

Plato  
Socrates  
Ramakrishna Paramhansa  
Swami Vivekananda  
Ramakant Achrekar  
Sachin Tendulkar  
Ravi Shankar  
Ustad Alauddin Khan  
Guru Dronacharya  
Ariuna

Inspiring ideas  
+  
Ignited minds  
=  
**Illustrious relationships**



Annual Report 2009-10

# Inside CORE

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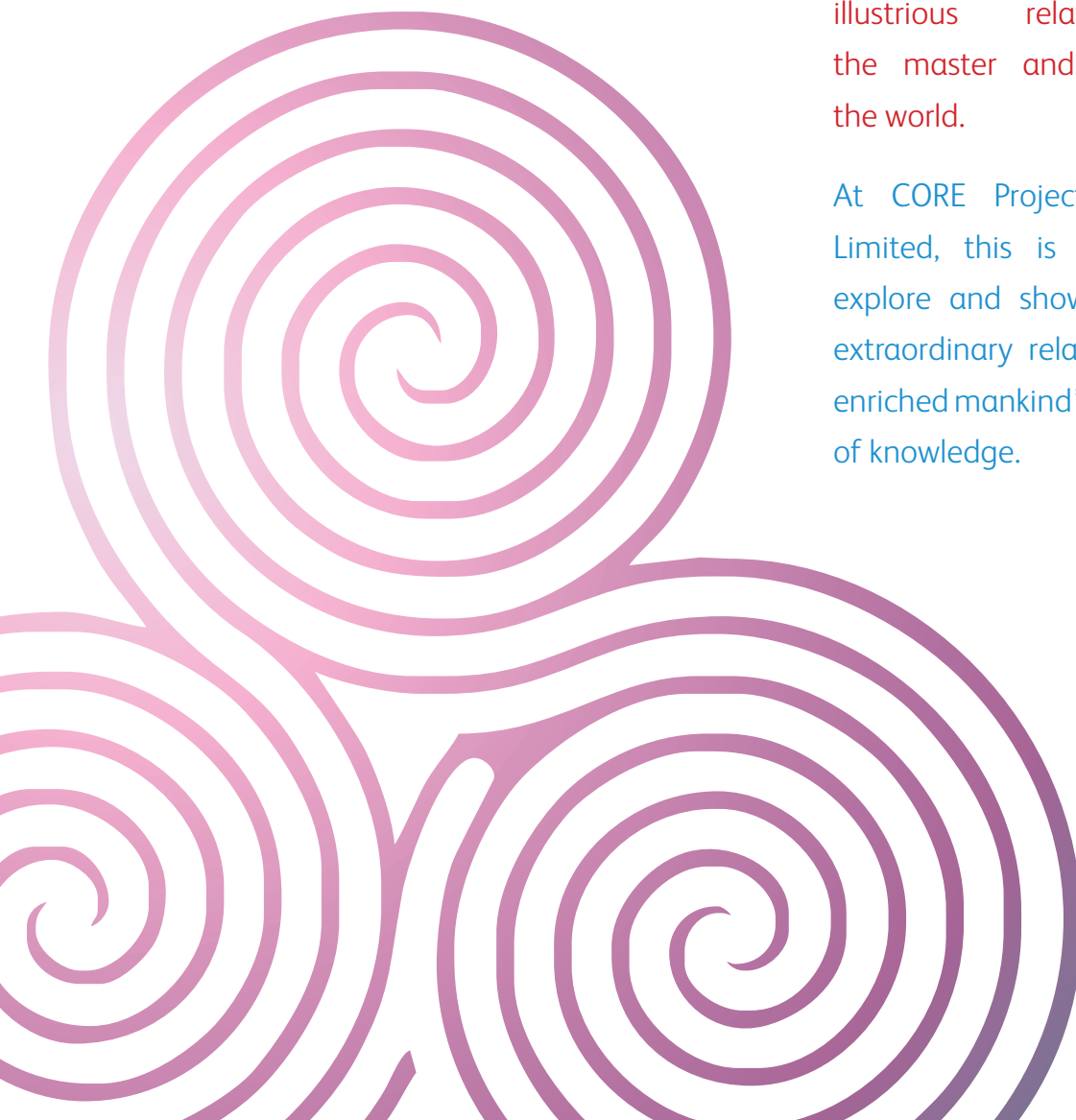
### Forward Looking **Statement**

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.

In a knowledge-driven era, the focus is quietly, but decisively, shifting from capital resources to human resources, from natural resources to knowledge resources, from a hierarchic to a relationship model. In this new world order, the future leaders will be people who can impart knowledge, disseminate information and inspire generations with perhaps the speed of light, leveraging modern technological breakthroughs. They will be those who can align their thoughts with the intellectual bandwidth of multi-locational and multi-cultural people to ignite their minds.

As we look back across the dark labyrinth of time, we find one fundamental reality emerging: the fortuitous combination of inspiring ideas and ignited mind has created illustrious relationships between the master and the disciple across the world.

At CORE Projects and Technologies Limited, this is a small attempt to explore and showcase some of those extraordinary relationships, which have enriched mankind's collective inheritance of knowledge.



She  
only true  
wisdom  
is in knowing,  
you know  
nothing

Socrates to Plato

**Socrates** was as far from being handsome as even a philosopher can be. He had a bald head, a great round face, deep-set staring eyes and a broad and a flowery nose. Yet his human kindness and unassuming simplicity made this thinker a beloved teacher of the finest youth of Athens, including Plato. As we look back, down the dark labyrinth of time, we can picture his ungainly figure, forever forgetful, clad always in the same rumpled tunic, walking leisurely through the marketplace (a place of congregation), buttonholing the young and the learned about him, luring them into some shady nook of temple porticos for an engaging discourse. Socrates was never conceited for his wisdom, and would often tell his followers, 'the only true wisdom is in knowing, you know nothing.' Today, this is often referred to as Socratic irony or paradox.



**P**lato, one of the greatest Western philosophers, was a close follower of Socrates. When Plato was a young man, he went to listen to Socrates, and learned from this gentle philosopher about the process of intellectual discourse. Later, Plato documented some of Socrates' conversations, which are known as Socratic Dialogues. Through his portrayal in Plato's Dialogues, Socrates has become renowned for his contribution to the field of ethics. Socratic methods (as explained by Plato) have now become a form of pedagogy, in which a series of questions are asked not only to draw specific answers, but also to encourage a fundamental insight into the nature of human knowledge. Socrates, Plato and Aristotle (an ardent student of Plato) together laid the foundations of Western philosophy and science thousands of years ago.





Harlan Gaston

“I have never seen the kind of impact on my students that CORE K12’s Harlan Gaston was able to create implementing the Seedplay technology and curriculum on our campus. Over 10% of our students participated, and another 10% were clamoring to be included. Joaquin Horton’s project won the support of the entire student body and faculty, and he has since raised over \$1,000 towards his project. I thank Harlan Gaston and the people at CORE K12 for offering us this unique curriculum and technology that helps us teach our students while addressing their social and emotional needs. We are definitely planning to purchase a license for Seedplay this school year.

Carrie Allen

Principal Crenshaw High School  
Los Angeles Unified School District  
Los Angeles, California USA

# View of our CORE

At CORE Projects, we impart best-in-class technology enabled education solutions to government bodies, schools and students globally.

Empowering the teachers and student community for a better India and a better world.

Fast Facts			
Corporate headquarters:	International headquarters:	Employees:	Business portfolio:
<b>Mumbai, India</b>	<b>Atlanta and London</b>	<b>1,000+ globally</b>	<b>Education, ERP, Logistics, Consulting</b>

Operations
Encompassing over <b>76,752</b> schools
Educating over <b>28.62 million</b> students
Enjoying presence across <b>seven states in India, over 20 states in the US, 40 LEA and Institutions in the UK, eight African countries and three Caribbean nations</b>

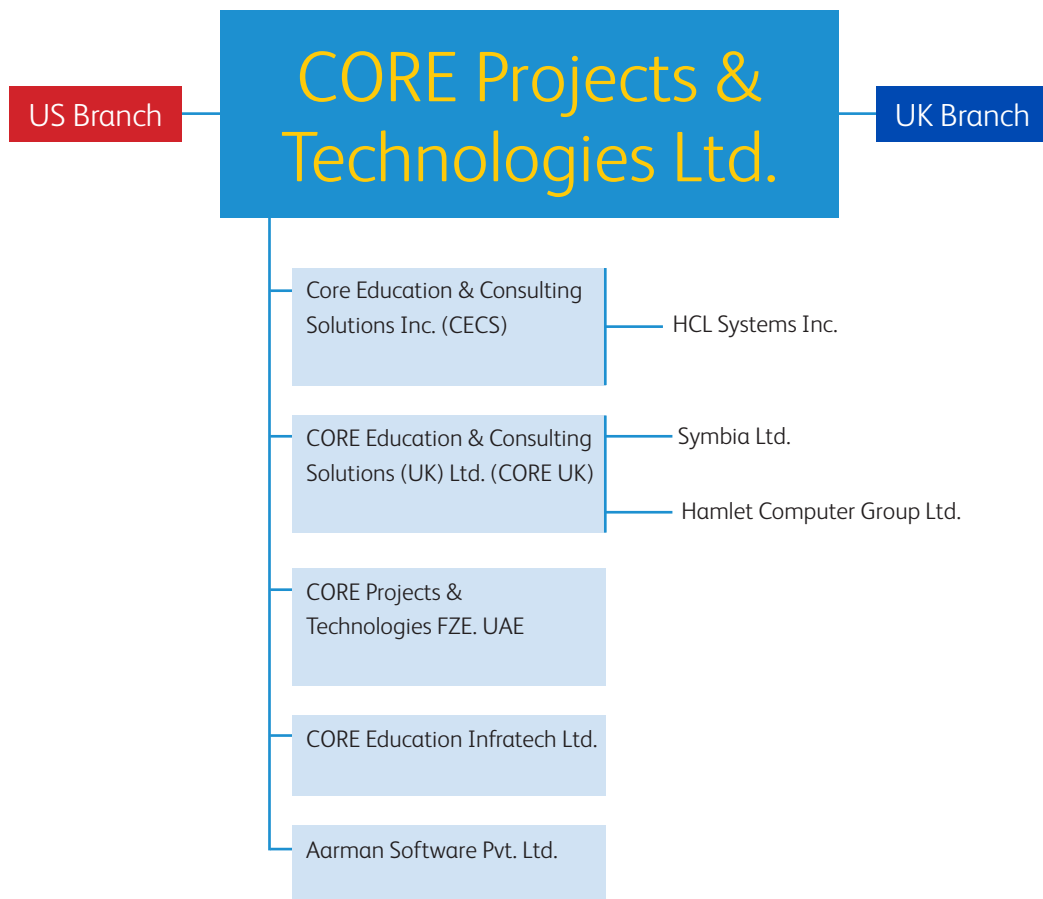
Awards and accreditations
Included in Forbes 200 Asia's Best Under Billion for 2010
Fastest growing IT company in Maharashtra
Ranked Second in Technology Fast 50 India 2007
Ranked 20th in Deloitte Technology Fast 500 Asia Pacific 2007
CMMi Level 3 organization and ISO 9001:2000 certified



