

Innovating to  
Transform the World



# Contents

Innovating to Transform the World	01
Innovating the Right Solutions	07
CORE Connections	22
Key Performance Indicators	24
CORE Key Milestones	26
Chairman's Message	28
Board of Directors	32
Management Discussion & Analysis	34
Directors' Report	52
Corporate Governance Report	61
Financial Statements	71

## 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', 'believes', 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 materialise, or should underlying assumptions 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.

# Innovating to Transform the World

The world is changing at a much faster pace today than one would have imagined a decade ago. The way innovations of yesteryears like internet and mobility transformed the world of today; innovations of today would go on to transform the world tomorrow. In the words of William Wordsworth, 'The child is father of man'. Quite rightly, the shape of future lies in the hands of today's youth. The responsibility to shape young minds and prepare them for a new world rests on Education. The world needs to renounce some age old practices in its education system and adopt a futuristic pedagogy.

CORE has been incubating innovations that are transforming the Education Systems worldwide - from the US to the UK; from India to Middle East and Africa. With innovative interventions across Teaching, Learning, Assessment and Governance, the company is rigorously at work. Innovating today what will lead to a transformed world tomorrow.



# CORE is India's largest global education company with presence in US, UK, India, Singapore, Middle East, Hong Kong, Africa and the Caribbean



## CORE's pillars of strength

- Huge network - India's largest global education company, presence across US, 40 counties in UK, Pan India, Singapore, 9 countries in MEA, Hong Kong and 2 countries in the Caribbean
- Strong domain expertise in the education sector, presence across entire spectrum of education
- Strong asset base - Ranked as the top transnational company in India in USD 150-500 mn global asset base
- High thrust on innovation - The Company has the highest R&D spends in the sector in India and was ranked 12th from India and 788th globally in 2011 EU Industrial R&D Investment Scoreboard
- One of the highest quality standards - Appraised at CMMi 5, the highest level of process maturity that independently verifies CORE's capabilities to continuously enhance its processes through incremental and innovative improvements
- Access to quality resource base - Being headquartered in India, the company has an access to one of the world's most skilled yet competitively priced human resources
- Strategic alliances with leading global players including University of Oxford in the UK; Center for Higher Learning ("CHL"), Texas Instruments, Eastern Valley Institute of Technologies ("EVIT") in the US; and Institute Technical Education ("ITE") Singapore amongst others

# Ready to create a promising future

THE GLOBAL AGENDA OF 21ST CENTURY IS SET AROUND ECONOMY AND TRADE. WITH MANUFACTURING SHIFTING FROM THE WEST TO THE EAST, EMPLOYMENT LANDSCAPE WOULD IMMENSELY CHANGE AT BOTH ENDS. IN ORDER TO SUSTAIN THEIR ECONOMIC GROWTH, DEVELOPED AS WELL AS DEVELOPING ECONOMIES NEED TO INTENSIFY THEIR HUMAN CAPITAL FORMATION. NOT SURPRISING THEN, NATIONS ACROSS THE WORLD ARE INCREASINGLY INVESTING IN EDUCATION FOR CONTINUED DEVELOPMENT OF THEIR HUMAN CAPITAL, QUANTITATIVELY AS WELL AS QUALITATIVELY.

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. 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.

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.

In India also, Government aims to significantly increase the spending on education in the 12th five year plan. The share of education in the 12th five year plan has been increased to 19.4% of total plan outlay from 7.7% in the 11th plan. Country's market for primary, secondary and

higher secondary education in totality is estimated to be at USD 60 billion(JP Morgan Report Sept 2009).

To meet the growing demand of skilled workforce, GCC countries have also ramped up their investments in training and education. 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, CORE is uniquely poised to leverage its established and fast improving domain prowess. In doing so, it would help nations enhance the productive capabilities of their future workforce and create immense value for all its stakeholders over coming decades.

# Right timed, right placed

HAVING FAST MATURED OVER THE LAST NINE YEARS, CORE IS BETTER PLACED TODAY THAN MOST OF ITS PEERS IN PARTNERING THE GOVERNMENTS AND VARIOUS DEVELOPMENTAL AGENCIES IN THEIR EDUCATION AGENDA. WITH A PROVEN TRACK RECORD OF ENHANCING EFFICIENCIES AND DELIVERING IMPACT, IT IS FINDING A GREATER ACCEPTANCE AND EVEN PREFERENCE AMONGST ITS CURRENT AND FUTURE PATRONS. ITS IMPRESSIVE REVENUE GROWTH AT A CAGR OF 53 PERCENT OVER THE LAST FIVE YEARS BEARS TESTIMONY OF THE SAME.

In a short span of nine years, CORE has expanded its footprint globally. Its diverse client base includes customers from America to Europe to Asia to Africa. They come from the most developed economies like US and UK, from developing economies like India and the UAE, and also from emerging economies like Mozambique, Kenya, Ghana and Zambia in Africa.

The impact of CORE's intervention is significantly huge today, with benefits accruing to more than 35 million students, 60,000 youth, 105,000 teachers, and 88,000 schools worldwide. Having established a strong global presence through 36 offices across the globe, CORE considers its journey to have just begun.

CORE leverages on its global best practices and a deeper understanding of varying needs of reforming education systems across different countries in creating a diverse suite of solutions. Each country, each province and each district is different from another and so are their requirements. CORE's ability to partner them from the stage of need identification through development of custom solutions to testing and roll out with desired impact and efficiency makes it a preferred partner for them.

Having traditionally served the western markets with its IT/ITeS enabled solutions in education, CORE's revenue mix had predominantly been skewed towards these markets.

Over the recent years, it has been increasing its focus on emerging markets and regions like India, Middle East and Africa.

Furthering its growth plans in India, it is aiming to set up Model Schools under Public Private Partnership model, participate in School Development Programs, intensify Teacher Training programs, and operate Vocational and Skill-based training centers.

CORE has successfully implemented various projects under Information and Communication Technology and Computer Aided Learning programs in over 10,000 schools across various states besides earning pre-qualification to bid for a Government project to set up 50 model schools under PPP model in Rajasthan.

During the year under review, CORE also expanded its focus on other emerging markets. During the year it has entered into multiple joint ventures in the Middle East including partnership with the Ras Al Khaimah Government to operate Academic Learning Centre at RAK FTZ in collaboration with Birla Institute of Technology Ranchi, offering programs in Engineering, Architecture and Business Administration.

# CORE has an impressive revenue growth at a CAGR of 53 percent over the last five years



## CORE's fast expanding global reach

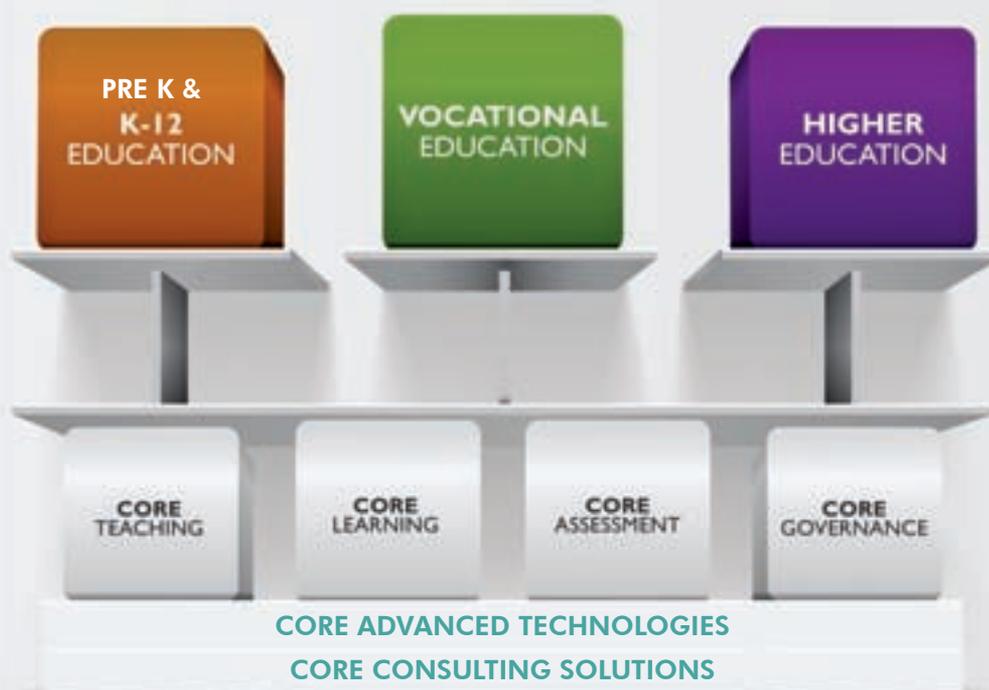
- In a short span of nine years, CORE has established its footprint in over 14 countries globally
- CORE's intervention benefits more than 35 million students, 60,000 youth, 105,000 teachers, and 88,000 schools globally
- CORE has successfully implemented ICT and CAL in over 10,000 schools across different states in India
- CORE has been pre-qualified to bid for setting up 50 model schools under PPP model in Rajasthan
- CORE has entered into partnership with the Ras Al Khaimah Government to establish Academic Learning Centre at RAK FTZ
- CORE has recently entered the Middle East market and already signed Joint Venture agreements in the Middle East

## CORE solutions are transforming the entire education spectrum from pre school to K-12, from higher education to vocational education



21st century education demands an efficient use of modern day tools and techniques to create an explorative and collaborative learning environment. CORE with its technology - led solutions is able to provide a gamut of solutions using such ultra-modern tools & techniques to revolutionize the entire education system. Through its innovative solutions for Teaching, Learning, Assessment and Governance, CORE is helping countries globally to bridge their ever widening skill deficit and to significantly raise their educational standards. CORE Advanced Technologies and Consulting Solutions are making our customers more efficient.

# Innovating the Right Solutions



## TRANSFORMING NATIONS BY CREATING HOLISTIC KNOWLEDGE ECOSYSTEMS

CORE seeks to achieve transformation of nations by revolutionizing the key building blocks of education, namely - Teaching, Learning, Assessment & Governance.

CORE provides solutions to the entire spectrum of education - Pre-school, K-12(Kindergarten through 12th Grade), Vocational Education and Higher Education, to governments, schools and educational institutions, across the world.

By boosting literacy rates, increasing employability, enhancing the learning experience and making education accessible and inclusive, CORE solutions are helping transform societies and nations.

CORE addresses key global education challenges by offering product solutions and services for

- Accessibility & Inclusion
- Literacy Enhancement
- Improving Employability
- Enhancing Learning Experience
- Improving Teaching

# Teaching Solutions

## ■ TEACHER PROFESSIONAL DEVELOPMENT

MANY TEACHERS ARE STILL USING AGE OLD TRADITIONAL DELIVERY METHODS IN CLASSROOMS TODAY. STUDIES SUGGEST A CLEAR CORRELATION BETWEEN TEACHER'S EFFECTIVENESS AND STUDENT'S LEARNING AND SUBSEQUENTLY HIS EARNING CAPABILITIES.

CORE understands this premise and has collaborated with the University of Oxford to focus on comprehensive teacher quality reform. The programme aims at improving the professional working knowledge of teachers through a networked learning community that operates across geographies. The teachers are mentored on one to one basis using e-tutors.

It is an online and collaborative teacher development program delivered through distance learning mode.

### Salient features

- Learning underpinned by dialogue, scaffolding and mediation

- Encourages teachers to reflect on their own learning and to think critically about the outcome of their own actions
- Offers teachers autonomy and ownership of their own learning
- Integrated solution involving strategic use of instructional design, learner support design and technology
- Helps educators extend their level of expertise, improve the quality of teaching and learning, and strengthen their professional credentials
- Certification is awarded on successful completion of the programme

## ■ TEACHER STAFFING

TEMPORARY TEACHER VACANCIES, ABSENTEEISM AND UNTRAINED STAFF ARE PREVALENT IN EDUCATION SYSTEMS GLOBALLY.

To augment its teacher staffing capabilities and reach, CORE acquired ITN Mark Education. ITN Mark Education is one of UK's largest firms engaged in educational staffing services and a national provider of teachers and teaching assistants in England & Wales. ITN Mark Education has a strong client network of around 1600 Schools 3600 Teachers and 1300 Teaching Assistants across 16 locations in the UK and was the Winner of 'Best Public Sector Recruitment Agency' title at the prestigious Recruiter Awards for Excellence, 2011. Today, CORE assists educational institutions through contract staffing, recruitment services and specialized outsourcing.

### Salient features

- Cost effective contract staffing that helps in temporary, seasonal or ad-hoc hiring
- Specialized outsourcing helps K12 clients to maintain continuity in the absence of permanent staff
- ITN Mark has been accredited with Quality Mark by Department for Education Quality Mark since its inception in 2002 for its strong internal practices and benchmarks

*I've used a lot of agencies in the past, some good, some not so good, but I can honestly say that ITN Mark Education stands out. They are highly professional, they give objective, honest appraisals of candidates, they get to know you and your requirements very well and they do exactly what they say they are going to do.*

Chief Executive  
Tollbar and Cleethorpes Academies

## CORE is assisting over 105,000 teachers globally to raise their teaching standards



A teacher plays a very critical role in national development. The quality of teaching has a direct bearing on the child's future and in turn, the nation's economic growth. CORE teaching solutions help schools globally to productively utilize their student time and help teachers gain access to contemporary teaching methodologies through community based participation.

**CORE, leveraging on its global experience and partnerships, has created path breaking learning solutions for schools and employability education programmes for the unemployed in different sectors**



Simply knowing facts is not enough. The need of the hour is to create an engaging learning environment by leveraging modern technology driven learning tools and techniques. CORE along with its global partners has created interactive tools that help students to easily understand complexity in the subjects like Science and Math. CORE has also developed high quality Career and Technical Education curriculum and employability-linked vocational training in different sectors.

# Learning Solutions

## ■ EMPLOYABILITY EDUCATION

STEPPING INTO THE WORLD OF PRODUCTIVE EMPLOYMENT, STUDENTS' APPROACH OFTEN IS TOO THEORETICAL. WHILE PROFESSIONALLY QUALIFIED, THEY LACK FUNDAMENTAL UNDERSTANDING THAT CAN MAKE THEM READILY EMPLOYABLE. ALSO, FAST DEVELOPING COUNTRIES ARE FACING TREMENDOUS SKILL SHORTAGE. DESPITE HAVING VAST RURAL YOUTH POPULATION, INDIA ITSELF TODAY NEEDS AN ADDITIONAL 140 MILLION SKILLED WORKERS ACROSS INDUSTRY SEGMENTS.

In order to make students industry ready, educational institutes must use contemporary tools to bridge the gap.

CORE offers best-in-class, employability-linked vocational training in areas like Hospitality & Housekeeping, Spa Healthcare & Wellness, Data Entry Operations, IT & ITES operations, Basic Accounting, and Construction. CORE follows the Source, Train, Place model by working closely with industry and government organisations. It plans to expand its span by adding more sectors such as Automobile, Retail, Travel and Tourism. CORE's comprehensive employability education is created using principles of 4E i.e. Engagement, Education, Employability, Entrepreneurship and 4A i.e. Accessible, Affordable, Attractive and Applicable.

CORE has partnered with The East Valley Institute of Technology (EVIT), a US based institute recognised for excellence in career and technical education and Institute Technical Education ("ITE") Singapore for developing high quality Career and Technical Education curriculum.

### Salient features

- Focuses on employability through technical training for students and adults
- Familiarizes students with global technical education
- Close integration with the government and industry for sourcing and placing the program participants
- Certifications to participants for enhancing their employability

## ■ STEM EDUCATION

THERE IS GROWING CONCERN ACROSS NATIONS ON THE DECLINING PERFORMANCE OF STUDENTS IN MATH AND SCIENCE. AS PER THE PISA REPORT 2009 BY OECD, INDIA RANKED 71 IN READING LITERACY, MATHEMATICAL LITERACY AND SCIENTIFIC LITERACY.

CORE has developed a path breaking solution titled STEMpower for teaching, learning and assessment of Math and Science. It is a content based solution for 'Tough to TEACH' and 'Tough to LEARN' concepts in Science, Technology, Engineering and Mathematics (STEM) with the use of TI-Nspire handhelds and Vernier scientific probes. It gives the student a true immersive & exploratory experience. It is a result of a detailed research on how technology can help in teaching Math and Science. STEMpower allows exploration which is the key to student's learning and success.

### Salient features

- Engages students in activities with high cognitive demand tasks that require schematic and strategic knowledge concepts in Math and Science
- Students are placed in exploratory "microworlds" where they can easily and intuitively take mathematical actions, observe consequences, and then reflect on what they do

*I am confident that the STEMpower solution from CORE with its pool of benefits will play an instrumental role in strengthening math and science fundamentals of class VIII – X students at 'Srijan School'. It promises to transform the way our students learn and explore math and science subjects. It will definitely help teachers to teach difficult concepts and students to learn abstract topics by use of technology.*

Ms. Rashmi Mehta,  
Principal, Srijan School, New Delhi

# Assessment Solutions

## ■ FORMATIVE ASSESSMENT

SCHOOL EDUCATION SYSTEM OFTEN MISSES THE HOLISTIC VIEW OF STUDENT'S PROGRESS ACROSS THE TIME PERIOD. IN AN ACADEMIC YEAR, HISTORIC PERFORMANCE IS SELDOM LOOKED INTO. THIS LEADS TO WASTEFUL INVESTMENT OF TIME, MONEY AND EFFORTS IN ASSESSING STUDENT'S CAPABILITIES YEAR AFTER YEAR. THERE IS A PROVEN NEED FOR AN ACCURATE FEEDBACK MECHANISM WHICH MONITORS STUDENT PERFORMANCE AS WELL AS TEACHER EFFECTIVENESS OVER THE ENTIRE ACADEMIC LIFE CYCLE.

ipGrowth™ is a formative assessment solution that measures a student's progress by reviewing and interpreting scores over time. This allows teachers and students to monitor progress and earmark student goals for improvement.

### Salient features

- Easy to use, highly efficient and cost-effective
- Provides actionable insights into students' current academic performance and their cognitive maturity
- Engages students and excites them to outperform their earlier benchmark
- Combines students' performance over a period and helps track progress, set milestones
- Measures and monitors teacher effectiveness
- Helps build a cohesive assessment system that applies to progress monitoring, language acquisition, talent search, and program qualifications

## ■ UNIVERSAL SCREENERS

TEACHING INSTRUCTIONS NEED TO BE MATCHED WITH THE LEARNING SPEED AND COGNITIVE ABILITY OF A CHILD. CHILDREN WITH DEVELOPMENTAL DELAYS FIND IT HARD TO LEARN NEW INSTRUCTIONS DESPITE EXTRA EFFORTS OF TEACHERS.

CORE's Universal Screener is an assessment tool that helps determine behavioral, social and emotional readiness of students before engaging them in a new body of instruction. Screeners can be developed as a precursor for various courses the tool helps in identifying early interventions, if needed.

### Salient features

- Helps identify students that need intervention
- Guides teachers on specific diagnostic assessment and proactive intervention
- Measures performance on a scale score and not the typical percent score
- Can be positioned as an essential reporting tool for an Ready to Learn initiative

*Employing CORE screeners, schools have witnessed a dramatic increase in the reading and algebra proficiencies of their students. In a short span of just nine months, between September 2010 and June 2011, schools in Texas were able to increase the percentage of Algebra Proficiency of Grade 7 from 30% to over 80%. Similarly, schools in Anchorage, Alaska, witnessed an increase in the percentage of Grade 5 Reading Proficiency from just over 35% to over 95% between September 2011 and June 2012.*

## CORE's assessment system helps schools to periodically assess the progress of large number of students on a systematic basis



A continuous assessment of students' assimilation of the concepts taught is an important step of overall education system. Speed of teaching should be adapted to students' speed of learning and not the other way around. CORE provides powerful and comprehensive formative assessment solution, designed to support region-wide assessment initiatives. These solutions help teachers, schools and administrators to scientifically assess their students and thereafter design their individual learning paths.

## CORE assists government agencies globally to monitor, process and evaluate complex information across the state



CORE provides innovative educational solutions for governments across the globe to help them address key global education challenges like Accessibility & Inclusion, Increasing Employability, Enhancing Learning Experience and Literacy. Whether it is helping North Carolina to manage its special education needs, or automating Mozambique's examination management system, or tracking of 8 million children in Jharkhand, CORE strives to enlighten minds and nations globally.

# Governance Solutions

## ■ SPECIAL EDUCATION

SPECIAL EDUCATION PROVIDERS MUST BE EQUIPPED TO SATISFY THE DIFFERENT NEEDS OF EACH STUDENT ACROSS VARIOUS STAGES OF RECEIVING SUPPORT. IT MUST ALSO MEET THE UNIQUE COMPLIANCE GUIDELINES OF THE STATE AND SCHOOL DISTRICT. FREQUENT CHANGES IN LAW, REGULATIONS AND POLICIES WHILE INEVITABLE OFTEN IMPACT THE INDIVIDUALS AND PROCESSES THAT SUPPORT THE SPECIAL EDUCATION SYSTEM.

CORE's Bright Idea simplifies the management of child data, workflow processes, and compliance reporting – right from birth to adulthood. Its user friendly interface decreases the time required to update student information, generates reports, manages data and meets federal compliance reporting requirement with minimal training. It allows administrators to generate forms based on their own state or local standards, customize them to meet federal reporting needs, and deploy them as needed. The solution has been implemented in states of Michigan and North Carolina and is tracking around 256,000 and 200,000 students respectively.

### Salient features

- Automated process uses case management and workflow solution
- Consolidates vast array of state and district-level databases into centrally available single comprehensive entity
- Reliable, efficient and easy to use with online and offline availability of child's Individualized Education Plan (IEP) across the state
- Saves time and improves coordination between various departments

## ■ GOVERNMENT MIS

THERE IS TREMENDOUS SCOPE FOR IMPROVEMENT IN THE OVERALL MANAGEMENT OF THE EDUCATIONAL INSTITUTES GLOBALLY IN GENERAL AND IN INDIA IN PARTICULAR. THESE INSTITUTIONS ALSO NEED TO ADJUST WITH THE RAPID ECONOMIC AND TECHNOLOGICAL DEVELOPMENTS TO BECOME MORE RESPONSIVE AND FORWARD LOOKING. GOVERNMENT HAS AN ACTIVE ROLE TO PLAY AND SHOULD UNDERTAKE PROGRAMMES THAT STRENGTHEN INSTITUTIONS. GOVERNMENT SHOULD CONSTANTLY MONITOR AND EVALUATE THE RESULTS OF ITS ACTION AND CARRY THE LEARNING IN THE SUBSEQUENT PHASES.

CORE has been assisting governments globally in building strong MIS systems that tremendously improve their effectiveness and contribution towards strengthening of education system through their in-depth data analysis. CORE has been selected by National Project Implementation Unit (NPIU) for developing a web based management information system (MIS). NPIU is established by Ministry of Human Resource Development, Government of India, for coordination, facilitation, monitoring and to provide guidance to the States/ Institutions in all aspects of the projects.

### Salient features

- Ease of feeding data on key performance indicators
- Web enabled monitoring and evaluation with graphical user interface
- Generates standard or comparative reports
- Ranks institutions based on a predefined list of indicators which grades the quality of the education system in the institutions
- Complete support including training and maintenance of Web based MIS along with help desk assistance

*To improve the standard of technical education, Government of India initiated Technical Education Quality Improvement Programme (TEQIP) in 2003. The programme was to be implemented in 3 phases spread over 10-12 years with assistance of the World Bank. In Phase 2, CORE is developing a web based management information system (MIS). The project is expected to cover around 20 states and 200 institutions. The assignment involves design, development and implementation of MIS. CORE is also training people on usage besides hosting and maintaining the MIS.*

# Advanced Technologies

## ■ ICT SOLUTION

AS ENVISAGED ICT EDUCATION IS LEVERAGED TO BE THE HARBINGER OF EDUCATIONAL CHANGE WITH INNOVATIONS BEING THE IMPACT AGENTS. IT IS CLEAR THAT WITH CAREFUL STRATEGIC PLANNING AND IMPLEMENTATION OF ICT IN EDUCATION THERE WILL BE A GLOBAL REVOLUTION TO NARROW THE DIGITAL DIVIDE AND HELP BROADEN AND IMPROVE THE EDUCATIONAL OPPORTUNITIES FOR ALL. IT IS CRITICAL PARTICULARLY IN THE CONTEXT OF GLOBAL DEVELOPMENT GOALS, INCREASING DEMAND OF EDUCATION FOR ALL, AND THE INABILITY OF EXISTING EDUCATIONAL SYSTEMS TO MEET SUCH A DEMAND.

In India, CORE is providing Information and Communications Technology (ICT) solutions to over 10,000 government schools. CORE offers end to end services that include identification, sourcing and installation of the necessary IT software and hardware; training of key stakeholders; project and infrastructure management.

Every project is unique and CORE develops a customized detailed project plan and governance procedure. The key collateral prepared includes a custom statement of work, including a service overview, on-site activities, requirements

gathering documents, installation coordination, summary of customer responsibilities, customer escalation procedures and a risk management plan.

In one such project, CORE helped the state of Haryana to source, install and maintain IT and physical infrastructure for their ICT labs and provided necessary services to 2622 Government senior secondary and secondary schools. CORE also customized software modules including MIS to monitor progress, Teachers Attendance System and Student ICT Education progress tracking system apart from training teachers and students.

## ■ MANAGED IT SERVICES

THE REQUIREMENTS OF AN EDUCATIONAL INSTITUTE OR A COMPANY DIFFER FROM EACH OTHER AND A STANDARDIZED SOLUTION MAY FAIL TO ADDRESS THESE. MORE IMPORTANTLY, A STANDARDIZED SOLUTION MAY COME TOO EARLY OR TOO LATE IN THEIR GROWTH CYCLE LEADING TO HIGH COST OF OWNERSHIP OR INABILITY TO MEET THEIR IMMEDIATE FUTURE REQUIREMENTS.

CORE offers bouquet of customized technology software and hardware solutions to help institutes & companies to increase their efficiency and reduce their operating cost. CORE's one such offering is Dell KACE Management Appliance K1000. Using the configuration and policy management capabilities of K1000, CORE is helping schools globally to increase their efficiency and to reduce their operating expenses. CORE helps administrators to easily develop, deploy and enforce power management profiles that decide the time taken by systems to go into low power states. K1000 can put systems in number of power savings states, from simply powering down individual components, such as the hard drive or monitor, to reaching maximum power savings by completely powering down the entire system. CORE also educates IT

staff about the cost saving opportunity that helps in raising overall awareness of various energy saving techniques and accelerated roll-out of K1000.

### Salient Features

- Provide an easy to use interface for developing a power control profile for an entire population of client systems or unique profiles for specific groups of clients
- Simplifies a potentially complex and time-consuming process, power policy implementation and enforcement using the K1000 is both easy and fast.
- Equips organizations to implement automated shutdown policies based upon a schedule or on system inactivity

*This year CORE ECS won an award from the PG&E Trade Professional Alliance for providing schools with a cost and energy-saving opportunity that will lower their energy bill. The award is merited by kWh Savings and Total kW savings for schools, a category which collects numerous nominations every year. Statistics show that on-going energy savings can reach USD50 per computer, per year.*

**CORE is an experienced full-lifecycle service provider of hardware, software, audio visual solutions and asset recovery services**



CORE provides cost-effective customized solutions that are well equipped to meet company's immediate and long-range plans. The solutions help systems to excel in their performance while lowering overall cost of ownership. Additionally, CORE ensures that any retired assets are handled or disposed of according to local, state and federal environmental regulations.

**CORE consulting team helps institutions and organizations to create contemporary solutions that eliminate redundancies & bottlenecks, improve efficiencies thereby boosting productivity and improve return on investments**



In today's dynamic and uncertain environment it is important for organizations to cut expenditure & liabilities and yet remain future ready. CORE Consulting Solutions help institutions and organizations to leverage modern tools and techniques, modernize their business processes, add flexibility, scalability and operational efficiency to their systems and lower their overall cost of ownership.

# Consulting Solutions

INSTITUTIONS AND ORGANIZATIONS TODAY NEED TO BE LEAN AND AGILE TO ADAPT TO FAST CHANGING ECONOMIC ENVIRONMENT AND TO LEVERAGE THE INFLUENCE OF MODERN SOLUTIONS THAT CAN HELP THEM IMPROVE THE TEACHING METHODOLOGY AND THE LEARNING ENVIRONMENT. IDENTIFYING THE RIGHT PROCESSES AND TOOLS THAT CAN NOT ONLY BOOST THEIR RETURNS BUT ALSO CREATE A MORE MOTIVATED AND COMFORTABLE ENVIRONMENT FOR THEIR STAFF AND STUDENTS IS CRITICAL FOR THEIR LONG TERM EXISTENCE. INSTITUTIONS MUST CONTINUOUSLY IMPROVE THEIR PROCESSES TO INCREASE DATA ACCESSIBILITY AND STAFF PRODUCTIVITY. THEY ALSO MUST BE WELL EQUIPPED TO HANDLE THE ABSENTEEISM AND VOLATILITY IN STAFF REQUIREMENT.

CORE Consulting Solutions help clients to identify the right mix of software and systems that can meet their immediate and long term requirements. It also helps them to integrate their systems with other stakeholder like governments and corporations, primarily financial services firms to improve the data flow and reduce cycle time. It assists school districts to continuously upgrade their student management software solutions. It also delivers training to the organizations that serve schools.

CORE's offering includes solutions to improve performance management, "through-life" management, procurement and supply chain management, business-to-business relationship management, program and project management, information technology solutions management. It also helps them to ensure continuous

organizational development, process improvement and change delivery and interim management (providing short-term professional service resources to enhance and support core business functions). CORE's client base includes various state departments and corporates.

CORE also supplies non-teaching support staff to many large urban school districts, prestigious universities, exclusive private secondary schools and an impressive array of corporations.

These solutions are well supported by CORE's strong domain and consulting capabilities in over fifteen verticals including government, financial services, human resources, manufacturing, and education.

CORE has serviced Rochester City School District, a large K12 School District consisting of more than 55 schools for more than six years, providing extensive solutions including Contract Staffing, Recruiting Services and Specialised outsourcing. Similarly for Chicago Public Schools, one of the top 25 largest K12 districts in the US, CORE has been providing Consulting and Recruiting services since last 5 years.

# Sharing with Care - Corporate Social Responsibility Initiatives

CORE'S BUSINESS SPECTRUM OF EDUCATION ITSELF LEAVES A BEARING IMPACT ON SOCIETY AND COMMUNITY. MORE SO WITH ITS INTERVENTIONS IN GOVERNMENT RUN OR AIDED SCHOOLS THAT BENEFIT STUDENTS FROM LOWER STRATA OF SOCIETY.

CORE furthers its commitment to an equitable and inclusive growth by passionately undertaking a slew of community development measures.

## INDIA

During the year under review, its employees participated in Mumbai Marathon 2012 and ran for the cause of 'Education for All' propagated by an NGO, SMILE Foundation. Employees participated in the charity sale put up by the volunteers of Cancer Aid and Research Foundation thus supporting the cause. Employees also passionately participated in the blood donation drive organised by Umang Foundation.

## UK

ITN Mark Education partnered with Que Rico! VPO, to support the sustainable development of education related programs in deprived regions around the world. Que Rico! VPO is an international charity that works on projects in developing countries worldwide.

Through Que Rico! VPO, ITN Mark supported "at risk"

children in Mengo, Uganda by funding for providing safe accommodation, food and an education to 50 children.

It also supported an orphanage in Siem Reap, Cambodia for the building of two individual living/sleeping quarters to house the boys and girls separately, alongside the building of new classrooms and refurbishing their desks and chairs. It also provides support in producing a proper curriculum to follow and help them with their day to day running costs.

## US

CORE has been a part of ACCES-VR, which is a New York State funded company that assists folks with disabilities find employment. One manager hosts a class from time to time to show "secret tips" on what recruiters see and how to use job boards (Career Builder, Monster, etc) to work to their advantage and beat the competition.

CORE was involved with the Veterans Outreach Center and was their Employer of the Year last year.



**During the year CORE took several initiatives for the betterment of people within the company, the society and the nation**



**CORE in association with Smile sponsored career enhancing skills training of about 53 adolescent youth. The company also won the 8th Indo-American Corporate Excellence Award 2012 for its commitment to Human Capital Management, Corporate Social Responsibility and overall contribution to Indo - US business.**

# Building CORE Connections around the World



CORE is an end-to-end global solution provider that transforms education spectrum covering Pre – K, K12, Higher Education and Employability Education. We improve the quality of human capital and the learning ecosystem through innovation for better educational outcomes.

