (CKC), Plot No. R-797, Navi Mumbai, d) Land admeasuring 50 acres situated at Hyderabad.

(Amount In ₹)

	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
<b>7 - TRADE PAYABLES</b>		
Acceptances*	354,009,607	150,106,749
Others	570,280,631	1,157,503,585
<b>Total</b>	<b>924,290,238</b>	<b>1,307,610,334</b>

\* Acceptances of ₹ 35,40,09,607 (previous year ₹ Nil) are in continuing default as on 31st March, 2013

#### 7.1 Micro and Small Entities

The particulars required to be disclosed under the Micro, Small and Medium Enterprises Act, 2006 (MSMED Act) in respect of principal amount remaining unpaid to any supplier as at the end of the year, amount due to the suppliers beyond the appointed day during the year, amount of interest if any, accrued and remaining unpaid as at the end of the year etc. could not be disclosed for want of information whether sundry creditors include dues payable to any such undertakings. The Company has initiated the exercise of identifying the status of the suppliers as required under MSMED Act where supplier confirmations are awaited.

(Amount In ₹)

	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
<b>8 - OTHER CURRENT LIABILITIES</b>		
Current maturities of long-term debt (Refer Note No. 3)	3,409,959,851	1,943,047,918
Current maturities of finance lease obligations (Refer Note No. 3)	212,493,648	138,024,405
Interest accrued but not due on borrowings	214,716,191	141,196,561
Interest accrued and due on borrowings	113,373,854	-
Unpaid dividends*	422,891	433,581
Advances received from Group Companies	202,028,257	448,514,111
Income received in advance	77,798,400	211,857,467
Other payables (including statutory dues payable)	1,206,286,441	177,307,946
<b>Total</b>	<b>5,437,079,533</b>	<b>3,060,381,989</b>

\* No amount is due to Investor Education and Protection Fund.

(Amount In ₹)

	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
<b>9 - SHORT-TERM PROVISIONS</b>		
Provision for Employee Benefit	3,490,648	3,061,900
Proposed Dividend	68,690,296	67,494,211
Tax on proposed dividend	11,141,566	10,947,561
Other Provisions (including Current/Fringe Benefit Taxes - Provisions net of payments)	1,048,916,555	1,496,736,022
<b>Total</b>	<b>1,132,239,065</b>	<b>1,578,239,694</b>



(Amount In ₹)

	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
<b>12 - NON CURRENT INVESTMENTS</b>		
<b>Non-current Investments (Unquoted, Trade)</b>		
(At Cost)		
<b>Investment in Preferred Stock of:</b>		
- KMS Knowledge Process Inc.	-	255,782,500
- Learning Tech Systems Inc.	-	79,292,575
Investment in Mutual Fund	-	8,284,660
<b>Total</b>	-	343,359,735
Aggregate Value of Unquoted Investment	-	343,359,735

(Amount In ₹)

	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
<b>13 - LONG-TERM LOANS AND ADVANCES</b>		
(Unsecured and considered good)		
<b>Loans and Advances to other than related parties:</b>		
Capital Advances	1,556,642,791	1,291,620,438
Security deposits	12,025,555	37,872,647
Advance Income Tax & TDS (Net of provisions)	2,410,326	25,870,042
Balances with Government Authorities (Service Tax & VAT Credit Receivables)	123,545,115	128,015,742
Other Advances	2,472,887,819	-
<b>Total</b>	4,167,511,606	1,483,378,869

(Amount In ₹)

	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
<b>14 - OTHER NON CURRENT ASSETS</b>		
(Unsecured and considered good)		
Unamortized Expenses	553,964	1,107,919
<b>Total</b>	553,964	1,107,919

(Amount In ₹)

	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
<b>15 - INVENTORIES</b>		
(at cost or net realisable value whichever is lower)		
Software Development Work-in-Process	3,021,390,297	2,107,564,667
<b>Total</b>	3,021,390,297	2,107,564,667

(Amount In ₹)

	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
<b>16 - TRADE RECEIVABLES</b>		
(Unsecured and considered good)		
Over six months	2,153,191	1,533,000
Others	6,768,673,146	6,110,009,370
<b>Total</b>	6,770,826,336	6,111,542,370



# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount In ₹)

	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
<b>17 - CASH AND CASH EQUIVALENTS</b>		
<b>Balances with banks</b>		
In Current Accounts	288,602,934	584,307,085
In Unpaid Dividend Accounts	419,102	338,776
Cash on hand	1,399,569	3,111,544
Cheques on hand	-	372,163,538
<b>Other Bank Balance</b>		
Fixed Deposits	652,908,595	586,651,261
(Includes given as security for bank guarantee)		
<b>Total</b>	<b>943,330,200</b>	<b>1,546,572,204</b>

(Amount In ₹)

	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
<b>18 - SHORT-TERM LOANS AND ADVANCES</b>		
(Unsecured and considered good)		
Loans and Advances to related parties (Refer Note No. 28)	2,177,980,626	1,164,099,822
<b>Others</b>		
Others (including Advances against supplies and services, Staff Advances, etc)	6,215,735,637	4,768,486,873
<b>Total</b>	<b>8,393,716,263</b>	<b>5,932,586,695</b>