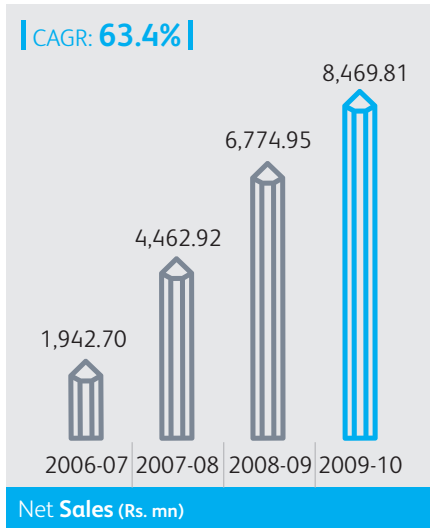
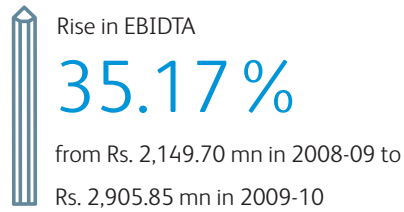
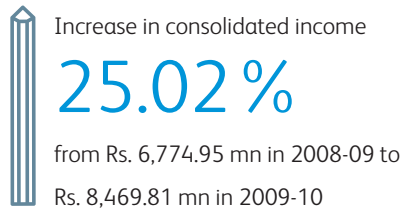
## Structure

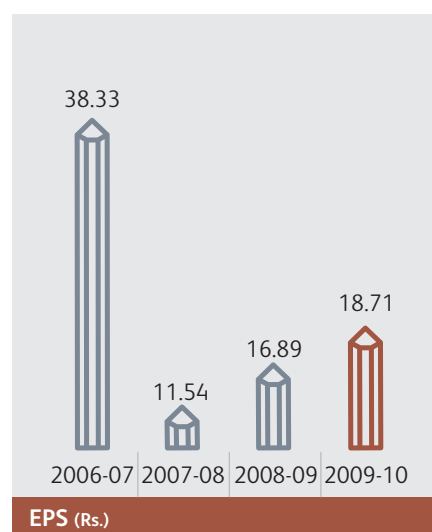
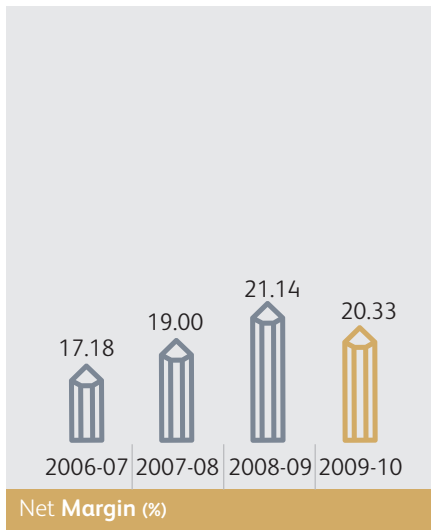
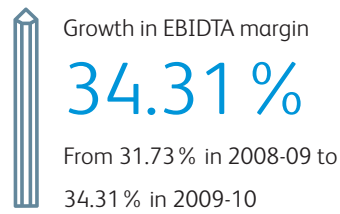
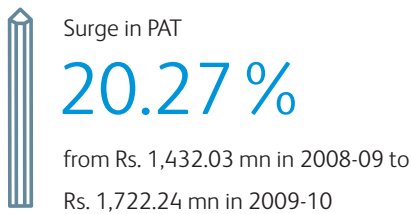
Established as an IT company, CORE Projects primarily focused on areas, such as ERP, healthcare, BFSI and logistics. In 2005, it ventured into the education segment from low-end IT products and spread its business gradually all over the world.

## Holding Structure of Core Group



# Financial Highlights



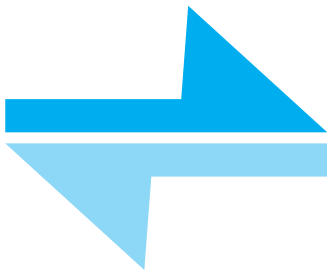


# | Offerings



## Education **Solution domain**

It provides technology-enabled educational solutions to government bodies, schools and students



## ERP **domain**

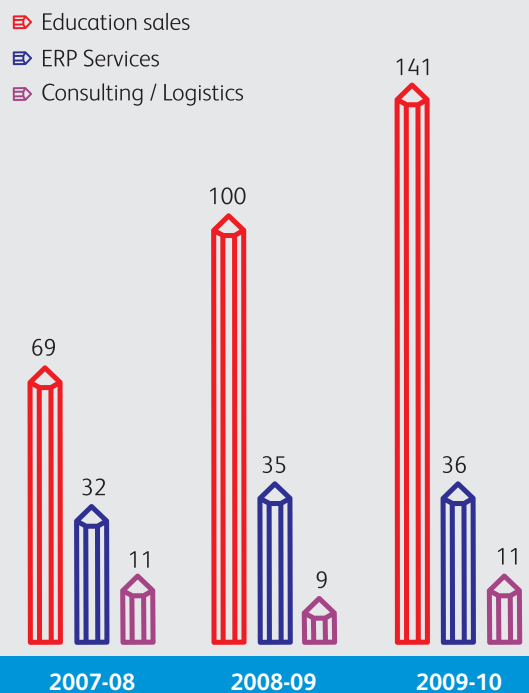
It is primarily concerned with providing our existing customers in the United States with products and solutions that integrate the data and processes of the customer into a unified system.



## Education **Consulting domain**

Our consulting services complement the IT-enabled product and solution offering of our education domain, and are designed to improve the efficiency of processes of various school systems, such as student information systems, business processes and the delivery of training material. As part of our service offerings, we implement ERP and student management software solutions for schools. Besides, we design, create and impart training specifically for companies serving schools and provide consulting services on software and systems integration for schools and government.

Sector-wise **Revenue** (US \$ mn)



<b>Assessment domain</b>	<b>Intervention domain</b>	<b>Compliance and reporting domain</b>
<p>For creating, monitoring and evaluating examinations and results</p> <p><b>Tools used:</b> Assessment centre 12,FAIM, edMastery</p>	<p>Uses various modalities of learning, including peer coaching and co-operative learning for students who are unable to comprehend the concepts in classroom</p> <p><b>Tools used:</b> Sidestreets, Prospects, Lighting Maths</p>	<p>Ensures compliance with national, state and local regulations</p> <p><b>Tools used:</b> Bright IDEA, Pre-K Matters, dTool</p>
<b>Grants and financial domain</b>	<b>Students information system</b>	<b>Professional development and consulting domain</b>
<p>Manages allocations and funding sources</p> <p><b>Tools used:</b> eGrants Manager, States First</p>	<p>Helps in operations, manages students and staff information</p> <p><b>Tools used:</b> Unique ID generator, Child Tracking System, TALMOS</p>	<p>Implements ERP and Student Management software; designs, creates and imparts training for companies serving schools</p> <p><b>Tools used:</b> Project Consulting, SIS Implementation, Business Process Re-engineering, Training and course designing</p>

In addition, the Company enjoys expertise in E-content creation and management, Government consulting and training, school management, teacher training and vocational trainings.

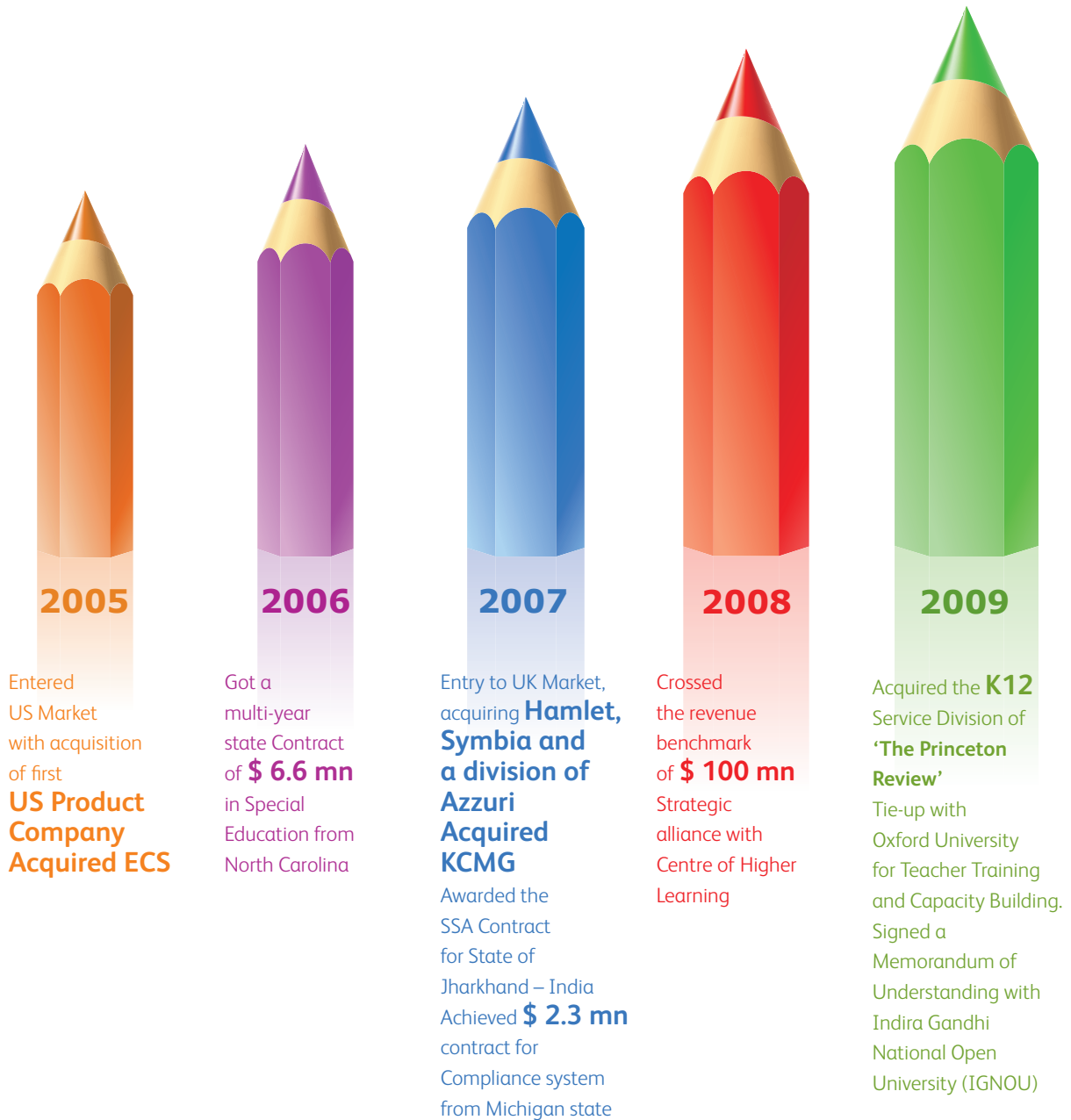


## Business innovation

### Immersive 3D visualization

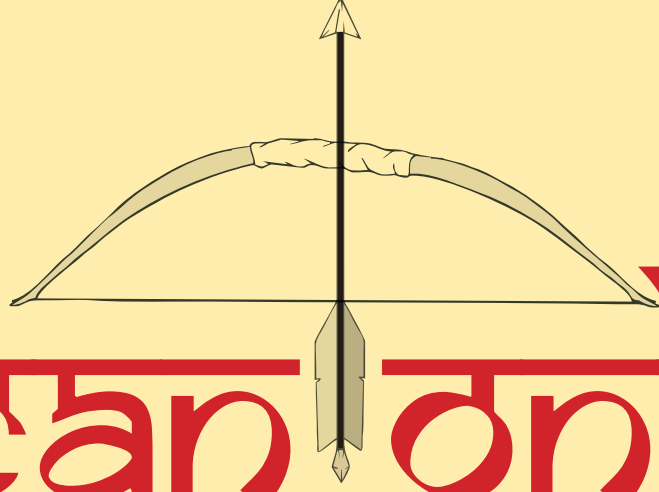
Collaborating with Centre of Higher Learning (CHL), NASA, the Company has developed India's first fully immersive 3D virtual environment to deliver visual-enabled learning solutions. Known as Cave Automatic Virtual Environment or CAVE, the centre in Mumbai provides quality insights to all key areas of science including physics, chemistry, biology, medicine, engineering and astrophysics, among others. Developed in-house, the contents are marketed to educational research institutes and corporate entities in multiple sectors (oil & gas, science museums and NID).