---

## USA

1. Formative Assessment Solutions
2. Pre-K Solutions
3. Special Education Solution
4. Algebra Readiness
5. Intervention Solutions
6. Intelligent Item Bank Research
7. SAAS & Cloud Technology Solution
8. ITES Services
9. Educational Staffing

---

## INDIA

1. Digital Learning Solutions.
2. School Development
3. Vocational Education Programmes
4. Skill Development for Women
5. Global ODC Centres

---

## UK

1. Learning Management System
2. Teacher Supply
3. Teacher Sourcing



## MIDDLE EAST

1. Learning & Assessment Solutions
2. CORE Higher Education Institute
3. Teacher Supply

## CARIBBEAN

1. Exam Management System

## CANADA

1. Teacher Sourcing

## AFRICA

1. Summative Assessment Solution

## AUSTRALIA

1. Teacher Sourcing

## SINGAPORE

1. Immersive Visualization R&D

## NEW ZEALAND

1. Teacher Sourcing

# Key Performance Indicators (Consolidated)

(₹ in million)

Particulars	2007-08	2008-09	2009-10	2010-11	2011-12
Net Sales	4,463	6,775	8,470	10,912	16,379
EBITDA	980	2,123	2,868	3,918	6,258
EBITDA (%)	22.0	31.3	33.9	35.9	38.2
Profit Before Tax	979	1,654	2,076	2,719	4,281
Profit After Tax	848	1,432	1,722	2,250	3,230
ROCE (%)	15.7	22.0	19.5	18.5	18.1
Equity	3,876	6,110	8,957	11,827	17,909
Earnings Per Share (₹)	11.54	16.89	18.71	21.79	29.05
Net Worth	3,876	6,110	8,957	11,873	17,909
Debt	1,678	3,275	3,580	8,395	13,598
Capital Employed	5,566	9,406	12,580	20,332	31,718
Debt Equity Ratio	0.43	0.54	0.40	0.71	0.76
No. of Shares (in millions)	82.95	86.27	98.60	109.15	112.47
Dividend (%)	10	30	30	30	30

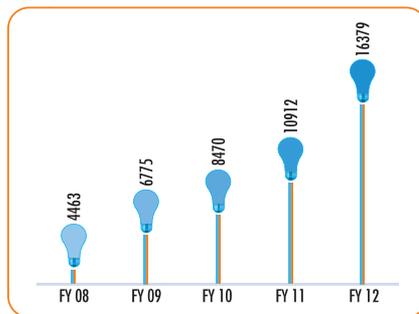
**50%**

**Increase in Net Sales  
From ₹10912 mn in  
FY 10-11 to ₹16379  
mn in FY 11-12**

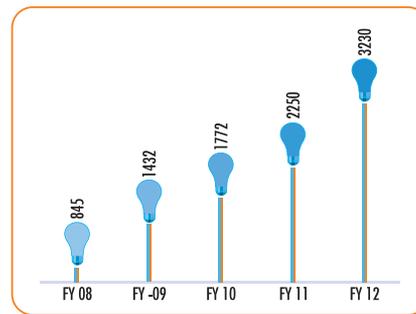
**44%**

**Increase in Net Profit  
From ₹2250 mn in  
FY 10-11 to ₹3230 mn  
in FY 11-12**

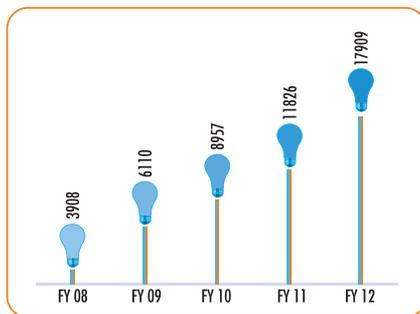
**NET SALES (₹mn)**  
CAGR 38.4%



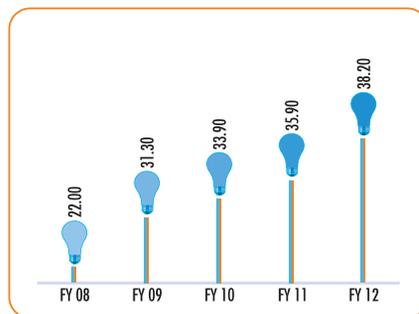
**NET PROFIT (₹mn)**  
CAGR 39.8%



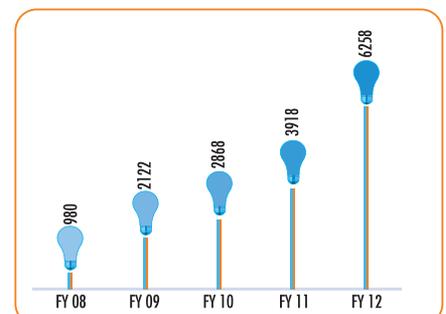
**NET WORTH (₹mn)**  
CAGR 46.3%



**NET MARGIN (%)**



**EBITDA (₹mn)**  
CAGR 59%



**51%**

**Increase in Net Worth**  
From ₹11826 mn in  
FY 10-11 to ₹17909 mn  
in FY 11-12

**60%**

**Increase in EBITDA**  
From ₹3918 mn in  
FY 10-11 to ₹6258 mn  
in FY 11-12

# Key Milestones

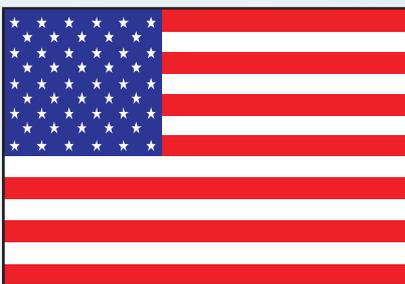
**2008**

**CORE acquires K12 Division, The Princeton Review, USA**

CORE leveraged on the powerful formative assessment solution that measures growth in student achievement by reviewing and interpreting student's academic performance and cognitive maturity

**CORE partners with Centre for Higher Learning (CHL), NASA's John C Stennis Space Center**

This partnership helped CORE train its engineering manpower on 3D immersive technology and subsequently setup Asia's first visualization laboratory in Mumbai



**2009**

**CORE collaborates with University of Oxford for Teacher Capacity Building**

CORE commissioned research with University of Oxford for K12 teacher learning and continuous professional development in India



**CORE selected by National Project Implementation Unit (NPIU) for developing a web based Management Information System (MIS)**

This contract helped CORE make a foray in the e-governance space in the form of building strong MIS systems that tremendously improved Government's effectiveness and contribution towards strengthening of the education system

**2010**

**CORE acquires Technical Systems Integrators, USA**

CORE gains expertise in the sales, delivery, installation and management of advanced technology assets in the K-12 and higher education segments of the education sector

**CORE bags \$ 24 million deal from Los Angeles Unified School Department**

CORE provided formative assessment program to the 2nd largest school district in US with close to 7,00,000 students

**CORE wins its first Vocational Training order in India from the District Urban Development Authority (DUDA), Bhopal under the Swaran Jayanti Shahri Rozgar Yojna (SJSRY) scheme**

CORE trained 100 Below Poverty Line (BPL) youth in Bhopal under this project

# 2011

## CORE bags Rs. 120 crore order from Gujarat Govt

CORE implements Computer Aided Learning (CAL) in 3121 primary schools

## CORE Projects & Technologies Ltd. dons a new Avatar – is renamed 'CORE Education and Technologies Ltd.'



## CORE partners with East Valley Institute of Technology (EVIT), an Arizona based Non-profit public school

EVIT is an important partner in the development of a high quality curriculum and a model for CORE Careers

## CORE acquires ITN Mark, UK

CORE leverages on the ITN Mark model to address the huge teacher training opportunity in India, GCC and Far East

## CORE and Texas Instruments join forces to deliver STEM Solution for Schools in India

The joint effort combines TI's best-in-class education technology solution with CORE's world-class content, teacher education and support to form one integrated solution called STEMPower

## CORE bags India's biggest education ICT Project valued at Rs. 295 crores

The project includes supply, installation and maintenance of IT and physical infrastructure for ICT labs and supply of services in 2622 Government High/ Senior Secondary schools in Haryana

## CORE bags Rs. 120 crore contract from State Government of Maharashtra

CORE implemented ICT solutions in 947 Government Secondary and Higher Secondary schools across the state



# 2012

## CORE appraised at Level 5 of CMMI

The appraisal represents stringent showcasing of consistency, quality and effectiveness

## CORE partners with Ras Al Khaimah government & Birla Institute of Technology (BIT), Ranchi to offer programs in Engineering, Architecture & Business Administration

This partnership opens doors for CORE to venture in the higher education space in the GCC region

## CORE partners with ITE Education Services (ITEES) to set up 'Centres of Excellence' in vocational education and training

ITEES will assist CORE in their "Train the Trainers Program" as well as set up additional training systems and processes

## CORE's presence reaches to over 10,000 schools in India in a record span of just over a year



Acquisition



Partnership



Large Contract



Key Milestone

# Chairman's Message



Dear Shareholders,

The financial year 2011-12 was a landmark year in your company's journey from an IT and ITES company to being "India's largest global education company". This transformational journey has been driven by your company's focus on providing contemporary solutions, partnerships with global experts and across the board experience of serving various stakeholders in the education sector. Today, your company's business is aligned across six key elements of education delivery - Teaching, Learning, Assessment & Intervention, Governance, Advanced Technologies and Consulting Solutions, which allow your company to present customers with comprehensive end-to-end solutions. This is aligned to your company's mission 'To improve the quality of human capital and the learning ecosystem through innovation for better educational outcomes'.

Our FY12 revenue grew by 50% to ₹1,638 crore - 86% of which came from the US, 10% from the UK and the remaining 4% from India and other countries. The education vertical contributed 79% to our revenue while other services, such as technical support and ERP, accounted for the rest. During the period FY07-12, our revenue grew at a compounded annual growth rate (CAGR) of 51%, a testimonial of your company's ability to grow in a weak global environment and low government spending. The operating margins (EBITDA) for FY12 grew at an even higher rate of 60% and the profit after tax grew by 44% over the previous financial year. This stellar performance has been backed by our strong client relationships, consistent development of unique IP and the ability to successfully sew together a host of acquisitions & partnerships and emerge as a specialist in large scale technology-driven education solutions.

The Global education industry is one of the fastest growing sectors worldwide and the second-largest industry after healthcare. The market size of the sector is estimated to be USD 4.45 trillion and is expected to grow at a CAGR of 7.4% amidst a slowing global economy. In the 21st

century, even as the competition amongst nations is increasing, there is no doubt that at the same time they are also becoming more interdependent. Their future is ever more dependent on the knowledge and skills of its people, thus creating new opportunities and challenges for the education sector focused companies like yours. Even more importantly, the emphasis that education is a basic human right for a nation's citizens is being pursued and practiced across the globe. Awareness about education in developing countries like India and China has further increased the growth rate of the global education sector.

The developed markets of the United States of America and the European Union constitute 60% and 15% of the global education market respectively. These markets are exploring solutions to address needs focused around learning, teaching and employability outcomes. In US alone K-12 education takes up a huge percentage of state budgets (20.5%) and despite the millions of state dollars poured into K-12 education every year, America's school systems are still grappling with the challenges of turning out adequately proficient students. Your company is trying to address these challenges by providing these institutions technology based solutions.

I am very sanguine about my outlook for the education sector in India for the coming years. The government spending on education will be increased to \$100 billion in the 12th Five Year Plan (2012-17) from the estimated \$70 billion during the current plan period. Going forward the government has pledged to increase spend on education to 6% of GDP and is bringing in a lot of infrastructural and administrative reforms to take the sector to the next level while opening up to private participation and investment in the country's education market.

Your company's focus on its innovative solutions for Teaching, Learning, Assessment and Governance has helped countries globally to bridge their ever widening skill deficit and to significantly raise their educational standards, whilst our Advanced Technologies and

Consulting Solutions are making our customers more efficient. Our future growth strategy primarily involves replicating the earlier successes in our major markets and institutionalizing these best practices while tailoring them to local needs of the newer markets that we intend to cater. Initial signs of success are visible. In India our solutions in governance are now being used to track education spends in Jharkhand and Assam even as children of semi-urban and rural schools in states like Haryana, Maharashtra and Gujarat access computer-aided learning systems and digital interactive content for their education needs. In FY12, your company won projects worth over ₹248 crore from five different state governments and also implemented projects worth ₹568 crore.

We believe that your company's competency in working with Governments & education systems and in understanding their needs will hold in good stead in the India-focused programs and expect the domestic revenue contribution to increase to 10% by FY14.

To further your company's endeavor of making students "campus or career oriented", we are also focusing in a big way on vocational training for the Indian market and intend to take up new initiatives in this area in the current financial year through an integrated skill-development ecosystem.

Besides India, our focus on developing markets includes our foray into African and Middle East markets, where we gained initial success with a partnership with the provincial government of Ras al-Khaimah in the UAE to run a higher education institute offering management, architecture and engineering degrees in content partnership with BIT, Ranchi.

To bring the global best to the nations your company serves, we continue to partner with world renowned experts in various segments. During FY12, we partnered with the East Valley Institute of Technology (EVIT) in U.S. and the Institute of Technical Education (ITE) in Singapore,

both of them renowned for their expertise in vocational education and training.

Your company in partnership with Center for Higher Learning at John C Stennis Space Center, NASA has pioneered modern 3D immersive learning by simulating real life experience for complex subjects on topics that are difficult for students to grasp, learn, experience and then apply.

Your Company has collaborated with the University of Oxford to focus on comprehensive teacher quality reform. The programme aims at improving the professional working knowledge of teachers through a networked learning community that operates across geographies.

Along with Texas Instruments, your company has created a first of its kind revolutionary integrated educational solution for math and science teaching called STEMPower. This integrates real-world data, simulations, pictorial aids and multiple representations to encourage students to make connections, explore concepts and be active learners, thus empowering them to be successful.

We are making large investments in India and leveraging on our strong product line and global experience. I expect these investments to significantly contribute to your company's growth in the coming years. Our expansion into new geographies like Middle East, Africa and Far East will also contribute significantly to the Company's overall growth in years ahead. Whilst we expect to maintain consistent growth in US revenues, higher growth is expected in other geographies.

While we have always strived to deliver our best, the global acknowledgment of same is always heartening. We were recently ranked 4th in the list of "Fastest Growing Companies in India" and named in Forbes Asia's list of "Best Companies under a Billion \$". We were also awarded the Best Indian Company operating from US under the other services category by Indo-American Chamber of Commerce (IACC) and Best Public Sector Recruitment Agency in UK for 2011. We were also

appraised at CMMi 5, the highest level of process maturity that speaking volumes about our process orientation.

In conclusion, I would like to thank all the employees for their unstinted commitment and contribution to your company to achieve this spectacular performance. I continue to look forward to the Board of Directors' guidance and your support during this exciting yet challenging phase for the company. Your company firmly believes in the power of the mind and that a single energized, empowered, enlightened mind can transform organizations, societies and nations. We are confident that this will take us a long way in creating lasting impressions across the globe as an iconic education brand.

Best wishes

**Sanjeev Mansotra**

Chairman

# Board of Directors



**MR. SANJEEV MANSOTRA**  
Chairman And Global CEO

Sanjeev Mansotra, aged 41, a first generation entrepreneur founded CORE Education & Technologies Ltd. (CORE) in 2003. CORE forayed into the international education space with the driving mission "To be the global leader in the education domain, providing best in class end to end solutions".

Mr. Mansotra's ability to forge strategic alliances with key partners across the globe has led to the bringing in of prestigious global education organizations like the University of Oxford; Centre of Higher Learning, NASA; Texas Instruments; East Valley Institute of Technology, Arizona into India. His unique understanding and skill in working with Government bodies have seen CORE form credible long term associations with Governments of the USA, UK and India among many others. Mr. Mansotra's strategic vision has today resulted in CORE emerging as India's largest global education leader present across the entire continuum of education - PRE-K, K-12, Higher Education, Skill Development.

Under Mr. Mansotra's leadership, CORE has won several accolades: being featured in Forbes Asia's 'Best under a Billion' being named the 'Best Performing Company in Mid-Cap segment by Business World in 2010 and being ranked 4th in list of 'Fastest growing companies' by Outlook Business in 2012. Mr. Mansotra himself has been ranked as 'India's Most Valuable CEO' by Business World.

Mr. Mansotra is also the Chairman of the planet CORE Group which, apart from Education, consists of successful business entities across the globe in Wellness, Energy and International Business.



**PROF. ARUN NIGAVEKAR**  
Executive Director

Dakshina Fellowship holder of Rajaram College in Kolhapur and a SIDA Fellowship awardee, Prof. Nigavekar, aged 70, is a renowned physicist and educationist with over 40 years in academics. He has contributed significantly to technology enhancement in the utility and quality of higher education and

its internationalization - aptly therefore titled the father of the quality movement in higher education by the former President of India, Hon. Dr APJ Abdul Kalam.

Among the prominent positions that Prof. Nigavekar has held, are, Vice Chairman and Chairman of UGC, Member of the Scientific Advisory Committee to the Cabinet, and Vice Chancellor of University of Pune.

Prof. Nigavekar has held several other positions of authority at Government and non-Government institutions in India and abroad. He has also been awarded honorary doctorates by several renowned Indian universities.

He has won several honours notable being Phia Foundation Award - a UNESCO honour, Swami Vivekanand Award, Advocate D R Nagakar Award, Shiromani Award, Delhi Ratan Award.



**MS. MAYA SINHA**  
Executive Director

Ms. Sinha, aged 53, belongs to the 1981 batch of the Indian Revenue Service (IRS IT). Of these, about 22 years were spent in the Income Tax Department at various levels, from Assistant Commissioner, to the Commissioner of Income Tax. Ms. Sinha has spent more than six years on deputation to the Government of India at the Joint Secretary level. She served as Deputy Chairperson, Jawaharlal Nehru Port Trust (JNPT), the country's No.1 Container Port. As member of the Board of Trustees, she has gained administrative and general managerial abilities, including people management and financial management. Ms. Sinha has also served as the Commissioner of the Khadi & Village Industries Commission (KVIC), an autonomous body under the Ministry of Micro, Small & Medium Enterprises.

Ms. Sinha holds a Masters' degree in Economics from the Delhi School of Economics. She has specialized in Econometrics, Public Finance and Monetary Economics and has an Honours degree in Economics from Lady Sri Ram College, Delhi University.



**MR. NIKHIL MORSAWALA**  
Director - Finance

Mr. Nikhil Morsawala, aged 53 years, is a qualified Chartered Accountant and a Certified Public Accountant (CPA) from USA. He has been associated with CORE Education Group since its initial set-up in 2003-04. Mr. Morsawala is a Finance Wizard with in-depth knowledge of business administration and has over 30 years of experience in areas of Corporate Finance, Mergers & Acquisitions and Setting up Service Organizations. Mr. Morsawala has travelled worldwide for project studies and arranging finances for various projects. In his previous assignments he was associated with the Taj Group of Hotels and HDFC Ltd.

Mr. Morsawala is very human centric and can be approached easily at any given time and always goes out of the way to make sure employees are well taken care of. He is a great mentor and motivator and can groom people to leadership.



**MR. AWINASH ARONDEKAR**  
Independent Director

Mr. Awinash Arondekar, aged 70, has served Bank of India, a leading Public Sector Bank, for nearly four decades. Rising from the ranks, he served the Bank in various capacities in India and abroad. Some of the prominent positions held by him were, (a) Manager, Tokyo Branch, (b) Zonal Manager, Mumbai South Zone, and (c) General Manager, in charge of Priority Sector Credit. He retired from the Bank's service at the end of the year 2000 and was immediately placed in a financially impaired

industrial undertaking, as Monitor of working capital by the consortium of its banks, for over two years.

Mr. Arondekar has undergone training at various prestigious institutions like, the Bankers' Training College of RBI, Administrative Staff College, Hyderabad, and the Indian Institute of Management, Bangalore. He has also attended a short training course conducted by intrados International Management Group in association with George Washington University and the World Bank at Washington DC.



**MR. S. S. DUA**  
Independent Director

Mr. Dua, aged 74, has over 40 years of experience which makes him a walking encyclopedia in the IT industry. In his varied professional career, Mr. Dua has traveled to all corners of the globe - to Europe, USSR, USA, Oman, Switzerland, Canada, Hong Kong and Singapore - acquiring and

disseminating knowledge.

Mr. Dua has headed top rung companies such as NTPC, BSES and CEA. A BSC and Engg (Elect.). Mr. Dua also has the honour of being a fellow member of IIPE. His intellect and vision powers CORE's endeavors in every realm in the ever-changing environment of modern industry.



**MR. NARESH SHARMA**  
Whole-time Director

Mr. Naresh Sharma, aged 51 years, holds a degree in Bachelor of Commerce. He is a very dynamic leader and an able administrator with a career spread over span of more than two decades in services and hospitality segment. He is associated with CORE Group since its inception as one of Promoter Directors. He is an excellent people manager and is extremely conscious on the quality and timely delivery of services.



**MR. M. N. NAMBIAR**  
Independent Director

Mr. Nambiar, aged 72 belongs to the 1964 Batch of the Indian Revenue Service. He has held several assignments within and outside the Income- Tax Department. He was Director General of the National Academy of Direct Taxes - Nagpur and retired as Chief Commissioner of Income Tax, Andhra Pradesh, Hyderabad. He gained recognition for Best Performance in Revenue Collections 1993-1994, while serving as Commissioner of IT Karnataka Central Charge, which had exclusive jurisdiction over large group cases of suspected tax evasion.

Mr. Nambiar has attended various seminars and has completed a course for All India & Central Services Officers in "Organization Based Management" from Indian Institute of Management, Bangalore. He also participated and has attended various courses on Taxation held by the National Institute of Public Finance and Policy, New Delhi.

Mr. Nambiar is the Chairman of the, Remuneration/ Compensation Committee of the Board at CORE.



**MR. HARIHAR IYER**  
Non-Executive Director

Mr. Iyer, aged 66, was a co-founder and chief executive of Enterprises Computing Services, Inc (ECS), an education company acquired by CORE Projects & Technologies. ECS, founded in 1993, was an Atlanta, Georgia-based education software products and services company specializing in state-wide compliance and administrative software

solutions.

His past experience includes a 20-year engagement with AT&T/ Bell South as the regional director for the nine-state network and software applications development division. Mr. Iyer received his BS in Mechanical Engineering from R.E. College, Durgapur and ME in Mechanical Engineering from the University of Miami.



**MR. K.C. GANJWAL**  
Independent Director  
(Resigned as Director w.e.f. 11 August 2012)

Mr. K. C. Ganjwal, aged 69, B.A. LLB and a Post Graduate Diploma holder in Personnel Management, is a former member of the Company Law Board (2003-2005). He is a practicing Advocate and Member of the Supreme Court Bar Association since 2005.

He is also a member of the Indian Arbitration Council and FICCI. His previous assignments included various positions with the Government of India over 41 Years.

Mr. Ganjwal began his career as a Captain with the Indian Army and served the Armed Forces for about eight years. He then served several positions in the government, such as the Department of Heavy Industry, at various positions in charge of Administrative and Vigilance matters from 1972 to 1984. He was Under Secretary at the Department of Heavy Industry, where he handled various activities for the Public Sector Undertakings in Mining and Steel Industries.

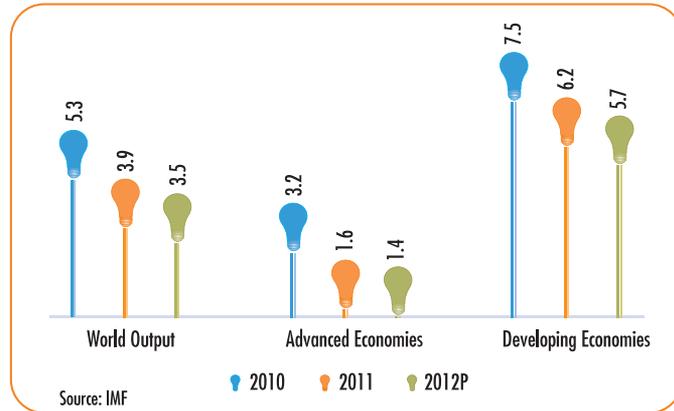
# Management Discussion & Analysis

## ECONOMIC OVERVIEW

### I. Global Economy

2011 was a challenging year for the global economy. Global economic recovery post the financial crisis, moderated sharply in the latter half of 2011 and early 2012. Consequently, the world output growth dropped down to 3.9% in 2011 from 5.3% achieved in 2010. While the economic activities showed encouraging improvements in the US, the contraction in the peripheral Euro countries – led by the concerns of sovereign debt crisis in the region – set-off the momentum gained by US. The advanced economies are estimated to have grown by 1.6% for 2011 against 3.2% in 2010.

% GROWTH IN OUTPUT (YoY)



The deceleration in developed economies impacted the developing economies through trade and financial channels directly besides weakening the business and investment sentiments. GDP growth of developed economies slipped to 6.2% in 2011, down from 7.5% recorded in 2010. Catastrophic tsunami in Japan and geopolitical challenges in some countries in MENA region further added to headline inflation leading to monetary tightening and thus impacting growth momentum in developing economies.

The timely intervention by European Banking Authority towards arresting the debt crisis has helped. Aimed at improving fiscal governance and policy coordination at the EU level and strengthening fiscal balance and introducing structural reforms at countries' level; several steps have been taken. These include the decision to combine the European Stability Mechanism and the European Financial Stability Facility, the introduction of three-year LTROs by the ECB, and the decision to advance the implementation of the ESM treaty to mid-2012.

In 2012, global GDP growth is projected to slip to 3.5% with advanced economies growing by 1.4% and developed economies growing by 5.7%.

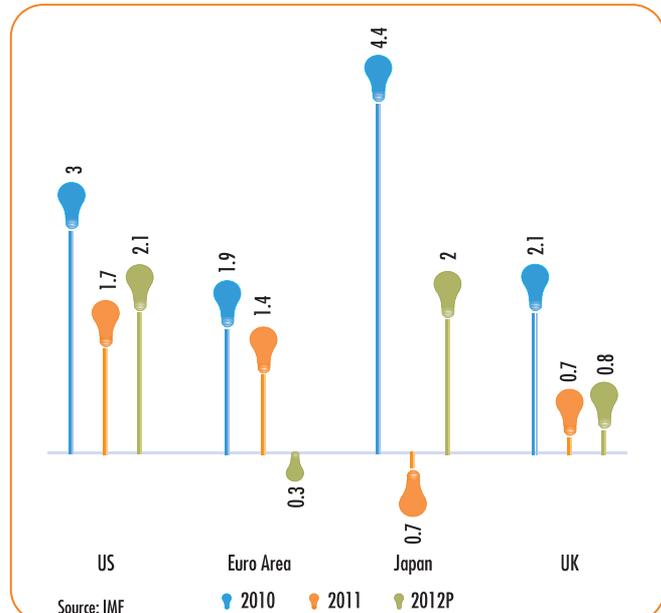
(Source: World Economic Outlook, April 2012 by International Monetary Fund)

### II. Industry structure and developments

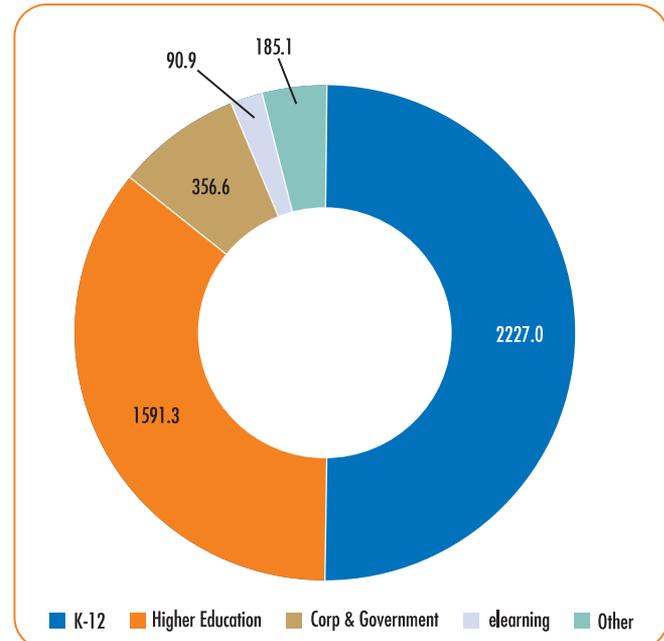
#### Global Education Sector

The education sector comprises of preschools, schools (K-

% GROWTH IN OUTPUT (YoY)



GLOBAL EDUCATION MARKET SIZE (\$B)



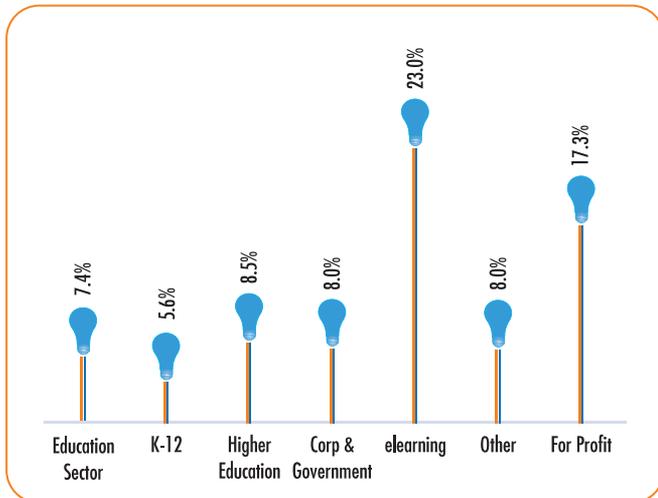
12), colleges & Universities (Higher / Tertiary Education), technical & professional institutes (Vocational), eLearning, education gaming, coaching and test preparation.

For year 2009, the global spending on education was USD 3.93 trillion with US contributing just over a third of it at USD 1.33 trillion. Globally K-12 continues to be the largest segment forming close to half of the total education spend, followed by the higher education that is just over a third of the total market. (Source: Unleashing the potential of educational technology, Executive office of the President Council of Economic Advisers, Sep 2011)

Globally 570 million children are enrolled across various schools. As per GSV EDU Education Sector Fact book 2012, the market size for 2012 is estimated to be USD 4.45 trillion.

As per the report, the sector would grow at a CAGR of 7.4%, with eLearning growing amongst the fastest at a CAGR of 23%.

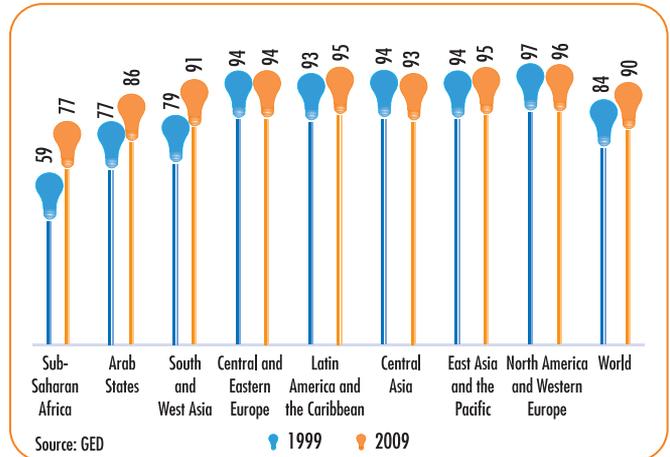
SEGMENT-WISE GROWTH



Regionally during the last decade South & West Asia, Arab States and Sub Saharan Africa had a dramatic improvement in their school enrolment rate. Still these regions have very low literacy rates compared to global average with around one-third of the men and half of all women being illiterate.

Globally, 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

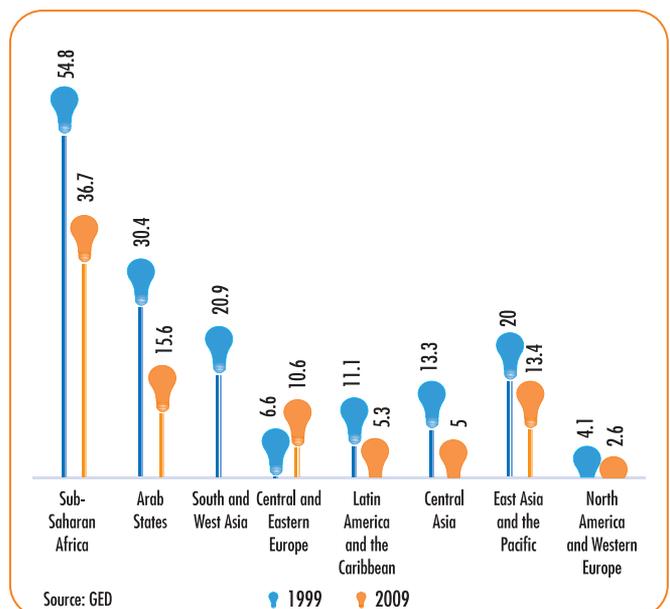
ADJUSTED NET ENROLMENT RATE, PRIMARY (%)



growth over the medium term. Not surprisingly, in many developing countries like in South Asia, 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.

PERCENTAGE OF OUT-OF-SCHOOL CHILDREN OF LOWER SECONDARY SCHOOL AGE



During the year, underlining its commitment to the growth of education in India and abroad, the Company changed its name from CORE Projects And Technologies Ltd. to CORE Education & Technologies Ltd. The company was appraised at Level 5 of CMMi, the highest level of process maturity that independently verifies an organization's capabilities to continuously enhance its processes through incremental and innovative process and technological improvements.