(Amount In ₹)

	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
<b>19 - OTHER CURRENT ASSETS</b>		
(Unsecured and considered good)		
Unamortized Expenses	553,959	553,959
<b>Total</b>	<b>553,959</b>	<b>553,959</b>

(Amount In ₹)

	For the year ended 31 <sup>st</sup> March, 2013	For the year ended 31 <sup>st</sup> March, 2012
<b>20 - REVENUE FROM OPERATIONS</b>		
Income from operation		
EOU:		
Software Development : Off-shore	3,391,731,939	2,796,150,406
Software Development : On-shore	6,148,781,145	5,228,501,680
	9,540,513,084	8,024,652,086
Non-EOU:		
Software Development & Services	8,298,777,731	8,071,242,630
Government ICT Projects	1,235,542,057	282,675,608
	9,534,319,788	8,353,918,238
<b>Total</b>	<b>19,074,832,872</b>	<b>16,378,570,324</b>

(Amount In ₹)

	For the year ended 31 <sup>st</sup> March, 2013	For the year ended 31 <sup>st</sup> March, 2012
<b>21 - OTHER INCOME</b>		
Interest Income	42,288,756	37,417,773
Exchange Gain (Net)	251,868,817	450,644,684
Miscellaneous Income	36,640,971	8,796,989
<b>Total</b>	<b>330,798,545</b>	<b>496,859,446</b>

(Amount In ₹)

	For the year ended 31 <sup>st</sup> March, 2013	For the year ended 31 <sup>st</sup> March, 2012
<b>22 - OPERATING COST</b>		
A. 1) Employee Cost	2,969,857,489	1,852,928,910
2) Other Manpower Cost	5,367,111,380	4,081,432,615
B. Supplies & Services	2,136,465,379	2,324,270,399
<b>Total</b>	<b>10,473,434,248</b>	<b>8,258,631,924</b>

(Amount In ₹)

	For the year ended 31 <sup>st</sup> March, 2013	For the year ended 31 <sup>st</sup> March, 2012
<b>23 - CHANGES IN INVENTORIES OF WORK-IN-PROGRESS</b>		
Opening stock		
Work-in-progress	2,107,564,667	1,465,602,496
Closing stock		
Work-in-progress	(3,021,390,296)	(2,107,564,667)
<b>Total</b>	<b>(913,825,629)</b>	<b>(641,962,171)</b>

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount In ₹)

	For the year ended 31 <sup>st</sup> March, 2013	For the year ended 31 <sup>st</sup> March, 2012
<b>24 - EMPLOYEE BENEFIT EXPENSE</b>		
Salaries and wages	1,008,714,239	758,163,507
Contribution to provident and other funds	16,450,007	25,388,179
Staff welfare expenses	62,722,155	21,092,517
<b>Total</b>	<b>1,087,886,401</b>	<b>804,644,203</b>

(Amount In ₹)

	For the year ended 31 <sup>st</sup> March, 2013	For the year ended 31 <sup>st</sup> March, 2012
<b>25 - FINANCE COST</b>		
Interest expense	1,463,944,389	1,341,873,254
Other borrowing costs	123,470,615	80,005,759
Net (gain)/loss on foreign currency transactions and translation	8,9924,483	238,569,083
	1,677,339,487	1,660,448,096
Less: Capitalised	-	177,155,897
	1,677,339,487	1,483,292,199
<b>Total</b>	<b>1,677,339,487</b>	<b>1,483,292,199</b>

(Amount In ₹)

	For the year ended 31 <sup>st</sup> March, 2013	For the year ended 31 <sup>st</sup> March, 2012
<b>26 - OTHER EXPENSES</b>		
Electricity Charges	16,112,205	11,789,899
Repairs and maintenance - Others	9,283,447	12,427,695
Insurance	41,809,217	85,221,486
Rates & Taxes (excluding taxes on income)	272,816,383	220,675,361
Payment to Auditors		
Audit Fees	16,586,768	7,558,250
Certification Fees	738,332	433,232
Other Matters	-	144,000
	17,325,100	8,135,482
Professional Charges	425,662,309	523,187,311
Travelling Expenses	145,531,223	166,249,650
ROC, Listing Fees	906,004	1,867,423
Sundry Balances written off	188,411	840,227
Donation	179,613	1,606,631
Directors' Sitting Fees	1,420,002	1,130,001
Miscellaneous expenses	385,322,883	666,078,122
<b>Total</b>	<b>1,316,556,796</b>	<b>1,699,209,289</b>

## 27. Segment Reporting as per AS 17

## 1. Primary Segment Information

The Company provides software development and related IT and Infrastructure services. The company has identified three basic segments viz. Local-Software Development India, ICT Projects and EOU-Software Development. However, EOU-Software Development has further classified into Off-Shore Development and On-Shore Development.

The accounting policies adopted for segment reporting are in line with the accounting policy of the company with following additional policies for segment reporting.