# | Key Milestones



Growing presence in the developed markets of US and UK provided substantial insight and learning about the world education market and helped Core Projects to spread its global footprint





ॐ द्रुपद उवाच

इदं

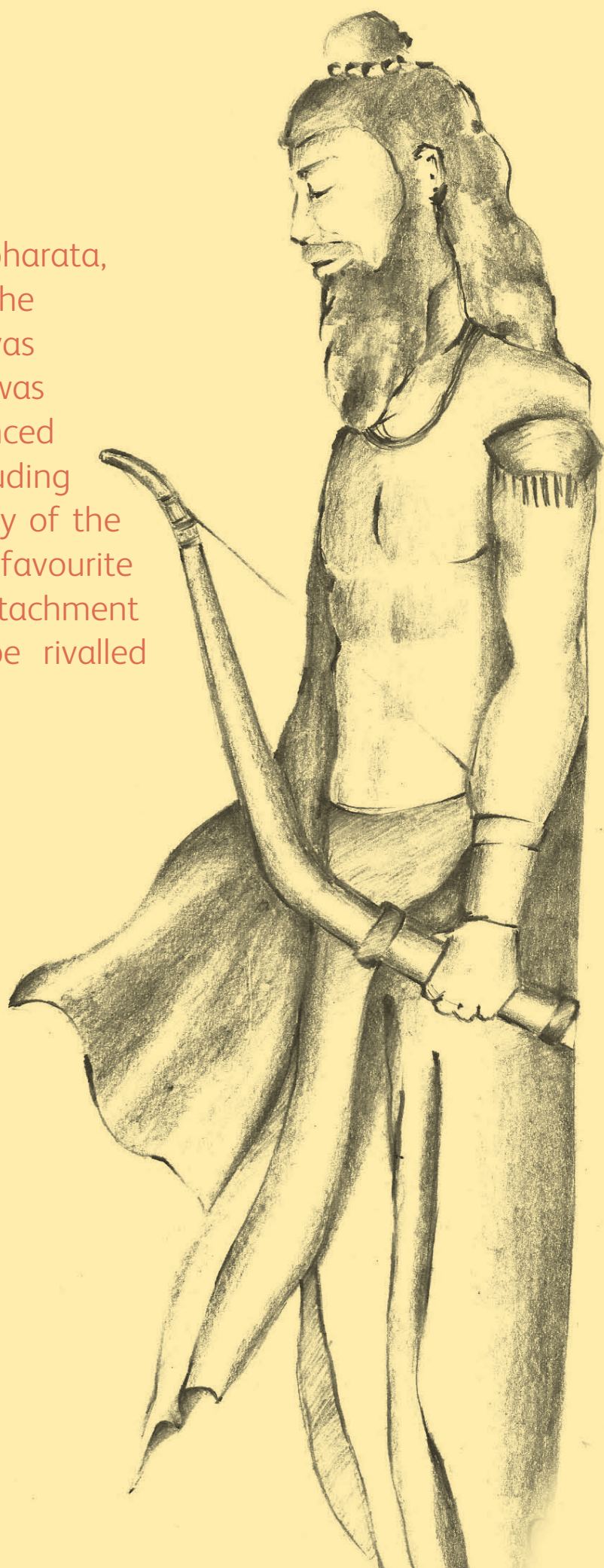
तव विद्वत्पुत्रेण

व्युक्तं

← Arjuna to Dronacharya →



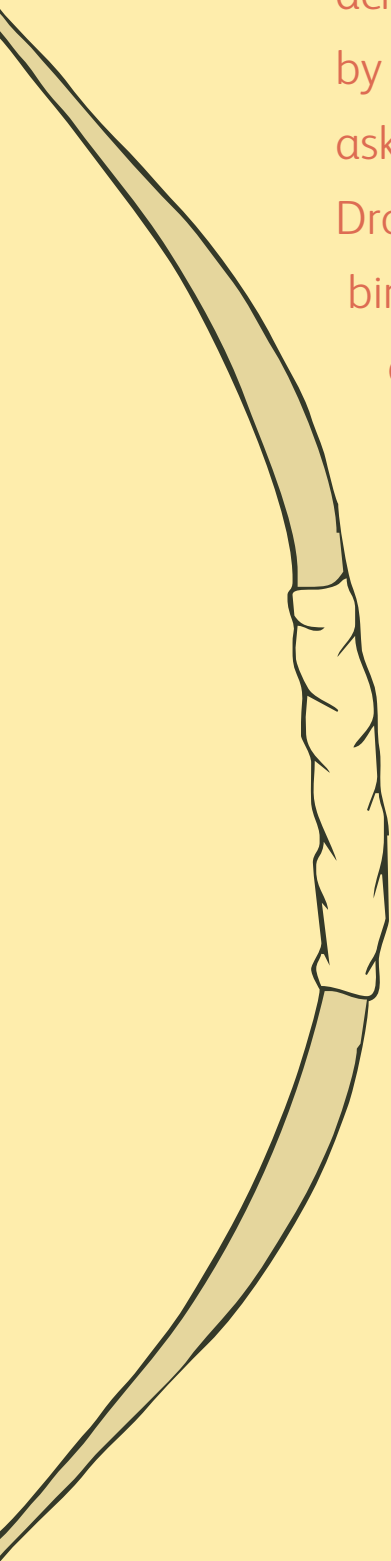
In the epic Mahabharata, Dronacharya was the royal guru to Kauravas and Pandavas. He was a master of advanced military archery, including the devasthras (weaponry of the gods). Arjuna was his favourite student and his attachment to Arjuna could only be rivalled by his son.





One day, Drona set up a wooden bird upon a tree and from across the adjacent river, asked the princes to shoot it down by striking its eye. Yudhisthira first took the strike. Drona asked him, 'What do you see'. Yudhisthira replied, he saw Drona, his brothers, the river, the forest, the tree and the bird. Drona asked Yudhisthira to step back. Other princes gave the same reply. Drona was disappointed; then his attention turned to his favourite disciple, Arjuna.

When Arjuna aimed for the bird, Drona asked him the same question, 'What do you see?' Arjuna replied, 'I can only see the bird's eye'. This satisfied the guru and he asked Arjuna to shoot the bird's eye, which Arjuna did instantly. On that particular day, Dronacharya was convinced that his disciple, Arjuna, had the extraordinary focus to become a master archer.





### Dr. James Ashby

Vice President of Research and Assessment,  
Chief of Psychometrics, CORE K12  
Former Executive Director of Assessment  
Plano, Texas USA

“CORE K12 is widely held as the US leader in formative assessment research and development.” states Dr. James Ashby, Chief of Psychometrics.

The company’s base assessment product, Assessment Center, hits the target for the classroom teacher’s demand for comprehensiveness and simplicity. As a fully loaded web-based test management tool, Assessment Center is able to warehouse items, create assessments, and track student performance.”

CORE K12 is also the leading innovator in applying psychometric analysis to formative assessment. Drawing upon a combination of real school administrator experiences with formal training in the science of psychometrics, CORE K12’s psychometric division researches and creates methods for measuring cognition that fits most naturally within the classroom environment.”

CORE K12 is the education leader’s choice for business intelligence. CORE K12 knows school business. Our expert staff holds a deep understanding of the interrelationships among the data that is produced within the school system’s departments: most importantly within human resources, finance, curriculum, and assessment and accountability. The management, analysis, and reporting of multivariate information requires technological advances in data warehousing combined with experienced statistical prowess. CORE K12 offers such a combination.

# Chairman and Managing Director's Message



**Sanjeev Mansotra**

Chairman and Managing Director

Why do we often look upon the teacher as one of the greatest influence of our lives?

The question is an old one, but the answer is still relevant.

The reason is that the teacher guides us through multiple twists and turns of life and prepares us for the bigger challenges that lie ahead. When we read biographies of famous people, we often come across ample references of master-disciple or teacher-student relationships.

Some of us achieve fame in life, many of us don't. Yet the teacher's inspiration is never erased from the mind's eye.

Some of us achieve fame in life, many of us don't. Yet the teacher's inspiration is never erased from the mind's eye.

In this dual relationship model, CORE Projects has added a third dimension: Teacher training. This has reinforced the bond between a teacher and a student. In 2009-10, we added yet another feather in our cap. We have collaborated with the University of Oxford, UK, for teacher capacity building and enablement in India. The new initiative is in line with our strategic focus to offer holistic and integrated Global Education Solutions in the Indian education space. Such an alliance will strengthen the most powerful catalysts of our education sector, our teachers, and equip them for the challenges of imparting education in a rapidly evolving world. We expect to acquire a significant market share in the teachers training segment, in India, estimated to be over US\$1 billion over the next five years.

We strategically acquired nine companies across UK and the US over the last five years and made vital inroads into government business, simultaneously cross-selling products and leveraging multiple domain expertise. These acquisitions helped us evolve from an IT/ITES product manufacturer and services company to a focused provider of educational solutions.

After securing a firm foothold in Western mature markets, we are now penetrating into the developing markets of India, Southeast Asia and African nations, where technology-enabled mass education still has a long way to go. Developing economies spend around 2-4% of their GDP (against 5-7% by developed markets) on education, demonstrating a tremendous growth potential in educational spend. We are leveraging our global expertise in technology solutions and IPRs to gain advantage in emerging markets.

The Indian education system is clearly an untapped sector with a literacy rate of just 61%. We think the Right to Education Act (in force from 1 April 2010) and

the Foreign Education Bill would widen and deepen the reach of education in India. It would unleash significant opportunities in the field of providing management services for schools, colleges and institutions of higher learning.

The Tenth Five-Year Plan had laid emphasis on the Universalisation of Elementary Education (UEE) and aimed to achieve universal access, universal enrolment, universal retention, universal achievement and equity. Following closely in its heels, the Eleventh Plan allocated Rs. 84,000 crores towards higher education and proposed a series of initiatives to make quality education more accessible to the masses. Some of the initiatives include setting up of advanced ICT facilities in select institutions, establishing 6,000 model schools, conducting teacher-training programs (teacher education schemes) and revamping ICT infrastructure in public schools.

The government of India is actively seeking Public Private Partnerships (PPA), not only in the form of private investments, but also in providing expertise that the government may not be able to provide. This would include complete school management and other allied backend services similar to what we now provide in mature markets, such as the US and the UK. Our core focus is on the government-funded education business and we shall accelerate our growth in this segment through tie-ups with strategic players.

Going ahead, we will primarily focus on the K-12 division of the public education space, which is a significant market in the US, and is gradually gaining importance even in India. We shall further strengthen our presence in education domain through teachers training and vocational training modules.

We also intend to focus on the business of comprehensive school management. These initiatives will help us emerge as a significant player and a key facilitator in ushering in futuristic educational solutions in India and the world.

we will primarily focus on the K-12 division of the public education space, which is a significant market in the US, and is gradually gaining importance even in India.

**Sanjeev Mansotra**

Chairman and Managing Director



Everything was  
just right.

He was a natural  
cricketer.

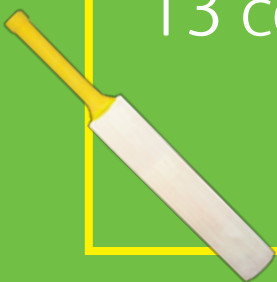
I did not have  
to change much.