CORE continued its strong growth momentum, in spite of global slowdown. During the financial year, the company's revenue grew by an impressive 50.1% to ₹16,379 million, EBITDA by 60% to ₹6,258 million and PAT by 44% to ₹3,231 million. During the year, CORE associated with Texas Instruments (TI) to bring in a new way of teaching and learning maths and science to middle and secondary schools in India. The joint effort combines TI's best-in-class education technology solution with CORE's world-class content, teacher education and support to form one integrated solution called STEmpower.

During the year, CORE acquired UK-based education company ITN Mark Education Ltd which operates in the Teacher supply business in UK. The company got into a strategic tie-up with BIT, Ranchi, as a part of its Higher Education initiatives, by establishing CORE International Institute of Higher Education FZE, in Ras-al-Khaimah, one of the Emirates in the UAE, which offers courses in Engineering, Management and Architecture. The company recently entered into a joint venture with Mackeen Holdings, a quasi-government business group with diversified interests in Qatar and with Muscat Overseas Co. LLC, Oman's leading business group, to develop a world-class education system in Qatar and Sultanate of Oman to develop a blue-print for introducing a world-class educational system in the region.

### CORE's performance snapshot

Key statistics		
	As of 31 <sup>st</sup> March, 2006	As of 31 <sup>st</sup> March, 2012
School served per year	~15,000	~88,000
Children reached per year	~8,000,000	~35,000,000
Teacher covered per year	0	~105,000
Total clients	~75	2,000+
Total countries served	2	15

Total CORE offices	3	36
Operating segments	3	6

### Recent Achievements in FY12

- Crossed \$300 mn mark for consolidated revenues
- Achieved over \$ 100 mn in EBITDA
- Over 2000 employees on payroll
- 36 offices over 14 countries across the globe

### UNITED STATES OF AMERICA

#### Key Statistics

**64 million** students in primary and secondary public schools

**6 million** students in primary and secondary private schools

**4 million** preschoolers

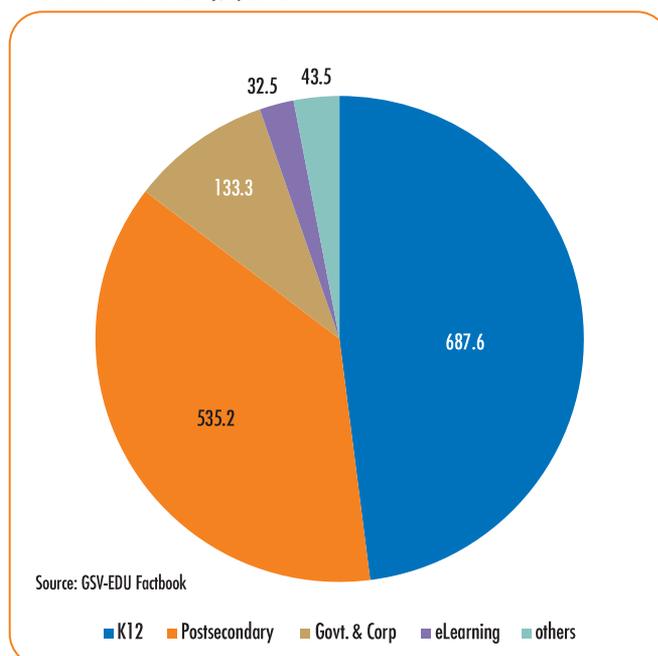
**2 million** students homeschooled

**98,700+** public schools

**33,700+** private schools of all levels and types

U.S. spends the most on education in the world and the market size of the education sector was USD 1.33 trillion in the year 2009. K12 forms the largest segment of the education sector and is half of the overall market size. (Executive office of the President Council of Economic

United States Market Size (\$B) 2012



Advisers, Sep 2011). State and local governments are primary sources of funds for K12 segment at 47 % and 44% respectively, while Federal government funds 9%.

As per GSV EDU report, US Education sector is expected to reach 1.43 Trillion in 2012 and is expected to grow at a CAGR of 5% over the next five years. The business of eLearning is projected to grow at CAGR of 15% over the next five years. The IT spend for the year 2012 is expected at USD 9.5 billion and USD 10.3 billion for K12 and higher education respectively (Source: 2012 Education Technology Market watch).

**CORE US Business Overview**

With presence in 46 States in the US, CORE currently provides Education Solutions across four key elements of education delivery namely Assessment & Intervention, Governance, Advanced Technologies and Consulting. CORE’s service offerings are designed to present its customers with a comprehensive, end-to-end bouquet of services & solutions. For FY12, US contributed around 86% to CORE’s total revenues.

In association with schools, districts and state-wide agencies across the US, CORE integrates and optimizes formative assessment solutions, technology infrastructure, management applications, compliance reporting, strategic staffing solutions and technical career education programs. CORE currently touches the lives of over 20 million students spread over 54,000 schools across the United States, advancing education through an integrated mosaic of innovative solutions. To create richer learning experiences, CORE is integrating its education offerings for assessment and governance solutions with the latest technology based solutions from its partners (e.g. Dell and Promethean) to transform today’s classrooms with 3D technologies, active desks and interactive whiteboards.

During the year, CORE entered in to a partnership with the East Valley Institute of Technology (EVIT), to develop a set of blended curriculum courses. These courses engage students through online and real-world apprenticeships and help them understand the relationship between academic preparation and career skills sought by employers. The program helps students to focus on leveraging their academic and career skills into an entrepreneurial attitude of job creation, not just employability.

**UNITED KINGDOM**

**Key Statistics**

The education market in UK (England and Wales)

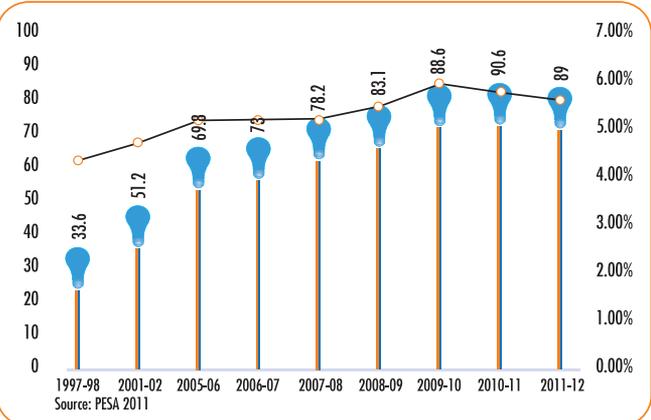
- 8.1 million** students in all schools in England
- 4.1 million** students in secondary schools in England
- 3.3 million** students in primary schools in England
- 1 million** students in special educational needs schools in England
- 600,000** students in independent schools

- 22,200** state schools
- 2,400** private schools of all levels and types

The education system in the UK comprises of pre-school, primary school, secondary school and higher / further education. UK’s spending on education between the period of 1999-2000 and 2009-2010 grew from 4.5% of GDP to 6.4% of GDP, by a strong CAGR of 5.1%. Due to global economic slowdown between 2010-15, the public spending is expected to reduce at a real CAGR of 3.5% with bulk of the reduction in higher education segment. The severity of reduction would differ across the segments, with the current spending on schools expected to see the smallest reduction and the spending on higher education and capital spending being at the other end.

Recent initiatives and deteriorating prospects within the labour market are driving demand for education although the boundaries between public and private provision are becoming blurred from school through to university level.

UK EXPENDITURE ON EDUCATION AND TRAINING (£ billion & %GDP)



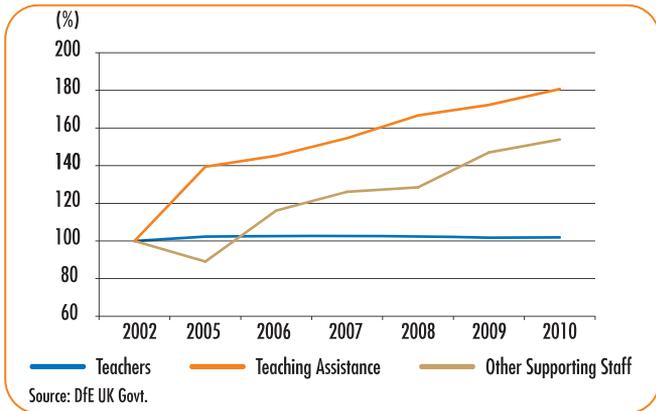
It is estimated that 43% of the total teacher demand in the UK is sourced from Teacher supply agencies, with the total teacher supply in the market in the UK aggregating to an approximately USD720 million market opportunity.

## Teaching

Teaching Assistance grew at an impressive rate of 80% between 2002 and 2010 to over 190,000 while the number of teachers were almost flat at around 445,000 during the same period. The support staff also grew by over 60% during the same period.

A recent survey performed by Department of Education

GROWTH IN TEACHING ASSISTANCE & OTHER SUPPORT STAFF



(Released on 25 April 2012), suggests that, in the academic year 2010-2011, 56% of teachers (in service at any time during the year) took sick leave compared with 52% in 2009-2010. An average 4.6 days of sick leave was taken by each teacher (who was in service at any time during the year) over an average of 4.2 days in the previous year, which lead to a demand for a robust teacher supply system for UK K-12 education.

## CORE UK Business Overview

CORE is focused on expanding its U.K. teacher supply solutions from providing teachers and teaching assistants to also providing special education need specialists, nursery and support staff as well. In addition, CORE is targeting to provide these temporary education professionals to academies or schools in the UK that are directly funded by the central government. In developing this opportunity, CORE has already secured two new large school cluster exclusive partnership agreements with the Middlesbrough Diocese and the London Diocese Board of Schools, in addition to several major academy school preferred supplier agreements.

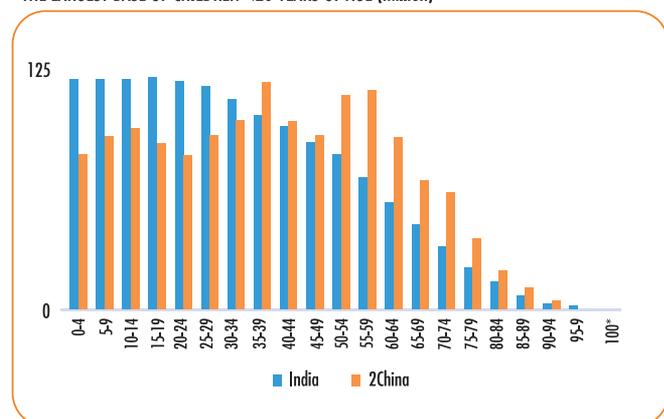
During the year, CORE further consolidated its position in the segment through the acquisition of ITN Mark in May 2011. ITN Mark is based in Manchester, United Kingdom. It has expanded CORE's education business by augmenting to its capabilities to provide teachers and teaching assistants to schools and nurseries in England and Wales, and to offer specialist education consultancy services, principally aimed at meeting the requirements of the United Kingdom Department of Education and inspections by the Office for Standards in Education, to education authorities, school clusters, academies and private sector education providers.

Acquired at a cost of USD 22.7 million, ITN Mark added GBP 16 million to the revenues and GBP 1.1 million to the EBITDA of CORE in the 10 months during the year post acquisition in May, 2011. It opens the doors for CORE to supply teachers and teaching assistants across the globe by replicating the business model after its successful implementation in UK by ITN Mark.

## INDIA

The education sector in India is on the concurrent list of the constitution, and hence, is regulated by both the Centre and the State governments. The Indian government has placed a high priority on education as an instrument for rapid and inclusive development. In the Eleventh Five Year Plan, approximately ₹2,742 billion was earmarked for the five years from 2007 to 2012, representing approximately 19% of the total budget. Although this figure implies an average spending of approximately ₹548 billion per year, historically, actual spending on education has been significantly greater than this. In years ahead, investments worth around ₹4.8 trillion are expected to flow into the educational services industry from 2010-11 to 2014-15 as against ₹3.4

THE LARGEST BASE OF CHILDREN <20 YEARS OF AGE (million)



trillion in the previous 5 years. These investments would flow into the formal education space - kindergarten to standard twelfth (K-12), higher education - and support infrastructure services (multimedia and ICT).

India has one of the lowest enrolment rates in primary and secondary school and one of the highest drop-out rates, indicating huge scope of improvement.

**Market Overview**

- India’s education sector is globally the third largest
- The private education sector is estimated to be USD 57 billion in 2009 and expected to grow at CAGR of 14% to USD 85 billion in 2012
- Government spend on education at 3.8% of GDP is in-line with the global average
- Literacy rate in India is 74.04% (2011 census) compared to the world average of 83.4% (2008)
- Market Size 572 mn people fall in age group of 0-24 years, which is double the population of US
- More than 237 mn students enroll every year for formal education, of which 220 mn are for K-12, and 17 mn are for higher education
- 18% to 59% is the likely increase in the range of

expenditure that an Indian middle class household may incur on education by 2025.

**ICT & Multimedia**

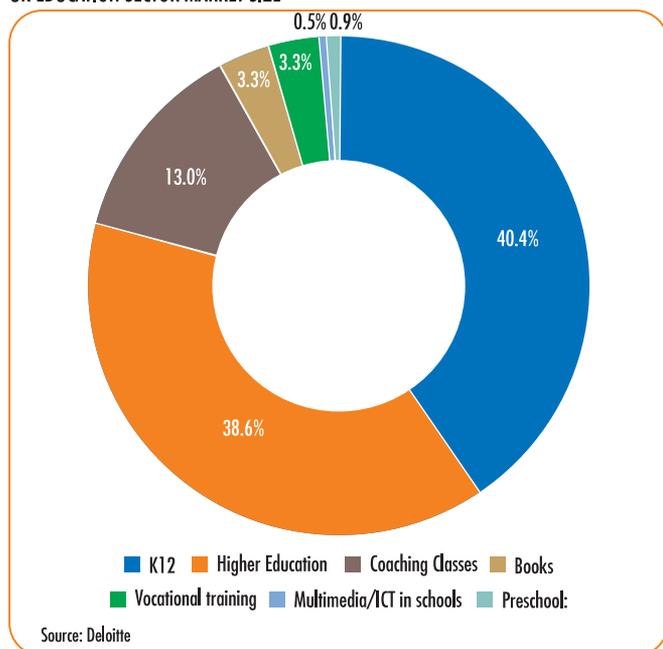
The ICT market in India is very nascent at USD 200 million but is expected to grow to over USD 2 billion by 2015. The key ICT solutions market in India currently include Storage Area Network (SAN), Enterprise Resource Planning (ERP) and Wireless LAN (WLAN).

Further, the Indian government is increasingly looking to engage the private sector in order to accelerate the development and reform of the education system via a PPP model. In 2006, the government introduced the ICT program to increase the use of technology in public schools, particularly in the rural areas. As part of the ICT initiative, the government outsources the setting-up of computer labs and provision of related educational content to the private sector. In the Eleventh Five Year Plan, approximately ₹50 billion has been allocated to achieve universal coverage of ICT at upper primary schools and at least 108,000 secondary schools by 2012.

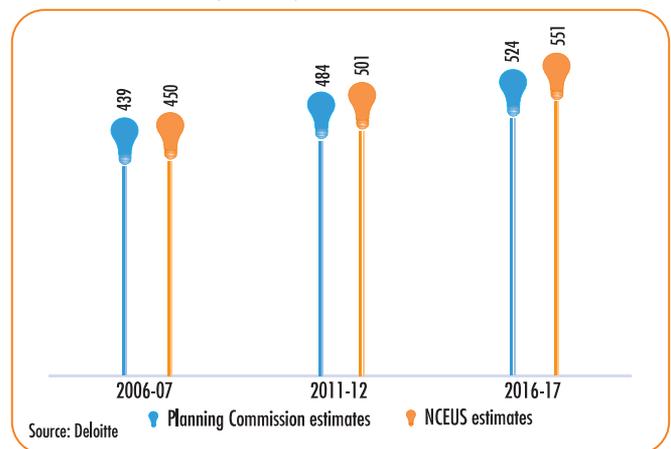
**Vocational Training / Skill Development**

India today has one of the largest workforces in the world but bulk of it is unemployable. According to India’s Labor Bureau, as of March, 2010, only 349 million of the approximately 751 million people in the working age population (15-59 age group) were employed. Due to massive change in working environment over the last few years and growing demand from new and existing industries like Construction, Automobiles, Textiles, Airlines, Hotels and Retail there is a huge need of re-skilling and skill upgradation.

UK EDUCATION SECTOR MARKET SIZE



PROJECTED LABOUR FORCE (MILLIONS)



The National Manufacturing Policy envisages the contribution of Manufacturing Sector GDP to increase to 25% by 2022 from the present 16%. Manufacturing, being a labour intensive, would need huge additional skilled manpower to meet the stated target and is expected to create 100 million new jobs in the sector. Further even, the existing workforce continuously needs skill upgradation to remain competitive in today's fast changing environment and hence look towards the vocational training institutes. Ironically, India's vocational and skill development Industry was just USD 1.8 billion in 2009 but is expected to have an impressive CAGR of 25% and grow to USD 3.6 billion by 2012.

The skill development industry also stands to benefit from the favorable government policies. National Skill Development Policy has set a target of 500 million skilled workers by 2022. To address this, India would need a training capacity of 30 million workers. The current public system is inadequate to meet this requirement and the government envisages increasing private participation through the PPP mode.

The PPP model is being implemented through upgrading and transformation of 1,396 industrial training institutes (ITI) into Centers of Excellence and permitting private management of ITIs and skill development centers. In addition, the private sector is expected to play a major role as the government plans to open 250,000 vocational schools in India over the next few years.

Government has set up the National Skill Development Corporation India (NSDC) and has funded about ₹2,000 crore (USD 400 million) till date as part of a national skill development mission to fulfill the growing need of skilled manpower across sectors.

### Teacher Training

Teacher training is another emerging segment. The lack of trained teachers in India is a result of low spending by schools on the subject – both in terms of thought and subsequent action. The market currently stands at ₹15 million.

The Eleventh Five Year Plan seeks to train teachers to improve school quality through District Institutes of Education & Training (DIET). The plan has set aside ₹1,124 million for DIET alone. The Central Government has allocated a total of ₹40 billion to conduct teacher training programs under the Eleventh Five Year Plan, of which only 36% has been utilised so far.

Key Government Initiatives	
Sarva Shiksha Abhiyan ("SSA")	SSA has been designed to ensure universal primary education and education quality through funding more schools and teacher recruitment and training, and supported by the Right to Education Bill passed in 2009 that entitles children 6-14 years old to free and compulsory education,
Rashtriya Madhyamik Shiksha Abhiyan ("RMSA")	RMSA aims to provide secondary schools within a five kilometer radius of every neighborhood and to raise prescribed standards for all secondary schools.
Continuous and Comprehensive Evaluation (CCE)	Schools affiliated with the Central Board of Secondary Education are mandated to evaluate students in grades 9 and 10 on a series of curricular and extra-curricular areas. The goal of CCE is to reduce students' workload and to develop well-rounded individuals
Model schools	The government has launched "model school" project in which it plans to set up 6,000 schools to serve as benchmark for excellence in secondary schooling. Out of these 6,000 schools, 2,500 schools will be set up through the PPP model.

### Formal Education – Higher Education

India has by far the largest number of higher education institutions in the world. India's Gross Enrolment Ratio (GER) for higher education is abysmally low. The size of higher education market is little less than 40% of the overall market and is expected to grow by 12% from USD 22.4 billion in 2009 to USD 31.47 billion in 2012.

Current investments in the Indian higher education

sector stand at an estimated ₹462,000 million. Further investments planned constitute the setting up of new institutions: 16 central universities, 14 innovation universities, 8 IITs and 7 IIMs. The current number - 16 million students – is expected to increase to 40 million by 2020.

**Right to Education (RTE) Bill**

For the first time in India’s history, children will be guaranteed their right to quality elementary education by the state. The Hon’ble Supreme Court passed a the landmark judgment in March 2012 directing Government to implement Right of Children to Free and Compulsory Education (RTE) Act 2009. RTE focuses on the quality of teaching and learning, which will lead to accelerated efforts and substantial reforms in Education sector.

**CORE INDIA BUSINESS OVERVIEW**

As part of its strategy, CORE is looking to invest in various initiatives in the emerging markets, with a significant focus in India. The Company plans to leverage upon its brand, global alliances, vast experience and track record of successful outcomes in the US market to grow in India. Specifically, in the Indian market, CORE’s strategy will be centered on growing vocational training programs, teacher training programs, ICT solutions and “model schools”.

**Information Communication & Technology (“ICT”)**

During the year, CORE made significant inroads into

the Indian Education System. The company established its presence in more than 10,000 schools, pan-India, through large Computer Aided Learning (CAL) and Information and Communication Technology (ICT) solutions. CORE currently is assisting several Indian State Governments including Gujarat, Haryana, Punjab, Maharashtra, Meghalaya and Nagaland with its CAL & ICT solutions.

The company strongly believes that India is a highly attractive and under-penetrated market and plans to significantly increase its investment to capitalize on opportunities in multiple education business lines, across teaching, learning, assessment, governance and advanced technologies in K-12 system.

**Vocational**

CORE is currently looking to grow its vocational training business on a pan-India basis as there is a dearth of skilled manpower across all states. CORE is working to expand its vocational training focus into additional industries such as Automobile, Healthcare, Hospitality, Retail, Construction and Tourism. To carry out its growth strategy in these areas by increasing focus on various business-to-government initiatives CORE has recruited a dedicated sales force and has been able to obtain an order book of over 50,000 students. In addition, CORE has been able to successfully place 83% of the students trained by the Company which gives further credence to its focused S-T-P (Source-Train-Place) model.



## Teacher Training

Teacher training is CORE's one of the key focus area and the company is focusing on complete teacher quality reform. CORE initiated a comprehensive worldwide teacher training strategy to focus on teacher quality at broader level. With University of Oxford, CORE initiated a research project in India for understanding teachers' professional development needs and creating teacher learning platform customized to school teachers' needs. After more than two years of research, CORE and Oxford University have jointly built and introduced a unique global teacher learning platform consisting of online teacher learning and application of new pedagogies, expert mentor help and social collaboration. With certification and Oxford strengths, this is emerging as CORE's flagship product in its teacher training portfolio. Training initiatives under this program are being built in 3 modules (first module being ready for launch). The key deliverables are platform license, SAAS & B2B implementation of training with basic ILT, expert interactions, certification and mentoring. This can be delivered in PPP mode in alignment with local government teacher development programs as part of fresh skilling of new teachers or re-skilling of existing teachers.

For India, with introduction of Continuous & Comprehensive Evaluation (CCE), teachers are struggling to adhere to the new requirements. In order to address this critical need, CORE has introduced multimedia based teacher training programs for Indian teachers that is being marketed as short courses to schools.

## Model Schools

CORE expects to derive revenue from its model school business initiative by providing fee-based services such as infrastructure (including the land and the building), management and operations services to the not-for-profit company it may establish to own and operate the model schools. This is emerging as a large opportunity in India with the MHRD already launching its first phase plan of 500 model schools across India. The overall plan is for 2,500 schools of this type to be built over the next 5 years.

Key features of the model schools scheme are as follows

- PPPs to be implemented in non-economically backward blocks having greater purchasing power
- Focus on Tier II (populations between 1 million and 5 million) and Tier III cities (populations less than 1 million)

- Assurance of the reimbursement of student fees for at least 40% of students
- Other education related activities are allowed in the model schools which increases utilization of existing premises and adds to the return on investments from such asset

Given its goal of higher quality education, the Company expects these "model schools" to become a highly attractive choice for many parents.

## STEMpower

During the year CORE joined hands with Texas Instruments to bring best-in-class educational technology solution that would use CORE's world-class content called STEMpower. Through STEMpower, TI and CORE will address teaching, learning and assessment needs in the classroom, in the lab, and in the real world. The solution is designed to support teachers, students and administrators with the technology and resources they need to ensure that every student has an opportunity to explore, learn, apply and succeed with Math and Science.

We have also partnered with ITE, Singapore for vocational training activities.

## III. Risk Assessment and 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 adverse impacts on operations and financial condition of the Company.

#### *Risk mitigation*

This is an industry-wide risk and the Company being a part of the sector is subject to 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 countries of its operations requires it to work 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.

The Company has been successful in receiving payments on most of its ICT contracts within estimated timelines and is confident to continuing this trend in future as well based on its successful follow-up mechanism.

### **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 through organic and inorganic growth as well as forged partnerships with the University of Oxford, EVIT, and Center for Higher Learning, Dell, Promethean, ITEES, etc. The Company's wide range of products and solutions through various delivery models and in diverse geographies has enabled it to achieve satisfactory growth despite competition.

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

A significant part of income from operations comes from the United States and the United Kingdom. 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 mature 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 of USD 120 million, 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 Asia and Caribbean Islands. In the years to come, the company expects to derive increasing share of the revenues from these 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. The company has also partnered with best-in-class technology leaders to understand and offer the latest in technology to its 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 has emerged as an employer of choice in the industry. It 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 from CORE's products, solutions and services that are exported from India are priced in US dollars and the company is therefore vulnerable to foreign exchange rate fluctuations.

#### Risk mitigation

CORE's exposure to foreign exchange is only towards the exports from India, which constitutes 17% of total consolidated operations. The company hedges the transactions at strategic points in time with reasonable care.

#### IV. CORE's comprehensive global offerings

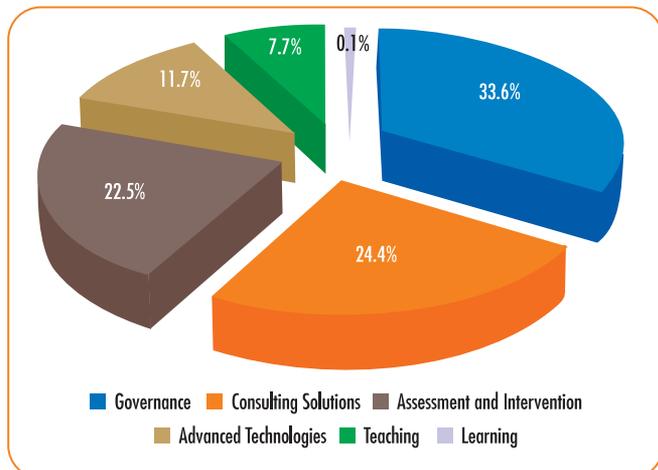
CORE's comprehensive offering is delivered through a combination of content, licensing or service modalities across the entire education continuum from pre-kindergarten and K-12 to higher education and vocational training. The Company's solutions are aligned across six key elements of education delivery.

a) **Teaching** is focused on providing teacher staffing and teacher training solutions to improve both the presence and effectiveness of teachers in the classroom

#### ITN Mark

- The acquisition of ITN Mark in May 2011 expanded CORE's capabilities to provide teachers and teaching assistants to schools and nurseries in England and Wales
- Now also offers specialist education consultancy services, principally aimed at meeting the requirements of the United Kingdom Department of Education and inspections by the Office for Standards in Education, to education authorities, school clusters, academies and private sector education providers

CORE FY12 REVENUE BREAK-UP



#### Teacher Training modules (in partnership with University of Oxford)

- Provides technical teacher training to the Maharashtra State Board of Technical Education (MSBTE) in India
- Also provides Kerala State Council Educational Research and Training (SCERT) teacher training in conjunction with CORE's strategic partnership with University of Oxford

b) **Learning** is directed at improving the impact, efficiency and engagement of students in order to increase proficiency and "employment readiness".

#### Vocational Training

- CORE's vocational training business is focused on meeting the training requirements of the public and retail sectors in India
- In the public sector, the Company provides vocational training services to government-sponsored candidates and youth from economically disadvantaged rural and urban areas
- In conjunction with its partnership with the East Valley Institute of Technology, the Company aims to replicate its vocational training business as a technical education program that will provide career training to high school and postsecondary education students in online and physical environments in the United States

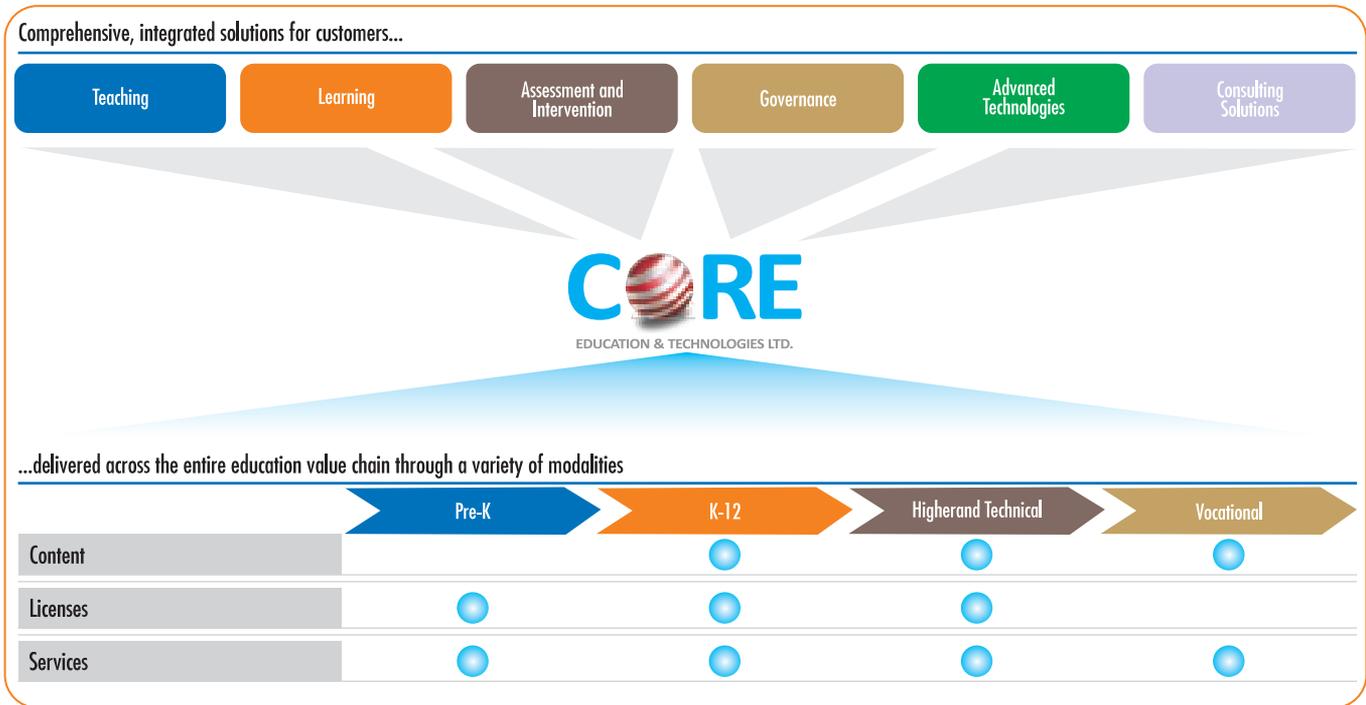
#### Model schools in India

- CORE is planning to participate in the tenders floated by the Indian Central Government to start model schools which will cover 6,000 model schools under the initiative
- CORE has already been shortlisted as technical winner for 50 model schools for 30 years from State Government of Rajasthan

c) **Assessment and Intervention** aims to effectively and actively track, measure and improve student proficiency as well as ensure continuous progress toward key educational objectives

#### Assessment Center K-12

- Formative assessment solution consisting of online assessment platform with 250,000 test



items in the subjects of English, Math, Science and Social Sciences

- Designed to support state-wide and district-wide periodic assessment initiatives for students from grades 2 – 12

**FAIM**

- Examination management product for course administration, exams and assessments, including both vocational and academic structures
- Incorporates a database design with a modular approach to software functionality and has the flexibility to incorporate web-based registration and testing facilities for remote access by schools, examination centers or individuals

**EdMastery**

- Customizable assessment delivery and reporting system to aid teachers in assessing students on the mastery of skills required by state or local test objectives
- Provides key student and class performance data, which enables teachers and administrators to quickly analyze and report on student or class test results to make the decisions needed to best support their students

**SideStreets**

- Supplemental curriculum product for reading and math for grades 1 – 8, designed for standard or extended school day or summer programs and response to intervention initiatives

**Prospects**

- Supplemental curriculum program for English language, Arts and Math for high school students

**Lightning Math**

- Algebra readiness program for students in grade 7 requiring additional instruction in algebra, combining elements of instruction, assessment and professional development

d) **Governance** 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.

**Bright IDEA**

- Web-based special education case management and workflow solution
- Manages student data that meets both Part B and Part C of IDEA

### Pre-K Matters

- Pre-kindergarten management and accountability system with a user-friendly online system to oversee and report on functions such as application submissions rosters, budgets and payment processing

### Unique ID Generator

- Web-based software application that generates unique student IDs to track student progress across time and schools

### Child Tracking System

- Solution for identification and tracking of children in a given state
- Digitizes survey data and creates a unique ID to identify and classify children on various parameters

### Teaching and Learning Management Open System ("TALMOS")

- Software site designed to promote collaboration and best practice teaching methods within schools, local education authorities and school clusters
- Allows for a three-way communication portal between teachers, students and parents and provides curriculum management features to enhance instructional capabilities and classroom efficiency

- Allows teachers to share lesson plans and resources
- Provides teachers and students with instantaneous access to the Encyclopaedia Britannica
- Lesson and attendance control software solution designed to reduce teachers' workloads and raise lesson attendance

- e) **Advanced Technologies** looks to provide hardware products along with managed IT solutions to customers in the education domain globally.