- (a) Revenue and expenses have been identified as allocable to a particular segment on the basis of relationship to operating activities of the segment, Revenue and expenses which relate to enterprises as a whole and are not allocable to a particular segment on reasonable basis have been disclosed as "Unallocated Corporate Expenses".
- (b) Segment assets and segment liabilities represent assets and liabilities in respective segments. Investments, tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocated Corporate Assets" or "Unallocated Corporate Liabilities" as the case may be.

Particulars	Consolidated												
	Assessment		Governance		Learning		Teaching		Consulting		Advance Technology		Total
	31.03.2013	31.03.2012	31.03.2013	31.03.2012	31.03.2013	31.03.2012	31.03.2013	31.03.2012	31.03.2013	31.03.2012	31.03.2013		
1 Segment Revenue													
External Sales (Net of Int. Seg Sales)	6,429,872,912	6,384,680,649	6,148,720,712	6,675,995,193	58,412,431	2,882,685	1,890,749,888	1,544,062,175	3,828,968,616	2,689,817,523	4,241,509,093	22,598,233,652	20,235,702,075
Less : Eliminations												3,523,400,780	3,857,131,751
Gross / Net Turnover	6,429,872,912	6,384,680,649	6,148,720,712	6,675,995,193	58,412,431	2,882,685	1,890,749,888	1,544,062,175	3,828,968,616	2,689,817,523	4,241,509,093	19,074,832,872	16,378,570,324
2 Segment Results before Interest and Taxes	3,048,315,974	2,708,140,149	1,868,182,817	2,080,085,968	-6,720,962	-16,389,000	67,759,342	1,64,652,155	534,416,394	540,936,540	1,67,692,184	5,699,645,750	5,287,873,408
Unallocable Revenue												794,929,007	19,712,722
Results before Interest and Taxes												4,904,716,743	5,268,160,686
Less : Unallocable Expenses													
Less : Interest / Finance Expenses												1,595,259,128	1,483,292,199
Add : Interest Income												517,517,594	496,859,446
Profit before Tax												3,826,975,209	4,281,727,932
Current Tax												1,097,116,786	902,646,521
Deferred Tax												20,881,333	148,165,923
Profit After Tax												2,708,977,091	3,230,915,488
3 Other Information													
Segment Assets	11,675,571,483	10,749,313,879	11,165,046,212	11,239,774,035	106,067,184	4,853,318	3,433,284,883	2,633,271,132	6,952,765,225	4,528,604,392	7,701,869,583	41,034,604,570	34,069,085,730
Segment Liabilities	5,990,796,259	5,580,229,108	5,728,843,096	5,834,838,851	54,423,622	2,519,475	1,761,636,273	1,366,994,804	3,567,499,883	2,350,908,191	3,951,869,213	21,055,068,346	17,686,061,363
Capital Expenditure												1,879,424,206	5,996,860,148
Depreciation												1,937,264,905	989,886,394
Non Cash Expenses other than Depreciation												188,411	577,168

## 2. Secondary Segment Information

Particulars	As at 31.03.2013	As at 31.03.2012
1 Segment Revenue :-		
Within India	5,285,485,090	4,002,228,908
Outside India	13,789,347,782	12,376,341,416
Total Revenue	19,074,832,872	16,378,570,324
2 Segment Assets		
Within India	12,775,678,333	14,930,501,585
Outside India	28,258,926,237	19,138,534,145
Total Assets	41,034,604,570	34,069,035,730
3 Segment Liabilities		
Within India	18,372,935,691	13,746,998,838
Outside India	2,682,132,654	3,939,062,525
Total Liabilities	21,055,068,346	17,686,061,363
4 Capital Expenditure		
Within India	232,656,644	4,112,312,182
Outside India	1,704,608,261	1,884,547,966
Total Capital Expenditure	1,937,264,905	5,996,860,148

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## 28 - AS PER THE ACCOUNTING STANDARD 18, THE DISCLOSURE OF TRANSACTIONS WITH THE RELATED PARTIES AS DEFINED IN THE ACCOUNTING STANDARDS, ARE GIVEN BELOW

(a) List of the related parties where control exist and related parties with whom transactions have taken place and relationship.

Sr. No.	Name of the Related Party	Relationship
1	Wisdom Global Enterprises Limited	Promoter/ Associate / Group Company
2	Core Steel Industries Pvt. Ltd.	
3	San-Neel Industries Ltd.	
4	Core Steel & Power Ltd.	
5	Core Wellness Ltd.	
6	Core Higher Learning Ltd.	
7	Core Infrapower Ltd.	
8	Core Learning Panaroma Ltd.	
9	Soham Health Awareness Pvt. Ltd.	
10	Mr. Sanjeev Mansotra (Chairman & Managing Director)	
11	Mrs. Neelam Mansotra	Key Managerial Personnel
12	Mr. Naresh Sharma (Whole-time Director)	
13	Mr. Sanjeev Mansotra (Chairman & Managing Director)	
14	Mr. Naresh Sharma (Whole-time Director)	
15	Mr. Nikhil Morsawala (Director - Finance)	
16	Prof. Arun Nigavekar (Executive Director)	
17	Ms. Maya Sinha (Executive Director)	
18	Mr. Prakash Gupta (CEO)	Relative of Key Managerial Personnel
19	Mrs. Neelam Mansotra	
20	San-Neel Industries Ltd.	Enterprises over which Key Managerial Personnel having significant influence
21	CORE Steel & Power Ltd.	
22	CORE Wellness Ltd.	
23	CORE Higher Learning Ltd.	
24	CORE Learning Panaroma Ltd.	