Ramakant Achrekar on Sachin Tendulkar

Ramakant Achrekar never played first-class cricket, but he was often referred to as the Bradman of tennis ball cricket. Ajit Tendulkar, Sachin's elder brother, felt this was the ideal man to steer his little brother's cricketing career. Achrekar was then a cricket coach at Shivaji Park Gymkhana in Mumbai. He quickly realised that the boy had the uncanny ability to judge the length of the ball and middle it. **'Sachin was a natural cricketer'**, he would often say later.



Ramakant Achrekar would often resort to one of his favourite tricks to bring out the best from the cricket maestro. He would place a rupee coin on top of the stumps and offer the money to anyone who got Sachin out. If no one did, Sachin would take the coin. Although it is unknown how many coins were clinched by the bowlers, Sachin Tendulkar still treasures 13 coins, he won in that way.







### Bob Collins

Vice President and  
Chief Academic Officer, CORE K12

Former Chief Academic Officer  
Los Angeles Unified School District  
Los Angeles, California USA

Former Superintendent of Schools  
Grossmont Joint Unified School District  
San Diego County, California USA

#### ABOUT: Los Angeles Unified School District

The Los Angeles Unified School District is the second largest school district in the United States with close to 700,000 students. CORE K12 provided a formative assessment program that completely changed how teachers looked at, understood and utilized data to inform instruction. Teachers began working in teams for the first time. They analyzed formative assessment results and then altered instruction in the middle of a semester to address student needs. Teams of teachers re-taught what wasn't learned and provided needed intervention for students not understanding critical concepts. The CORE K12 formative assessment program gave teachers and administrators their

first opportunity to look at how to meet student needs on an ongoing basis, which is the foundation of a strong response to Intervention model.

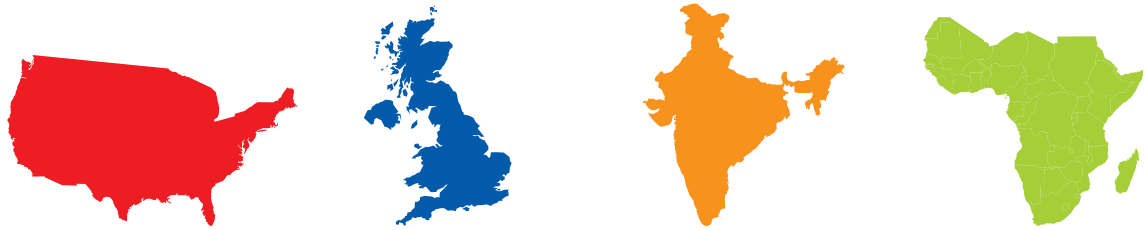
At every step, the CORE K12 staff was there to make the assessment program efficient and effective whether it was at night or the weekends. They truly demonstrated they were solutions people. But the real story is not the success of the assessment program or the valuable data that was produced. The real story is the hundreds of thousands of student lives that were changed because teaching and learning was far more focused and targeted and students received the additional assistance they needed in a timely manner.

#### ABOUT: Grossmont

The Grossmont Union High School District in San Diego, California was faced with a difficult and immediate problem: "How do we address almost 400 students who were not able to graduate high school because they had failed their last attempt at the California High School Exit Exam (CAHSEE)?" Not an easy question to answer when the district had less than a month to provide the answer.

CORE K12 staff, however, stepped in and provided both the curriculum (CORE K12 CAHSEE Prep) and the staff to put an intensive six-week preparation program together. As a result of their efforts, hundreds of students earned their high school diplomas at the end of the summer. CORE K12 made the difference in their lives and futures.

# Widening Footprints



## Clientele

USA	UK	India	Africa
Los Angeles Unified School District	Shropshire Local Authority	State of Jharkhand	Examinations Council of Zambia
Pasco County School District	Darlington Local Authority	State of Nagaland	Ministry of Education Mozambique
Virginia Department of Education	East Riding Yorkshire Local Authority	State of Maharashtra	Caribbean Examinations Council
Orange County Public School District	Doncaster Local Authority	Karnataka State Open University	Examinations Council of Lesotho
Texas Education Agency (TEA)	Imperial Society of Teachers of Dancing	National Council of Science Museums	Kenya National Examinations Council
U.S. Skills	The Royal Society for Public Health	JJ School of Arts	Ministry of Education Bahamas
Rockwall Independent School District	Royal College of Physicians		Rwanda National Exams Council
Miami-Dade Co. Public School District	Imperial Society of Teachers of Dancing		
Region 13 Educational Service Center	The Royal Society for Public Health		
National Network of Digital Schools	Royal College of Physicians		
Dallas Ind School District			
North Carolina Department of Public Instruction			
Michigan Department of Education			
Georgia Department of Early Care and Learning			
Georgia Department of Education			
Illinois Department of Education			
Maine Department of Education			
Oklahoma Department of Education,			
Michigan Center for Education Performance information			
Chicago IL Public Schools			
Orange county FL Public Schools			
Henrico County VA Schools			
Memphis TN Public Schools			
Milwaukee WI Public Schools			
Pearson Education			

## Value-enhancing alliances

### Strategic Alliance



- IBM (Access to customers)
- Microsoft Gold partner (certified part MSFT ISV & Gold ner)

### Teacher Training Alliance



- The University of Oxford (tie-up for teacher capacity building)

### Technological Alliance



- Center of Higher Learning – Mississippi (to enable research and training in virtual environment)
- BECTA Accreditation (one of the 3 companies to have all BECTA Accreditation)

### Curriculum Alliance



- IGNOU (Content certification partner)
- NationTeacher.org (for Development and online delivery of video instruction)
- IL&FS – IETS (Project partner)

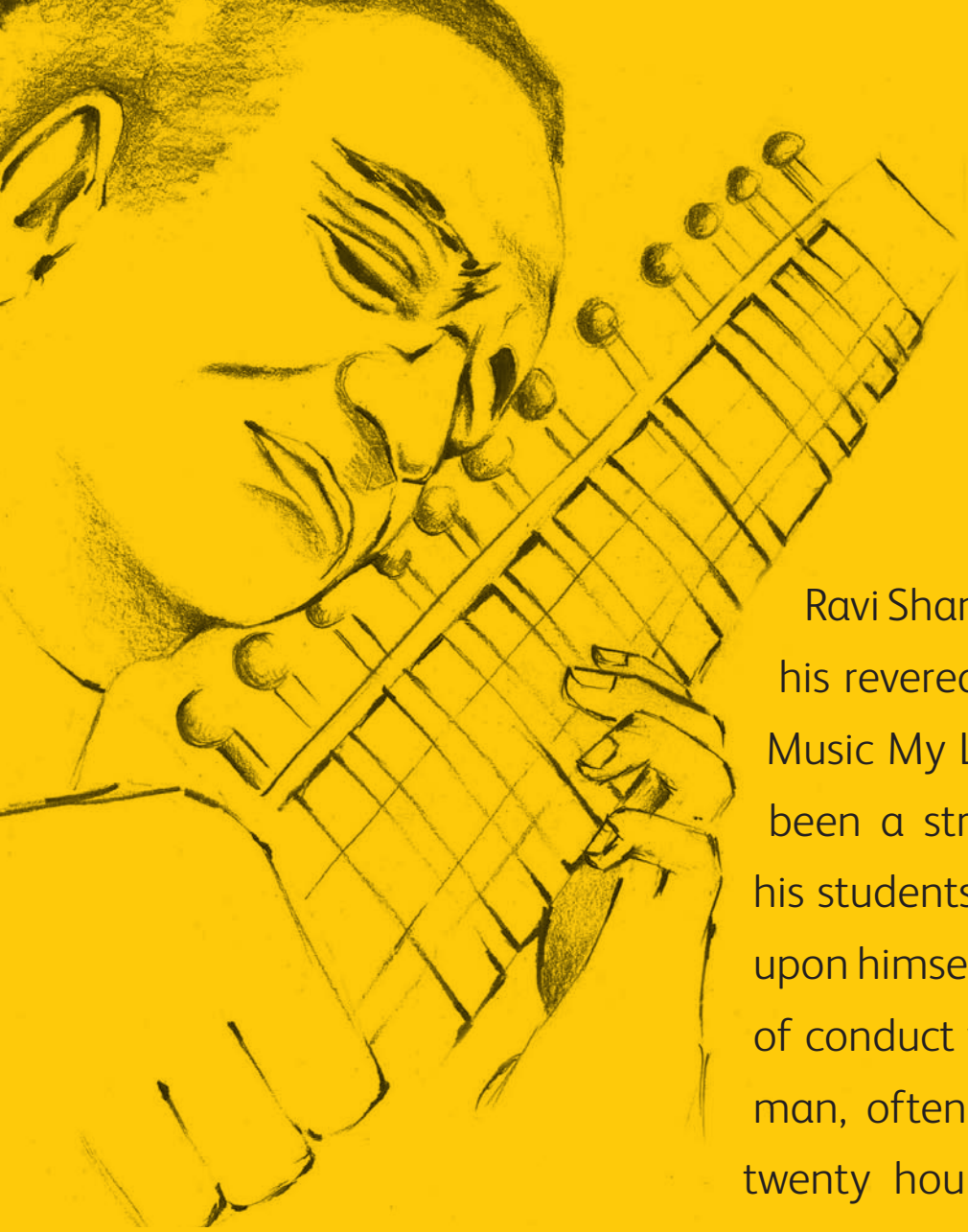
• He seemed  
• to shine  
• with  
• a fire that  
• came from  
• within him.

Ravi Shankar [on](#) Ustad Alauddin Khan



The legacy of Ustad Alauddin Khan, an extraordinary musician and an outstanding teacher, lives on in the memory of his most distinguished **Disciple: Pandit Ravi Shankar.**

Ravi Shankar saw him for the first time at the All-Bengal Music Conference in December, 1934. Unlike other musicians, who were wearing colourful costumes, turbans and jewels, and were bedecked with medals, he seemed very plain and ordinary. Although Shankar did not know enough about music then to discern the musical greatness of his great Guru, he was overwhelmed by his aura.



Ravi Shankar fondly remembers his revered Guru in his book *My Music My Life*: “Baba has always been a strict disciplinarian with his students, but he had imposed upon himself an even stricter code of conduct when he was a young man, often practicing sixteen to twenty hours a day, doing with very little sleep, and getting along with a minimum of material things. Sometimes, when he practiced, he tied up his long hair with heavy cord and attached an end of the cord to a ring in the ceiling. Then, if he happened to doze while he practiced, as soon as his head nodded, a jerk on the cord would pull his hair and awaken him.”



Phillip Thompson

Vice President of Marketing, CORE ECS

Former Principal and Teacher  
Massachusetts Migrant Education Program  
Gloucester, Massachusetts USA

“If you’re concerned with rapid achievement, you’re concerned with a solid foundation” -- states Phillip Thompson, Vice President of Marketing for CORE ECS, U.S. and former Migrant School Principal in the United States. His migrant students entered the US from Asia, Africa, South America, or Europe – and each was challenged by an academic foundation with numerous gaps and deficits.

“In the United States, we identify deficits in a student’s academic background using an online formative assessment program such as Assessment Center™. If we allow a student to try to progress through the curriculum without addressing academic gaps, it is almost guaranteed that such unidentified deficits will create havoc with hoped-for progress. Across the country, formative assessment is used to provide the data needed for necessary corrective re-teaching.”

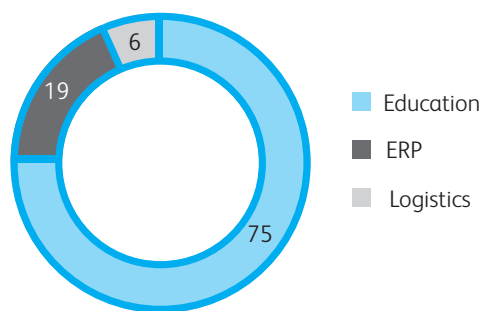
CORE K12’s Assessment Center is a premier formative assessment program in the United States. It has enjoyed continuous refinement over more than ten years – making it perhaps the most sophisticated such program available anywhere today.