CORE is actively involved in forging partnerships with other successful companies who offer large-scale, multi-functional cloud services to a large customer base but do not possess integrated products or expertise in classroom management, assessment, and improvement. For example, in partnership with Texas Instruments, CORE offers a valuable STEM solution that integrates Texas Instrument's technology with CORE's curriculum and assessment tools. Similarly, Dell and CORE offer an integrated Learning Management System that is fuelled by CORE's assessment platform (Assessment Center K-12) and item banks.

- f) **Consulting Solutions** modifies student management software solutions for school districts, designs, creates and delivers training specifically for companies serving schools and provides consulting services



regarding software and systems integration to schools, governments and corporations.

As part of the various service offerings, CORE offers various solutions like performance management, “through-life” management, procurement and supply chain management, business-to-business relationship management; portfolio, program and project management; organizational development; process improvement and change delivery, interim management (providing short-term professional service resources to enhance and support core business functions), and information technology solutions management. The Company’s domain expertise includes government, financial services and education and its customers primarily include state departments and corporates.

CORE provides software solutions for its customers operating in industries such as human resources, manufacturing, banking, financial services, supply chain management and data warehousing. It typically meets with the customer to discuss a solution required, and then customize the solution and provide the customer with support for the product on a continuing basis. The Company’s consultants specialize in 15 sectors, including central government, policing and criminal justice, local government, defence, transport and finance.

**V. Segment Performance**

	₹ in million	
	FY11	FY12
Teaching Solutions	-	1,253
Learning Solutions	-	12
Assessment and Intervention Solutions	3,349	3,692
Governance Solutions	3,900	5,506
Advanced Technologies	662	1,910
Consulting Solutions	3,001	4,005
Total	10,912	16,379

**VI. 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 accounts and reporting of financial statements. The audit reports are reviewed by the Audit Committee of the Board periodically.

**VII. 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 ₹6.65 million by addition of 3,326,705 equity shares of ₹2 each, of which 2,565,749 equity shares were allotted against the conversion of FCCBs issued in 2010 and 760,956 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 ₹829 million with due premium on allotment of shares on conversion of FCCBs, Exercise of Warrants, Employee Stock Options net of expenses incurred on the issue.

**c. General reserve**

A sum of ₹188 million has been transferred from the current year profits to the general reserve account with a balance of ₹506 million at the end of the year.

**d. Profit and loss account**

The opening balance in the profit and loss account was ₹5,879 million. A sum of

₹3,231 million was added during the year. The balance retained in the profit and loss account as of March 31, 2012, after transfer to the general reserve, debenture redemption reserve and making provision for proposed dividend and dividend tax is ₹8,786 million.

### 3. Loan funds

Amount in ₹ million

Particulars	31 March 2012	31 March 2011
Long term borrowings	11,152	5,353
Short term borrowings	2,446	3,041

Increase in long-term borrowings comprise of term loans, project loan facilities and additional funds raised from issue of NCDs. Short-term borrowings comprise of working capital facilities availed by the Company during the year.

### 4. Deferred tax liability

The deferred tax liability was at ₹212 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 ₹10,440 million and depreciation and amortization increased by ₹404 million during the current year. The increase is mainly on account of addition of assets on acquisition of companies, developing IPRs and purchase of immovable properties. Net block of tangible and intangible assets at the end of the financial year stands at ₹11,630 million (As at March 31, 2011 – ₹3,795 million).

### 6. Investments

On a standalone basis, investments increased by ₹2,187 million during the year. The increase resulted out of new overseas acquisitions and further investments in the existing wholly owned subsidiaries. Further, the Company has also invested in domestic SPV to cater to domestic markets. Total outstanding investments by the Company as on March 31, 2012 stands at ₹11,584 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 the Company's 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 31 March 2012 Inventories stand at ₹2,108 million which includes unbilled revenue and manpower cost incurred in developing software.

### 8. Sundry debtors

Sundry debtors amounted to ₹6,112 million (net of provision for doubtful debts) as on 31 March, 2012, compared to ₹4,890 million as at 31 March, 2011. 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 & bank balance

Cash and bank balance stands at ₹1,575 million as compared to ₹1,897 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 its tax liabilities and for the dividend (including dividend tax) being proposed at the ensuing AGM.

## Results of operations

### 1. Income

The Company's 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. The growth in software services and product revenues is due to the effective steps initiated by the company to realize the full business potential and the focused approach towards various domains in which the Company operates. The expansion of the offshore development centre and optimum utilization of resources have resulted in robust business growth. The Company's consolidated income from operations was ₹16,379 million.

### 2. Revenues & margins

On a consolidated basis, the Company achieved gross revenue of ₹16,379 million for the financial year ended 31 March 2012 (Previous Year ₹10,912 million), demonstrating growth of over 50%. Profit before tax increased by 57% to ₹4,282 million from ₹2,718 million and profit after tax increased by 44% to ₹3,231 million from ₹2,250 million in the last fiscal.

Total revenue increased from ₹10,912 million in FY11 to ₹16,379 million in FY12, an increase of 50.1%. All operating segments grew at a healthy growth rate across the regions

- Acquisition of ITN Mark during FY12 opened teaching segment and contributed about 8% to the consolidated revenues.
- The Company's assessment, intervention,

governance and consulting solutions are predominantly focused on developed markets such as US and UK. They were stable during FY12 on the back of increased education funding by respective federal governments. They contributed about 56% to the consolidated revenues in FY12, an increase of 20% over the previous financial year.

- CORE's advanced technologies segment comprises of business in US and India. The increase in contribution from this segment was primarily on account of full year impact of Company's earlier acquisitions and because of increase in the revenues from India. Due to the complete execution of various ICT BOOT contracts entered into Q4FY11 / Q1 in FY12, the contribution from India increased from ₹240 million in FY11 to ₹740 million in FY12. Learning segment constituted vocational education revenues from India in FY12
- Key new contract awards/renewals during FY12 include LAUSD, Texas Education Agency, North Carolina, Michigan State, Anchorage School District in Alaska, Gujarat SSA, Maharashtra ICT 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. The Company continues to use these external consultants on the need basis. Employee costs consist of salaries paid to employees.

Travelling expenses mainly consist of cost of travel incurred by its 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, 2012.

#### **b. Interest and finance cost**

The company avails working capital facilities and term loan facilities from its bankers and has also raised funds through other debt instruments viz. NCDs and long term debt through banks, financial institutions, finance leases etc. Total interest costs towards servicing the availed facilities were ₹1,244 million compared to ₹768 million during the previous year. The increase is mainly of servicing of term loans, NCDs and FCCBs. During the financial year, there was an unrecognized foreign exchange fluctuation loss aggregating ₹239 million as compared to unrealized foreign exchange gain of ₹113 million in the previous year.

#### **4. Provision for tax**

The company has provided fully for its 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 March 31, 2011, whichever is earlier. As effective tax-planning measures the company plans to shift its export activities to Special Economic Zones (SEZ), where the Company can claim exemption from tax payment on its export revenues.

#### **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.**

#### **Material developments in human resources and industrial relations**

The ability to attract and retain talented employees is critical to business success. CORE recognizes that each individual is unique and brings his unique talents to the organization.

As part of its talent management strategies, the company practices 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.

The Company has been successful in building a culture of personal growth and has been able to engage talented people. This has been possible with a robust performance management system. The Company is committed to cultivating a performance-driven culture that rewards results. The objective of the performance management system is to align each employee's work to the company's business goals. CORE's 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, ramp up and management of diverse teams. The environment of continuous learning enables employees to shoulder higher responsibilities with élan.

To keep its people connected and informed across the globe informed, the Company has introduced a newsletter this year, called “Connect”, which received an overwhelming response.

In addition, various engagement activities are planned during the year such as celebrating major festivals, sports events such as an annual cricket tournament, football tournament, table tennis, carrom tournaments, picnics, team outings and other cultural events where employees and their families interact and have a good time. These events are fantastic team-building activities as they help the Company’s employees to come together as a team and share great camaraderie.

CORE realizes that the key to its customer satisfaction is its people. The Company has taken all necessary steps to ensure employee satisfaction, which has resulted in greater customer loyalty, better engagements and higher revenues. As part of this employee focused program, the Company gives its people whatever they need to succeed - space to grow, time to think or tools to use.

The opportunities for learning and growth and the encouragement of entrepreneurial working styles in addition to its focused employee engagement initiatives at creating a work-life balance also serves as a powerful retention tool whereby people actually look forward to coming to work and excel at what they do.

A formal rewards and recognitions program has been formulated wherein employees, teams, and leaders are recognized for their outstanding contribution to the organization and rewarded as part of the annual award ceremony. This generates healthy competition among individuals and teams, which ultimately contributes to higher levels of overall performance.

Knowledge Management (KM) at CORE allows CORE Minds to tie together the collective experiences and knowledge towards better product delivery, as well as individual and organizational excellence.

The Company strongly believes that only happy employees are productive employees. Having fun while being at work enables an employee to enjoy one’s work and go the extra mile. Working in a relaxed environment and adding a fun element to work atmosphere make the job a pleasure for the employees. This dynamic and vibrant work culture helps to create a feel-good factor within the organization and a positive and cohesive attitude among employees. Such an environment boosts employee morale, reduces stress, and brings change in an otherwise monotonous work schedule. This culture also plays an important role in the retention process at CORE.

Such initiatives provide a platform to understand, imbibe the culture of the organization and integrate with it. It promotes optimism and teamwork, and motivates employees to put their best foot forward.

#### **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,

Yours Directors have pleasure in presenting the 27th Annual Report on business and operations of your Company along with the audited financial statements for the year ended 31 March 2012.

## RESULTS OF OPERATIONS:

(₹ in Million)

	Consolidated		Standalone	
	2011-12	2010-11	2011-12	2010-11
Income from Operations	16,378.57	10,912.29	8,783.88	5,155.92
Other Income	496.86	42.81	451.95	29.64
Variation in Inventory	(641.96)	(444.44)	349.75	(107.84)
Expenses	13,235.66	8,680.91	6,532.97	3,773.09
Profit Before tax	4,281.73	2,718.62	2,353.12	1,520.31
Less: Provision for tax (current)	1,027.39	447.35	449.01	262.13
Excess/(Short) Provision for Earlier years	(124.74)	-	(124.74)	-
Provision for tax (deferred)	148.17	21.17	148.17	21.17
Profit after Tax	3,230.92	2,250.11	1,880.68	1,237.01
Add: Balance B/F from Previous Year	5,879.16	3,832.94	3,157.16	2,124.04
Profit Available for appropriations	9,110.08	6,083.05	5,037.84	3,361.05
Debenture Redemption Reserve	57.73	0.35	57.73	0.35
Transfer to General Reserve	188.00	125.00	188.00	125.00
Proposed Dividend	67.49	65.49	67.49	65.49
Provision for Taxes on Dividends	10.95	13.05	10.95	13.05
Balance C/F to Balance Sheet	8,785.90	5,879.16	4,713.67	3,157.16

## FINANCIAL OVERVIEW:

The financial year 2011 – 12 was a remarkable year with significant developments in India business operations. On a consolidated basis, your Company achieved total operating income of ₹16,378.57 Million registering a growth of 50% as compared to ₹10,912.29 Million during the previous financial year. Similarly, Profit Before Tax was ₹4,281.73 Million with a growth of 57% as compared to ₹2,718.62 Million during the previous financial year. Profit After Tax was ₹3,230.92 Million with a growth of 44% as compared to ₹2,250.11 Million during the previous financial year.

## DIVIDENDS & APPROPRIATIONS:

Your Company follows a policy of paying stable dividend linked to consistent performance, while at the same time keeping in view the need to finance growth plans through internal accruals. Your Directors are pleased to recommend a dividend of 30% of the paid up capital i.e. ₹0.60 (60 paise) per equity share, subject to the approval of the members to be paid:

- to those beneficial owners, holding shares in electronic form, whose names appear in the statement of beneficial owners furnished by the Depositories to the Company as at the close of business hours on 19 September 2012.
- to those Equity Shareholders, holding shares in physical form, whose names appear on the Register of Members of the Company at the close of business hours on 20 September 2012 after giving effect to all valid transfers in physical form, if any, lodged with the Company or its Registrar and Share Transfer Agent till 19 September 2012.

The dividend above, if approved by the members would involve a

cash outflow of ₹67.49 million as dividend and ₹10.95 million as dividend tax.

The Register of Members shall be closed from 20 September 2012 to 27 September 2012 (both days inclusive), for the purposes of payment of dividend and for the Annual General Meeting proposed to be held on 27 September 2012.

## TRANSFER TO RESERVES:

The Company proposes to transfer a sum of ₹188.00 Million (Previous year ₹125.00 Million) to the General Reserves Account and an amount of ₹8,785.90 million (Previous year ₹5,879.16 million) has been retained in the Profit and Loss Account on the 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 & Analysis section, forming part of this report.

### India Business:

During the period under review, India business became more prominent with additional orders for implementation of Information & Communication Technology (ICT), Computer Aided Learning (CAL) and Learning Management Systems (LMS) in addition to the existing contracts under the flagship program of "Sarva Shiksha Abhiyaan". This programme involving various State Governments covers 2,622 schools in the State of Haryana, 947 schools in Maharashtra, 1,920 schools in Punjab, 3,707 schools across Gujarat and further schools across Meghalaya, Assam, West Bengal and others. We currently cater to over 10,000 schools and have covered over 13.3 million children under our various projects in India and have helped the industry in providing

employment to over 7,000 people.

In a capacity building exercise your company in association with the Central Board of Secondary Education (CBSE), New Delhi, trained about 1,028 teachers. In addition to this, the Company proposes to deploy its turnkey examination management tool 'EdMastery' with required customization for CBSE. CORE's solution will help CBSE to automate the process of generation and distribution of question papers across the 12,800 CBSE affiliated schools, automate the web based online test-Performance Analysis Test (PAT) across different countries and automate the centre-wise test by implementing client server based system.

#### **New Partners**

Our association with the University of Oxford for teacher capacity building took a new leap by way of a pilot project along with Kerala State Governments' State Council Educational Research and Training (SCERT) for teacher training.

We partnered with Texas Instruments, known for innovation in technology, to bring STEMpower' an innovation in teaching, learning and assessment of math and science in the classrooms. Through STEMpower, CORE has taken its first steps in building relationships with private schools in India and has successfully bagged orders from renowned school like Sanskriti in New Delhi.

Our partnership with the East Valley Institute of Technology (EVIT), is developing a set of blended curriculum courses that engage students both online and in real-world apprenticeships that teach students the relationship between academic preparation and career skills sought by employers.

We have also partnered with ITE Singapore for vocation training activities.

#### **Vocational Training**

Vocational Training is another important focus area for your Company, where we train the youth to enhance employability. There are significant developments under the Vocational Training business with several contracts bagged and one of them being, the contract from Karnataka State Electronic Development Corporation for imparting training under SJSRY Step up Scheme to impart employment-linked trainings approximately 12,500 beneficiaries, sponsored by Directorate of Municipal Administration across Karnataka. Another contract is from the Department of Panchayati Raj, Uttar Pradesh, for the training of 11,200 Elected Representatives and functionaries of Panchayati Raj Institutions in the State on Public Private Partnership basis. And further training of over 7,200 students under Employment Generation and Marketing Mission (EGMM), Andhra Pradesh, 1,500 students under Gujarat Knowledge Society - Grant for Girl Empowerment Training Program on Adolescence Education and 4,800 students under Mission for Elimination of Poverty in Municipal Areas (MEPMA), Andhra Pradesh, a scheme set-up for enabling employment to the urban poor candidates.

Further, your Company has taken several initiatives on multi sector vocation model covering various sectors with employment potential in sectors like Hospitality, Retail, Auto, Construction and Information Technology.

#### **Teacher Training**

Your Company had collaborated with the University of Oxford some time back 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 Company will be ready for a launch on this soon and expects to reap the benefits of this collaboration.

#### **OVERSEAS OPERATIONS:**

##### **US Business**

Currently approximately 86% 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 21.42% increase in Profit after Tax, to USD 20.58 million (₹1,016.43 million). Overall we saw an increase of 50.7% in the revenues of our US subsidiaries (comprising CECS Inc, CETI Inc and CITS Inc) from ₹6,128.8 million in FY11 to ₹9,233.8 million in the current year FY12. This was supported by a healthy EBITDA of 27.8% during the year which grew from ₹1,519.7 million in FY11 to ₹2,566.8 million in FY12 an increase of 68.9% during the year. Profit after tax for our US subsidiaries also grew from ₹804.6 million in FY11 to ₹1,246.9 million in FY12 by an impressive 55%. In the US, we have presence in over 46 States and provide Education Solutions across four key elements of education delivery, namely Assessment & Intervention, Governance, Advanced Technologies and Consulting Solutions.

With our association with schools, districts and statewide agencies across the US, CORE integrates and optimizes formative assessment solutions, technology infrastructure, management applications, compliance reporting, strategic staffing solutions and technical career education programs. CORE currently touches the lives of over 20 million students spread over 54,000 schools across the United States, advancing education through an integrated mosaic of innovative solutions. To create richer learning experiences, CORE is integrating its education offerings for assessment and governance solutions with the latest technology based solutions from its partners (Dell and Promethean) to transform today's classrooms with 3D technologies, active desks and interactive whiteboards.

Our business partnership agreement with Promethean is aimed at introducing transformational interactive learning technology in schools. Similarly our partnership with the East Valley Institute of Technology (EVIT), is developing a set of blended curriculum courses that engage students both online and in real-world apprenticeships that teach students the relationship between academic preparation and career skills sought by employers.

##### **UK Business**

During the year under review, we further consolidated our position through the acquisition of ITN Mark Education Ltd. in May 2011. ITN Mark is an education services provider operating through a network of 16 offices across UK. This acquisition has helped CORE expand its education business by giving it the capability to provide teachers and teaching assistants to schools and nurseries in England and Wales, and to offer specialist education consultancy services, principally aimed at meeting the requirements of the United Kingdom Department of Education and inspections by the Office for Standards in Education, to education authorities, school clusters, academies and private sector education providers.

We are focused on growing our U.K. teacher supply solutions to also include special education need specialists, nursery and support staff as compared to targeting only teachers and teaching assistants. We are also targeting to provide these temporary education professionals to academies or schools in the UK that are directly funded by the central government.

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

This year, we could achieve yet another remarkable milestone under our Higher Education initiative by establishing "CORE International Institute of Higher Education FZE, in Ras-al-Khaimah, one of the Emirates in the UAE, which now currently offers courses in association with Birla Institute of Technology, Ranchi. The institute offers programs in Engineering, Management and Architecture for around 300 students on campus. We are also in the process of formalizing with a leading international university for offering Global Executive MBA programmes in the UAE.

We have entered into a Joint Venture with Mackeen Holding, a quasi-government business group with diversified interests in Qatar, for creating a blueprint for developing a world-class education environment in Qatar. Further, we have a Joint Venture with Muscat Overseas Co. LLC, Oman's leading business group to develop a world-class education system in the Sultanate of Oman.

**Teacher Supply** - As part of its thriving cross selling opportunities across the globe, your Company has expanded its Teacher Supply Business, which was part of the acquisition of ITN Mark, in the Middle East this year. We can see huge traction for placement of permanent teachers in countries like Kuwait, Qatar and Saudi Arabia, as these countries are facing huge shortage of quality English speaking teachers in K-12 schools.

Our presence in the Africa region spans across to several countries like Mozambique, Zambia and Kenya where we offer our Examination Management Solutions like FAIM.

### **Restructuring of Subsidiaries:**

In the process of creating and enhancing the value for our stakeholders, it was decided to restructure the Company's business carried on through its subsidiaries, whereby our subsidiaries in the US and UK viz., CORE Education & Consulting Solutions, Inc., USA and CORE Education & Consulting Solutions (UK) Ltd., in the UK shall become immediate subsidiaries of CORE Education & Consulting Solutions Pte. Ltd., our wholly owned subsidiary incorporated in Singapore.

This restructuring will serve multiple purposes viz., i) creating and consolidating values for our global K-12 business under one company which is currently spread over various jurisdictions; ii) bringing synergies into the operations through such integration; iii) setting up our global R & D centre in Singapore to further enhance our education offerings and iv) unlocking value of our K-12 business in medium term / long term. Moreover, the Singapore subsidiary will not only be a holding company for the US and UK business but will also develop its own business considering the business potential of the emerging markets of Singapore, Malaysia, China, Hong Kong and other countries in the Asia Pacific region.

### **Changes in Capital Structure**

#### **Allotment of share on exercise of options under CORE Employee Stock Option Scheme:**

During the year, 169,628 equity shares under CORE ESOS 2007 and 591,328 equity shares under CORE ESOS 2009, were allotted to the eligible employees and the Directors of the Company on exercise of stock options issued and implemented in accordance with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. Detailed disclosure as required under the relevant guidelines is provided in

Annexure II herewith and forms a part of this report.

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

During the year under review, bonds worth USD 15,696,000 were converted against which the Company had allotted 2,565,749 equity shares of ₹2 each at a premium of ₹269.80 per equity share. As on 31st March 2012, USD 59,087,000 bonds were outstanding for conversion.

Considering all the allotments above, during the year 2011 – 2012, the paid-up share capital of your Company stands increased from ₹218,291,272/- comprising 109,145,636 equity shares of ₹2/- each to ₹224,944,682/- comprising 112,472,341 equity shares of ₹2/- each.

During the period from 1st April 2012 till the date of this report, the Company had further allotted 183,889 equity shares of ₹2/- each against the exercise of stock options and 1,593,788 equity shares against conversion of FCCBs. As on the date of this report, a sum of USD 49.33 million remains outstanding for conversion.

### **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 Standalone business operations. In view of that and also as required under the Listing Agreements with the Stock Exchanges, the Consolidated Financial Statements 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 and the revised Schedule VI in Companies Act, 1956 as directed by the Ministry of Corporate Affairs vide its Notification No. S.O.447E dated 28 February, 2011. Details of the subsidiary companies are discussed in more detail in the Management Discussion & Analysis section, forming part of this report. Your Directors believe that the audited consolidated accounts represent a true and fair view of the state of affairs and financial conditions of the Company and its subsidiaries.

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. However, Government of India (Ministry of Corporate Affairs), vide General Circular No. 2/2011 dated 8 February 2011 has granted general exemption to all the companies from attaching to its Balance Sheet, the Annual Financials of all its subsidiary companies, subject to approval of the Board of Directors of the Company and subject to such disclosures on the financial information other conditions as mentioned in the aforesaid circular being complied with. A statement pursuant to Section 212 of the Companies Act, 1956, relating to the Company's interest in its subsidiaries is attached to the financial statement of the Company and forms part of this report. The annual financials of these subsidiary companies and the related information shall 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 Mr. Sanjeev Mansotra,

Non-Executive Chairman on the Board, however, being in-charge and responsible for the global operations of the Company, he is designated as the Global CEO; Mr. Naresh Sharma, Mr. Nikhil Morsawala, Ms. Maya Sinha and Prof. Dr. Arun Nigavekar, holding the position of Executive Directors; Mr. Harihar Iyer as the Non-Executive Director; Mr. Sunder Shyam Dua, Mr. Awinash Arondekar, Mr. M Narayanan Nambiar and Mr. K C Ganjwal being the Independent Directors. Mr. K C Ganjwal, due to personal reason, has resigned from the Board of Directors w.e.f 11 August 2012.

In accordance with the provisions of the Act and the Articles of Association of your Company, Mr. Nikhil Morsawala and Mr. S. S. Dua, Directors of the Company, are liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment, at the ensuing Annual General Meeting.

At the recommendation of Remuneration/ Compensation Committee, the Board at its meeting held on 30th August, 2012 approved re-appointment of Mr. Naresh Sharma as Executive Director of the Company, w.e.f. 1st April, 2012. Resolution proposing re-appointment of Mr. Naresh Sharma, as an Executive Director and the terms of his appointment have been included in the Notice convening the 27th Annual General Meeting of the Company for your consideration.

Brief resume of the Directors proposed to be reappointed, nature of their expertise in specific functional areas and names of companies in which they hold 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:

- (a) 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;
- (b) that we have selected such accounting policies and applied them consistently and made judgments 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;
- (c) 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;
- (d) that we have prepared the annual accounts on a going concern basis.

#### HUMAN RESOURCE MANAGEMENT

COREans are the key resources of your company. The company has been able to create a vibrant work environment that keeps engaging employees across levels.

As the journey continues, CORE's HR policies and processes continue to be aligned to effectively drive the businesses at global level and

make inroads into emerging opportunities. Our human resources management process continuously keeps pace with our business and we keep attracting and retaining high caliber and experienced employees across various geographies. We have also created a high performance culture where feedback is an ongoing exercise. Career progression and succession planning also happens in a planned manner.

To connect our employees in the CORE family across the globe, CORE Connect, an e-magazine was launched, which shares experience and other happenings across all our offices. This is an exciting platform that connects all the COREans on the latest happenings in CORE across the globe.

HR is also actively involved in organizing significant and well received employee engagement initiatives viz. CORE Cricket Premier League (CCPL 2012) that attracted an organization wide participation. We also celebrate festivals on occasions such as Makar Sankranti (with Kite Flying organized across offices in different locations), a fun filled day during Christmas and Diwali celebrations with various contests held and also with gifts & sweets distributed to all employees, Navratri celebrated with color theme days, Women's day celebration, Monsoon and Winter picnics.

#### Corporate Social Responsibilities

On the Corporate Social Responsibility front, we continued participating in the Standard Chartered Mumbai Marathon – 2012, to promote "Education for All" through SMILE foundation. The fact that the hard work put in by the participants was benefiting the under privileged children made it worth the cause. Employees also whole heartedly participated in the blood donation drive organised by Umang Foundation.

With the aim of creating a sense of ownership among the employees within the organization, the Company has been introducing Employee Stock Option Scheme from time to time to reward the employees. The first scheme was introduced in 2007 and in 2009 another such scheme was introduced. The schemes are in accordance with the existing guidelines issued by the Securities and Exchange Board of India as amended from time to time and it continues to be a strong retention tool too.

#### Credit Ratings

Company has been assigned with 'CARE A1' rating for short term borrowings indicating highest credit quality and 'CARE A' for long term borrowings/debts by Credit Analysis & Research Ltd. (CARE).

Your Company has a long term credit rating which was carried out during the year by International agencies. Standard & Poor's has rated the Company at B+ and Moodys has rated the Company at B1 as well.

#### BEST PRACTICES

Though the Company continues to be an ISO 9001:2008 organization, we are working towards achieving ISO 27001 certification; a standard for Information Security Management Systems.

Further, we are pleased to inform that during the year, your Company was rated at Level 5 of CMMi process improvement model, which is considered a credible benchmark of quality. Level 5- Optimizing, is the highest level of maturity on CMMi (Capability Maturity Model Integration). The Class A standard CMMi Appraisal Method for Process Improvement (SCAMPI) is designated to provide benchmark quality ratings relative to Capability Maturity Model Integration (CMMi) models. The SCAMPI appraisal represents stringent showcasing of consistency,

quality and effectiveness. The appraisal methods helps an organization to gain insight into their process capability or organizational maturity by identifying process strengths and weaknesses as related to the best practices of one or more CMMi models.

CMMi is a process improvement approach that can be applied to work groups, projects, or entire organizations and provides organizations with the essential elements to improve process performance. Being rated at Level 5 – Optimising of CMMi, can provide improvements in product and service quality, forecasting accuracy, productivity, return on investment, customer satisfaction and other measures of performance.

#### **CORPORATE GOVERNANCE**

The company endeavors 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 this 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 have confirmed their eligibility for re-appointment.

Confirmations from the auditors to the effect that their re-appointment / appointment, wherever applicable, 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 AND PROTECTION FUND (IEPF)**

During the year, there were no amounts which remained unpaid / unclaimed for a period of 7 years and which were required to be transferred by the company to the Investor Education and Protection Fund established by the Central Government pursuant to Section 205C of the Companies Act, 1956.

#### **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 hard work, solidarity, cooperation and support and look forward to their continued support.

For and on behalf of the Board

Place: Mumbai

Sanjeev Mansotra

Date: 30 August, 2012

Chairman

#### **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 & 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.

Our products / services launched

- Immersive 3D Virtual Lab
- STEM Power
- EVIT
- Consulting & Staffing Solutions
- Assessment Centers
- Learning & Management Systems

**C) Foreign Exchange Earnings & 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 ₹2796.15 million as compared to ₹1777.06 million during the previous year.

Total foreign exchange outflow during the year under review was ₹325.33 million, as against ₹257.97 million during the previous year.

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 31<sup>st</sup> March, 2012

Sl. 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	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			
1	Date of grant	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															
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															
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 (₹)	136.8	204.85	222.75	181.45	214.7	192.00	261.90	306.30	267.50	288.65	301.25	281.50	277.70															
5	Outstanding options as at 31 <sup>st</sup> April, 2011 (Nos.)	358,707	415,094	111,390	5,150	29,680	2,976,155	772,500	320,000	457,000	N.A.	N.A.	N.A.	N.A.															
6	Options granted during the year ended 31 <sup>st</sup> March, 2011 (Nos.)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	997,000	583,000	630,000	576,000															
7	Options vested during the year ended 31 <sup>st</sup> March, 2012 (Nos.)	Nil	Nil	27,929	700	6,789	591,834	390,950	66,000	161,000	Nil	Nil	Nil	Nil															
8	Options exercised during the year ended 31 <sup>st</sup> March, 2012 (Nos.)	1,29,705	31,848	1,100	3,750	3,225	590,528	800	Nil	Nil	N.A.	N.A.	N.A.	N.A.															
9	Total no. of shares arising as a result of exercise of options (Nos.)	1,29,705	31,848	1,100	3,750	3,225	590,528	800	Nil	Nil	N.A.	N.A.	N.A.	N.A.															
10	Options lapsed / surrendered during the year ended 31 <sup>st</sup> March, 2012 (Nos.)	131,266	246,891	27,216	-	6,088	499,480	247,750	152,000	78,000	157,000	50,000	29,000	8,000															
11	Options in force as at 31 <sup>st</sup> March, 2012 (Nos.)	97,736	136,355	83,074	1,400	20,367	1,886,147	523,950	1,68,000	379,000	840,000	533,000	601,000	568,000															
12	Variation of terms of options	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil															
13	Money realised by exercise of options (₹)	17,743,644.00	6,524,062.80	245,025.00	680,437.50	692,407.50	113,381,376.00	209,520.00	Nil	Nil	N.A.	N.A.	N.A.	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															
	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															

**Annexure II (Contd.)**  
**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 31<sup>st</sup> 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.							Intrinsic Value Method ₹50,976,224						
	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													
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
	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
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
	ii) Expected life (years)	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
	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

Note:

The details of options granted to Senior Managerial Personnel (40,000 options & above) under various ESOSs 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
Grant Date							
Mr. Prakash Gupta	80,000	20,000	110,000	Nil	Nil	Nil	Nil
Mr. Shekhar Iyer	40,000	Nil	60,000	Nil	Nil	Nil	Nil
Mr. Sanjay Minocha	40,000	Nil	57,500	Nil	Nil	Nil	Nil
Mr. James Ashby	Nil	Nil	Nil	50,000	Nil	Nil	Nil
Ms. Sucheta Phadke	Nil	Nil	Nil	Nil	50,000	Nil	Nil
Mr. Anshul Sonak	Nil	Nil	Nil	Nil	50,000	Nil	Nil
Dr. N.M. Kondap	Nil	Nil	Nil	Nil	50,000	Nil	Nil
Mr. Brian Keenan	Nil	Nil	Nil	Nil	50,000	Nil	Nil
Ms. Allison Keenan	Nil	Nil	Nil	Nil	50,000	Nil	Nil
Mr. Praveen Kumar Mahendra	Nil	Nil	Nil	Nil	Nil	50,000	Nil
Mr. Anwar Ahmed Khan	Nil	Nil	Nil	Nil	Nil	Nil	50,000
Mr. Gautam More	Nil	Nil	Nil	Nil	Nil	Nil	50,000
Mr. Anandkumar Sanganeria	Nil	Nil	Nil	Nil	Nil	Nil	50,000
Mr. Deepak Mehrotra	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 31<sup>st</sup> March, 2012 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 31<sup>st</sup> March 2012.

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

**Amit Chaturvedi**  
Partner  
Membership No.:103141

**Sanjay Rane**  
Partner  
Membership No.: 100374

Place: Mumbai  
Date: 30 August, 2012

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 2011-12. 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.