### b Transaction during the year with related parties:

Sr. No.	Nature of Transaction (Excluding reimbursements)	Promoter/ Group Companies	Key Managerial Personnel	Relative of Key Managerial Personnel	Key Managerial Personnel having significant influence	Total
1	Purchase/Subscription of Investments	- (113,381,390)	-	-	-	- (113,381,390)
2	Payment to Key Managerial Person	-	71,456,804	-	-	71,456,804
		-	64,567,816	-	-	64,567,816
3	Loans & Advance given / (return/taken)	943,510,648 27,555,405	-	-	316,856,010 (311,671,950)	1,260,366,658 (284,116,545)
4	Rent	-	-	3,600,000	-	3,600,000
		-	-	3,600,000	-	3,600,000
	Balance as at 31st March, 2013					
5	Investments	- 46,618,610	-	-	-	- 46,618,610
6	Loan & Advances	2,101,948,735 1,158,438,087	-	-	(125,996,366) (442,852,376)	1,975,952,369 715,585,711
7	Sundry Creditors	-	-	1,080,000	-	1,080,000
		-	-	270,000	-	270,000

**Note :** The Figures in Italics are in respect of Previous year

Disclosure in respect of significant related party transaction during the year.

- Loans and Advances ₹ 251.29 Million (Previous Year ₹ Nil) given to CORE UK Limited.
- In Payment to Key Management Personnel includes ₹ 29.57 Million to Mr. Sanjeev Mansotra (Previous Year ₹ 28.22 Million), ₹ 5 Million to Mr. Nikhil Morsawala (Previous Year ₹ 5 Million), ₹ 15.00 Million to Ms Maya Sinha (Previous Year ₹ 11.52 Million) and ₹ 13.61 Million to Mr. Prakash Gupta (Previous Year ₹ 14.07 Million).
- Rent paid to Relatives of Key Managerial person Mrs. Neelam Mansotra amounts to ₹ 3.6 Million (Previous Year ₹ 3.6 Million).

**29 - LEASES**

- (a) The Company has operating lease in respect of office premises. Further lease rentals payable in respect of the above which are non cancellable is as follows:

(Amount In ₹)

Particulars	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
Not later than one year	3,283,690	-
Later than one year but not later than five years	8,818,750	-
Later than five years	-	-

- (b) The minimum lease rentals and the present value of minimum value of minimum lease payments in respect of assets acquired under finance leases are as follows:

(Amount In ₹)

Particulars	Payments Outstanding		Lease Payments		lease payments	
	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
Not later than one year	328,322,864	223,224,462	115,829,216	85,200,057	212,493,648	138,024,405
Later than one year but not later than five years	587,930,582	817,193,639	71,923,813	140,846,930	516,006,769	676,346,709
Later than five years	-	-	-	-	-	-

**30 - EARNINGS PER SHARE (EPS)**

- (a) Earnings Per Share (EPS) Basic and Diluted

(Amount In ₹)

Particulars	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
Net Profit after Tax as per Statement of Profit & Loss attributable to Equity Shareholders	2,708,977,091	3,230,915,488
Weighted average number of Equity Shares (Basic)	113,733,706	111,207,890
Weighted average number of Equity Shares (Diluted)	121,733,231	120,866,592
Basic Earning Per Share (EPS)	23.82	29.05
Diluted Earning Per Share (EPS)*	23.82	28.61
Face Value Per Equity Shares	2/-	2/-

\*After considering dilutive effect on profit, diluted EPS is increased as compared to Basic EPS. Hence Diluted EPS is restricted to Basic EPS.

- (b) Reconciliation of basic and diluted share used in computing earnings per share

Particulars	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
Number of Equity Shares considered as basic weighted average shares outstanding	113,733,706	111,207,890
Add : Effect of dilutive issues of FCCB	7,999,525	9,658,702
Number of Equity Shares considered as weighted average shares and potential share outstanding	121,733,231	120,866,592

**31 - REMITTANCES IN FOREIGN CURRENCY ON ACCOUNT OF DIVIDEND**

The Company has paid dividend in respect of shares held by Non-Residents on repatriation basis. This inter-alia includes portfolio investment and direct investment, where the amount is also credited to Non-Resident External Account (NRE A/c). The exact amount of dividend remitted in foreign currency cannot be ascertained. The total amount remit table in this respect is given herein below:

Particulars	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
(a) Year to which dividend relates	2011-2012	2010-2011
(b) Number of non-resident shareholders to whom remittance was made	188	214
(c) Number of equity shares held by them	27,389,855	28,626,665
(d) Amount remitted to Bankers in India of the Non-resident shareholders	16,433,913	17,175,999

**32. COMMITMENTS**

- a) Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 878,315,655 (PY: ₹ 90,941,865).