# Ten Minutes with the Management

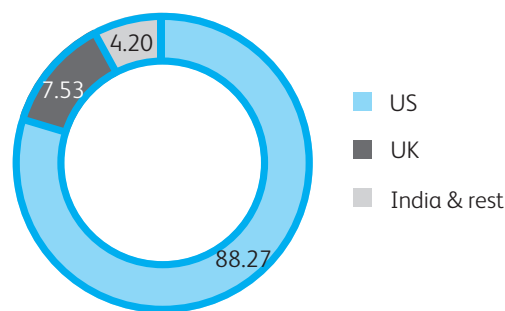


(4 years CAGR)

Revenues by Business (%)



Revenues by Geography (%)



## On the performance

It was yet another year of satisfactory performance at Core Projects. We accelerated our growth momentum and further strengthened our operational profits. Over the span of last four years, our compounded growth in revenues, EBIDTA and PAT has been 63%, 94% and 73% respectively.

During 2009-10, our primary business was in the education space, contributing 75% of the total revenues. ERP and logistics business contributed to the rest. Geographically, revenues from UK and the US constituted around 95%, while the relatively new markets like Africa, India, the Middle East and the Caribbean contributed the rest.

## On the business strategies

At CORE Projects, our requisite technology and service experience shall tap growth opportunities in the education business. We have significantly strengthened our management team to achieve execution excellence. The strategic acquisitions brought varied products and solutions in all aspects of the education domain, further enhanced

by the tie-ups. The result: we have built up an impressive array of services, encompassing diverse operations in the education domain.

We enjoy a strong order book of around US\$ 101 mn, 80% of which is from the education space from the US and the UK operations. The education business in the US and the UK ushered in substantial organic as well as inorganic growth opportunities for Core Projects. We mobilised USD 75 million via Foreign Currency Convertible Bonds (FCCBs) in April 2010 to expedite further acquisitions in UK and US markets and for other capital expenditures. We will be eyeing the growth modelling and professional development segment.



## On business strategies in India

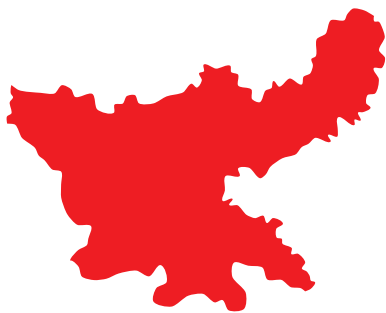
At Core Projects, our global expertise enhances the quality of our services in India.

Some of our services in India comprise:

- Teacher training and capacity building
- Improving education infrastructure (model schools and ICT)
- Providing educational services (vocational training, e-content creation and management)
- Providing campus products (assessment tools, child tracking systems, examination management system, grant and school management)

We have bagged few prestigious projects in Jharkhand, Karnataka, Nagaland, and more recently in Maharashtra. We have been participating in the ICT tender in other states, of which we are the frontrunners in two states. We are also foraying into school management and plan to set up technology-enabled advanced schools in India. We have developed a school management program with some leading educators from the Indian education industry. Vocational training is also a part of the Company's growth plans in India, as this segment has a huge growth potential in the next 10-20 years.

## Key projects in India



### **Sarva Siksha Abhiyan (SSA), Jharkhand**

- i. Child Tracking System (CTS): Covering 8 million children in the state
- ii. Project Monitoring Information System (PMIS): Creation of annual works budgets, appraisal and allocation of funds by state administrators
- iii. Tracking physical and financial progress of the projects/programmes planned for the year on a monthly basis



### **ICT, Nagaland**

- i. Coverage: Across 41 schools in 2 districts of Nagaland
- ii. Multimedia educational software contents: Addresses the hard spots specified in the approved State SCERT syllabus
- iii. Equipping ICT Labs: With computers, printer, UPS and DG sets
- iv. Training: To teachers and students

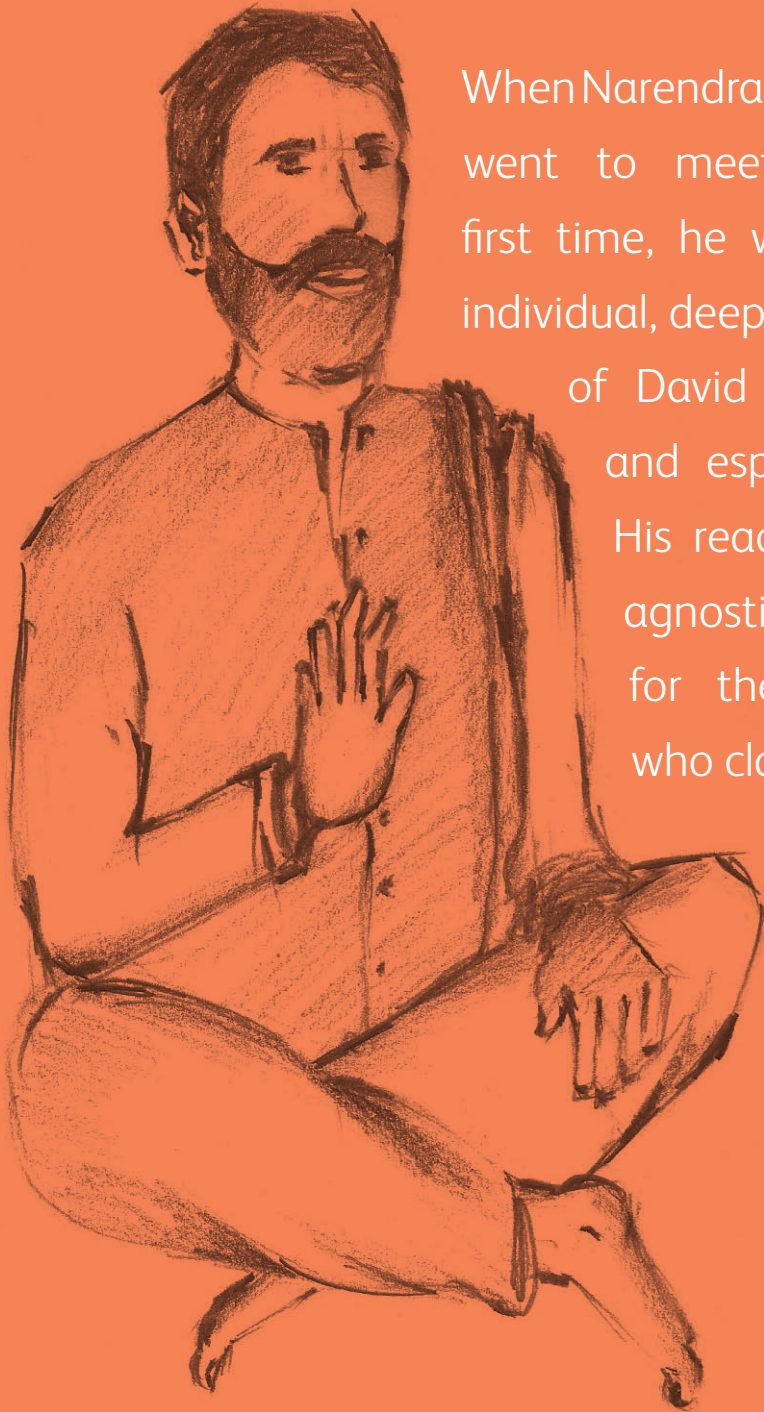


### **Karnataka State Open University (EMS)**

1. Total MIS
2. Automated Examination Management System : For distance learning system in multiple colleges/ institutes across geographies
3. End-to-end integration: From student integration to result publishing
4. Addresses: 75,000 students across 56 courses.

“I began to go to  
that man,  
day after day, and  
I actually saw that  
religion could be  
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one glance can  
change  
a whole life.”

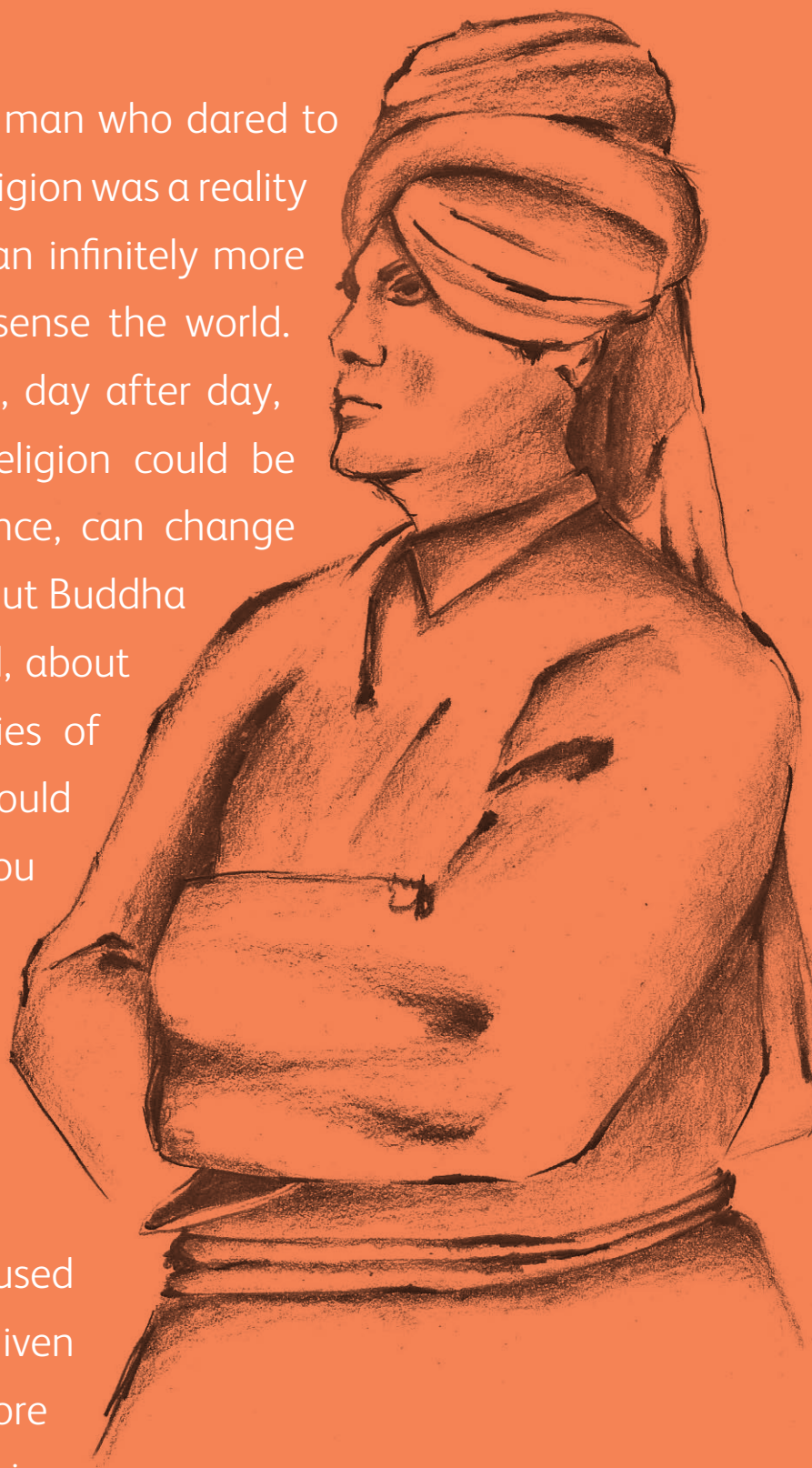
Swami Vivekananda on Ramakrishna Paramhansa



When Narendranath Dutta (Vivekananda) went to meet Ramakrishna for the first time, he was a western educated individual, deeply inspired by the writings of David Hume, Immanuel Kant and especially Herbert Spencer. His readings had made him an agnostic and he had little regard for the uneducated Brahmin, who claimed to be a mystic.