Your Company is listed on the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE) in India and forms part of 'B' Group BSE 500 Index on the BSE and 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 stakeholders. 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 31<sup>st</sup> March, 2012. The Board of Directors comprises of the following members of which four members are Independent Directors, two Non-Executive Directors

and four Whole-time / Executive Directors. Whilst the Chairman of the Board is a Non Executive Director, for the benefit of the Group he was redesignated 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 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	3	NO	7	-	-
Mr. Naresh Sharma	PD & WTD	6	6	YES	6	-	-
Mr. Sunder Shyam Dua	ID	6	6	YES	3	-	-
Mr. Nikhil Morsawala	WTD	6	4	YES	6	-	2
Mr. Awinash Arondekar	ID	6	6	YES	3	1	2
Mr. M. N. Nambiar	ID	6	6	NO	1	-	-
Mr. Harihar Iyer	NED	6	0	NO	NIL	-	-
Ms. Maya Sinha	ED	6	4	YES	1	-	-
Prof. A. S. Nigavekar	ED	5	3	YES	1	-	-
Mr. K C Ganjwal ^	ID	3	2	YES	-	-	-

\* PD-Promoter Director, CM-Chairman, NED-Non Executive Director, ID-Independent Director, WTD / ED-Whole Time Director / Executive Director

\*\* In Indian public limited companies, as on 31<sup>st</sup> March, 2012

\*\*\* In Audit Committee and Shareholders Grievances Committee of Indian public limited companies as on 31<sup>st</sup> March, 2012.

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

^ Mr. K C Ganjwal resigned from the Board on 11<sup>th</sup> August 2012.

Details of Board Meetings Held during the Year

Date of Board Meeting	Board Strength	No. of Directors Present
15 <sup>th</sup> April, 2011	9	7
26 <sup>th</sup> May, 2011	9	7
10 <sup>th</sup> June, 2011	10	7
30 <sup>th</sup> July, 2011	10	6
24 <sup>th</sup> October, 2011	10	8
9 <sup>th</sup> February, 2012	10	5

3. BOARD COMMITTEES

The Board of Directors has 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

Composition of Committee, Meetings held and Attendance of the Members

Name of the Members	Position
Mr. Awinash Arondekar	Chairman
Mr. Sunder Shyam Dua	Member
Mr. Naresh Sharma	Member
Mr. M. N. Nambiar	Member
Mr. Nikhil Morsawala	Member

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

During the year, the Committee had met 4 times on 26<sup>th</sup> May, 2011, 30<sup>th</sup> July, 2011, 24<sup>th</sup> October, 2011 and 9<sup>th</sup> February, 2012. The Audit Committee Chairman attended the last Annual General Meeting.

Details of meetings held and attendance of the members:

Name of the Members	Attendance in Audit Committee Meetings	
	Held	Attended
Mr. Awinash Arondekar	4	4
Mr. Sunder Shyam Dua	4	4
Mr. Nikhil Morsawala	4	3
Mr. M. N. Nambiar	4	4
Mr. Naresh Sharma	4	4

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.
- 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.
- Discussion with internal auditors on any significant findings and follow up there on.
- 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.
- 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.
- 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.
- Review the following information:
  - Management discussion and analysis of financial condition and results of operations;
  - 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 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 Whole-time Directors / 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 Schemes implemented by the Company. The committee meets as and when required. During the year, committee met five times on 26<sup>th</sup> May, 2011, 10<sup>th</sup> June, 2011, 30<sup>th</sup> July, 2011, 24<sup>th</sup> October, 2011 and 9<sup>th</sup> February, 2012.

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

Name of the Members	Position
Mr. M. N. Nambiar	Chairman
Mr. Sunder Shyam Dua	Member
Mr. Awinash Arondekar	Member
Mr. Nikhil Morsawala	Member
Mr. K.C. Ganjwal *	Member

\* appointed on 9<sup>th</sup> February, 2012 and ceased to be a member with effect from 11<sup>th</sup> August, 2012.

**Details of Remuneration and Shareholding of Directors in the Company**

Name of Directors	Salary	Bonus / Commission	Sitting Fees for Board & Committee meetings	Service Contracts	No. of Shares held as on 31 <sup>st</sup> Mar, 2012	No. of Options Granted
Mr. Sanjeev Mansotra*	-	-	-	Not liable to retire by rotation	Nil	Nil
Mr. Naresh Sharma	2,512,800	-	-	Retirement by rotation	Nil	Nil
Mr. Sunder Shyam Dua*	-	-	360,000	Retirement by rotation	24,594	150,000
Mr. Nikhil Morsawala	5,000,004	-	Nil	Retirement by rotation	Nil	150,000
Mr. Harihar Iyer*	-	-	-	Retirement by rotation	337,500	40,000
Mr. Awinash Arondekar*	-	-	360,000	Retirement by rotation	500	150,000
Mr. M. N. Nambiar*	-	-	360,000	Retirement by rotation	1,000	150,000
Ms. Maya Sinha	12,100,750	-	20,000	Retirement by rotation	Nil	100,000
Prof. Arun S. Nigavekar	2,666,224	-	-	Retirement by rotation	Nil	100,000
Mr. K.C. Ganjwal*	-	-	30,000	Retirement by rotation	Nil	100,000

**Notes:**

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

**Attendance during the year**

Name of the Members	Attendance in Remuneration / Compensation Committee meeting	
	Held	Attended
Mr. M. N. Nambiar	5	5
Mr. Sunder Shyam Dua	5	5
Mr. Nikhil Morsawala	5	4
Mr. Awinash Arondekar	5	5
Mr. K.C. Ganjwal*	-	-

\* appointed on 9<sup>th</sup> February, 2012 and ceased to be a member with effect from 11<sup>th</sup> August, 2012.

**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 & 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 & 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 & Commission not to exceed the limits prescribed under the Companies Act, 1956.
2. Eligible for Commission based on time, effort & output given by them.
3. Eligible for ESOP (Other than Promoter 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.

**Composition of Shareholders / Investors Grievances Committee**

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

\* appointed with effect from 9<sup>th</sup> February, 2012 and ceased to be a member with effect from 11<sup>th</sup> August, 2012.

Mr. Sunder Shyam Dua is the chairman of the Shareholders/ Investors Grievance Committee. The committee meets as and when required. During the year, committee met twenty one times on 27<sup>th</sup> April, 2011, 6<sup>th</sup> May, 2011, 16<sup>th</sup> May, 2011, 26<sup>th</sup> May, 2011, 17<sup>th</sup> June, 2011, 30<sup>th</sup> June, 2011, 20<sup>th</sup> July, 2011, 30<sup>th</sup> July, 2011, 22<sup>nd</sup> August, 2011, 9<sup>th</sup> September, 2011, 20<sup>th</sup> September, 2011, 30<sup>th</sup> September, 2011, 18<sup>th</sup>

October, 2011, 24<sup>th</sup> October, 2011, 11<sup>th</sup> November, 2011, 28<sup>th</sup> November, 2011, 20<sup>th</sup> December, 2011, 30<sup>th</sup> December, 2011, 11<sup>th</sup> January, 2012, 9<sup>th</sup> February, 2012 and 19<sup>th</sup> March, 2012.

**Attendance during the year**

Name of the Members	Attendance in Shareholders/ Investors Grievances Committee meeting	
	Held	Attended
Mr. Sunder Shyam Dua	21	21
Mr. Nikhil Morsawala	21	9
Mr. Naresh Sharma	21	12
Mr. Awinash Arondekar	21	21
Mr. Sanjeev Mansotra	21	4
Mr. M.N. Nambiar	21	21
Mr. K.C. Ganjwal	1	1

**Brief Terms of Reference:**

1. Redressal of shareholders /investors complaints.
2. Oversee and review all matters connected with transfer of securities of the Company and insider trading regulations.

Name and Designation of Compliance Officer:

Mr. 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: Eleven

Number of Complaints resolved to the satisfaction of Shareholders: Eleven

Number of Complaints pending at the end of the year: NIL

**4. DETAILS OF LAST 3 GENERAL BODY MEETINGS**

i)	Annual General Meeting (AGM)	Date	Time	Venue	No. of special resolutions passed
	26 <sup>th</sup> AGM	11-08-2011	12:30 p.m.	Hotel Ramada, 156, Millennium Business Park, MIDC, Sector 2, Mahape, Navi Mumbai 400 710.	4
	25 <sup>th</sup> AGM	30-09-2010	12:30 p.m.	Hotel Tunga Regency, Plot No.37, Sector 30-A, Vashi, Navi Mumbai 400 703.	2
	24 <sup>th</sup> AGM	24-09-2009	3:00 p.m.	Unit No. 1-4, Building No. 4, Sector-III, Millennium Business Park, Mahape, Navi Mumbai- 400 710	6

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

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. 26 <sup>th</sup> 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. 10 <sup>th</sup> June, 2011.
	Special Resolution under Section 21 and such other applicable provisions, if any, 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, if any, of the Companies Act, 1956 to create, offer, issue and allot equity shares, ADRs, GDRs, FCCBs, etc. of an aggregate amount not exceeding USD 500 Million.

Year 2009-10	Special Resolution under section 309 and other applicable provisions, if any, 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, if any, of the Companies Act, 1956 to create, offer, issue and allot equity shares, ADRs, GDRs, FCCBs, etc. of an aggregate amount not exceeding ₹750 crores.
Year 2008-09	Special Resolution under section 198, 269, 309 and 310 of the Companies Act, 1956 for appointment of Mr. Sanjeev Mansotra as Chairman & Managing Director for a period of 5 years with effect from 1 <sup>st</sup> April, 2009.
	Special Resolution under Section 81(1A) of the companies Act, 1956 for introduction and implementation of CORE Employee Stock Option Scheme, 2009.
	Special Resolution for fixing limit of 8,00,000 options that can be granted to the independent Directors within the overall limits of 75,00,000 options under CORE ESOS 2009.
	Special Resolution under Section 81(1A) of the Companies Act, 1956 to extend the benefits under CORE ESOS 2009 to create, grant, offer, issue and allot for benefit of such persons who are in permanent employment of holding company or subsidiary companies of the Company and the eligible directors.
	Special Resolution for amendment by adding Clause 19.2 in the CORE Employee Stock Options Scheme - 2007.
	Special Resolution under Section 81(1A) of the Companies Act, 1956, for issuance of the Company's securities in the form of shares or other securities including GDRs, ADRs or any other convertible instruments such as Bonds, Convertible Debentures, FCCBs, Convertible Warrants, not exceeding ₹1,250 Crores or its equivalent of any other foreign currency in one or more tranches.

iii) The following resolutions were passed through Postal Ballot :

1. Special Resolution: Alteration of Object Clause of the Memorandum of Association of the Company.
2. Special Resolution: Alteration of Articles 143A, 144, 166, 179 of the Articles of Association of the Company.

#### 5. DISCLOSURES BY MANAGEMENT

- a) 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.
- b) 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.
- c) 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.
- d) 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.
- e) 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.

#### 6. MEANS OF COMMUNICATION

- i) The Quarterly Unaudited results and Yearly Audited results immediately after its declaration are published in Newspapers.
- ii) News Papers wherein the results are published: The Financial Express (English financial newspaper) & Lokmat (Marathi – regional language newspaper).
- iii) The financial results are also displayed on the company's website at [www.core-edutech.com](http://www.core-edutech.com)
- iv) Official news releases are intimated to the Stock Exchanges immediately and are also displayed on the website of the Company.
- v) Presentations are made to Institutional Investors as and when requested.
- vi) As a part of green initiatives, the Company had e-mailed Annual Report of the Company for the year 2010 – 11 to the shareholders who had registered their e-mail address with their respective depository participants; However, being the first year of such initiatives, the Company had also sent physical copy of the Annual Reports to the shareholders.

#### 7. GENERAL SHAREHOLDERS INFORMATION

- i) 27<sup>th</sup> Annual General Meeting
- ii) Date and Time: 27<sup>th</sup> September, 2012 at 12:30 p.m.
- iii) Venue: Hotel Ramada, 156, Millennium Business Park, Navi Mumbai-400 710
- iv) Financial year: April to March
- v) Book Closure Date: Thursday, 20<sup>th</sup> September, 2012 to Thursday, 27<sup>th</sup> September, 2012.  
(both days inclusive - for the purpose of AGM and payment of dividend, if any, declared)
- vi) Dividend payment date: After the date of AGM and within the Statutory period.

- vii) Listing on Stock Exchange: BSE Limited (BSE), National Stock Exchange of India Limited (NSE)
- viii) Listing Fee: The Company has paid the annual listing fees for the year 2011-12.

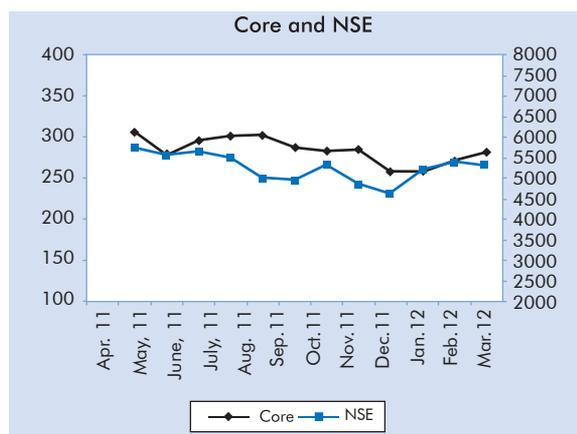
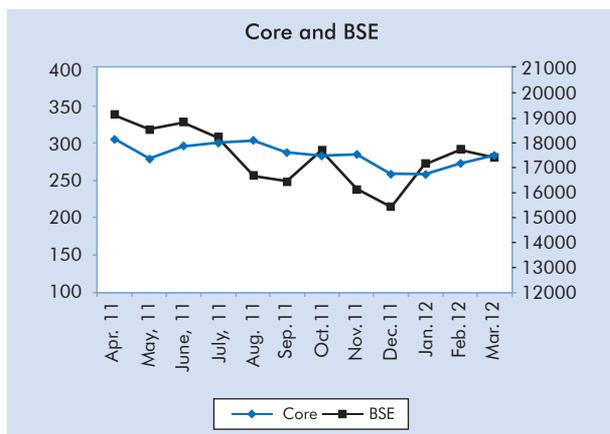
ix) Stock Code: BSE : 512199  
 NSE : COREEDUTEC  
 Equity ISIN : INE247G01024

- x) 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 (₹)	No. of shares traded	High (₹)	Low (₹)	Close (₹)	No. of shares traded
Apr, 2011	350.60	300.20	303.90	832,139	351.65	303.00	306.05	2,822,617
May, 2011	310.00	273.00	277.85	1,164,733	308.90	273.20	277.65	3,445,988
Jun, 2011	306.05	273.00	295.75	934,623	306.90	271.00	295.20	2,325,332
July, 2011	316.05	294.50	300.35	1,143,898	317.40	289.95	301.25	3,153,227
Aug, 2011	321.50	285.05	302.55	1,757,368	322.00	280.05	302.85	11,621,220
Sep, 2011	302.90	277.00	286.95	2,036,397	302.65	276.05	286.95	5,039,826
Oct, 2011	292.00	275.55	282.05	193,141	289.90	275.05	282.75	2,381,936
Nov, 2011	299.85	258.00	283.70	1,807,628	288.50	256.00	284.75	4,503,163
Dec, 2011	291.00	245.20	257.95	2,916,906	292.05	245.20	258.25	7,183,065
Jan, 2012	265.50	245.20	258.20	729,785	266.00	245.00	258.40	3,328,332
Feb, 2012	282.85	253.00	272.20	1,622,891	283.00	253.10	270.85	7,842,171
Mar, 2012	292.80	269.00	282.00	3,790,696	292.00	268.20	281.75	4,881,649

- xi) Registrar & Transfer Agent & 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 2859 6060 / 2859 4060  
 Fax No. 022 28503748  
 Email 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) and Central Depository Services (India) Ltd. (CDSL), 99.998% of the Company's share are held in electronic form as on 31<sup>st</sup> March, 2012.

Sl.No.	Category	No. of Shareholders	Total Shares	% of Equity
1	NSDL	7,520	103,404,391	91.937
2	CDSL	3,830	9,064,832	8.061
3	PHYSICAL	6	3,118	0.002
<b>Total</b>		<b>11,356</b>	<b>112,472,341</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 31<sup>st</sup> March, 2012

#### A. Distribution of Shares by Shareholders Category as on 31<sup>st</sup> March, 2012

Sl.No.	Shareholders Category	No. of Shareholders	Shares Held	Voting Strength %
1	Promoters *	2	53,134,360	47.24
2	Directors and their relatives	4	27,094	0.02
3	Bodies Corporate (Domestic)	357	18,971,070	16.87
4	Banks / Financial Institutions / Insurance Companies / Central / State Govt. Financial Institution	95	4,834,156	4.30
5	Foreign Institutional Investors / FFI / FDI	56	28,443,427	25.29
6	Non Resident Individuals (NRIs)	141	356,626	0.32
7	Foreign Nationals	2	465,339	0.41
8	Resident Individuals	10,639	5,463,386	4.86
9	Trust	6	29,593	0.03
10	Employees	50	747,290	0.66
	<b>Total</b>	<b>11,352</b>	<b>112,472,341</b>	<b>100</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-5000	11,100	97.75	1,360,462	2,720,924	1.21
2	5001-10000	67	0.59	253,073	506,146	0.23
3	10001-20000	42	0.37	305,256	610,512	0.27
4	20001-30000	14	0.12	169,311	338,622	0.15
5	30001-40000	14	0.12	247,214	494,428	0.22
6	40001-50000	6	0.05	137,125	274,250	0.12
7	50001-100000	13	0.12	451,006	902,012	0.40
8	100001 & above	100	0.88	109,548,894	219,097,788	97.40
	<b>Total</b>	<b>11,356</b>	<b>100.00</b>	<b>112,472,341</b>	<b>224,944,682</b>	<b>100.00</b>

\* One of the Promoters, Wisdom Global Enterprises Limited hold shares through five demat accounts. Hence, the difference of four 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 upside of USD 15,000,000

which were fully subscribed. The said issue was closed on 16<sup>th</sup> May, 2010 and an aggregate of USD 75,000,000 were raised. The proceeds from these issues were utilized mainly towards acquisition of overseas companies and investment in existing subsidiaries with eligible capital expenditure in India as may be permitted under the governing regulations in accordance with Utilization Proceeds as mentioned in the said Offering Circular.

During the year under review, USD 15,696,000 (previous year USD 217,000) FCCBs were converted and 2,565,749 equity shares were allotted (previous year 35,472 equity shares) to the Bondholders.

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.

**Employee Stock Option Schemes:**

The Company had introduced CORE Employee Stock Options Scheme 2007 in April 2007 reserving 4,500,000 stock options to the eligible employees and the directors of the Company and also for the employees of the subsidiaries. During the financial year 2011-12, 169,628 stock options were exercised and equivalent number of equity shares were allotted to the eligible employees, on exercise of their stock options granted under the said Scheme. Under this Scheme, 338,932 stock options were outstanding as on 31<sup>st</sup> March, 2012. 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 2,786,000 stock options to the eligible employees and directors of the Company and also for the employees of the subsidiaries. During the year under review, 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 under the said Scheme. Under the said Scheme, 5,499,097 stock options were outstanding as on 31<sup>st</sup> March, 2012. The details of vested, live and lapsed options are given in the Directors report.

**Office Locations**

- Registered Office** : Unit No.1-4, Building No.4,  
Sector III, Millennium Business Park,  
Mahape, Navi Mumbai 400 710
- Corporate Office** : Lotus Business Park, 10th Floor,  
Dalia Industrial Estate, Off Andheri Link Road,  
Andheri (W), Mumbai 400053
- 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

Other offices' locations given elsewhere in this report.

On behalf of the Board of Directors

Place: Mumbai  
Dated: 30 August, 2012

**Sanjeev Mansotra**  
Chairman

## CEO & CFO CERTIFICATION

Mr. Sanjeev Mansotra, Chairman & Global CEO and Mr. Nikhil Morsawala, Director Finance / CFO 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 22<sup>nd</sup> December, 2005, adopted the Code of Conduct for Directors and senior management personnel. Further Code of Conduct for prevention of Insider Trading Regulations 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 28<sup>th</sup> January, 2009 and subsequently on 30<sup>th</sup> 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 31<sup>st</sup> March, 2012.

### 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 2011-12.

Place: Mumbai  
Date: 30 August, 2012

Sanjeev Mansotra  
Chairman & Global CEO

## AUDITORS' REPORT

The Members,  
**Core Education & Technologies Limited**  
 (formerly Core Projects & Technologies Limited)

We have audited the attached Balance Sheet of Core Education & Technologies Limited (formerly Core Projects & Technologies Limited), as at 31<sup>st</sup> March, 2012 and also the statement of Profit and Loss and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Financial Statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditor's Report) Order, 2003, (as amended by DCA Notification G.S.R. 766(E), dated 25<sup>th</sup> November, 2004) ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. Further to our comments in the Annexure referred to above, we report that:
  - i) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - ii) 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 such books;
  - iii) the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of accounts;

- iv) in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the applicable accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ;
- v) on the basis of written representations received from the directors as on 31<sup>st</sup> March, 2012 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31<sup>st</sup> March, 2012 from being appointed as a director in terms of Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- vi) in our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes thereon, given the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2012;
  - b) in the case of Statement of Profit and Loss, of the profit for the year ended on that date; and
  - c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

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

**Amit Chaturvedi**  
 (Partner)  
 Membership No: 103141

Place : Mumbai  
 Date : 30 April, 2012

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

**Sanjay Rane**  
 (Partner)  
 Membership No:100374

# ANNEXURE TO AUDITORS' REPORT

## Annexure referred to in paragraph 1 of the Auditors' report of even date to the Members of CORE EDUCATION & TECHNOLOGIES LIMITED

- i) In respect of fixed assets : -
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets except for the assets at its overseas branches and BOOT Projects which commenced during the year where the records are stated to be under compilation.
  - b) 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.
  - c) 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 generally 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 except Advance Tax/Tax deducted at source.
  - b) According to the information and explanations given to us, no undisputed amounts, in respect of the statutory dues referred above were outstanding as at 31<sup>st</sup> March, 2012 for a period of more than six months from the date they became payable. However, shortfalls/delays were noticed in payment of quarterly installments of advance tax. We have been advised by the Company that pending completion of tax audit, crystallization of tax liabilities in respect of its overseas branches and the resultant tax-credit, the shortfalls could not be determined at the year-end.
  - 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 audit procedures and information and explanations given by the management, the Company has not defaulted in repayment of dues to banks, debenture holders and financial institutions.
- 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 ₹1,304,490,750/- 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) During the year company has issued non-convertible debentures. The Company is in the process of executing the Debenture Trust deed and creating the security in favour of the Debenture Trustee.
- 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 No. 101720W  
Chartered Accountants

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

**Amit Chaturvedi**  
(Partner)  
Membership No: 103141

**Sanjay Rane**  
(Partner)  
Membership No:100374

Place : Mumbai  
Date : 30 April, 2012

# BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2012

(Amount in ₹)

PARTICULARS	NOTE NO.		As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
<b>EQUITY AND LIABILITIES</b>				
<b>Shareholder's Funds</b>				
Share Capital	1	224,944,682		218,291,272
Reserves and Surplus	2	12,386,763,251		9,489,550,183
Money received against share warrants	2A	-		-
			12,611,707,933	9,707,841,455
<b>Non-Current Liabilities</b>				
Long-term borrowings	3	8,306,514,667		4,398,460,645
Deferred tax liabilities (Net)	4	211,984,164		63,818,241
Long term provisions	5	11,411,243		3,713,565
			8,529,910,074	4,465,992,451
<b>Current Liabilities</b>				
Short-term borrowings	6	2,205,586,559		3,041,254,790
Trade payables	7	438,875,684		522,550,200
Other current liabilities	8	2,613,819,815		879,939,828
Short-term provisions	9	617,022,747		316,240,227
			5,875,304,805	4,759,985,045
<b>TOTAL</b>			<b>27,016,922,812</b>	<b>18,933,818,951</b>
<b>ASSETS</b>				
<b>Non-current assets</b>				
<b>Fixed assets</b>				
Tangible assets	10	6,174,270,109		2,755,477,585
Intangible assets	11	1,084,867,829		58,980,252
Capital work-in-progress		17,746,904		-
Intangible assets under development		472,786,339		457,463,978
		7,749,671,180		3,271,921,815
Non-current investments	12	11,584,066,254		9,397,116,082
Long term loans and advances	13	1,459,731,246		1,399,079,716
			20,793,468,680	14,068,117,613
<b>Current assets</b>				
Inventories	14	54,491,156		404,239,075
Trade receivables	15	3,560,904,370		2,454,771,288
Cash and Cash Equivalents	16	1,342,644,591		1,444,766,278
Short-term loans and advances	17	1,265,414,016		561,924,697
			6,223,454,132	4,865,701,338
<b>TOTAL</b>			<b>27,016,922,812</b>	<b>18,933,818,951</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

**Amit Chaturvedi**  
Partner  
Membership No. 103141

Date: 30 April, 2012  
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**  
Whole time Director

**Ganesh Umashankar**  
Company Secretary

## STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2012

(Amount in ₹)

PARTICULARS	NOTE NO.		For the year ended 31 <sup>st</sup> March, 2012	For the year ended 31 <sup>st</sup> March, 2011
Revenue from operations	18		8,783,883,708	5,155,921,658
Other Income	19		451,954,765	29,644,570
<b>Total Revenue</b>			<b>9,235,838,473</b>	<b>5,185,566,228</b>
Expenses:				
Operating Cost	20	4,159,507,145		2,533,764,532
Changes in inventories of work-in-progress	21	349,747,919		(107,839,092)
Employee benefit expenses	22	187,696,496		184,608,119
Finance costs	23	1,253,276,206		576,856,991
Depreciation and amortization expense	10 & 11	423,550,624		84,365,986
Other expenses	24	508,942,695		393,496,919
<b>Total Expenses</b>			<b>6,882,721,085</b>	<b>3,665,253,455</b>
Profit before tax			2,353,117,388	1,520,312,773
Tax expense:				
Current tax		449,008,337		262,134,345
Provision for tax no longer required written back		(124,739,298)		-
Deferred tax		148,165,923		21,166,423
			472,434,962	283,300,768
Profit/(Loss) for the year			1,880,682,426	1,237,012,005
Earning per equity share (Face Value per share ₹2):				
Basic	29		16.91	11.98
Diluted			16.91	11.98

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

**Amit Chaturvedi**  
Partner  
Membership No. 103141

Date: 30 April, 2012  
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**  
Whole time 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 Licenses 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 Process.

### 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 project; 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 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.

### vii) Leases

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.

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.

### 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 branches, 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.

### 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-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.

### xi) Revenue Recognition

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 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.

Revenue in case of hardware and software trading are recognised 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 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.

**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 Profit & Loss Account.

**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

(Amount in ₹)

	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
<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>		
112,472,341 (Previous year 109,145,636) equity shares of ₹2 each fully paid up.	224,944,682	218,291,272
<b>TOTAL</b>	<b>224,944,682</b>	<b>218,291,272</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 2012 No of shares	For the year ended on 31 <sup>st</sup> March 2011 No of shares
No. of Equity Shares outstanding at the beginning of the year	109,145,636	98,596,291
Add: Additional Equity Shares issued during the year		
- on conversion of FCCB	2,565,749	4,961,852
- on exercise of ESOP	760,956	387,493
- on conversion of warrants	-	5,200,000
Less: Equity Shares forfeited/Bought back during the year	-	-
No. of Equity Shares outstanding at the end of the year	112,472,341	109,145,636

- i) Of the above shares 1,350,000 (previous year 1,350,000) shares are allotted as fully paid-up to the promoters of the subsidiary pursuant to a contract without payments being received in cash.
- ii) Number of Equity Shares held by each shareholder holding more than 5% shares in the company are as follows

(Amount in ₹)

PARTICULARS	Number of shares as at 31 <sup>st</sup> March, 2012	%	Number of shares as at 31 <sup>st</sup> March, 2011	%
Wisdom Global Enterprises Limited	34,834,360	30.97%	42,001,291	38.48%
Core Infrapower Limited	18,300,000	16.27%	10,000,000	9.16%
Albula Investment Fund Limited	6,737,468	5.99%	7,708,885	7.06%
Crest Fund Limited	4,332,386	3.85%	5,514,689	5.05%

iii) **Option on Unissued Share Capital**

- a) 4,500,000 Equity Shares are reserved for allotment of equity shares under Core Employee Stock Option Scheme 2007. Out of 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.
- b) 7,500,000 Equity Shares are reserved for allotment of equity shares under Core Employee Stock Option Scheme 2009. Out of 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.
- c) Refer Note no. 3.5 for option vested on share capital in respect of foreign currency convertible bonds.

iv) **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, 2012	As at 31 <sup>st</sup> March, 2011	
<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	5,874,400,131		4,598,244,941	
Add: on conversion of FCCB	692,240,343		407,917,432	
Add: on exercise of Warrants	-		951,600,000	
Add: on exercise of ESOS	137,954,561		59,824,788	
Less : FCCB / Warrant issue expenses	1,043,417		143,187,030	
		6,703,551,618	5,874,400,131	
<b>Debenture Redemption Reserve</b>				
As per last Balance Sheet	350,000		-	
Add: Addition during the year	57,733,467		350,000	
		58,083,467	350,000	
<b>Foreign Currency Translation Reserve</b>				
As per last Balance Sheet	(49,862,555)		(3,404,683)	
Add: Exchange differences arising on translating foreign operations	265,820,927		(46,457,872)	
		215,958,372	(49,862,555)	
<b>General Reserve</b>				
As per last Balance Sheet	318,000,000		193,000,000	
Add: Transfer from Statement of Profit & Loss	188,000,000		125,000,000	
		506,000,000	318,000,000	
<b>Statement of Profit and Loss</b>				
As per last Balance Sheet	3,157,162,607		2,124,039,947	
Add: Profit/(Loss) for the year	1,880,682,426		1,237,012,005	
Less: Appropriations				
Debenture Redemption Reserve	57,733,467		350,000	
Proposed Dividend*	67,494,211		65,487,382	
Tax on Proposed Dividend	10,947,561		13,051,963	
Transfer to General Reserves	188,000,000		125,000,000	
		4,713,669,794	3,157,162,607	
<b>TOTAL</b>		12,386,763,251	9,489,550,183	

\* 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, 2012	As at 31 <sup>st</sup> March, 2011	
<b>2A MONEY RECEIVED AGAINST SHARE WARRANTS</b>				
<b>Money received against Share Warrants</b>				
As per last Balance Sheet		-	240,500,000	
Add: Call Money Received		-	721,500,000	
		-	962,000,000	
Less: Warrants converted during the year		-	962,000,000	
		-	-	
<b>TOTAL</b>		-	-	

In the Extra Ordinary General Meeting of the Members of the Company held on 31<sup>st</sup> October, 2009, the members had approved the issuance of warrants to the Promoter / Promoter Group, entitling the warrant holders to apply from time to time for equity shares of the company in one or more tranches on preferential basis not exceeding 10,000,000 fully paid-up equity shares of the face value of ₹2/- each. During the year, CORE Inrapower Ltd. has applied for conversion of balance Nil (P.Y. 5,200,000) warrants applied in previous year into equivalent number of equity shares and the company has allotted Nil (P.Y. 5,200,000) equity shares to CORE Inrapower Limited @ 185/- per shares (including premium of ₹183/- per share).

(Amount in ₹)

	As at 31 <sup>st</sup> March 2012		As at 31 <sup>st</sup> March 2011	
	Current	Non Current	Current	Non Current
<b>3 LONG TERM BORROWINGS</b>				
<b>Secured Loan</b>				
Non Convertible Debentures	-	1,380,000,000	-	640,000,000
Term Loans from Banks	965,864,870	2,097,176,391	202,599,335	409,900,000
Vehicle Loans from Banks	6,534,908	2,917,026	4,455,517	9,451,935
<b>Unsecured Loan</b>				
Foreign Currency Convertible Bonds	-	3,022,684,116	-	3,339,108,710
Finance Lease Obligations (Refer Note No.31)	138,024,405	676,346,709	-	-
Term Loan from Banks	448,344,802	1,127,390,425	301,695,762	-
<b>TOTAL</b>	<b>1,558,768,985</b>	<b>8,306,514,667</b>	<b>508,750,614</b>	<b>4,398,460,645</b>

3.1 During the previous year, the Company had allotted 640 (Six Hundred Forty Only) Secured Redeemable Non Convertible Debentures (NCDs) of ₹10.00 Lakhs each (Rupees Ten Lakhs only) in the form of Separately Transferable Redeemable Principal Parts of (STRPPS) having the face value of ₹1.00 Lakh (Rupees One Lakh Only) each aggregating to ₹64.00 Crores (Rupees Sixty Four Crores only) having a coupon rate of 11.75% payable annually. Further, during the current year, the company had allotted additional 150 (One Hundred Fifty only) Secured Redeemable Non Convertible Debentures (NCDs) of ₹10.00 Lacs each (Rupees Ten Lakhs Only) in form of Separately Transferable Redeemable Principal Parts of (STRPPS) having the face value of ₹1.00 Lacs (Rupees One Lacs Only) each on 17th June, 2011 having a coupon rate of 12.75% payable annually and 590 (Five Hundred Ninety Only) Secured Redeemable Non Convertible Debentures (NCDs) of ₹10 Lacs each (Rupees Ten Lakhs only) in form of Separately Transferable Redeemable Principal Parts of (STRPPS) having the face value of ₹1.00 Lacs each (Rupees One Lacs Only) on 30th December, 2011 with coupon rate of 13.00% aggregating to ₹74.00 Crores (Rupees Seventy Four Crores Only). The Debentures are redeemable in three instalments viz 30% at the end of 3rd year, 30% at the end of 4th year and 40% at the 5th year from the date of allotment.