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## 33 - Financial and Derivative Instruments :

a) Derivative contracts entered into by the Company and outstanding as on 31st March, 2013

For Hedging Currency & Interest Rate Risks :

For Nominal amounts of derivative contracts entered into by the Company and outstanding as on 31st March, 2013 amount to ₹ 2,17,14,21,269/- (Previous Year ₹ 2,10,47,36,444/-)

Particulars	As at 31st March, 2013	As at 31st March, 2012
Currency Swaps	1,945,678,516	1,945,678,516
Interest Rate Swaps	225,742,753	159,057,928
<b>Total</b>	<b>2,171,421,269</b>	<b>2,104,736,444</b>

b) Details of foreign currency expenses that are not hedged by a derivative instrument or otherwise :

Foreign currency exposure (other than foreign operation) that are not hedged as on 31st March, 2013 amount to ₹ 6,770,823,178/- (P.Y. ₹ 5,667,786,610/-) on account of:

Particulars	Amount in foreign currency		Equivalent amount in ₹	
	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2013	As at 31st March, 2012
<b>Trade Receivables</b>				
USD	56,058,933	33,122,954	3,049,006,101	1,694,454,398
GBP		379,606		30,748,097
<b>Advance Received</b>				
GBP	(335,493)		(27,618,097)	
<b>Total</b>			<b>3,021,388,004</b>	<b>1,725,202,495</b>
<b>Borrowings</b>				
USD	68,937,000	79,087,000	3,749,435,174	3,942,584,115

## 34 - EARNINGS IN FOREIGN EXCHANGE

(Amount In ₹)

Particulars	For the year ended 31st March, 2013	For the year ended 31st March, 2012
Export of Software calculated on FOB basis	3,391,731,939	2,796,150,406
<b>Total</b>	<b>3,391,731,939</b>	<b>2,796,150,406</b>

## 35 - EXPENDITURE IN FOREIGN CURRENCY

(Amount In ₹)

Particulars	For the year ended 31st March, 2013	For the year ended 31st March, 2012
FCCB Issue Expenses and interest	247,007,419	270,667,829
Travelling, Hotel & Lodging	13,721,829	8,429,899
Professional Fees	3,201,443	26,258,631
Interest on Term Loan	37,965,695	19,950,890
Other matters	48,603	27,550
<b>Total</b>	<b>301,944,988</b>	<b>325,334,799</b>



## 36 - CONTINGENT LIABILITIES:

(Amount In ₹)

a) Particulars	As at 31st March, 2013	As at 31st March, 2012
Guarantees:		
Bank Guarantees	1,428,618,390	570,612,151
<b>Total</b>	<b>1,428,618,390</b>	<b>570,612,151</b>

- b) The income tax assessment of the company have been completed up to Assessment year 2010-11. The disputed demand outstanding up to the said Assessment year is ₹ 33,30,924. Based on the decisions of the appellate authorities and the interpretations of other relevant provisions, the company has been advised that the demand is likely to be either quashed or substantially reduced and accordingly no provision has been made.

## 37 - OTHER NOTES

- (a) In the opinion of the Board of Directors, other current assets have a value on realization in the ordinary course of the Company's business, which is at least to the amount at which they are stated in the Balance Sheet.
- (b) All advances, receivables and payables are subject to confirmation and reconciliation, if any.
- (c) These accounts of Core Education & Technologies Ltd. include accounts of its two overseas branches.
- (d) Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification/disclosure.

As per our report of even date

**For Chaturvedi & Shah**  
Chartered Accountants  
Firm Registration No. 101720W

**Jignesh Mehta**  
Partner  
Membership No. 102749

Date: 30th May, 2013  
Place: Mumbai

**For Asit Mehta & Associates**  
Chartered Accountants  
Firm Registration No. 100733W

**Sanjay Rane**  
Partner  
Membership No. 100374

For and on behalf of the Board

**Sanjeev Mansotra**  
Chairman

**Nikhil Morsawala**  
Director - Finance

**Naresh Sharma**  
Executive Director

**Ganesh Umashankar**  
Company Secretary

# CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2013

(Amount In ₹)

	Year ended 31st March, 2013		Year ended 31st March, 2012	
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit/(Loss) before tax:		3,826,975,209		4,281,727,932
Adjustment for:				
Depreciation/Amortization/Diminution	1,937,264,905		989,886,394	
Unrealized exchange (Gain)/Loss	546,634,253		2,022,121,216	
Interest expense (Net of capitalization)	1,677,339,487		1,483,292,199	
Interest income	(42,288,756)		(37,417,773)	
		4,118,949,889		4,457,882,036
Operating profit before Working Capital changes		7,945,925,098		8,739,609,968
Adjustments for changes in Working capital				
Inventories	(913,825,629)		(641,962,171)	
Trade Receivables	(528,579,592)		(1,548,561,497)	
Long-term and Short-term Loans & Advances	(5,421,793,107)		(1,619,159,299)	
Trade Payables & Provisions	(1,355,007,944)		(1,891,419,953)	
Other current liabilities	649,734,197		686,534,552	
		(7,569,472,076)		(1,231,728,461)
Cash generated from operations		376,453,022		7,507,884,020
Income taxes paid (including fringe benefit tax)		(625,837,602)		(1,924,853,256)
Net Cash from Operating Activities		(249,384,580)		5,583,030,763
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>				
Fixed Assets:				
Purchase	(3,024,339,983)		(10,493,837,819)	
Investments:				
Goodwill on Consolidation	(95,001,776)		(482,036,311)	
Purchase	335,046,475		115,888,418	
Interest received	42,288,756		37,417,773	
Net Cash from/used in Investing Activities		(2,742,006,528)		(10,822,567,939)