For the first time, I found a man who dared to say that he saw God, that religion was a reality to be felt, to be sensed in an infinitely more intense way than we can sense the world. I began to go to that man, day after day, and I actually saw that religion could be given. One touch, one glance, can change a whole life. I have read about Buddha and Christ and Mohammed, about all those different luminaries of ancient times, how they would stand up and say, "Be thou whole", and the man became whole. I now found it to be true, and when I myself saw this man, all scepticism was brushed aside. It could be done; and my Master used to say, 'Religion can be given and taken more tangibly, more really than anything else in the world.'



# Profile of the Board of Directors



## Mr. Sanjeev Mansotra [Chairman & Managing Director]

Mr. Mansotra is a first generation entrepreneur and has achieved considerable commercial success at the young age of 37. Mr. Mansotra, over the years, has demonstrated enormous vision and managerial capabilities to successfully establish stable and profit making entities in the areas of Information Technology, Wellness, Power, Steel, Mining and International Trade. Mr. Mansotra's macro vision in the practical use of technology in the education space, powers CORE's growth strategies in the education domain worldwide. Under his able stewardship, CORE has become one of the foremost companies in providing best of breed end-to-end solutions in the education domain worldwide.



## Ms. Maya Sinha [Director]

A bureaucrat for the last 28 years, Ms. Sinha belongs to the 1981 batch of the Indian Revenue Service (IRS: IT). Of these 28 years, about 22 years were spent by Ms. Sinha in the Income Tax Department at various levels from Asst. Commissioner to Commissioner of Income Tax in various cities including Mumbai, New Delhi, Chennai and Nagpur. Ms. Sinha has spent more than 6 years on deputation to the Govt. of India at the Joint Secretary level. She served as the Deputy Chairman, Jawaharlal Nehru Port Trust (JNPT) the country's No.1 Container Port. Being on the Board of Trustees she is well versed with administrative and general managerial abilities including man 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 the Masters' degree in Economics from the Delhi School of Economics. She has also specialized in Econometrics, Public Finance and Monetary Economics and holds an Honours degree in Economics from Lady Sri Ram College, Delhi University.



## Mr. S. S. Dua [Director]

Mr. Dua has over 47 years of experience which makes him a walking encyclopaedia on the IT industry. In his varied professional career, Mr. Dua has travelled 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 B.Sc. and Engg (Elect.), Mr. Dua also has the honour of being a fellow of IIPe. His intellect and vision powers CORE's endeavours in every realm in the ever-changing environment of modern industry.



## Mr. Nikhil Morsawala [Director - Finance]

Mr. Morsawala, a Chartered Accountant and a Certified Public Accountant (USA) by profession has over two decades of business management experience in the areas of mergers and acquisitions and setting up of service organizations. He is also well versed with global norms, policies and statutory compliances.

In his previous endeavors, Mr. Morsawala had worked with Taj Group of Hotels and HDFC Ltd. Extremely human centric and an all seasons person, he can be approached at any given time, should a matter not be resolved within the permissible time frame. Mr. Morsawala always goes out of the way to make sure people are well taken care of. He is a great mentor and motivator and can groom people to leadership.



### Mr. Awinash Arondekar [Director]

Mr. Awinash Arondekar, 68, served the 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 2000 and was immediately placed in a financially impaired industrial undertaking, as Monitor of working capital by the consortium of its banks. He served in that capacity for over two years.

Mr. Arondekar has undergone training at various prestigious institutions like, the Bankers' Training College of R.B.I., 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. M. N. Nambiar [Director]

Mr. M. N. Nambiar, 70, as Member of the Indian Revenue Service, served with distinction in the Income Tax Department. He rose from the post of Asst./ Dy. Commissioner of Income Tax, Mumbai to hold position of Under Secretary, Central Board of Direct Taxes, New Delhi and was Joint Commissioner – Income Tax, Regional Director - Staff Selection Commission – Western Zone, Additional Commissioner of Income Tax, Mumbai, Commissioner of Income Tax culminating in his becoming the Chief commissioner of Income Tax, Andhra Pradesh, Hyderabad. During his career in the Income Tax Department, he was associated with various functions at different levels.



### Mr. Naresh Sharma [Whole-time Director]

Mr. Sharma is a dynamic leader and a specialist with a career spread over a span of two decades in the Services & Hospitality segment. An excellent people manager, he is extremely conscious and passionate of quality in customer services management.



### Mr. Hari Iyer [Director]

Mr. Iyer was one of the founders and chief executive of Enterprises Computing Services, Inc (ECS) one of the education companies 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/Bel south as the regional director for the 9 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.

# Corporate Social Responsibility



CORE believes that imparting quality education requires provision of the right environment where young minds can dwell and prosper. Therefore we kindle and nurture active citizenship and strengthen democratic values amongst children and youth, and through them, to society at large through a ripple effect.

Towards this endeavour, we strive to energize the civic curriculum and invoke the spirit of voluntarism.





We @CORE also ensure that we meet our responsibilities towards our society by educating the learners and imparting them with livelihood skills, to empower them to change their lives for the better.

Being an education company we have associated ourselves with various organizations to spread the awareness for quality education including the “Children’s Movement for Civic Awareness (CMCA)”.

By helping CMCA, we can proudly say, that CORE Projects & Technologies Ltd. has touched and changed the lives of 30 rural schools in Mumbai & reached out to more than 15,000 students - their homes, their friends and their neighbourhood through various campaigns.

CORE Projects & Technologies Ltd. has also endeavoured to be a leader not just as an education company but also as an organization with a “Human Touch”. Since the last 2 years, CORE has supported the Helen Keller Institute of Deaf and Deaf-blind towards upliftment of the physically challenged, mentally gifted children of the Institute.

CORE supported the cause for the children of the Institute when it came up with the innovative decision to gift employees on their birthdays with especially handmade birthday card inscribed with Braille characters. The money provided through this effort helped in providing better facilities to the children of the institute. Further as part

of the Corporate Challenge category of the Standard Chartered Mumbai Marathon in January 2010 an amount of Rs. 2 lakhs was pledged towards the Helen Keller Institute by CORE. The enthusiasm to support this noble venture was evident when all the 30 employees from CORE along with their supporters completed the 7 km corporate challenge category.

Recently, CORE decided to encourage the creativity of the children of the Helen Keller Institute when we held an exhibition at the CORE Navi Mumbai office where handmade items prepared by the children were put on display and made available for sale. The exhibition was a huge success and CORE employees were present in full strength to purchase these items and contribute in their own way to encourage the children.

# Directors' Report

Dear Fellow Shareholders,

CORE Projects & Technologies Limited

We are delighted to present our 25th Annual Report on our business and operations for the year ended 31st March, 2010.

## Results of Operations

	Consolidated		Standalone	
	2009-10	2008-09	2009-10	2008-09
Income from Operations	8,469.81	6,774.96	4,179.52	3,466.33
Other Income	38.34	27.36	34.87	12.71
Variation in Inventory	215.62	259.79	138.34	147.96
Expenses	6,647.78	5,408.59	2,991.09	2,712.72
Profit Before tax	2,076.00	1,653.51	1,361.65	914.28
Less: Provision for tax (current)	332.27	210.56	221.72	94.52
Provision for tax (deferred)	21.50	9.15	21.50	9.14
Fringe Benefits Tax	NIL	1.77	NIL	1.77
Profit after Tax	1,722.24	1,432.03	1,118.43	808.84
Add: Balance B/F from Previous Year	2,301.07	1,017.61	1,195.98	535.72
Excess/Short Provision for Earlier years	(5.65)	(2.28)	(5.65)	(2.28)
Profit Available for appropriations	4,017.66	2,447.37	2,308.76	1,342.27
Transfer to General Reserve	112.00	81.00	112.00	81.00
Proposed Dividend	62.16	55.81	62.16	55.81
Provision for Taxes on Dividends	10.56	9.48	10.56	9.48
Balance C/F to Balance Sheet	3,832.94	2,301.07	2,124.04	1,195.98

## Consolidated Results of Operations

Being a Global Corporate entity, we believe that the Consolidated Results represent a more comprehensive picture as compared to the standalone operations. The Company had applied to the Ministry of Corporate Affairs, Govt. of India and had sought exemption from the requirement under the provisions of Section 212 of the Companies Act, 1956 from attaching the financial statements of each of the subsidiaries. The said ministry had vide their letter No. 47/335/2010-CL-III dated 5th May, 2010 granted its approval under the said section.

## Business and Operations

### Highlights of the year under review:

- Revenue Growth of **25.02%** on consolidated basis
- Consolidated PAT for FY 2009-10 - **Rs. 1,722.24 mn** translating into a Diluted EPS of Rs. 17.76 Per share
- Net Worth as on March 31, 2010 - **Rs. 8,957.39 mn**
- Operating in **4 countries**
- Number of Students / Children serviced **28.62 mn**
- Number of schools covered **76,752**
- Number of teachers trained over **100,000**
- Total resources **1,000+**
- **Strategic Alliance** with IGNOU, Oxford University, Centre of Higher Learning, Mechdyne Corporation
- **CMMi Level 3** Certified

The year under review was remarkable, on a consolidated basis your Company achieved a Total Operating Income of Rs. 8,469.81 mn during the financial year 2009-10 registering growth of 25.02% as compared to Rs. 6,774.96 mn during the previous financial year 2008-09. Similarly, Profit Before Tax was Rs. 2,076.00 mn with a growth of 25.55% as compared to Rs. 1,653.51 mn during the previous financial year. Profit After Tax was Rs. 1,722.24 mn with a growth of 20.27% as compared to Rs. 1,432.03 mn during the previous financial year.

On Standalone basis, your Company achieved a Total Income of Rs. 4,179.52 mn with a growth of 20.57% as compared to Rs. 3,466.33 mn during the previous financial year 2008-09. Profit Before Tax was Rs. 1,361.65 mn with a growth of 48.93% as compared to Rs. 914.28 mn during the previous financial year. Profit After Tax was Rs. 1,118.43 mn with a growth of 38.28% as compared to Rs. 808.84 mn during the previous financial year.

### Domestic

During the year under review, the Company's presence in the Domestic segment became stronger with the implementation of an ICT project in the State of Nagaland, under the Sarva Shiksha Abhiyaan initiated by the Government of India. Your Company offered Education Management Integrated System (EMIS) comprising of Child Tracking System (CTS), School & Student Information System (SSIS), Teacher & Staff Tracking Systems (TSTS), Project Monitoring Information System (PMIS) and Integrated Examination Management Systems (IEMS). The offering also involved creating education multimedia contents for Class V to VIII, and providing Program Management Solution, Teacher Training and onward upgradation of Physical Infrastructure and interventions and innovations as required by the Government of Nagaland. The above products and solutions we installed in 41 Government Middle schools covering 2 districts of Dimapur & Phek in the State of Nagaland. More than 6000 students and 160 teachers are benefited under the said project.

Our order book for the current fiscal (2010-11) covers similar project worth Rs. 1200 mn for implementation in the State of Maharashtra under Government of Maharashtra's ICT@Schools Phase 2 program under the BOOT mode. This project will cover approximately 947 schools across the three districts of Mumbai, Pune and Kolhapur and will run for a period of five years. This involves setting up of computer infrastructure, deploying & running school management software, provision of multimedia educational software on Maharashtra State Curriculum and Teachers' Training. We are also in advance stage of discussions with various other State Governments in India for implementing similar projects across various other Indian states.