3.2 ₹1,380,000,000 (P.Y. ₹640,000,000) is to be secured by pari passu first charge on immovable asset and tangible Fixed assets of the Company.

### 3.3 Maturity Profile

(Amount in ₹)

	2012-13	2013-14	2014-15	2015-16	2016-17
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	1,414,209,672	1,809,168,711	605,611,727	512,865,033	296,921,345
Vehicle Loan	6,534,908	2,917,026	-	-	-
Foreign Currency Convertible Bonds	-	-	-	3,022,684,116	-
<b>Total</b>	<b>1,420,744,580</b>	<b>2,004,085,737</b>	<b>1,019,611,727</b>	<b>4,013,549,149</b>	<b>592,921,345</b>

### 3.4 Term Loans comprising of

- ₹27,499,994 (P.Y. ₹57,500,000) 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. Nil) is secured by way of an exclusive charge on the project assets and project receivables.
- ₹101,810,561 (P.Y. Nil) is secured by an exclusive charge on the assets to be created under the Gujarat school project.
- ₹382,352,400 (P.Y. ₹505,095,890) is secured by first exclusive charge on its property at Mahape, Navi Mumbai (CORE Knowledge Centre), measuring 38,300 square feet.
- ₹470,000,000 (P.Y. Nil) is secured by equitable mortgage over properties of the Parent Guarantor located at units no. 1 and 1A, 2<sup>nd</sup> and 5<sup>th</sup> Floor, Plot No. 797, United Infotech Park Building, Trans Thane Creek Industrial Area, Savli Village, Opposite Millennium Business Park, Mahape, Navi Mumbai.

- g) ₹1,358,400,000 (P.Y. Nil) 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.
- h) ₹232,004,589 (P.Y. Nil) is secured by an exclusive charge on the assets created under ICT projects.
- i) Nil (P.Y. 49,903,445) Secured by Equitable Mortgage of Unit No. 1, First Floor, United Infotech' Park, TTC Industrial Area, Navi Mumbai.
- j) ₹9,451,934 (P.Y. ₹13,907,452) is secured by hypothecation of respective vehicles.

- 3.5 Earlier the Company had issued foreign currency convertible bonds of USD 75 million which matures on 7<sup>th</sup> 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 Reserves 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<sup>st</sup> March, 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 31<sup>st</sup> March, 2011 USD 74.783 million bonds are outstanding for conversion.

During the Financial year 2011-12, 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 31<sup>st</sup> March, 2012 USD 59.087 million bonds are outstanding for conversion.

(Amount in ₹)		
	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
<b>4 DEFERRED TAX LIABILITY (NET)</b>		
<b>Deferred Tax Liability</b>		
Provision for Depreciation	217,982,269	64,765,150
<b>Deferred Tax Assets</b>		
Provision for Employee Benefits	(5,998,105)	(946,909)
<b>Deferred Tax Liability (Net)</b>	<b>211,984,164</b>	<b>63,818,241</b>

(Amount in ₹)		
	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
<b>5 LONG- TERM PROVISIONS</b>		
Provision for Employee Benefits (Refer Note No. 25)	11,411,243	3,713,565
<b>TOTAL</b>	<b>11,411,243</b>	<b>3,713,565</b>

(Amount in ₹)		
	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
<b>6 SHORT TERM BORROWINGS</b>		
<b>Secured Loan</b>		
<b>From Banks</b>		
- Working Capital Loan	1,755,586,559	1,886,120,060
- Other Short Term Loan	-	505,134,730
<b>Unsecured Loan</b>		
- Other Short Term Loan	450,000,000	650,000,000
<b>TOTAL</b>	<b>2,205,586,559</b>	<b>3,041,254,790</b>

- 6.1 Nil (P.Y. ₹505,134,730) was secured by first charge on property located at Unit No. 1, 3<sup>rd</sup> floor, United Infotech' Park, TTC Industrial Area, Navi Mumbai.
- 6.2 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, 4<sup>th</sup> floor, United Infotech Park, TTC Industrial Area, Navi Mumbai; and further secured by Fixed deposit given by the promoter company.
- 6.3 Other short term loans are commercial papers ₹450,000,000 (P.Y. ₹650,000,000).

(Amount in ₹)

	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
<b>7 TRADE PAYABLES</b>		
Trade payables	438,875,684	522,550,200
<b>TOTAL</b>	<b>438,875,684</b>	<b>522,550,200</b>

**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, 2012	As at 31 <sup>st</sup> March, 2011
<b>8 OTHER CURRENT LIABILITIES</b>		
Current maturities of long-term debt (Refer Note No. 3)	1,420,744,580	508,750,614
Current maturities of finance lease obligations (Refer Note No. 3)	138,024,405	-
Interest accrued but not due on borrowings	141,196,561	83,341,805
Unpaid dividends*	433,581	451,112
Advances received from Related Parties	582,190,295	257,940,455
Income received in advance	211,857,467	-
Other payables (including statutory dues payable)	119,372,926	29,455,842
<b>TOTAL</b>	<b>2,613,819,815</b>	<b>879,939,828</b>

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

(Amount in ₹)

	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
<b>9 SHORT-TERM PROVISIONS</b>		
Provision for Employee Benefits (Refer Note No. 25)	3,061,900	2,106,445
Proposed Dividend	67,494,211	65,487,382
Tax on proposed dividend	10,947,561	13,051,963
Other Provisions (including Current/ Fringe Benefit Taxes -Provisions net of payments)	535,519,075	235,594,437
<b>TOTAL</b>	<b>617,022,747</b>	<b>316,240,227</b>

## 10 FIXED ASSETS- TANGIBLE

Description of Assets	Cost			Depreciation			Net Block	
	As at 01.04.2011	Foreign Exchange Revaluation Difference	As at 31.03.2012	As at 01.04.2011	Foreign Exchange Revaluation Difference	As at 31.03.2012	As at 31.03.2012	As at 31.03.2011
<b>Owned Assets</b>								
Land	1,552,560,000	-	1,585,060,000	-	-	-	1,585,060,000	1,552,560,000
Building	863,307,915	-	863,307,915	30,906,698	-	14,071,919	818,329,298	832,401,217
Computers	112,634,715	2,803,450	1,849,252,966	50,319,370	9,235,599	136,348,218	1,768,787,944	62,315,345
Furniture & Fixtures	248,665,587	5,360,612	352,259,030	49,457,527	(1,436,154)	33,416,895	524,846,961	199,208,060
Electrical Equipments	12,905,191	1,759,374	13,170,809	2,450,368	(363)	4,101,910	21,283,459	10,454,823
Office Equipments	22,955,823	(598,051)	617,939,922	7,614,812	(259,409)	36,733,577	596,208,714	15,341,010
Motor Car	37,974,102	645,694	-	9,044,522	(326,182)	3,372,178	26,529,278	28,929,580
<b>Leased Assets</b>								
Lease Hold Improvement	68,068,918	17,740,390	-	13,801,369	(2,299,891)	15,813,051	58,494,779	54,267,549
Computers	-	-	755,821,154	-	-	36,657,796	719,163,358	-
Furniture & Fixtures	-	-	58,549,960	-	-	2,983,642	55,566,318	-
<b>Total Amount (₹)</b>	<b>2,919,072,251</b>	<b>27,711,469</b>	<b>3,679,493,841</b>	<b>163,594,666</b>	<b>4,913,600</b>	<b>283,499,186</b>	<b>6,174,270,109</b>	<b>2,755,477,585</b>
Previous Year	1,216,347,890	(165,679)	1,704,947,305	99,882,222	3,985,154	60,522,302	2,755,477,585	(795,012)

## 11 FIXED ASSETS- INTANGIBLE

Description of Assets	Cost			Amortization			Net Block	
	As at 01.04.2011	Foreign Exchange Revaluation Difference	As at 31.03.2012	As at 01.04.2011	Foreign Exchange Revaluation Difference	As at 31.03.2012	As at 31.03.2012	As at 31.03.2011
<b>Owned Assets</b>								
Intellectual Property Rights	70,427,891	713,425	1,075,173,976	11,447,639	(1,176,845)	127,414,475	1,008,630,023	58,980,252
<b>(Other than internally generated)</b>								
Computer Software	28,751,450	888,953	80,787,547	28,751,449	(7,198,268)	12,636,963	76,237,806	-
<b>Total Amount (₹)</b>	<b>99,179,341</b>	<b>1,602,378</b>	<b>1,155,961,523</b>	<b>40,199,088</b>	<b>(8,375,113)</b>	<b>140,051,438</b>	<b>1,084,867,829</b>	<b>58,980,252</b>
Previous Year	98,001,709	(136,366)	1,314,000	20,340,558	(3,985,154)	23,843,685	58,980,252	-

(Amount in ₹)

		As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
<b>12</b>	<b>NON CURRENT INVESTMENTS</b>		
<b>NON CURRENT INVESTMENTS (Unquoted, Trade)</b>			
<b>(At Cost)</b>			
<b>Investments in Equity Instruments of Subsidiaries:</b>			
1,000,000 (1,000,000)	Core Education & Consulting Solutions, Inc. (USA) (CECS) of No Par Value fully paid up (1,000,000 Common Stock of CECS has been pledged against loan facility availed by CECS)	729,290,963	729,290,963
1,000,000 (1,000,000)	Core Education & Consulting Solutions (UK) Limited of GBP 1 each, fully paid up	80,910,392	80,910,392
21,910 (6,390)	Core Projects & Technologies (FZC) of AED 1500 each fully paid up, UAE	446,559,367	212,288,867
129,960 (129,960)	Aarman Software Private Limited of ₹10 each fully paid up	5,379,100	5,379,100
9,000,000 (9,000,000)	Core Education Infratech Limited of ₹10 each fully paid up	90,000,000	90,000,000
7,904,194 (7,904,194)	Core Education Consulting Solutions Limited (IOM) of GBP 1 each fully paid up	181,030,000	181,030,000
- (50,000)	Core Careers & Skill Developments Limited of ₹10 each fully paid up	-	500,000
6,621,447 (5,032,300)	Core Higher Education Private Limited of ₹10 each fully paid up	66,214,470	50,323,000
6,396,043 (4,860,993)	Core K12 Schools Private Limited of ₹10 each fully paid up	63,960,430	48,609,930
6,406,935 (4,869,271)	Core Skill Development & Careers Private Limited of ₹10 each fully paid up	64,069,350	48,692,710
19,970,100 (-)	Core Education & Consulting Solution Pte Ltd. of USD 1 each fully paid up	1,000,060,753	-
6,374,000 (-)	Core Information Technology Solutions Inc. of USD 1 each fully paid up	318,494,260	-
15,000 (-)	Core Global Education Pte Ltd. of USD 1 each fully paid up	716,900	-
		<b>3,046,685,985</b>	<b>1,447,024,962</b>
<b>Investments in Preference Shares of Subsidiaries:</b>			
121,963,300 (108,722,300)	Core Education & Consulting Solutions, Inc., (USA) of US\$ 1 each fully paid up	6,578,976,779	5,965,503,469
9,758,732 (47,84,931)	Core Education & Consulting Solutions (UK) Limited of GBP 1 each, fully paid up	769,660,846	404,938,507
- (10,000,000)	Core Education Infratech Limited of ₹10 each fully paid up	-	301,800,000
10,164,258 (10,164,258)	Core Education Consulting Solutions Limited (IOM) of GBP 1 each fully paid up	1,117,849,144	1,117,849,144
1,420,000 (-)	Core Education Technologies Inc., of US\$ 1 each fully paid up	70,893,500	-
- (8,000,000)	Core Learning Panorama Limited, of ₹10 each fully paid up	-	160,000,000
		<b>8,537,380,269</b>	<b>7,950,091,120</b>
<b>TOTAL</b>		<b>11,584,066,254</b>	<b>9,397,116,082</b>
	<b>Aggregate Value of Unquoted Investment</b>	<b>11,584,066,254</b>	<b>9,397,116,082</b>

(Amount in ₹)

	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
<b>13 LONG TERM LOANS AND ADVANCES</b>		
(Unsecured and considered good)		
<b>Loans and Advances to other than related parties:</b>		
Capital Advances	1,291,620,438	1,310,009,457
Deposits (Including Security & EMD Deposits)	37,872,647	2,586,732
Advance Income Tax & TDS (Net of provisions)	9,689,729	9,197,673
Balances with Government Authorities (Service Tax & VAT Credit Receivables)	120,548,432	74,122,768
Other Loans and Advances	-	3,163,086
<b>TOTAL</b>	<b>1,459,731,246</b>	<b>1,399,079,716</b>
<b>14 INVENTORIES</b>		
(at cost or net realisable value whichever is lower)		
Software Development-Work-in-Process	54,491,156	404,239,075
<b>TOTAL</b>	<b>54,491,156</b>	<b>404,239,075</b>
<b>15 TRADE RECEIVABLES</b>		
(Unsecured and considered good)		
Over Six Months	1,533,000	1,647,172
Others	3,559,371,370	2,453,124,116
<b>TOTAL</b>	<b>3,560,904,370</b>	<b>2,454,771,288</b>
<b>16 CASH AND CASH EQUIVALENTS</b>		
<b>Balances with banks</b>		
In Current Accounts	354,882,866	891,533,589
In Unpaid Dividend Accounts	338,776	356,377
Cash on hand	691,491	533,434
Cheques on hand	372,163,538	348,000,000
<b>Other Bank Balance</b>		
Margin Money Deposit	28,016,660	-
Fixed Deposits*	586,551,261	204,342,878
(Given as security for bank guarantee)		
<b>TOTAL</b>	<b>1,342,644,591</b>	<b>1,444,766,278</b>

\* ₹191,711,082 (P.Y. ₹152,713,400) maturity period more than 12 months.

(Amount in ₹)

	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
<b>17 SHORT TERM LOANS AND ADVANCES</b>		
(Unsecured and considered)		
Loans and Advances to related parties (Refer Note No. 27)	874,117,434	27,628,658
<b>Others</b>		
Others (including Advances against supplies and services, Staff Advances, etc)	391,296,582	534,296,039
<b>TOTAL</b>	<b>1,265,414,016</b>	<b>561,924,697</b>

(Amount in ₹)

	For the year ended 31 <sup>st</sup> March, 2012	For the year ended 31 <sup>st</sup> March, 2011
<b>18 REVENUE FROM OPERATIONS</b>		
<b>EOU:</b>		
Software Development : Off-shore	2,796,150,405	1,777,056,363
Software Development : On -shore	5,228,501,680	3,357,688,805
	8,024,652,085	5,134,745,168
<b>Non - EOU:</b>		
Software Development & Services	476,556,015	3,286,524
Government ICT Projects	282,675,608	17,889,966
	759,231,623	21,176,490
<b>TOTAL</b>	<b>8,783,883,708</b>	<b>5,155,921,658</b>
<b>19 OTHER INCOME</b>		
Interest Income	37,362,267	21,937,913
Exchange Gain (Net)	413,822,517	6,970,522
Miscellaneous Income	769,981	736,135
<b>TOTAL</b>	<b>451,954,765</b>	<b>29,644,570</b>
<b>20 OPERATING COST</b>		
A. 1) Employee Cost	1,142,109,637	975,258,052
2) Other Manpower Cost	987,330,039	815,791,615
B. Supplies & Services	2,030,067,469	742,714,865
<b>TOTAL</b>	<b>4,159,507,145</b>	<b>2,533,764,532</b>
<b>21 CHANGES IN INVENTORIES OF WORK - IN - PROGRESS</b>		
Opening stock		
Work - in - progress	404,239,075	296,399,983
Closing stock		
Work - in - progress	54,491,156	404,239,075
<b>TOTAL</b>	<b>349,747,919</b>	<b>(107,839,092)</b>
<b>22 EMPLOYEE BENEFIT EXPENSES</b>		
Salaries and wages	142,591,814	166,258,145
Contribution to provident and other funds	25,388,179	8,384,932
Staff welfare expenses	19,716,503	9,965,042
<b>TOTAL</b>	<b>187,696,496</b>	<b>184,608,119</b>
<b>23 FINANCE COST</b>		
Interest expense	1,121,895,787	661,635,886
Other borrowing costs	69,967,233	28,171,259
Net (gain)/ loss on foreign currency transactions and translation	238,569,083	(112,950,154)
	1,430,432,103	576,856,991
Less: Capitalised	177,155,897	-
	1,253,276,206	576,856,991
<b>TOTAL</b>	<b>1,253,276,206</b>	<b>576,856,991</b>

(Amount in ₹)

		For the year ended 31 <sup>st</sup> March, 2012	For the year ended 31 <sup>st</sup> March, 2011
<b>24 OTHER EXPENSES</b>			
Electricity Charges		7,982,771	6,559,905
Repairs and maintenance - Others		5,876,481	3,862,078
Insurance		37,977,720	29,337,879
Rates & Taxes (excluding taxes on income)		84,556,721	91,845,440
<b>Payment to Auditors</b>			
Audit Fees	5,000,000		4,000,000
Tax Audit Fees	-		-
Certificaton Fees	433,232		506,238
Other Matters	144,000		2,548,761
		5,577,232	7,054,999
Professional Charges		145,316,087	117,513,012
ROC, Listing Fees		1,117,595	2,656,768
Sundry Balances written off		577,169	30,622,638
Donation		1,606,631	4,855,000
Directors Sitting Fees		1,130,001	1,230,000
Miscellaneous expenses		217,224,287	97,959,200
<b>TOTAL</b>		<b>508,942,695</b>	<b>393,496,919</b>

**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 ₹)

	2011-12	2010-11
Employer's Contribution to Provident Fund	11,773,848	7,341,848

**Defined Benefit Plan**

The Company operate post retirement benefit plan as follows:

- a) **Funded**  
Gratuity
- b) **Un Funded**  
Leave Encashment

Table Showing changes in present value of obligation as on 31<sup>st</sup> March, 2012.

(Amount in ₹)

	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2011-12	2010-11	2011-12	2010-11
Present Value of obligation as at the beginning of year	3,332,774	2,176,546	4,663,782	3,537,040
Interest Cost	396,385	174,124	479,530	353,642
Current Service Cost	2,249,183	782,698	1,949,243	1,245,377
Benefits Paid	(1,254,295)	-	(1,237,794)	(438,587)
Actuarial (gain)/loss on obligations	3,599,000	199,406	295,335	(33,690)
Present value of obligation as at the end of year	8,323,047	3,332,774	6,150,096	4,663,782

Table showing changes in the fair value of plan assets as on 31<sup>st</sup> March, 2012.

(Amount in ₹)

	Gratuity (Funded)		Leave Encashment	
	2011-12	2010-11	2011-12	2010-11
Fair value of plan asset at beginning of year	1,790,902	1,658,243	-	-
Expected return on plan asset	169,583	132,659	-	-
Contribution	1,440,993	-	-	-
Benefits Paid	(1,254,295)	-	-	-
Actuarial gain/(loss) on plan asset	-	-	-	-
Fair value of plan assets at the end of year	2,147,183	1,790,902	-	-

The amounts to be recognised in the balance sheet and statement of profit and loss.

(Amount in ₹)

	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2011-12	2010-11	2011-12	2010-11
Present value of obligation as at the end of year	8,323,047	3,332,774	6,150,096	4,663,782
Fair value of plan assets as at the end of the year	2,147,183	1,790,902	-	-
Funded status asset/(liability)	(6,175,864)	(1,541,872)	(6,150,096)	(4,663,782)
Net asset/(liability) recognised in balance sheet	(6,175,864)	(1,541,872)	(6,150,096)	(4,663,782)

Expenses recognised in statement of profit and loss

(Amount in ₹)

	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2011-12	2010-11	2011-12	2010-11
Current Service Cost	2,249,183	782,698	1,949,243	1,245,377
Interest Cost	396,385	174,124	479,530	353,642
Expected return on plan assets	(169,583)	(132,659)	-	-
Net Actuarial (gain)/loss recognised in the year	3,599,000	199,406	295,335	(33,690)
Expenses recognised in statement of profit and loss	6,074,985	1,023,569	2,724,108	1,565,329

Actuarial Assumption

(Amount in ₹)

	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2011-12	2010-11	2011-12	2010-11
Assumption Discount Rate	8.60%	8.00%	8.60%	8.00%
Salary Escalation	8.00%	4.00%	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:

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.

- 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".
- 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.

**Segment Reporting as per AS 17**  
**1. Primary Segment Information**

Particulars	Local Software Development		ICT Projects		Off-Shore Development		EOU Software Development		TOTAL	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011	31.03.2012	31.03.2011	31.03.2012	31.03.2011	31.03.2012	31.03.2011
	1 Segment Revenue	455,806,458	3,286,524	282,675,608	17,889,966	2,796,150,406	1,777,056,363	5,228,501,680	3,357,688,805	8,763,134,151
External Sales (Net of Int. Seg Sales)	-	-	-	-	-	-	-	-	20,749,557	-
Unallocable Revenue	-	-	-	-	-	-	-	-	-	-
Gross / Net Turnover	455,806,458	3,286,524	282,675,608	17,889,966	2,796,150,406	1,777,056,363	5,228,501,680	3,357,688,805	8,783,883,708	5,155,921,658
2 Segment Results before Interest and Taxes	17,384,165	546,154	(170,036,924)	3,577,993	1,692,166,747	1,153,580,789	2,005,367,186	922,560,863	3,544,881,173	2,080,265,799
Unallocable Revenue	-	-	-	-	-	-	-	-	5,517,956	300,825,473
Results before Interest and Taxes	-	-	-	-	-	-	-	-	3,550,399,128	2,381,091,272
Less : Unallocable Expenses	-	-	-	-	-	-	-	-	390,979,995	187,669,814
Less : Interest Expenses	-	-	-	-	-	-	-	-	1,020,700,017	695,046,598
Add : Interest Income	-	-	-	-	-	-	-	-	213,385,681	21,937,913
Profit before Tax	-	-	-	-	-	-	-	-	2,352,104,798	1,520,312,773
Current Tax	-	-	-	-	-	-	-	-	323,256,449	262,134,345
Deferred Tax	-	-	-	-	-	-	-	-	148,165,923	21,166,423
Profit After Tax	-	-	-	-	-	-	-	-	1,880,682,426	1,237,012,005
3 Other Information	-	-	-	-	-	-	-	-	-	-
Segment Assets	2,888,591,759	2,942,306,011	3,297,522,059	15,890,316	1,930,548,518	2,604,845,231	5,735,805,806	2,441,803,326	13,852,468,142	8,004,844,884
Segment Assets Unallocable	-	-	-	-	-	-	-	-	13,402,728,340	10,919,776,392
Segment Liabilities	222,066,298	208,600,997	313,167,015	114,382	187,993,238	330,782,410	594,024,648	346,928,399	1,317,251,200	886,426,188
Segment Liabilities UnAllocable	-	-	-	-	-	-	-	-	13,023,772,287	8,266,535,392
Capital Expenditure	-	-	-	-	-	-	-	-	5,141,492,267	1,751,932,022
Depreciation	-	-	-	-	-	-	-	-	423,550,624	84,365,986
Non Cash Expenses other than Depreciation	-	-	-	-	-	-	-	-	577,168	31,422,638

**2. Secondary Segment Information**

Particulars	As at 31.03.2012	As at 31.03.2011
1 Segment Revenue:		
Within India	3,555,382,028	1,798,232,853
Outside India	5,228,501,680	3,357,688,805
Total Revenue	8,783,883,708	5,155,921,658
2 Segment Assets:		
Within India	8,116,662,336	5,563,041,558
Outside India	19,138,534,145	13,361,579,718
Total Assets	27,255,196,481	18,924,621,276
3 Segment Liabilities:		
Within India	13,746,998,838	8,806,033,181
Outside India	594,024,648	346,928,399
Total Liabilities	14,341,023,487	9,152,961,580
4 Capital Expenditure:		
Within India	4,112,312,182	1,422,830,714
Outside India	1,029,180,085	329,101,308
Total Expenditure	5,141,492,267	1,751,932,022

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
1	CORE Education & Consulting Solutions Inc., USA	Subsidiary Companies
2	CORE Education & Consulting Solutions (UK) Limited	
3	CORE Education & Technologies FZC, Sharjah	
4	CORE Education Infratech Limited	
5	Aarman Software Private Limited	
6	CORE Higher Education Private Limited	
7	CORE K12 Schools Private Limited	
8	CORE Skill Development & Careers Private Limited	
9	CORE Education & Consulting Solutions Limited (Isle of Man)	
10	Kenan, Keenan & Associates, Inc D/B/A The Employment Store, USA	
11	Partners 4 Growth Inc, USA	
12	CORE Education & Consulting Solutions (HK) Limited HK	
13	CORE Education Technologies Inc., Delaware USA	
14	Technical System Integrators Inc., Georgia, USA	
15	CORE Global Education Pte Limited	
16	CORE Education & Consulting Solutions Pte Limited	
17	ITN Mark Education Limited (UK)	
18	International Teachers Network Limited	
19	Mark Education Limited	
20	Symbia Limited UK	
21	Hamlet Computer Group Limited UK	
22	Core Information Technology Solutions Inc, USA	
23	Core Careers & Skill Development Inc, USA	
24	Core Careers & Skill Development Limited	
25	Wisdom Global Enterprises Limited	Promoter / Promoter Group Companies
26	Core Infrapower Limited	
27	Mr. Sanjeev Mansotra (Chairman & Global CEO)	
28	Mrs. Neelam Mansotra	Key Managerial Personnel
29	Mr. Naresh Sharma (Whole-time Director)	
30	Mr. Sanjeev Mansotra (Chairman & Global CEO)	
31	Mr. Naresh Sharma (Whole-time Director)	
32	Mr. Nikhil Morsawala ( Director - Finance)	
33	Prof. Arun Nigavekar (Executive Director)	
34	Ms. Maya Sinha (Executive Director)	
35	Mr. Prakash Gupta (CEO)	
36	Mrs. Neelam Mansotra	Relative of Key Managerial Personnel

37	San-Neel Industries Limited	Enterprises over which Key Managerial Personnel having significant influence
38	Core Steel & Power Limited	
39	Core Wellness Limited	
40	Core Higher Learning Limited	
41	Core Learning Panaroma Limited	

b) Transaction during the year with related parties :

							(Amount in ₹)
Sr. No.	Nature of Transaction (Excluding reimbursements)	Subsidiaries	Promoter/ Group Companies	Key Managerial Personal	Relative of Key Managerial Personal	Key Managerial Personnel having significant influence	Total
1	Purchase/Subscription/ (Sales) of Investments	2,300,331,562	(113,381,390)				2,186,950,172
		4,356,956,296	160,000,000				4,516,956,296
2	Advances given/(re-turned/taken)	806,355,481	27,555,405			(311,671,950)	522,238,936
		(635,560,191)	338,760			(131,394,686)	(766,616,117)
3	Turnover	2,559,705,042	-	-	-	-	2,559,705,042
		1,099,166,863	-	-	-	-	1,099,166,863
4	Payment to Key Managerial Person	-	-	64,567,816	-	-	64,567,816
		-	-	58,256,063	-	-	58,256,063
5	Rent	-	-	-	3,600,000	-	3,600,000
		-	-	-	-	-	-
		-	-	-	3,600,000	150,000	3,750,000
	<b>Balance as at 31<sup>st</sup> March, 2012</b>						
6	Investments	11,537,447,644	46,618,610				11,584,066,254
		9,237,116,082	160,000,000				9,397,116,082
7	Sundry Debtors	1,619,776,190	-				1,619,776,190
		87,750,803	-				87,750,803
8	Loan & Advances Given/(Taken)	706,864,642	27,914,873			(442,852,376)	291,927,139
		(99,490,839)	359,468			(131,180,426)	(230,311,797)
9	Sundry Creditors	13,772,684			270,000		14,042,684
		9,908,453			270,000		10,178,453
10	Share Application Money	-	-				-
		757,929					757,929
11	Guarantee	1,304,490,750					1,304,490,750
		1,138,575,000					1,138,575,000

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 & Consulting Solutions Inc. (USA) ₹613.47 million (Previous Year ₹2,339.21 million). ₹234.27 million (Previous Year ₹172.12 million) in CORE Education & Technologies (FZC), ₹364.72 million (Previous Year ₹16.99 million) CORE Education & Consulting Solutions (UK) Ltd., ₹1,000.06 million (Previous year Nil) in CORE Education & Consulting solutions Pte Limited, ₹318.49 million (Previous year Nil) in CORE Information Technology Solutions Inc.
- Loans and Advances ₹27.92 million (Previous Year Nil) given to CORE Infrapower Limited as associates.
- Income from Operations includes export of software developed of ₹1,621.10 million (previous year ₹937.29 million) to Core Education & Consulting Solution Inc., ₹21.82 million (previous year ₹161.56 million) to Core Education & Technologies Ltd. (UK) a

wholly owned subsidiary. ₹448.69 million (Previous year ₹Nil) to CORE Education & Consulting Solution. ₹436.95 million (Previous year Nil) to CORE Education Infratech Limited.

4. In Payment to Key Management Personnel includes ₹28.22 million to Mr. Sanjeev Mansotra (Previous year ₹40.94 million), ₹5.00 million to Mr. Nikhil Morsawala (Previous Year ₹3.75 million), ₹11.52 million to Ms Maya Sinha (Previous Year Nil), and ₹14.07 million to Mr. Prakash Gupta (Previous Year ₹11.16 million).
5. Rent paid to Relatives of Key Managerial person Mrs. Neelam Mansotra amounts to ₹3.6 million (Previous year ₹3.6 million)
6. Guarantees, includes ₹1,304.49 million (Previous year ₹1,138.58 million) Corporate guarantee on behalf of Core Education Consulting Solutions Inc. a wholly owned subsidiary company.

## 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, 2012	As at 31 <sup>st</sup> March, 2011
Not later than one year	12,055,090	4,717,200
Later than one year but not later than five years	37,659,004	10,717,100
Later than five years	17,640,000	-

- 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	(Amount in ₹)					
	Total Minimum Lease Payments Outstanding		Future Interest on Outstanding Lease Payments		Present Value of minimum lease payments	
	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
Not later than one year	221,233,342	-	85,200,057	-	136,033,285	-
Later than one year but not later than five years	817,193,639	-	140,846,930	-	676,346,709	-
Later than five years	-	-	-	-	-	-

## 29 EARNINGS PER SHARE (EPS)

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

Particulars	(Amount in ₹)	
	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
Net Profit after Tax as per statement of Profit & Loss attributable to Equity Shareholders	1,880,682,426	1,237,012,005
Weighted average number of Equity Shares (Basic)	111,207,890	103,239,844
Weighted average number of Equity Shares (Diluted)	120,866,592	115,464,306
Basic Earning Per Share (EPS)	16.91	11.98
Diluted Earning Per Share (EPS)*	16.91	11.98
Face Value Per Equity Shares	2/-	2/-

\* Diluted EPS is increased as compared to Basic EPS. Hence, diluted EPS is resirtcted 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, 2012	As at 31 <sup>st</sup> March, 2011
Number of Equity Shares considered as basic weighted average shares outstanding	111,207,890	103,239,844
Add : Effect of dilutive issues of FCCB	9,658,702	12,224,462
Number of Equity Shares considered as weighted average shares and potential share outstanding	120,866,592	115,464,306

## 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
14 <sup>th</sup> June, 2007	1,421,500
12 <sup>th</sup> December, 2007	1,200,000
13 <sup>th</sup> March, 2008	1,179,340
22 <sup>nd</sup> May, 2008	170,690
27 <sup>th</sup> June, 2008	77,960
31 <sup>st</sup> July, 2008	109,755

Out of 4,500,000 options 1,200,000 granted on 12<sup>th</sup> 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<sup>st</sup> March, 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 1<sup>st</sup> April, 2007 and 31<sup>st</sup> March, 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 1<sup>st</sup> April, 2008 and for subsequent set of grants, if any made to employees joined on or before 1<sup>st</sup> April, 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 8,789,000 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
15 <sup>th</sup> October, 2009	4,200,000
12 <sup>th</sup> August, 2010	978,000
11 <sup>th</sup> November, 2010	351,000
11 <sup>th</sup> February, 2011	474,000
26 <sup>th</sup> May, 2011	997,000
30 <sup>th</sup> July, 2011	583,000
24 <sup>th</sup> October, 2011	630,000
9 <sup>th</sup> February, 2012	576,000

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 recognised 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.