(Amount In ₹)

		Year ended 31st March, 2013	Year ended 31st March, 2012
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Proceeds from issuance of Share Capital	453,022,820	652,275,199
	Increase/Decrease in Long-term borrowings	2,190,857,364	5,798,180,144
	Increase/Decrease in Short-term borrowings	1,355,523,165	(214,730,311)
	Interest paid	(1,677,339,487)	(1,483,292,199)
	FCCB Issue Expenses	(937,249)	(1,043,416)
	Issue of Share Warrant	67,022,493	137,954,561
	Net Cash from/used in Financing Activities	2,388,149,105	4,889,343,978
<b>D</b>	<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(603,242,004)	(350,193,198)
	Cash and Cash Equivalents (Opening balance)	1,546,572,204	1,896,765,402
	Cash and Cash Equivalents (Closing balance)	943,330,200	1,546,572,204

**Notes :**

- Figures in brackets represent outflows of cash and cash equivalents.
- Cash flow statement is prepared as per the indirect method specified in Accounting Standard "3" notified by the Companies (Accounting Standard) Rules, 2006.

As per our report of even date

**For Chaturvedi & Shah**  
Chartered Accountants  
Firm Registration No. 101720W

**Jignesh Mehta**  
Partner  
Membership No. 102749

Date: 30th May, 2013  
Place: Mumbai

**For Asit Mehta & Associates**  
Chartered Accountants  
Firm Registration No. 100733W

**Sanjay Rane**  
Partner  
Membership No. 100374

For and on behalf of the Board

**Sanjeev Mansotra**  
Chairman

**Nikhil Morsawala**  
Director - Finance

**Naresh Sharma**  
Executive Director

**Ganesh Umashankar**  
Company Secretary

# CORPORATE INFORMATION

## Board of Directors

**Mr. Sanjeev Mansotra**  
Chairman & Global CEO

**Dr. Prof. Arun S. Nigavekar**  
Executive Director

**Ms. Maya Sinha \***  
Executive Director

**Mr. Nikhil Morswala**  
Director - Finance

**Mr. Naresh Sharma**  
Executive Director

**Mr. Awinash Arondekar #**  
Independent Director

**Mr. Sunder Shyam Dua**  
Independent Director

**Mr. M.N. Nambiar ^**  
Independent Director

**Mr. Harihar Iyer**  
Independent Director

**Mr. Pundi L. Narasimham +**  
Additional Director

\* Ceased to be a Director w.e.f. 18 June, 2013

# Ceased to be a Director w.e.f. 25 June, 2013

^ Ceased to be a Director w.e.f. 5 June, 2013

+ Appointed as an Additional Director w.e.f. 14 Aug. 2013

## Company Secretary

Mr. Ganesh Umashankar

## Bankers / Financial Institutions

State Bank of India

Standard Chartered Bank

Union Bank of India

Punjab National Bank

Oriental Bank of Commerce

Barclays Bank Plc

ING Vysya Bank

DBS Bank Limited

Dhanalaxmi Bank Limited

State Bank of Mauritius

Central Bank of India

Jammu & Kashmir Bank

EXIM Bank

Life Insurance Corporation of India

Credit Suisse Finance (India) Private Limited

Suntrust Bank

IL&FS Financial Services Limited

Deutsche Bank

## Statutory Auditors

**M/s. Chaturvedi & Shah**

Chartered Accountants  
714-715, Tulsiani Chambers,  
212, Nariman Point,  
Mumbai – 400 021.

**M/s. Asit Mehta & Associates**

Chartered Accountants  
501-4, Midas Chambers,  
Near Fun Republic Multiplex,  
off Andheri Link Road,  
Andheri (West), Mumbai - 400 053.

## Registrar & Transfer Agent

Adroit Corporate Services Private Limited  
19/20, Jaferbhoy Industrial Estate,  
Makwana Road, Marol Naka,  
Andheri (West), Mumbai - 400 059.

## Registered Office

Unit No.1-4, Building No.4,  
Sector III, Millennium Business Park,  
Mahape, Navi Mumbai 400 710.  
Tel: +91 22 3991 4800  
Fax: +91 22 3991 4880  
Website: [www.core-edutech.com](http://www.core-edutech.com)  
Email: [info@core-edutech.com](mailto:info@core-edutech.com)

## Corporate Office

Lotus Business Park, 10th Floor, Dalia Industrial Estate,  
Off Andheri Link Road, Andheri (W),  
Mumbai-400053.  
Tel: +91 22 3306 6800  
Fax: + 91 22 3306 6880

## Global Delivery Centres

Unit No. 5-8, Building No. 4  
Sector III, Millennium Business Park,  
Mahape, Navi Mumbai 400 710.