### Exports

During the year under review, the export of software services (100% EOU) grew from Rs. 3,385.52 mn to Rs. 3758.52 mn thereby registering growth of 11.02%.

### Overseas

#### USA

Our US counterpart continued to maintain its growth momentum. CORE Education & Consulting Solutions Inc, USA our main WOS in the US recorded a consolidated turnover of Rs. 4,785.04 mn with PBT of Rs. 642.22 mn and PAT of Rs. 545.32 mn.

During the current fiscal 2010-11, our CORE K12 Division bagged a USD 24 Million contract from the Los Angeles Unified School District (LAUSD) to design and implement a comprehensive formative assessment program for nearly 700,000 students covering 375 schools. This involves diagnostic testing for all key subjects, at all grade levels. The contract signifies CORE's dominance and position as a leader in the formative assessment domain. In addition to the LAUSD project, CORE K12 holds the formative assessment contract to deliver its services to the State of Texas – the largest such implementation in the USA, involving testing services for 2.5 million learners. As a part of our business plans this high quality product will also be offered to various stakeholders in the Indian Education environment. This offering to LAUSD is in addition to existing assessment products being offered to them.

#### UK

CORE Education & Consulting Solutions (UK) Ltd. (CORE UK) our UK WOS recorded consolidated turnover of Rs. 446.57 mn with PBT at Rs. 82.59 mn and PAT at Rs. 69.36 mn.

#### New Initiatives

Your Company is also tapping new avenues of business opportunities in the school management programs focusing on the K12 Segment and Teachers Training segment, which have huge potential in the emerging markets of India and Africa besides US & the UK.

We believe that our collaboration with Oxford University is the first ever private sector initiative in the field of teacher enablement in India. We believe that as the Indian government's focus on education increases the budget allocation to achieve this will increase correspondingly.

#### School Management

Your Company is focusing on the School Management segment with CORE Learning Panorama Ltd., an associate company. School Management business is focused on end-to-end management solution for schools and colleges right from students registration, teachers training, fees collection, examination management, infrastructure management, curriculum management etc. We also plan to set up a chain

of high quality schools across India. We expect the first set of such schools to be ready and operational very soon.

### **Teachers Training, Capacity Building & MOU with the Oxford University**

Your Company signed a very prestigious MOU with the University of Oxford for building Teachers Capacity and for Training Teachers in India. This path breaking collaboration with the University of Oxford would be very critical and crucial for the success of the Sarva Shiksha Abhiyaan (SSA), the Rashtriya Madhyamik Shiksha Abhiyaan (RMSA) and the Model Schools Programs, the main initiatives for improving education in the country, by the Government of India. This enables your Company to have a first mover advantage to tap a significant market share which is stated to be over US\$ 1 bn. This collaboration with Oxford University is the first ever private sector initiative in the field of teacher enablement in India.

### **Vocational Training**

Vocational Training is another area gaining thrust worldwide with several ministries coming in with various schemes in vocational training for unemployment remediation and meeting the industry's needs for the skilled man power. This would be another area of focus for CORE as we move forward.

### **Consolidated Financial Statements**

In accordance with the applicable accounting standards AS 21 on Consolidated Financial Statements read with AS 23 on Accounting of Investments in Associates, your Directors provide the audited Consolidated Financial Statements in the Annual Report.

A statement pursuant to Section 212 of Companies Act, 1956 relating to Subsidiary Companies is also attached herewith to the accounts & forms a part of this report.

The Company has the following subsidiaries:

1. CORE Education & Consulting Solutions Inc. USA,  
Step down subsidiaries:
  - a. HCL Systems Inc, USA
2. CORE Education & Consulting Solutions (U.K.) Ltd., UK,  
Step down subsidiaries:
  - a. Hamlet Computer Group Ltd., UK
  - b. Symbia Ltd., UK
3. CORE Projects & Technologies FZE, Sharjah,
4. CORE Education Infratech Ltd., India
5. Aarman Software Pvt. Ltd., India

In terms of the exemption granted by the Central Government under Section 212(8) of the Companies Act, 1956 vide its letter no. 47/335/2010-CL-III dated 5th May, 2010, the Audited Statement of Accounts and the Auditors Report thereon for the year ended 31st March, 2010 along with the reports of the Board of Directors of the Company's subsidiaries have not been annexed.

The Company will make available these documents upon request by any member of the Company interested in obtaining the same. However, as directed by the Central Government, the financial data of the subsidiaries have been furnished under 'Subsidiary Companies Particulars' forming part of the Annual Report. Further, pursuant to Accounting Standard AS-21 issued by the Institute of Chartered Accountants of India, Consolidated Financial Statements presented by the Company in this Annual Report includes the financial information of its subsidiaries.

## **Changes In Share Capital**

### **Preferential Allotment of Warrants**

With the approval of the members at the Extra Ordinary General Meeting held on 31st October 2009, the Company issued and allotted 10 mn Warrants to CORE Infrapower Limited, forming part of the Promoter Group on preferential basis, entitling the Warrant-holder to apply for 10 mn Equity Shares of Rs. 2/- each at a price of Rs. 185/- per share (including a premium of Rs. 183/- per share) on exercise of the Warrants over a period of 18 months from the date of its allotment. During the year under review 4.8 mn shares of Rs. 2/- each were allotted on exercise of the equivalent number of warrants.

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

The Company had issued USD 80 million Zero Coupon Foreign Currency Convertible Bonds ('FCCB') vide offering circular dated 8th May, 2007. During the year under review, USD 15.20 million FCCBs were converted against which 7.49 mn shares were allotted. As on 31st March 2010, USD 10 million bonds were outstanding and as on the date of this report the entire balance was fully converted with allotment of 4.93 mn equity shares since April 2010.

### **Allotment of Shares under CORE ESOS 2007**

During the year, 41,875 equity shares were allotted under CORE ESOS 2007 to the eligible employees / Director, against their applications exercising the options, granted to them under the said Scheme. As on 31st March 2010, 1,415,580 stock options were outstanding under the said Scheme.

### **New issue of Foreign Currency Convertible Bonds**

Pursuant to the approval received from the Members at the last AGM, your Company had on 15th April, 2010 launched and priced the issue of USD 60 million Foreign Currency Convertible Bonds with an upsize of USD 15 million. Standard Chartered Bank were the Sole Book Runner for the said issue. The issue was fully subscribed and closed on 6th May 2010, with aggregate issue of USD 75 million. The Bonds are issued for 5 years and 1 day and mature on 7th May 2015. The Bonds carry YTM and coupon of 7% p.a. The initial conversion price of the said bonds, was fixed at 10% premium over the reference share price of Rs. 247.09 calculated in accordance with the applicable

rules and regulations governing the issue, issued by the Reserve Bank of India and the SEBI in this regard, which works out to Rs. 271.80. The fixed exchange rate for the issue was USD 1 = Rs. 44.43

## Appropriations

### Dividend

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 recommended a dividend of 30% of the paid up capital i.e. Rs. 0.60 per share on the expanded capital base of 10,35,83,754 equity shares of Rs. 2 each (as on the date of this report).

## Human Resource Management

COREans are the key resources of your company. Your company has been able to create and continuously improve a favorable work environment that encourages novelty at all levels. The aim was to develop a sense of ownership among the employees within the organisation. 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.

CORE's HR policies and processes are aligned to effectively drive its expanding business and making inroads into emerging opportunities. The Company has a suitable recruitment and human resources management process, which enables us to attract and retain high caliber employees.

### CORE Employee Stock Option Scheme 2009

We introduced CORE Employee Stock Option Scheme 2009 pursuant to the approval of the Members received at the last AGM. The Scheme provides for issuance of 7,500,000 stock options to the employees and directors of the Company as well as to the employees of our Subsidiaries. 4,200,000 stock options were granted to the eligible employees and the directors under the said scheme in accordance with the terms of issue as detailed in the notice convening the said AGM. In the current year, 9,78,000 stock options were granted to the eligible employees and director(s) in the said Scheme.

The applicable disclosures as stipulated under the SEBI Guidelines as at 31st March, 2010 are given as Annexure II to this report.

## Best Practices

Your Company continues to be an ISO 9001:2000 organisation and also maintains CMMi Level 3 certification and is upgrading itself for CMMi 5 level certification.

## 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. The Report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement forms part of the Annual Report.

The Chairman and Managing Director's declaration regarding compliance with CPTL 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.

## Board of Directors

Ms. Maya Sinha was appointed as an Additional Director in the Category of Non-Executive Independent Director at the Board Meeting held on May 14, 2010. A notice in writing under Section 257 of the Companies Act, 1956, has been received from a shareholder signifying the intention to propose Ms. Maya Sinha as a candidate for the office of Director. The proposed resolution has been included in the notice convening the 25th Annual General Meeting of the Company for your Consideration.

The Board of Directors at their meeting held on 12 August, 2010 approved the appointment of Mr. Nikhil Morsawala as a Whole-time Director designated as Director – Finance, on the recommendation of the Audit Committee for a period of five years. The resolution proposing appointment of Mr. Morsawala and the terms of appointment has been included in the notice convening the 25th Annual General Meeting of the Company for your consideration.

In accordance with the Articles of Association of the Company, Mr. Awinash Arondekar and Mr. M. N. Nambiar, Directors, are retiring by rotation and seeks re-appointment at the ensuing Annual General Meeting.

Brief resume of the Directors proposed to be appointed, reappointed, nature of his/her 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 agreements executed with the stock exchanges are provided in the notice convening the ensuing Annual General Meeting and forms part of this annual report.

## Auditors and Auditors' Report

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

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

The notes to Accounts referred to in the Auditors' 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 Companies Act, 1956 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 Companies Act, 1956, read with (Particulars of Employees) Rules 1975 as amended, the names and other particulars are set out in the annexure to the Directors' 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.

### **Directors Responsibility Statement**

Pursuant to the requirement under section 217(2AA) of the Companies Act, 1956, with respect to Directors' 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 they 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 they 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 they have prepared the annual accounts on a going concern basis.

### **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 and bankers 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 we look forward to their continued support.

For and on behalf of the Board

**Sanjeev Mansotra**  
Chairman & Managing Director

Place: Mumbai

Date: 12th August, 2010

## 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 optimise 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.

##### Other Energy Conservation Initiatives

- Sun Orientation path.
- Walls and roofs are properly insulated.
- Toughened glass windows to reduce infrared radiation.

- Effective management of ventilation to ensure acceptable air quality.
- Proper positioning of fire escape routes.
- Roof surface treated to reduce the absorption of heat.
- Turning of lights in all floors when *Coreians* are not working.
- Turning off the Air conditioners during non peak hours and on weekends.

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.

##### 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 review was Rs. 1,569.51 mn as compared to Rs. 1,521.60 mn during the previous year.