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 31<sup>st</sup> March, 2012

Sl. No.	Scheme-1 : ESOS 2007										Scheme-2 : ESOS 2009																	
	14.04.2007	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	14.04.2007	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		
1	Date of grant	14.04.2007	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	14.04.2007	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	
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	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	
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 (₹)	136.8	204.85	222.75	181.45	214.7	192.00	261.90	306.30	267.50	288.65	301.25	281.50	277.70	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	
5	Outstanding options as at 31 <sup>st</sup> April, 2011 (Nos.)	358,707	415,094	111,390	5,150	29,680	2,976,155	772,500	320,000	457,000	N.A.	N.A.	N.A.	N.A.	358,707	415,094	111,390	5,150	29,680	2,976,155	772,500	320,000	457,000	N.A.	N.A.	N.A.	N.A.	
6	Options granted during the year ended 31 <sup>st</sup> March, 2011 (Nos.)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	997,000	583,000	630,000	576,000	Nil	Nil	Nil	Nil	Nil	Nil	997,000	583,000	630,000	576,000	Nil	Nil	Nil	Nil
7	Options vested during the year ended 31 <sup>st</sup> March, 2012 (Nos.)	Nil	Nil	27,929	700	6,789	591,834	390,950	66,000	161,000	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	591,834	390,950	66,000	161,000	Nil	Nil	Nil	Nil
8	Options exercised during the year ended 31 <sup>st</sup> March, 2012 (Nos.)	1,29,705	31,848	1,100	3,750	3,225	590,528	800	Nil	Nil	N.A.	N.A.	N.A.	N.A.	1,29,705	31,848	1,100	3,750	3,225	590,528	800	Nil	Nil	N.A.	N.A.	N.A.	N.A.	N.A.
9	Total no. of shares arising as a result of exercise of options (Nos.)	1,29,705	31,848	1,100	3,750	3,225	590,528	800	Nil	Nil	N.A.	N.A.	N.A.	N.A.	1,29,705	31,848	1,100	3,750	3,225	590,528	800	Nil	Nil	N.A.	N.A.	N.A.	N.A.	N.A.
10	Options lapsed / surrendered during the year ended 31 <sup>st</sup> March, 2012 (Nos.)	131,266	246,891	27,216	-	6,088	499,480	247,750	152,000	78,000	157,000	50,000	29,000	8,000	131,266	246,891	27,216	-	6,088	499,480	247,750	152,000	78,000	157,000	50,000	29,000	8,000	
11	Options in force as at 31 <sup>st</sup> March, 2012 (Nos.)	97,736	136,355	83,074	1,400	20,367	1,886,147	523,950	1,68,000	379,000	840,000	533,000	601,000	568,000	97,736	136,355	83,074	1,400	20,367	1,886,147	523,950	1,68,000	379,000	840,000	533,000	601,000	568,000	
12	Variation of terms of options	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
13	Money realised by exercise of options (₹)	17,743,644.00	6,524,062.80	245,025.00	680,437.50	692,407.50	113,381,376.00	209,520.00	Nil	Nil	N.A.	N.A.	N.A.	N.A.	17,743,644.00	6,524,062.80	245,025.00	680,437.50	692,407.50	113,381,376.00	209,520.00	Nil	Nil	N.A.	N.A.	N.A.	N.A.	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	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	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	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

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 31<sup>st</sup> 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.													
	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													
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
	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
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
	ii) Expected life (years)	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
	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

### 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, 2012	As at 31 <sup>st</sup> March, 2011	Maximum Balance during the year
1	Core Education & Consulting Solutions (UK) Ltd.	Subsidiary	-	23,306,500	23,306,500

##### 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, 2012	As at 31 <sup>st</sup> March, 2011
a) Year to which dividend relates	2010-11	2009-10
b) Number of non-resident shareholders to whom remittance was made	167	264
c) Number of equity shares held by them	379,562	145,787
d) Amount remitted to Bankers in India of the Non-resident shareholders	227,737	87,472

### 33 COMMITMENTS

- Estimated amount of contracts remaining to be executed on capital account and not provided for ₹90,941,865 (P.Y. ₹1,558,693,216).

### 34 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 31<sup>st</sup> March, 2012 amount to ₹4,747,886,610/- (P.Y. 3,659,836,115/-) on account of:

Particulars	Amount in foreign currency		Equivalent amount (in ₹)	
	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
<b>Trade Receivables</b>				
USD	33,122,954	6,808,960	1,694,454,398	303,240,195
GBP	379,606	243,118	30,748,097	17,487,210
<b>TOTAL</b>			1,725,202,495	320,727,405
<b>Borrowings</b>				
USD	59,087,000	74,783,000	3,022,684,115	3,339,108,710

### 35 EARNINGS IN FOREIGN EXCHANGE

(Amount in ₹)		
Particulars	For the year ended 31 <sup>st</sup> March, 2012	For the year ended 31 <sup>st</sup> March, 2011
Export of Software calculated on FOB basis	2,796,150,406	1,777,056,363
<b>TOTAL</b>	2,796,150,406	1,777,056,363

36 EXPENDITURE IN FOREIGN CURRENCY

Particulars	(Amount in ₹)	
	For the year ended 31 <sup>st</sup> March, 2012	For the year ended 31 <sup>st</sup> March, 2011
FCCB Issue Expenses and interest	270,667,829	237,808,845
Travelling, Hotel & Lodging	8,429,899	9,925,103
Professional Fees	26,258,631	10,217,020
Interest on Term Loan	19,950,890	-
Other matters	27,550	14,614
<b>TOTAL</b>	<b>325,334,799</b>	<b>257,965,582</b>

37 CONTINGENT LIABILITIES:

Particulars	(Amount in ₹)	
	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
Guarantees:		
Bank Guarantees	570,612,151	462,197,839
Corporate Guarantee given on behalf of Core Education & Consulting Inc. USA, a wholly owned subsidiary Company	1,304,490,750	1,138,575,000
<b>TOTAL</b>	<b>1,875,102,901</b>	<b>1,600,772,839</b>

38 OTHER NOTES

- In the opinion of the Board of Directors, other current assets have a value on realisation 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.
- All advances, receivables and payables are subject to confirmation and reconciliation, if any.
- The Ministry of Corporate Affairs, Government of India, Vide General Circular No. 2 and 3 dated 8th February 2011 and 21<sup>st</sup> February 2011 respectively has granted a general exemption from compliance with section 212 of the companies Act 1956, subject to fulfilment of conditions stipulated in the circular. The company has satisfied the conditions stipulated in the circular and hence is entitled to the exemption. Necessary information relating to the subsidiaries has been included in the Consolidated Financial Statements.
- These accounts of Core Education & Technologies Ltd. include accounts of its two overseas branches.
- The name of the Company has been changed from Core Projects & Technologies Limited to Core Education & Technologies Limited.
- The Revised Schedule VI has become effective from 1 April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. 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

**Amit Chaturvedi**  
Partner  
Membership No. 103141

Date: 30 April, 2012  
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**  
Whole time Director

**Ganesh Umashankar**  
Company Secretary

## Cash Flow Statement for the year ended 31 March, 2012

(Amount in ₹)

PARTICULARS	For the year ended		For the year ended	
	31 March, 2012		31 March, 2011	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>A</b>			
Net Profit before Tax		2,353,117,388		1,520,312,773
Add: Depreciation		423,550,624		84,365,986
Foreign Currency Translation Loss		706,394,253		9,620,129
Interest Income		(37,362,267)		(21,937,913)
Interest Expense		944,739,890		661,635,887
Operating Profit before working			4,390,439,889	2,253,996,862
Capital changes				
Changes in:				
Trade receivables		(1,106,133,082)		(528,920,727)
Inventories		349,747,919		(107,839,092)
Trade Payables		551,003,008		540,468,074
Loans & Advances		(782,037,811)		(504,048,473)
Tax paid		(24,836,457)	(1,012,256,423)	(298,119,709)
Net cash from operating activities			3,378,183,465	1,355,536,935
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>B</b>			
Purchase of fixed assets		(4,738,530,434)		(1,753,989,287)
Sale of fixed assets		-		800,000
Purchases of Investments		(2,649,250,172)		(3,935,890,657)
Sale of investment		462,300,000		-
Interest Received		37,362,267	(6,888,118,339)	21,937,913
				(5,667,142,032)

(Amount in ₹)

PARTICULARS	For the year ended 31 March, 2012		For the year ended 31 March, 2011	
<b>CASH FLOW FROM FINANCING ACTIVITIES</b> C				
Increase/Decrease in Long term borrowings	5,247,646,268		1,145,473,891	
Increase/Decrease in short term borrowings	(835,668,231)		861,610,655	
Issue of FCCB	-		3,418,500,000	
Issue of shares and warrants	139,476,473		782,099,774	
Payment of Dividends	(78,556,876)		(72,618,801)	
Advance to/from Subsidiaries			106,268,410	
Interest Paid	(1,064,041,031)		(656,910,564)	
Share /FCCB Issue Expenses	(1,043,416)	3,407,813,187	(143,187,030)	5,441,236,335
Net Changes in cash & cash equivalents (A+B+C)		(102,121,687)		1,129,631,239
Cash & Cash Equivalents Opening Balance		1,444,766,278		315,135,039
Cash & Cash Equivalents Closing Balance		1,342,644,591		1,444,766,278

As per our report of even date

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

**Amit Chaturvedi**  
Partner  
Membership No. 103141

Date: 30 April, 2012  
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**  
Whole time Director

**Ganesh Umashankar**  
Company Secretary

Information Pursuant to Section 212 of the companies Act, 1956  
Subsidiary Companies

	1	1(a)	1(a)(i)	2	2(a)	2(a)(i)	2(a)(ii)	3	4	5
	Core Education & Consulting Solution Inc. USA	Keenan, Keenan Associates (TES), USA [Wholly owned subsidiary of Core Education & Consulting Solution Inc. USA]	Partners 4 Growth Inc. USA [Wholly Owned Subsidiary of Keenan, Keenan Associates (TES), USA]	Core Education & Consulting Solutions (U.K.) Ltd. (Formerly Core Projects & Technologies (U.K.) Ltd.)	ITN Mark Education Ltd (UK) [Wholly owned subsidiary of Core Education & Consulting Solutions (U.K.) Ltd.]	Mark Education Limited, UK [Wholly Owner Subsidiary of ITN Mark Education Ltd (UK)]	International Teachers network Limited, UK [Wholly Owned Subsidiary of ITN Mark Education Ltd (UK)]	CORE Information Technology Solutions Inc, USA	CORE Global Education Pte. Ltd. Singapore	CORE Education & Consulting Solutions Pte. Ltd. Singapore
CIN	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Financial year of subsidiary ended on	31st Mar, 2012	31st Mar, 2012	31st Mar, 2012	31st Mar, 2012	31st Mar, 2012	31st Mar, 2012	31st Mar, 2012	31st Mar, 2012	31st Mar, 2012	31st Mar, 2012
Shares of the subsidiary held by the company on the above date										
Nos.	Common Stock- 1,000,000 Preferred Stock- 121,963,300	Equity Shares-200	Equity shares - 100	Ordinary shares- 1,000,000 Preference Shares- 9,758,732	Equity shares- 550,000	Equity shares - 550,000	Equity Shares - 10	Equity Shares- 6,374,000	Equity shares- 15,000	Equity Shares- 19,970,100
Face value	Equity Shares- No par value Preferred Stock- USD 1 each	Equity Shares- No par value	Equity shares - No par value	Ordinary shares- GBP 1 each Preference Shares- GBP 1 each	Equity Shares- GBP 1 each	Equity shares - GBP1 each	Equity shares - GBP 1 each	Equity Shares- USD 1 Each	Equity shares- USD 1 each	Equity shares- USD 1 each
Extent of holding	100%	100%	100%	100%	100%	100%	100%	100%	100%	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	NIL	NIL
b. not dealt with or provided for in the accounts of the Holding Company	1,013,342,308	(14,446,870)	16,071,205	55,468,895	NIL	76,100,835	(10,282,450)	120,526,260	(73,656)	(10,689,000)
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	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b. not dealt with or provided for in the accounts of the Holding Company	782,215,564	(2,295,823)	14,397,043	94,421,881	NIL	NIL	NIL	NIL	NIL	NIL

	6	6(a)	6(b)	6(b) (i)	7	8	9	10	11	12	12(a)	13
	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 ]	Technical System Integrators Inc., Georgia [Wholly owned subsidiary of CORE Education Technologies Inc., Delaware, USA ]	CORE Projects & Technologies FZC, Sharjah	Aarman Software Private Limited	CORE Education Infotech 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]	CORE Careers & Skill Developments Limited
	NA	NA	NA	NA	NA	U72200DL2005 PTC142599	U80221M2008 PLC184133	U80300MH2010 PTC211639	U80301MH2010 PTC211637	U80302MH2010 PTC211638	NA	U80301MH2010 PLC204553
	31st Mar, 2012	31st Mar, 2012	31st Mar, 2012	31st Mar, 2012	31st Mar, 2012	31st Mar, 2012	31st Mar, 2012	31st Mar, 2012	31st Mar, 2012		31st Mar, 2012	31st Mar, 2012
	Equity shares-7,904,194 Preferred shares-10,164,258	Equity shares-1	Equity share-1000 Preference Shares 1,420,000	100% Ownership Interest	Equity Shares- 21,920	Equity shares-129,960	Equity shares -9,000,000	Equity Shares-6,621,447	Equity Shares-639,6043	Equity shares-6,406,935	Equity Shares-100,000	Equity Shares 50,000
	Equity Shares- GBP 1 each Preferred Stock - GBP 1 each	Equity Shares - 1 HKD Each	Equity Shares- USD 1 Each Preference Shares USD 1 Each	NA	Equity shares of AED 1500 each	₹10/- each	Equity shares-₹ 10/- each	₹10/- each	₹10/- each	₹10/- each	USD 1 each	₹10/- each
	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	(1,573,110)	NIL	135,461,016	(19,663,101)	4,504,435	1,885,116	(1,307,306)	NIL	(3,114,718)	(8,474,617)	1,175,751	(500,000)
	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	NIL	NIL	(11,972,020)	45,432,620	105,858,028	9,169,561	(891,743)	NIL	NIL	NIL	NIL	NIL

Details of Subsidiaries under Section 212(8) of the Companies Act, 1956 for the Financial Year ending 31.03.2012

Sr. No.	1	1(a)	1(a)(i)	2	2(a)	2(a)(i)	2(a)(ii)	3	4	5	6
	Name of Subsidiary	Core Education & Consulting Solution Inc. USA	Keenan, Keenan Associates (TES), USA [Wholly owned subsidiary of Core Education & Consulting Solution Inc. USA]	Partners 4 Growth Inc. [Wholly Owned Subsidiary of Keenan, Keenan Associates (TES), USA]	Core Education & Consulting Solutions (U.K.) Ltd. (Formerly Core Projects & Technologies (U.K.) Ltd.)	ITN Mark Education Ltd (UK) [Wholly owned subsidiary of Core Education & Consulting Solutions (U.K.) Ltd.]	Mark Education Limited, UK [Wholly Owner Subsidiary of ITN Mark Education Ltd (UK)]	International Teachers network Limited, UK [Wholly Owned Subsidiary of ITN Mark Education Ltd (UK)]	CORE Information Technology Solutions Inc, USA	CORE Global Education Pte. Ltd. Singapore	CORE Education & Consulting Solutions Pte. Singapore Ltd.
A	Capital										
	Paid up Capital	6,744,894,080	17,449,729	5,116	880,055,676	44,989,560	44,989,560	818	326,071,531	767,348	1,021,600,421
	Share Application	896,978,071	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
B	Reserves	4,316,108,314	(16,999,241)	32,832,274	316,988,050	818	150,814,043	44,379,976	179,292,828	(76,041)	(10,837,910)
C	Total Assets	15,086,113,522	68,721,310	36,606,126	2,445,425,774	44,990,378	413,932,082	105,198,468	2,371,217,833	742,464	,019,529,228
D	Total Liabilities	15,086,113,522	68,721,310	36,606,126	2,445,425,774	44,990,378	413,932,082	105,198,468	2,371,217,833	742,464	1,019,529,228
E	Details of investments (except in case of investment in the subsidiaries)	335,075,075	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
F	Turnover	5,030,438,163	559,077,653	267,265,049	310,565,475	NIL	677,712,758	575,783,941	2,436,663,799	NIL	NIL
G	Profit before Taxation	1,425,371,504	(14,446,870)	20,401,010	74,018,515	NIL	89,382,134	(10,282,450)	198,361,166	(73,656)	(10,689,000)
H	Provision for Taxation	412,029,196	NIL	4,329,805	18,549,621	NIL	13,281,359	NIL	77,834,906	NIL	NIL
I	Profit after Taxation	1,013,342,308	(14,446,870)	16,071,205	55,468,895	NIL	76,100,835	(10,282,450)	120,526,260	(73,656)	(10,689,000)
J	Proposed Dividend	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

	6(a)	6(b)	6(b) (i)	7	8	9	10	11	12	12(a)	13	13
	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 ]	Technical System Integrators Inc., Georgia [Wholly owned subsidiary of CORE Education Technologies Inc., Delaware, USA ]	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]	CORE Careers & Skill Developments Limited
	1,477,984,919	7	72,693,392	46,737,198	464,081,472	1,299,600	90,000,000	66,214,470	63,960,430	64,069,350	5,115,650	500,000
	NIL	NIL	1,445,907,779	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	3,123,833		123,304,778	38,111,704	297,262,603	34,548,912	(1,677,561)	NIL	(3,114,718)	(8,474,617)	(235,692)	(500,000)
	1,481,501,998	2,684,750	2,866,074,958	150,095,466	791,615,986	79,243,964	273,846,011	79,469,670	64,145,925	98,772,119	33,842,293	500,000
	1,481,501,998	2,684,750	2,866,074,958	150,095,466	791,615,986	79,243,964	273,846,011	79,469,670	64,145,925	98,772,119	33,842,293	500,000
	NIL	NIL	NIL	NIL	8,284,660	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	NIL	NIL	901,434,928	306,184,479	172,172,970	4,843,715	437,921,610	NIL	1,198,870	2,882,685	NIL	NIL
	(1,573,110)	NIL	182,976,233	(19,663,101)	4,504,435	2,859,612	(1,307,306)	NIL	(3,114,718)	(8,474,617)	1,175,751	(500,000)
	NIL	NIL	47,515,217	NIL	NIL	974,496	NIL	NIL	NIL	NIL	NIL	NIL
	(1,573,110)	NIL	135,461,016	(19,663,101)	4,504,435	1,885,116	(1,307,306)	NIL	(3,114,718)	(8,474,617)	1,175,751	(500,000)
	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL



## AUDITORS' REPORT

The Board of Directors  
**Core Education & Technologies Limited**  
 (formerly Core Projects & technologies Limited)

We have audited the attached Consolidated Balance Sheet of Core Education & Technologies Limited (formerly Core Projects & Technologies Limited) ("the Company"), and its subsidiaries (collectively referred to as "the Group") as at 31st March 2012, and also the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. Financial statements of four subsidiaries which reflect total assets of ₹271,386,311 as at 31st March, 2012, total revenue of ₹442,003,165 and net cash outflows amounting to ₹5,014,217 for the year then ended have been audited by one of us.
2. We did not audit the financial statement of nine subsidiaries, whose financial statement/consolidated financial statements reflect total asset of ₹18,601,616,417 as at 31st March, 2012, total revenue of ₹10,178,863,535 and net cash outflows of ₹215,014,269 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)
4. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached Consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
  - a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March 2012;
  - b) in the case of the Consolidated Profit and Loss Statement, of the profit of the Group for the year ended on that date; and
  - c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

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

**Amit Chaturvedi**  
 (Partner)  
 Membership No: 103141

Place : Mumbai  
 Date : 30 April, 2012

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

**Sanjay Rane**  
 (Partner)  
 Membership No:100374

# CONSOLIDATED BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2012

(Amount in ₹)

PARTICULARS	NOTE NO.	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's Funds</b>			
Share Capital	1	224,944,682	218,291,272
Reserves and Surplus	2	17,683,611,797	11,608,244,594
Money received against share warrants	2A	-	-
		17,908,556,479	11,826,535,866
Minority Interest		-	46,618,554
<b>Non-Current Liabilities</b>			
Long-term borrowings	3	9,070,908,379	4,591,510,645
Deferred tax liabilities (Net)	4	211,932,490	63,764,053
Long term provisions	5	11,411,243	3,713,565
		9,294,252,112	4,658,988,263
<b>Current Liabilities</b>			
Short-term borrowings	6	2,445,577,234	3,041,254,790
Trade payables	7	1,307,610,334	1,378,912,013
Other current liabilities	8	3,060,381,989	1,055,959,888
Short-term provisions	9	1,578,239,694	570,024,775
		8,391,809,251	6,046,151,466
<b>TOTAL</b>		<b>35,594,617,842</b>	<b>22,578,294,148</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
Tangible assets	10	6,881,127,504	3,297,634,306
Intangible assets	11	4,748,902,690	497,411,989
Capital work-in-progress		25,798,354	-
Intangible assets under development		5,229,900,498	3,133,002,295
		16,885,729,046	6,928,048,590
Goodwill on Consolidation		1,182,222,379	700,186,068
Non-current investments	12	343,359,735	459,248,152
Long term loans and advances	13	1,483,378,869	1,848,002,862
Other non-current assets	14	1,107,919	2,002,779
		19,895,797,948	9,937,488,451
<b>Current assets</b>			
Inventories	15	2,107,564,667	1,465,602,496
Trade receivables	16	6,111,542,370	4,890,201,079
Cash and Cash Equivalents	17	1,574,588,864	1,896,765,402
Short-term loans and advances	18	5,904,570,034	4,387,682,761
Other current assets	19	553,959	553,959
		15,698,819,894	12,640,805,697
<b>TOTAL</b>		<b>35,594,617,842</b>	<b>22,578,294,148</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

**Amit Chaturvedi**  
Partner  
Membership No. 103141

Date: 30 April, 2012  
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**  
Whole time Director

**Ganesh Umashankar**  
Company Secretary

## CONSOLIDATED STATEMENT OF PROFIT & LOSS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2012

(Amount in ₹)

PARTICULARS	NOTE NO.		For the year ended 31 <sup>st</sup> March, 2012	For the year ended 31 <sup>st</sup> March, 2011
Revenue from operations	20		16,378,570,324	10,912,288,685
Other Income	21		496,859,445	42,807,306
<b>Total Revenue</b>			<b>16,875,429,769</b>	<b>10,955,095,991</b>
Expenses:				
Operating Cost	22	8,258,631,925		5,775,423,215
Changes in inventories of work-in-progress	23	(641,962,171)		(444,438,776)
Employee benefit expense	24	804,644,203		603,932,546
Finance costs	25	1,483,292,199		655,753,530
Depreciation and amortization expense	10 & 11	989,886,394		586,229,285
Other expenses	26	1,699,209,288		1,059,575,248
<b>Total Expenses</b>			<b>12,593,701,838</b>	<b>8,236,475,048</b>
Profit before tax			4,281,727,931	2,718,620,943
Tax expense:				
Current tax		1,027,385,820		447,346,374
Provision for tax no longer required written back		(124,739,299)		-
Deferred tax		148,165,923		21,166,423
			1,050,812,444	468,512,797
Profit/(Loss) for the year			3,230,915,487	2,250,108,146
Earning per equity share (Face Value per share ₹2):	30			
Basic			29.05	21.79
Diluted			28.61	21.54

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

**Amit Chaturvedi**  
Partner  
Membership No. 103141

Date: 30 April, 2012  
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**  
Whole time Director

**Ganesh Umashankar**  
Company Secretary

## 1. 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 its below listed Subsidiaries:

Sr. No.	Name of the Company	Country of Incorporation	Proportion of ownership interest	Year Ended
1.	CORE Education & Consulting Solutions Inc. (With its wholly-owned subsidiary Keenan, Keenan & Associates (TES), USA)	U.S.A.	100%	31 <sup>st</sup> Dec
2.	Core Educations & Consulting Solutions (UK) Limited (with its wholly-owned subsidiary ITN Mark Education Limited (UK))	U.K.	100%	31 <sup>st</sup> Dec
3.	CORE Information Technology Solutions Inc., USA	USA	100%	31 <sup>st</sup> Dec
4.	CORE Global Education Pte Ltd. Singapore	Singapore	100%	31 <sup>st</sup> Mar
5.	CORE Education & Consulting Solutions Pte Ltd.	Singapore	100%	31 <sup>st</sup> Mar
6.	Core Education & Consulting Solutions – ISLE of Man (With its Wholly-owned subsidiaries, viz Core Education Technologies Inc. (USA) & Technical Systems Integration Inc, USA wholly owned subsidiaries of Core Education & Technologies Inc)	ISLE of Man	100%	31 <sup>st</sup> Dec
7.	Core Projects & Technologies, FZC	UAE	100%	31 <sup>st</sup> Dec
8.	Aarman Software Private Limited	India	100%	31 <sup>st</sup> Mar
9.	Core Education Infratech Limited	India	100%	31 <sup>st</sup> Mar
10.	Core Higher Education Private Limited	India	100%	31 <sup>st</sup> Mar
11.	Core K 12 Schools Private Limited	India	100%	31 <sup>st</sup> Mar
12.	CORE Careers & Skill Developments Limited (upto March, 2012)	India	100%	31 <sup>st</sup> Mar
13.	CORE Skill Development & Careers Private Limited (With its wholly-owned subsidiary CORE Careers & Skill Development Inc. USA)	India	100%	31 <sup>st</sup> Mar

### 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.

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.

### 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<sup>st</sup> March, 2012, .i.e same date as that of the parent,
- Goodwill arising on consolidation

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**

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 project; 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.

**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**

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.

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 branches, 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**

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 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.

Revenue in case of hardware and software trading are recognised 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.

**xix) 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

(Amount in ₹)

	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
<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>		
112,472,341 (Previous year 109,145,636 ) equity shares of ₹2 each fully paid up.	224,944,682	218,291,272
<b>TOTAL</b>	<b>224,944,682</b>	<b>218,291,272</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 2012 No of shares	For the year ended on 31 <sup>st</sup> March 2011 No of shares
No. of Equity Shares outstanding at the beginning of the year	109,145,636	98,596,291
Add: Additional Equity Shares issued during the year		
- on conversion of FCCB	2,565,749	4,961,852
- on exercise of ESOP	760,956	387,493
- on conversion of warrants	-	5,200,000
Less: Equity Shares forfeited/Bought back during the year	-	-
No. of Equity Shares outstanding at the end of the year	112,472,341	109,145,636

i) Of the above shares 1,350,000 (previous year 1,350,000) shares are allotted as fully paid-up to the promoters of the subsidiary pursuant to a contract without payments being received in cash.

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

(Amount in ₹)

PARTICULARS	Number of shares as at 31 <sup>st</sup> March, 2012	%	Number of shares as at 31 <sup>st</sup> March, 2011	%
Wisdom Global Enterprises Limited	34,834,360	30.97%	42,001,291	38.48%
Core Infrapower Limited	18,300,000	16.27%	10,000,000	9.16%
Albula Investment Fund Ltd	6,737,468	5.99%	7,708,885	7.06%
Crest Fund Ltd	4,332,386	3.85%	5,514,689	5.05%

iii) **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.

iv) **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, 2012	As at 31 <sup>st</sup> March, 2011
<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	5,874,400,131	4,598,244,941
Add: on conversion of FCCB	692,240,343	407,917,432
Add: on exercise of Warrants	-	951,600,000
Add: on exercise of ESOS	137,954,561	59,824,788
Less : FCCB / Warrant issue expenses	1,043,417	143,187,030
	6,703,551,618	5,874,400,131
<b>Debenture Redemption Reserve</b>		
As per last Balance Sheet	350,000	-
Add: Addition during the year	57,733,467	350,000
	58,083,467	350,000
<b>Foreign Currency Translation Reserve</b>		
As per last Balance Sheet	(653,166,840)	(293,993,901)
Add: Effect of foreign exchange rate variations during the year	2,093,742,001	(359,172,939)
	1,440,575,161	(653,166,840)
<b>General Reserve</b>		
As per last Balance Sheet	318,000,000	193,000,000
Add: Transfer from Statement of Profit & Loss	188,000,000	125,000,000
	506,000,000	318,000,000
<b>Statement of Profit and Loss</b>		
As per last Balance Sheet	5,879,161,303	3,832,942,502
Add: Profit/(Loss) for the period	3,230,915,487	2,250,108,146
Less: Appropriations		
Debenture Redemption Reserve	57,733,467	350,000
Proposed Dividend*	67,494,211	65,487,382
Tax on Proposed Dividend	10,947,561	13,051,963
Transfer to General Reserves	188,000,000	125,000,000
	8,785,901,551	5,879,161,303
<b>TOTAL</b>	<b>17,683,611,797</b>	<b>11,608,244,594</b>

\* 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, 2012	As at 31 <sup>st</sup> March, 2011
<b>2A MONEY RECEIVED AGAINST SHARE WARRANTS</b>		
Money received against Share Warrants		
As per last Balance Sheet	-	240,500,000
Add: Call Money Received	-	721,500,000
	-	962,000,000
Less: Warrants converted during the year	-	962,000,000
	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

In the Extra Ordinary General Meeting of the Members of the Company held on 31<sup>st</sup> October, 2009, the members had approved the issuance of warrants to the Promoter / Promoter Group, entitling the warrant holders to apply from time to time for equity shares of the company in one or more tranches on preferential basis not exceeding 10,000,000 fully paid-up equity shares of the face value of ₹2/- each. During the year, CORE Infrapower Ltd. has applied for conversion of balance Nil (P.Y. 5,200,000) warrants applied in previous year into equivalent number of equity shares and the company has allotted Nil (P.Y. 5,200,000) equity shares to CORE Infrapower Limited @ 185/- per shares (including premium of ₹183/- per share).

(Amount in ₹)

	As at 31 <sup>st</sup> March 2012		As at 31 <sup>st</sup> March, 2011	
	Current	Non Current	Current	Non Current
<b>3 LONG TERM BORROWINGS - NOTE</b>				
<b>Secured Loans</b>				
Non Convertible Debentures	-	1,380,000,000	-	640,000,000
Term Loans from Banks	965,864,870	2,097,176,391	202,599,335	409,900,000
Foreign Currency Term Loans	522,303,338	764,393,713	253,539,300	193,050,000
Vehicle Loans from Banks	6,534,908	2,917,026	4,455,517	9,451,935
<b>Unsecured Loans</b>				
Foreign Currency Convertible Bonds	-	3,022,684,116	-	3,339,108,710
Finance Lease Obligations (Refer Note No. 29)	138,024,405	676,346,709		
Term Loan from Banks	448,344,802	1,127,390,424	301,695,762	
<b>TOTAL</b>	<b>2,081,072,323</b>	<b>9,070,908,379</b>	<b>762,289,914</b>	<b>4,591,510,645</b>

3.1 During the previous year, the Company had allotted 640 (Six Hundred Forty Only) Secured Redeemable Non Convertible Debentures (NCDs) of ₹10.00 Lakhs each (Rupees Ten Lakhs only) in the form of Separately Transferable Redeemable Principal Parts of (STRPPS) having the face value of ₹1.00 Lakh (Rupees One Lakh Only) each aggregating to ₹64.00 Crores (Rupees Sixty Four Crores only) having a coupon rate of 11.75% payable annually. Further, during the current year, the company had allotted additional 150 (One Hundred Fifty only) Secured Redeemable Non Convertible Debentures (NCDs) of ₹10.00 Lacs each (Rupees Ten Lacs Only) in form of Separately Transferable Redeemable Principal Parts of (STRPPS) having the face value of ₹1.00 Lacs (Rupees One Lacs Only) each on 17<sup>th</sup> June, 2011 having a coupon rate of 12.75% payable annually and 590 (Five Hundred Ninety Only) Secured Redeemable Non Convertible Debentures (NCDs) of ₹10 Lacs each (Rupees Ten Lacs only) in form of Separately Transferable Redeemable Principal Parts of (STRPPS) having the face value of ₹1.00 Lacs each (Rupees One Lacs Only) on 30<sup>th</sup> December, 2011 with coupon rate of 13.00% aggregating to ₹74.00 Crores (Rupees Seventy Four Crores Only). The Debentures are redeemable in three instalments viz 30% at the end of 3rd year, 30% at the end of 4th year and 40% at the 5th year from the date of allotment i.e. 30<sup>th</sup> March, 2012.

3.2 ₹1,380,000,000 (PY ₹640,000,000) is to be secured by pari passu first charge on immovable asset and tangible Fixed assets of the Company.