Unit No. 403, 4th Floor, Multistoried Building,  
SEEPZ – SEZ, Andheri (E),  
Mumbai – 400 093

Block – 1, 2nd Floor,  
DLF Assets Private Limited,  
IT/ITES Special Economic Zone,  
Plot No.129 to 132, Gachibowli,  
Hyderabad – 500 032

## CORPORATE INFORMATION

### Other Offices in India

#### Maharashtra

Unit No.5 - 8, Building No.4,  
Sec-III, Millennium Business Park,  
Mahape, Navi Mumbai 400 710,

A/103, Remi Biz Court,  
Off Veera Desai Road,  
Andheri (W), Mumbai 400 053

CORE Knowledge Centre  
Plot No.R797, Industrial Area,  
Opp. Millennium Business Park, Mahape,  
Navi Mumbai 400 710

#### Andhra Pradesh

2nd Floor, Incubation Centre,  
Lanco Hills Technology Parks Private Limited,  
IT/ITES Special Economic Zone,  
Manikonda, Hyderabad – 500 089

#### West Bengal

4A Acre Road,  
A.J.C. Bose Road & Park Street Crossing,  
Kolkata - 700 017.  
Office - +91 - 33 - 2290 0743.

#### Gujarat

Plot No 826/1 Sector 6C ,  
Gandhi Nagar, Gujarat 382 006

#### Delhi

3rd Floor, Capital Trust House,  
47, Community Centre, Friends Colony  
New Delhi 110 025.

#### Punjab

SCO 8, Plaza Market, Mataur,  
Sector-70, S.A.S. Nagar,  
Mohali 160 055.

#### Haryana

2nd Floor, SOC No.348-P,  
Sector-9, Panchkula 130 109.

#### Bihar

Bhavnani Commercial Complex,  
Second Floor, Room no. 21,  
Rajendra path, Patna.

### Offices in USA

#### Headquarters

Three Ravinia Drive  
Suite 1900,  
Atlanta, Georgia 30346

#### Advanced Technologies Division

250 Turner Boulevard  
Ball Ground, Georgia 30107

#### Consulting & Staffing Division

1320 University Avenue  
Rochester, New York 14607

4390 US Hwy 1  
Suite 110  
Princeton, New Jersey 08540

3350 Scott Boulevard  
Building 34  
Santa Clara, California 95054

### Offices in UK

#### London City

154-160, Fleet Street  
London, EC4A 2DQ

#### Head Office

8th Floor, Ship Canal House,  
98, King Street, Manchester, MZ 4WU

#### Brough

Brough Business Centre,  
Skillings Lane  
Brough HU15 1EN

### Offices in U.A.E.

CORE Education & Consulting Solutions FZ-LLC  
Office No.207-10, Block No.17  
Knowledge Village  
Dubai, U.A.E.

Core International Institute of Higher Education FZE  
41222, Ras AL Khaimah,  
United Arab Emirates

### Offices in Singapore

CORE Education & Consulting Solutions Pte Ltd.  
1 Raffles Place # 28-02,  
One Raffles Place,  
Singapore D48616

### Offices in Hong Kong

CORE Education & Consulting Solutions (HK) Ltd.  
Rooms 2702-3, 27th Floor,  
Bank of East Asia Harbour View Centre,  
56 Gloucester Road,  
Wan Chai, Hong Kong

# KEY MANAGERIAL PERSONNEL

## Chairman & Global CEO

Sanjeev Mansotra

## Executive Directors

Dr. Prof. Arun Nigavekar, Maya Sinha,  
Nikhil Morsawala, Naresh Sharma

## India

### Corporate

Anshul Sonak - President  
Sucheta Phadke - Sr. VP - Content & New  
Initiatives

### Corporate Secretarial

Ganesh Umashankar - Company Secretary

### Technology

Mukund Sathe - VP - Technology

### Marketing & Corporate

#### Communication

Rupamala Singh - Sr. Vice President

### Higher Education

Dr. NM Kondap - President

### K-12 Business

Anwar Ahmed Khan - EVP - K-12 Education  
Atul Jaiswal - Sr. VP - Sales  
Deepanshu Khurana - Vice President  
Sita Giri - VP Sales

### Vocational Education

Rajeev Pandey - VP - Govt. Vocational  
Education

### School Management

Dr. D.P.N. Prasad - Expert Consultant

### Procurement

Sameer Maheshwari - AVP - Procurement

### Human Resource & Administration

Loly Vadassery - VP - Human Resources

### Finance & Accounts

Prafull Chaurashiya - Head Resources  
Nikhil Pandya - Head - Treasury & Banking  
Yogesh Kamat - Sr. VP - Finance  
Anandkumar Sanganerla - EVP - Finance  
Francis Vidhayathil - VP - Finance  
Sanjay Chandoskar - AVP - Finance  
Shubhanan Aijaonkar - AVP - Accounts &  
Project Costing