(Amount in ₹)

	2012-13	2013-14	2014-15	2015-16	2016-17
<b>3.3 MATURITY PROFILE</b>					
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	1,414,209,672	1,809,168,711	605,611,727	512,865,033	296,921,345
Foreign Currency Term Loans	522,303,338	229,790,471	229,790,471	229,790,471	75,022,300
Vehicle Loan	6,534,908	2,917,026	-	-	-
Foreign Currency Convertible Bonds	-	-	-	3,022,684,116	-
<b>TOTAL</b>	<b>1,943,047,918</b>	<b>2,233,876,208</b>	<b>1,249,402,198</b>	<b>4,243,339,620</b>	<b>667,943,645</b>

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

- a) ₹27,499,994 (P.Y. ₹57,500,000) 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. Nil) is secured by way of an exclusive charge on the project assets and project receivables.
- c) ₹101,810,561 (P.Y. Nil) is secured by an exclusive charge on the assets to be created under the Gujarat school project.
- d) ₹382,352,400 (P.Y. ₹505,095,890) is secured by first exclusive charge on its property at Mahape, Navi Mumbai (CORE Knowledge Centre), measuring 38,300 square feet.
- e) ₹470,000,000 (P.Y. Nil) 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) ₹1,358,400,000 (P.Y. Nil) 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) ₹232,004,589 (P.Y. Nil) is secured by an exclusive charge on the assets created under ICT projects
- h) Nil (P.Y. 49,903,445) Secured by Equitable Mortgage of Unit No. 1, First Floor, United Infotech' Park, TTC Industrial Area, Navi Mumbai.
- i) ₹9,451,934 (P.Y. ₹13,907,452) is secured by hypothecation of respective vehicles.
- j) ₹292,512,867 (P.Y. ₹446,589,300) secured by Pledge of 1,000,000 common stock of Core Education & Consulting Solutions Inc., wholly owned subsidiary.
- k) ₹104,540,436 (P.Y. Nil) is secured by First Charge of property located at 115P, 119P Rickman Industrial Drive, Holly Springs Cherokee, GA and 250 Turner Blvd, Ballground, Cherokke, G.A.
- l) ₹889,643,748 (P.Y. Nil) 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.

- 3.5 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 Reserves 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 31<sup>st</sup> March, 2011 USD 74.783 million bonds are outstanding for conversion.

During the Financial year 2011-12, 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 31<sup>st</sup> March, 2012 USD 59.087 million bonds are outstanding for conversion.

		(Amount in ₹)	
		31 <sup>st</sup> March, 2012	31 <sup>st</sup> March, 2011
<b>4</b>	<b>DEFERRED TAX LIABILITY (NET):</b>		
	Deferred Tax Liability		
	Provision for Depreciation	217,982,269	64,710,962
	Deferred Tax Assets		
	Provision for Employee Benefits	(6,049,779)	(946,909)
	<b>Deferred Tax Liability (Net)</b>	<b>211,932,490</b>	<b>63,764,053</b>

		(Amount in ₹)	
		As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
<b>5</b>	<b>LONG- TERM PROVISIONS</b>		
	Provision for Employee Benefits	11,411,243	3,713,565
	<b>TOTAL</b>	<b>11,411,243</b>	<b>3,713,565</b>

			(Amount in ₹)	
			As at	As at
			31 <sup>st</sup> March, 2012	31 <sup>st</sup> March, 2011
<b>6</b>	<b>SHORT TERM BORROWINGS</b>			
	<b>Secured Loans</b>			
	From Banks			
	- Working Capital Loan		1,755,586,559	1,886,120,060
	- Other Short Term Loan		-	505,134,730
	<b>Unsecured Loan</b>			
	- Working Capital Loan		239,990,675	-
	- Other short Term Loan		450,000,000	650,000,000
	<b>TOTAL</b>		<b>2,445,577,234</b>	<b>3,041,254,790</b>

- 6.1 Nil (P.Y. ₹505,134,730/-) was secured by first charge on property located at Unit No. 1, 3rd floor, United Infotech Park, TTC Industrial Area, Navi Mumbai
- 6.2 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 Fixed deposit given by the promoter company.
- 6.3 Other short term loans are commercial papers ₹450,000,000 (P.Y. ₹650,000,000/-)

			(Amount in ₹)	
			As at	As at
			31 <sup>st</sup> March, 2012	31 <sup>st</sup> March, 2011
<b>7</b>	<b>TRADE PAYABLES</b>			
	Trade payables		1,307,610,334	1,378,912,013
	<b>TOTAL</b>		<b>1,307,610,334</b>	<b>1,378,912,013</b>

#### 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	As at
			31 <sup>st</sup> March, 2012	31 <sup>st</sup> March, 2011
<b>8</b>	<b>OTHER CURRENT LIABILITIES</b>			
	Current maturities of long-term debt (Refer Note No. 3)		1,943,047,918	762,289,914
	Current maturities of finance lease obligations (Refer Note No.3)		138,024,405	-
	Interest accrued but not due on borrowings		141,196,561	83,394,335
	Unpaid dividends*		433,581	451,112
	Advances received from Group Companies		448,514,111	179,757,790
	Income received in advance		211,857,467	-
	Other payables (including statutory dues payable)		177,307,946	30,066,736
	<b>TOTAL</b>		<b>3,060,381,989</b>	<b>1,055,959,887</b>

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

			(Amount in ₹)	
			As at	As at
			31 <sup>st</sup> March, 2012	31 <sup>st</sup> March, 2011
<b>9</b>	<b>SHORT-TERM PROVISIONS</b>			
	Provision for Employee Benefit		3,061,900	2,106,445
	Proposed Dividend		67,494,211	65,487,382
	Tax on proposed dividend		10,947,561	13,051,963
	Other Provisions (including Current/ Fringe Benefit Taxes-Provisions net of payments)		1,496,736,022	489,378,985
	<b>TOTAL</b>		<b>1,578,239,694</b>	<b>570,024,775</b>

10 FIXED ASSETS- TANGIBLE

Description of Assets	Cost				Depreciation			Net Block				
	As at 01.04.2011	Foreign Exchange Revaluation Difference	Additions during the year	Disposals / Adjustments during the year*	As at 31.03.2012	As at 01.04.2011	Foreign Exchange Revaluation Difference	For the year On disposals	As at 31.03.2012	As at 31.03.2012	As at 31.03.2011	
<b>Owned Assets</b>												
Land	1,578,030,593	3,686,031	32,500,000	-	1,614,216,624	-	-	-	-	1,614,216,624	1,578,030,593	
Building	1,131,207,917	38,769,727	-	-	1,169,977,644	30,906,698	(682,478)	22,976,691	53,200,911	1,116,776,733	1,100,301,219	
Computers	294,763,707	44,969,674	1,876,875,363	(39,076,601)	2,177,532,143	99,341,928	39,530,974	169,940,342	(40,433,866)	1,909,152,766	195,421,779	
Furniture & Fixtures	278,809,552	9,945,810	414,885,070	(41,958,227)	661,682,205	69,166,506	6,986,200	37,337,394	(23,928,112)	572,120,217	209,643,046	
Electrical Equipments	12,905,192	1,759,373	13,170,809	-	27,835,374	2,450,367	(363)	4,101,910	-	21,283,460	10,454,825	
Office Equipments	112,117,172	64,943,045	716,071,930	(18,115,128)	875,017,019	29,873,782	13,304,745	85,198,149	-	746,640,343	82,243,391	
Motor Car	78,166,680	6,814,567	1,478,506	(1,648,518)	84,811,235	10,894,776	2,253,141	9,275,177	(1,210,704)	63,598,845	67,271,904	
<b>Leased Assets</b>												
Lease Hold Improvement	68,627,398	17,917,491	5,516,979	-	92,061,868	14,359,849	(2,290,787)	16,677,785	-	63,315,021	54,267,549	
Computers	-	-	755,114,973	-	755,114,973	-	-	36,657,796	-	718,457,177	-	
Furniture & Fixtures	-	-	58,549,960	-	58,549,960	-	-	2,983,642	-	55,566,318	-	
Total Amount (₹)	3,554,628,211	188,805,718	3,874,163,590	(100,798,474)	7,516,799,045	256,993,906	59,101,431	385,148,886	(65,572,682)	6,881,127,504	3,297,634,306	
Previous Year	1,307,702,937	(17,320,095)	2,266,302,635	(2,057,266)	3,554,628,211	153,635,094	16,317,721	87,836,102	(795,012)	3,297,634,306	1,154,067,843	

₹2633/- for CORE Higher Education Pvt. Ltd., has been taken into project development expenditure since the operation of the company has not been started.

11 FIXED ASSETS- INTANGIBLE

Description of Assets	Cost				Amortization			Net Block				
	As at 01.04.2011	Foreign Exchange Revaluation Difference	Additions during the year	Disposals during the year	As at 31.03.2012	As at 01.04.2011	Foreign Exchange Revaluation Difference	For the year On disposals	As at 31.03.2012	As at 31.03.2012	As at 31.03.2011	
<b>Owned Assets</b>												
Intellectual Property Rights (Other than internally generated)	1,451,237,656	212,913,421	4,508,246,188	-	6,172,397,265	957,810,822	21,966,225	569,180,208	(17,625,789)	1,531,331,466	4,641,065,799	493,426,835
Computer Software	168,551,508	11,729,804	121,423,580	(129,070,365)	172,634,527	164,566,354	-	35,559,932	(135,328,650)	64,797,636	107,836,891	3,985,154
Total Amount (₹)	1,619,789,164	224,643,225	4,629,669,768	(129,070,365)	6,345,031,792	1,122,377,176	21,966,225	604,740,141	(152,954,439)	1,596,129,102	4,748,902,690	497,411,989
Previous Year	1,531,247,728	81,247,462	7,293,974	-	1,619,789,164	635,346,691	(11,362,698)	498,393,183	-	1,122,377,176	497,411,989	895,901,036

	(Amount in ₹)	
	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
<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	-
- Radiant Bay Ventures Limited	-	223,250,000
- PMH Investment Limited	-	69,207,500
	335,075,075	292,457,500
Investment in Mutual Fund	8,284,660	6,790,652
<b>Investments in Preference Shares of Associate:</b>		
- Core Learning Panorama Ltd., (8,000,000) of ₹10 each fully paid up	-	160,000,000
<b>TOTAL</b>	<b>343,359,735</b>	<b>459,248,152</b>
Aggregate Value of Unquoted Investment	343,359,735	459,248,152

	(Amount in ₹)	
	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
<b>13 LONG TERM LOANS AND ADVANCES</b>		
(Unsecured and considered good)		
<b>Loans and Advances to other than related parties:</b>		
Capital Advances	1,291,620,438	1,745,346,957
Security deposits	37,872,647	4,110,555
Advance Income Tax & TDS (Net of provisions)	25,870,042	11,022,857
Balances with Government Authorities (Service Tax & VAT Credit Receivables)	128,015,742	84,306,216
Other Loans and Advances	-	3,216,277
<b>TOTAL</b>	<b>1,483,378,869</b>	<b>1,848,002,862</b>

	(Amount in ₹)	
	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
<b>14 OTHER NON CURRENT ASSETS</b>		
(Unsecured and considered good)		
Unamortised Expenses	1,107,919	2,002,779
<b>TOTAL</b>	<b>1,107,919</b>	<b>2,002,779</b>

	(Amount in ₹)	
	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
<b>15 INVENTORIES</b>		
(at cost or net realisable value whichever is lower)		
Software Development-Work-in-Process	2,107,564,667	1,465,602,496
<b>TOTAL</b>	<b>2,107,564,667</b>	<b>1,465,602,496</b>

(Amount in ₹)

	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
<b>16 TRADE RECEIVABLES</b>		
(Unsecured and considered good)		
Over Six Months	1,533,000	114,567,563
Others	6,110,009,370	4,775,633,516
<b>TOTAL</b>	<b>6,111,542,370</b>	<b>4,890,201,079</b>

(Amount in ₹)

	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
<b>17 CASH AND CASH EQUIVALENTS</b>		
<b>Balances with banks</b>		
In Current Accounts	584,307,085	1,342,623,596
In Unpaid Dividend Accounts	338,776	356,377
Cash on hand	3,111,544	1,342,551
Cheques on hand	372,163,538	348,000,000
<b>Other Bank Balance</b>		
Margin Money Deposit	28,016,660	-
Fixed Deposits*	586,651,261	204,442,878
(Given as security for bank guarantee)		
<b>TOTAL</b>	<b>1,574,588,864</b>	<b>1,896,765,402</b>

\* ₹191,811,082 (P.Y. ₹152,713,400) maturity period for more than 12 months.

(Amount in ₹)

	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
<b>18 SHORT TERM LOANS AND ADVANCES</b>		
(Unsecured and considered good)		
Loans and Advances to related parties (Refer Note No. 28)	1,164,099,822	1,767,114,487
Others		
Others (including Advances against supplies and services, Staff Advances, etc)	4,740,470,212	2,620,568,274
<b>TOTAL</b>	<b>5,904,570,034</b>	<b>4,387,682,761</b>

(Amount in ₹)

	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
<b>19 OTHER CURRENT ASSETS</b>		
(Unsecured and considered good)		
Unamortised 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, 2012	For the year ended 31 <sup>st</sup> March, 2011
<b>20 REVENUE FROM OPERATIONS</b>		
Income from operation		
<b>EOU:</b>		
Software Development : Off-shore	2,796,150,406	1,777,056,363
Software Development : On -shore	5,228,501,680	3,357,688,805
	8,024,652,086	5,134,745,168
<b>Non - EOU:</b>		
Software Development & Services	8,071,242,630	5,598,653,551
Government ICT Projects	282,675,608	17,889,966
	8,353,918,238	5,777,543,517
<b>TOTAL</b>	<b>16,378,570,324</b>	<b>10,912,288,685</b>

(Amount in ₹)		
	For the year ended 31 <sup>st</sup> March, 2012	For the year ended 31 <sup>st</sup> March, 2011
<b>21 OTHER INCOME</b>		
Interest Income	37,417,773	21,937,913
Exchange Gain (Net)	450,644,684	6,967,305
Miscellaneous Income	8,796,988	13,902,088
<b>TOTAL</b>	<b>496,859,445</b>	<b>42,807,306</b>

(Amount in ₹)		
	For the year ended 31 <sup>st</sup> March, 2012	For the year ended 31 <sup>st</sup> March, 2011
<b>22 OPERATING COST</b>		
A. 1) Employee Cost	1,852,928,910	1,769,268,766
2) Other Manpower Cost	4,081,432,616	3,128,807,128
B. Supplies & Services	2,324,270,399	877,347,321
<b>TOTAL</b>	<b>8,258,631,925</b>	<b>5,775,423,215</b>

(Amount in ₹)		
	For the year ended 31 <sup>st</sup> March, 2012	For the year ended 31 <sup>st</sup> March, 2011
<b>23 CHANGES IN INVENTORIES OF WORK - IN - PROGRESS</b>		
Opening stock		
Work - in - progress	1,465,602,496	1,021,163,720
Closing stock		
Work - in - progress	2,107,564,667	1,465,602,496
<b>TOTAL</b>	<b>(641,962,171)</b>	<b>(444,438,776)</b>

(Amount in ₹)		
	For the year ended 31 <sup>st</sup> March, 2012	For the year ended 31 <sup>st</sup> March, 2011
<b>24 EMPLOYEE BENEFIT EXPENSE</b>		
Salaries and wages	758,163,506	587,030,143
Contribution to provident and other funds	25,388,179	6,557,825
Staff welfare expenses	21,092,518	10,344,578
<b>TOTAL</b>	<b>804,644,203</b>	<b>603,932,546</b>

(Amount in ₹)

	For the year ended 31 <sup>st</sup> March, 2012	For the year ended 31 <sup>st</sup> March, 2011
<b>25 FINANCE COST</b>		
Interest expense	1,351,619,855	740,532,425
Other borrowing costs	70,259,158	28,171,259
Net (gain)/ loss on foreign currency transactions and translation	238,569,083	(112,950,154)
	1,660,448,096	655,753,530
Less: Capitalised	177,155,897	-
	1,483,292,199	655,753,530
<b>TOTAL</b>	<b>1,483,292,199</b>	<b>655,753,530</b>

(Amount in ₹)

	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
<b>26 OTHER EXPENSES</b>		
Electricity Charges	11,789,899	8,975,614
Repairs and maintenance - Others	12,427,695	9,349,493
Insurance	85,221,486	65,808,539
Rates & Taxes (excluding taxes on income)	220,675,361	176,752,401
Payment to Auditors		
Audit Fees	7,558,250	4,000,000
Certification Fees	433,232	506,238
Other Matters	144,000	2,548,761
	8,135,482	7,054,999
Professional Charges	523,187,311	323,775,106
Travelling Expenses	166,249,650	109,056,842
ROC, Listing Fees	1,867,423	4,326,519
Sundry Balances written off	840,227	41,587,806
Donation	1,606,631	4,985,007
Directors Sitting Fees	1,130,001	1,230,000
Miscellaneous expenses	666,078,122	306,672,922
<b>TOTAL</b>	<b>1,699,209,288</b>	<b>1,059,575,248</b>

**27 SEGMENT REPORTING:**

The Company provides software development and related IT and Infrastructure services. The company has identified two 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.

- 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".
- 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.

Segment Reporting as per AS 17  
1. Primary Segment Information

Particulars	Local Software Development		ICT Projects		EOU Software Development		TOTAL	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011	Off-Shore Development 31.03.2012	Off-Shore Development 31.03.2011	On-Shore Development 31.03.2012	On-Shore Development 31.03.2011
	1 Segment Revenue							
External Sales (Net of Int. Seg Sales)	8,050,493,074	5,759,653,551	282,675,608	17,889,966	2,796,150,406	1,777,056,363	5,228,501,680	16,357,820,768
Unallocable Revenue							20,749,557	-
Gross / Net Turnover	8,050,493,074	5,759,653,551	282,675,608	17,889,966	2,796,150,406	1,777,056,363	5,228,501,680	16,378,570,324
2 Segment Results before Interest and Taxes	2,126,125,716	1,138,691,863	-170,086,924	3,577,993	1,692,166,747	1,153,580,789	2,005,367,186	5,653,622,724
Unallocable Segment Result							5,517,956	300,825,473
Results before Interest and Taxes							5,659,140,679	3,519,236,981
Less:- Unallocable Expenses							390,979,995	187,669,814
Less:- Interest Expenses							1,483,292,199	655,753,530
Add : Interest Income							496,859,446	42,807,306
Profit before Tax							4,281,727,932	2,718,620,943
Current Tax							902,646,571	447,246,374
Deferred Tax							148,165,923	21,266,423
Profit After Tax							3,230,915,487	2,250,108,146
3 Other Information								
Segment Assets Allocable	11,228,013,120	6,595,978,883	3,297,522,059	15,890,316	1,930,548,518	2,604,845,231	5,735,805,806	22,191,889,503
Segment Assets Unallocable							13,402,728,340	10,919,776,392
Segment Liabilities Allocable	3,343,760,441	1,693,301,528	313,167,015	114,382	187,993,238	330,782,410	594,024,648	4,438,945,343
Segment Liabilities Unallocable							13,023,772,287	8,266,535,392
Capital Expenditure							5,996,860,148	3,502,181,917
Depreciation							989,886,394	586,229,285
Non Cash Expenses other than Depreciation							577,168	40,830,014

Particulars	As at 31.03.2012	As at 31.03.2011
1 Segment Revenue:		
Within India	4,002,228,908	1,798,232,853
Outside India	12,376,341,416	9,114,055,832
<b>Total Revenue</b>	<b>16,378,570,324</b>	<b>10,912,288,685</b>
2 Segment Assets		
Within India	16,456,083,697	9,216,714,430
Outside India	19,138,534,145	13,361,579,718
<b>Total Revenue</b>	<b>35,594,617,842</b>	<b>22,578,294,148</b>
3 Segment Liabilities:		
Within India	16,868,692,981	10,290,733,712
Outside India	594,024,648	346,928,399
<b>Total Revenue</b>	<b>17,462,717,630</b>	<b>10,637,662,111</b>
3 Capital Expenditure		
Within India	4,112,312,182	1,422,830,714
Outside India	1,884,547,966	2,079,351,203
<b>Total Revenue</b>	<b>5,996,860,148</b>	<b>3,502,181,917</b>

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 / Promoter Group Companies
2	Core Steel Industries Private Limited	
3	Core Steel & Power Limited	
4	Core Wellness Limited	
5	Core Higher Learning Limited	
6	Core Infrapower Limited	
7	Core Learning Panaroma Limited	
8	Soham Health Awareness Private Limited	
9	Mr. Sanjeev Mansotra (Chairman & Global CEO)	
10	Mrs. Neelam Mansotra	
11	Mr. Naresh Sharma (Whole-time Director)	
12	Mr. Sanjeev Mansotra (Chairman & Global CEO)	
13	Mr. Naresh Sharma (Whole-time Director)	Relative of Key Managerial Personnel
14	Mr. Nikhil Morsawala (Director - Finance)	
15	Prof. Arun Nigavekar (Executive Director)	Enterprises over which Key Managerial Personnel having significant influence
16	Ms. Maya Sinha (Executive Director)	
17	Mr. Prakash Gupta (CEO)	
18	Mrs. Neelam Mansotra	
19	San-Neel Industries Limited	
20	Core Steel & Power Limited	
21	Core Wellness Limited	
22	Core Higher Learning Limited	
23	Core Learning Panaroma Limited	

b) Transaction during the year with related parties :

						(Amount in ₹)
Sr. No.	Nature of Transaction (Excluding reimbursements)	Promoter/ Group Companies	Key Managerial Personal	Relative of Key Managerial Personal	Key Managerial Personnel having significant influence	Total
1	Purchase/Subscription/(Sales) of Investments	(113,381,390)	-	-	-	(113,381,390)
		<i>160,000,000</i>	-	-	-	<i>160,000,000</i>
2	Advances given/(returned/taken)	27,555,405	-	-	(311,671,950)	(284,116,545)
		<i>338,760</i>	-	-	<i>(131,394,686)</i>	<i>(131,055,926)</i>
3	Payment to Key Managerial Person	-	64,567,816	-	-	64,567,816
		-	<i>58,256,063</i>	-	-	<i>58,256,063</i>
4	Rent	-	-	3,600,000	-	3,600,000
		-	-	<i>3,600,000</i>	<i>150,000</i>	<i>3,750,000</i>
	Balance as at 31 <sup>st</sup> March, 2012					
5	Investments	46,618,610	-	-	-	46,618,610
		<i>160,000,000</i>	-	-	-	<i>160,000,000</i>
6	Loan & Advances Given/(Taken)	27,914,873	-	-	(442,852,376)	(414,937,503)
		<i>359,468</i>	-	-	<i>(131,180,426)</i>	<i>(130,820,958)</i>
7	Sundry Creditors	-	-	270,000	-	270,000
		-	-	<i>270,000</i>	-	<i>270,000</i>

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.

- Loans and Advances ₹27.92 million (Previous Year Nil) given to CORE Infrapower Limited as associates.
- In Payment to Key Management Personnel includes ₹28.22 million to Mr. Sanjeev Mansotra (Previous year ₹40.94 million), ₹11.52 million to Ms. Maya Sinha (Previous Year Nil), and ₹14.07 million to Mr. Prakash Gupta (Previous Year ₹11.16 million).
- Rent paid to 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, 2012	As at 31 <sup>st</sup> March, 2011
Not later than one year	12,055,090	4,717,200
Later than one year but not later than five years	37,659,004	10,717,100
Later than five years	17,640,000	-

- 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	Total Minimum Lease Payments Outstanding		Future Interest on Outstanding Lease Payments		Present Value of minimum lease payments	
	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
Not later than one year	221,233,342	-	85,200,057	-	136,033,285	-
Later than one year but not later than five years	817,193,639	-	140,846,930	-	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, 2012	As at 31 <sup>st</sup> March, 2011
Net Profit after Tax as per statement of Profit & Loss attributable to Equity Shareholders	3,230,915,487	2,250,108,145
Weighted average number of Equity Shares (Basic)	111,207,890	103,239,844
Weighted average number of Equity Shares (Diluted)	120,866,592	115,464,306
Basic Earning Per Share (EPS)	29.05	21.79
Diluted Earning Per Share (EPS)	28.61	21.54
Face Value Per Equity Shares	2/-	2/-

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

Particulars	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
Number of Equity Shares considered as basic weighted average shares outstanding	111,207,890	103,239,844
Add : Effect of dilutive issues of FCCB	9,658,703	12,224,462
Number of Equity Shares considered as weighted average shares and potential share outstanding	120,866,593	115,464,306

### 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:

(Amount in ₹)

Particulars	Paid in Current year Final	Paid in Previous Year Final Dividend
(a) Year to which dividend relates	2011-12	2010-11
(b) Number of non-resident shareholders to whom remittance was made	167	264
(c) Number of equity shares held by them	379,562	145,787
(d) Amount remitted to Bankers in India of the Non-resident shareholders	227,737	87,472

### 32 COMMITMENTS

- a) Estimated amount of contracts remaining to be executed on capital account and not provided for ₹90,941,865. (31<sup>st</sup> March 2011 ₹1,558,693,216).

### 33 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 31<sup>st</sup> March, 2012 amount to ₹4,747,886,610/- (P.Y. ₹3,659,836,115/-) on account of:

Particulars	Amount in foreign currency		Equivalent amount in ₹	
	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
<b>Trade Receivables</b>				
USD	33,122,954	6,808,960	1,694,454,398	303,240,195
GBP	379,606	243,118	30,748,097	17,487,210
<b>Total</b>			<b>1,725,202,495</b>	<b>320,727,405</b>
<b>Borrowings</b>				
USD	59,087,000	74,783,000	3,022,684,115	3,339,108,710

### 34 EARNINGS IN FOREIGN EXCHANGE

(Amount in ₹)

Particulars	For the year ended 31 <sup>st</sup> March, 2012	For the year ended 31 <sup>st</sup> March, 2011
Export of Software calculated on FOB basis	2,796,150,406	1,777,056,363
<b>TOTAL</b>	<b>2,796,150,406</b>	<b>1,777,056,363</b>

### 35 EXPENDITURE IN FOREIGN CURRENCY

(Amount in ₹)

Particulars	For the year ended 31 <sup>st</sup> March, 2012	For the year ended 31 <sup>st</sup> March, 2011
FCCB Issue Expenses and interest	270,667,829	237,808,845
Travelling, Hotel & Lodging	8,429,899	9,925,103
Professional Fees	26,258,631	10,217,020
Interest on Term Loan	19,950,890	-
Other matters	27,550	14,614
<b>TOTAL</b>	<b>325,334,799</b>	<b>257,965,582</b>

### 36 CONTINGENT LIABILITIES:

(Amount in ₹)

Particulars	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
<b>Guarantees:</b>		
Bank Guarantees	570,612,151	462,197,839
<b>TOTAL</b>	<b>570,612,151</b>	<b>462,197,839</b>

### 37 OTHER INFORMATIONS

- In the opinion of the Board of Directors, other current assets have a value on realisation 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.
- All advances, receivables and payables are subject to confirmation and reconciliation, if any.
- These accounts of Core Education & Technologies Ltd. include accounts of its two overseas branches.
- The name of the Company has been changed from Core Projects & Technologies Limited to Core Education & Technologies Limited.
- The Revised Schedule VI has become effective from 1 April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. 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

**Amit Chaturvedi**  
Partner  
Membership No. 103141

Date: 30 April, 2012  
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**  
Whole time Director

**Ganesh Umashankar**  
Company Secretary

## Consolidated Cash Flow Statement for the year ended 31 March, 2012

(Amount in ₹)

PARTICULARS	For the year ended 31 March, 2012		For the year ended 31 March, 2011	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b> A				
Net Profit before Tax	4,281,727,931		2,718,620,943	
Add: Depreciation	989,886,394		586,229,285	
Foreign Currency Translation Gain/(Loss)	2,169,158,679		(372,279,374)	
Interest Income	(37,417,773)		(21,937,913)	
Interest Expense	1,174,463,958		740,532,425	
Operating Profit before working		8,577,819,189		3,651,165,366
Capital changes				
Changes in:				
Trade receivables	(629,284,915)		(907,877,411)	
Inventories	(641,962,171)		(444,438,776)	
Trade Payables	555,145,051		492,674,864	
Loans & Advances	(1,590,247,755)		(785,721,950)	
Tax paid	89,863,331	(2,216,486,459)	(388,913,072)	(2,034,276,345)
Net cash from operating activities		6,361,332,730		1,616,889,021
<b>CASH FLOW FROM INVESTING ACTIVITIES</b> B				
Purchase of fixed assets	(9,979,310,854)		(3,524,242,024)	
Sale of fixed assets	-		(3,314,530)	
Purchases of Investments	(1,534,008,701)		(1,766,120,080)	
Sale of investment	452,457,500			
Interest Received	37,417,773	(11,023,444,282)	21,937,913	(5,271,738,721)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b> C				
Increase/(Decrease) in Long term borrowings	6,087,754,018		614,033,387	
Increase/(Decrease) in short term borrowings	(595,677,556)		1,209,701,791	
Issue of FCCB	-		3,339,108,710	
Issue of shares and warrants	139,476,473		782,099,774	
Issue of subsidiary shares to minority	-		46,618,554	
Payment of Dividends	(78,556,876)		(72,618,801)	
Interest Paid	(1,293,817,629)		(735,807,102)	
Share /FCCB Issue Expenses	(1,043,416)	4,258,135,014	(145,347,266)	5,037,789,047
Net Changes in cash & cash equivalents (A+B+C)		(403,976,538)		1,382,939,347
Cash & Cash Equivalents Opening Balance		1,896,765,402		513,826,055
Add: On acquisition of subsidiaries		81,800,000		-
Cash & Cash Equivalents Closing Balance		1,574,588,864		1,896,765,402

Note :

- Figures in brackets represents cash outflow.
- Cash flow statement is prepared as per the indirect method specified in Accounting Standard - "3" notified by the Companies (Accounting Standards) Rules, 2006.

As per our report of even date  
For **Chaturvedi & Shah**  
Chartered Accountants  
Firm Registration No. 101720W

**Amit Chaturvedi**  
Partner  
Membership No. 103141

Date: 30 April, 2012  
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**  
Whole time Director

**Ganesh Umashankar**  
Company Secretary

# Corporate Information

## Mr. Sanjeev Mansotra

Chairman

## Dr. Prof. Arun Nigavekar

Executive Director

## Ms. Maya Sinha

Executive Director

## Mr. Nikhil Morsawala

Director - Finance

## Mr. Naresh Sharma

Whole time Director

## Mr. Awinash Arondekar

Independent Director

## Mr. Sunder Shyam Dua

Independent Director

## Mr. M. N. Nambiar

Independent Director

## Mr. K. C. Ganjwal\*

Independent Director

## Mr. Harihar Iyer

Non Executive Director

\* ceased to be a Director w.e.f. 11 Aug. 2012

## 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 Ltd

Dhanlaxmi Bank Ltd

EXIM Bank

IFCI Ltd

Life Insurance Corporation of India

Credit Suisse Finance (India) Pvt. Ltd.

Suntrust 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

Email: 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,

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. Mellennium Business Park, Mahape,  
Navi Mumbai 400 710

#### Andhra Pradesh

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

#### West Bengal

Plot No.AG-17, Sector-1,  
Salt Lake City, Kolkata 700 091

#### Gujarat

15, Ground Floor, IT Tower-I,  
Infocity Complex, Airport Road, Near Indroda Circle,  
Gandhinagar 382 009

#### Delhi

1st & 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

### Offices in USA

#### Headquarters

Three Ravinia Drive  
Suite 1900,  
Atlanta, Georgia 30346

#### Corporate Office

One Penn Plaza  
29th Floor, Suite 2905  
New York, New York 10120

#### Advanced Technologies Division

250 Turner Boulevard  
Ball Ground, Georgia 30107

### Consulting & Staffing Division

1320 University Avenue  
Rochester, New York 14607

5 Independence Way  
Suite 160  
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

Peter House  
Oxford Street  
Manchester M15AN

#### 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.

### Offices in Singapore

CORE Education & Consulting Solutions Pte Ltd.  
6, Shenton Way,  
# 20-10, DBS Building  
Singapore (068809)

### 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

Deepak Mehrotra - Sr. VP - Business Development  
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

### Administration

Sandesh Pednekar - Sr. Manager

### Finance & Accounts

Nikhil Pandya - Head - Treasury & Banking  
Anandkumar Sanganeria - EVP - Finance  
Francis Vidhayathil - VP - Finance  
Sanjay Chandoskar - AVP - Finance  
Shubhanan Aijaonkar - AVP - Accounts & Project Costing  
Kedar Deodhar - Sr. Manager - Corporate Finance

---

## US

Shekhar Iyer - Mergers & Acquisitions  
James Ashby - President - Global R&D  
Nicole Neal - President - Assessment & Solutions  
Brian Keenan - President - Consulting & Staffing  
Paul Sprayberry - President - Advanced Technologies  
Allison Keenan - VP - Corporate Finance & Accounting  
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



Thinking minds. Transforming nations.



www.ainnsight.com

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 | Website: [www.core-edutech.com](http://www.core-edutech.com)