---

## US

Shekhar Iyer - Mergers & Acquisitions  
Nicole Neal - President - Assessment & Solutions  
Brian Keenan - President - Consulting & Staffing  
Paul Sprayberry - President - Advanced Technologies  
Allison Keenan - VP  
Pankaj Sampat - VP - Corporate Compliance & Audit  
Adarsh Char - VP/CTO - Product Development  
Paul Trotti - VP - HR  
Jeff Cooper - Legal Counsel  
Stan Lupkes - VP - Operations  
Steve Van Ginkel - VP - Sales  
Chris Crapps - VP - Business Development

## UK

Eddie Austin - Chief Operating Officer  
Hetal Panchal - Finance Director  
Sharon Bullock - Commercial Director  
Ian Light - Strategy Director  
Roger Marsh - Managing Director  
Pete Foley - Operational Solutions Director

---

## Middle East & Africa

Medeni Meneksi - President - Middle East & Africa  
Hemant Saravate - Vice President  
Samiulla Baig - Vice President - Sales  
Trilok Suthar - Financial Controller

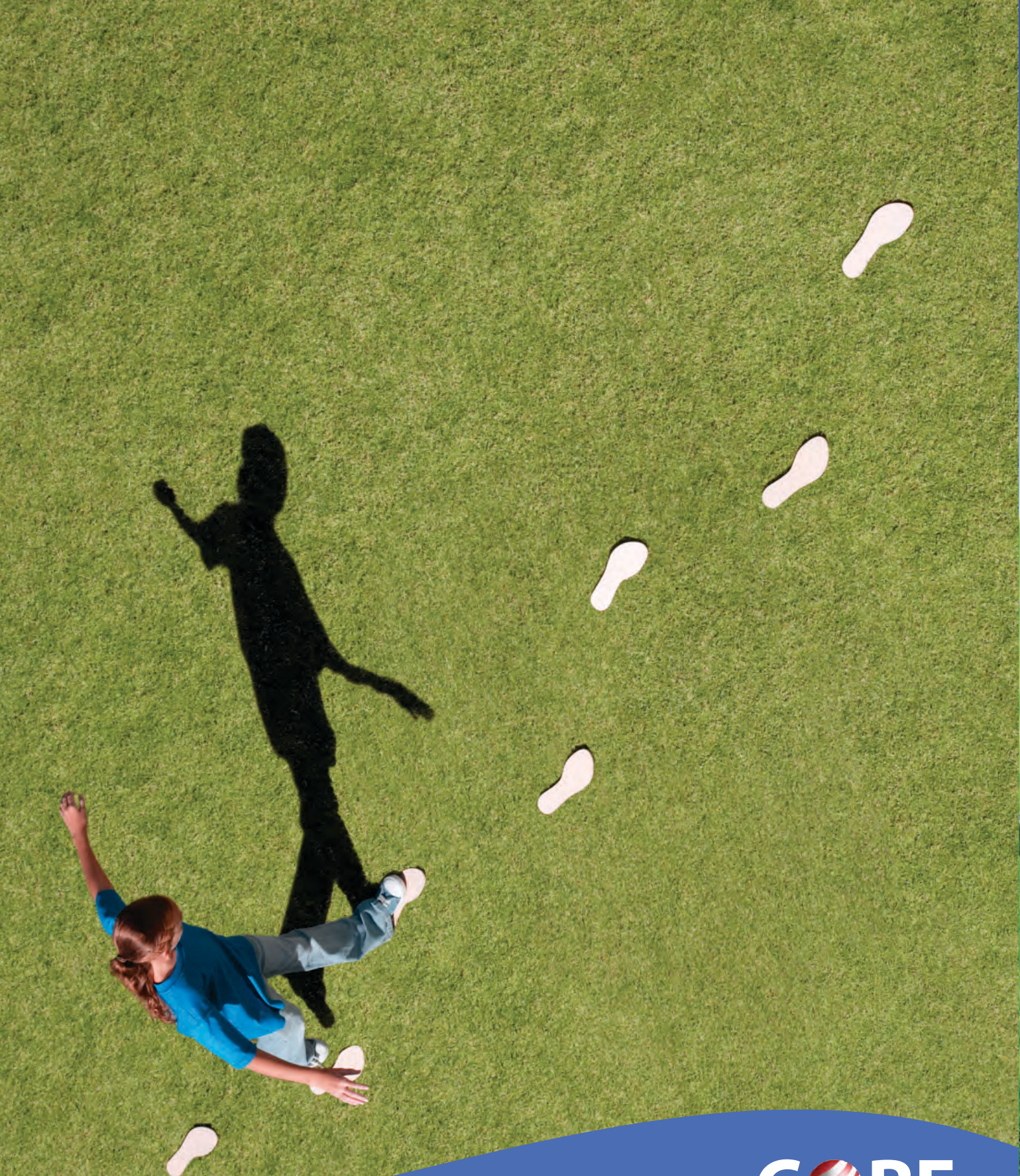












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