Total foreign exchange outflow during the year under review was Rs. 14.35 mn as against Rs. 155.70 mn 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 March 2010

Sr. No.		Scheme-1 : ESOS 2007					Scheme-2 :
							ESOS 2009
1	Date of grant	14.06.2007	13.03.2008	22.05.2008	27.06.2008	31.07.2008	15.10.2009
2	Options granted	1,421,500	1,179,340	170,690	77,960	109,755	4,200,000
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 (Rs.)	136.80	204.85	222.75	181.45	214.70	192.00
5	Outstanding options as at 1st April, 2009 (Nos.)	882,850	732,400	131,290	42,700	40,855	-
6	Options granted during the year ended 31st March, 2010 (Nos.)	Nil	Nil	Nil	Nil	Nil	4,200,000
7	Options vested during the year ended 31st March, 2010 (Nos.)	90,800	467,815	109,560	-	14,400	Nil
8	Options exercised during the year ended 31st March, 2010 (Nos.)	41,875	Nil	Nil	Nil	Nil	Nil
9	Total no. of shares arising as a result of exercise of options (Nos.)	41,875	Nil	Nil	Nil	Nil	Nil
10	Options lapsed / surrendered during the year ended 31st March, 2010 (Nos.)	132,185	200,255	8,400	25,200	6,600	416,500
11	Options in force as at 31st March, 2010 (Nos.)	708,790	532,145	122,890	17,500	34,255	3,783,500
12	Variation of terms of options	Nil	Nil	Nil	Nil	Nil	Nil
13	Money realised by exercise of options (Rs.)	5,728,500	Nil	Nil	Nil	Nil	Nil
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
	ii) Employees receiving 5% or more of the total number of options granted during the year	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
15	Diluted EPS on issue of shares on exercise calculated in accordance with AS 20 (Rs.)	11.53					
	i) Method of calculation of employee compensation cost	Intrinsic Value Method					
	ii) Difference between the employee compensation cost so computed(i) above and the employee compensation cost that shall have been recognised if fair value of options had been used.	Rs. 183,422,450					
	iii) The impact of the difference on profits and EPS of the Company had fair value of options had been used for accounting Employee Options	Proforma Profit Rs. 934,606,704 and Proforma Basic EPS - Rs. 10.15					
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 (Rs.)	136.80	204.85	222.75	181.45	214.70	192.00
	ii) Weighted average fair value (Rs.)	72.76	108.95	101.35	83.88	105.34	Type A - Rs. 115.37, Type B - Rs. 115.37, Type C - Rs.118.76
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
	ii) Expected life (years)	4.25	4.25	4.25	4.25	4.25	4.50
	iii) Expected volatility(%)	54	54	46.23	46.23	46.23	73.64
	iv) Dividend yield(%)	0.10	0.10	0.10	0.10	0.10	0.51

Notes: 1. 12,00,000 stock options granted on 12th December, 2007 have been surrendered and hence not given in the above statement.



2. The details of options granted to senior managerial personnel 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-07	13-Mar-08	22-May-08	27-Jun-08	31-Jul-08	15-Oct-09
<b>Grant Date</b>						
Mr. Prakash Gupta	80,000	20,000	Nil	Nil	Nil	110,000
Mr. Kevin Howell	Nil	Nil	Nil	Nil	Nil	100,000
Mr. Shekhar Iyer	40,000	Nil	Nil	Nil	Nil	60,000
Mr. Sanjay Minocha	40,000	Nil	Nil	Nil	Nil	57,500
Mr. Sanjay Chittore	Nil	40,000	Nil	Nil	Nil	55,000
Mr. Vijay Kumar Malik	Nil	Nil	Nil	Nil	Nil	50,000
Mr. Mike Jones	Nil	15,554	Nil	Nil	Nil	30,000

# Management Discussion and Analysis

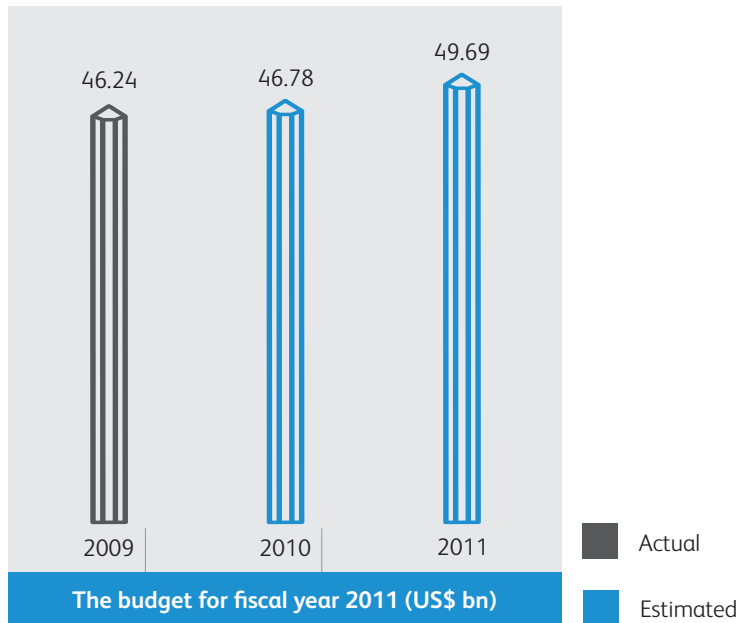
## Industry structure and developments

### The US education sector

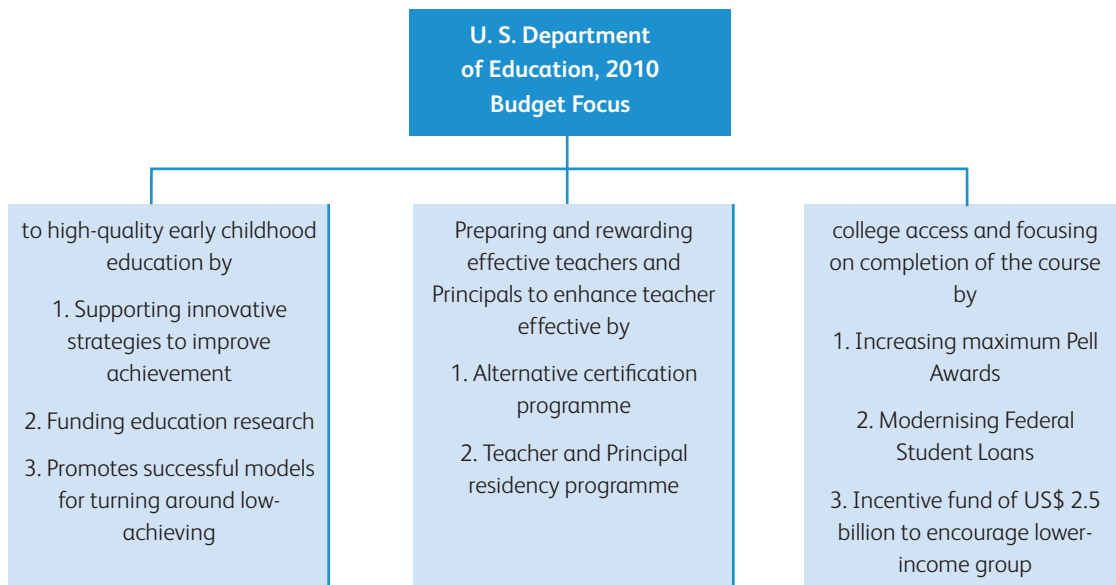
The US education sector continued to receive strong support from the government, despite the economic slowdown. The enhanced funding resulted in an increase in number of public school districts from 13,862 in 2008 to 13,924 in 2009 and number of K-12 schools from 106,700 in 2008

to 132,656 in 2009. In 2010, the Government allotted US\$ 46.7 billion to the Department of Education for better overall educational excellence. It included initiatives to strengthen the educational system by reforming public schools, supporting and rewarding effective teaching, developing new standards and assessments, investing best practices and improving students' achievements as a whole (Source: White House Office of Management and Budget).

### Department of Education



### U.S. Department of Education FY 2010 Budget Snapshot



### The K-12 market in the United States

The supportive education budget and 'Zero to Five' Plan of the US Government considerably increased the public school enrolments. According to the US Department of Education estimation, public elementary and secondary school enrolment will reach to 53,933 million by 2018. In line with it, the K-12 instructional materials market (textbooks, supplemental materials and technology products) is expected to post a sale of US\$ 16.4 billion in 2010, increasing 3.3% compared to the last fiscal. While

supplemental market has grown 2.8% for the same period. The largest segment of overall K-12 instructional materials market is the elementary reading market, which has grown 3.6% over the preceding three years. With an increase in overall number of schools, the education market is expected to grow further, especially in technology sales due to increased school purchases of hardware, internet services, and multimedia products.

(Source: *The Complete K-12 Report: Market Facts & Segment Analyses 2010*, published by Education Market Research)

The Fiscal Budget for 2011 provides a \$3 billion increase in funding for K-12 education programs authorised in the Elementary and Secondary Education Act (ESEA), including \$900 million for School Turnaround Grants, and the Administration will request up to \$1 billion in additional funding if Congress successfully completes a fundamental overhaul of the law. Together, these measures would represent the largest funding increase for ESEA programs ever requested.

#### American Recovery and Reinvestment Acts (ARRA), 2009: Major Allocations

- US\$4 billion to ensure reforms in teacher quality, high academic standards, and improvements of low-performing schools
- US\$10 billion increase in Title I grants during the 2009-10 and 2010-11 school years
- US\$3.545 billion for Title I School Improvement Fund, to reform the lowest performing Title I schools and middle/high schools
- US\$650 million for investment in innovation, to stimulate education reform practices and programmes; these include small grants up to US\$5 million for promising practices and large grants up to US\$50 million for programs with strong evidence and effectiveness
- US\$350 million for assessment of Race to the Top, aligning with new national academic standards
- US\$300 million for Teacher Incentive Fund, to pay incentive to high performing teachers and principals in high-need schools

(Source: U.S. Chamber of Commerce)

### CORE's products that cater to the US markets

<b>Assessment Domain</b>	edmastery	Customisable Assessment Delivery and Reporting System.
	Assessment Center- K12	Online Assessment Platform with 180,000 test items in English, Mathematics, Science and Social Studies
<b>Intervention Domain</b>	Side Street	Reading and Math for grades 1-8
	Prospects	Reading and Math for high school
	Lightning Math	Algebra Readiness Program
<b>Compliance &amp; Reporting Domain</b>	Bright IDEA	Special Ed Compliance management system
	Pre-K matters	Pre-K Management and Accountability System
	dTOOL	Data Analysis and Data Querying/Reporting tool
<b>Grants &amp; Financial Domain</b>	eGrants Manager	Grants Management System of Private and Public Grants
	States First	State Financial Information Reporting System
<b>Student Information System</b>	Unique ID Generator	Statewide Identifier for longitudinal tracking of students
	TALMOS	Learning Management System (VLE)

## The Indian education sector

### Overview

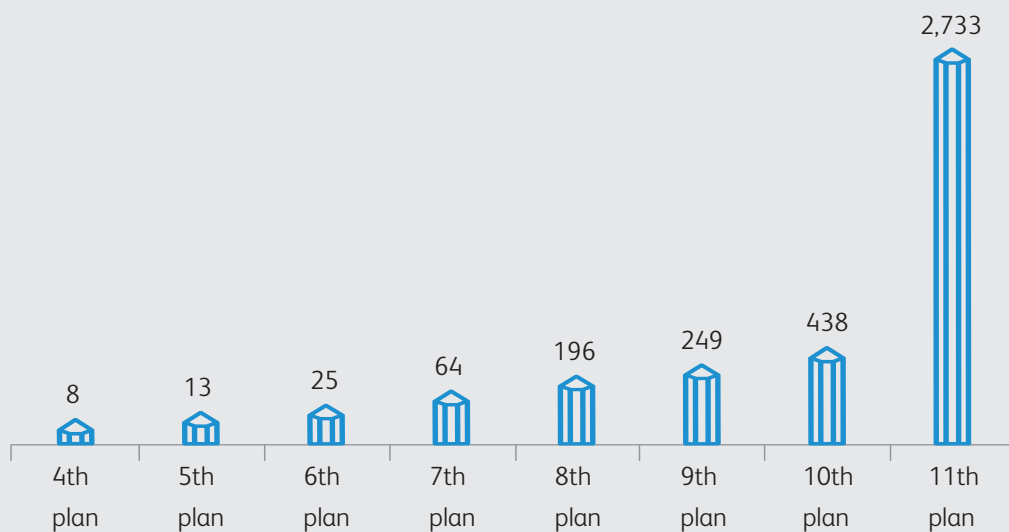
India's education sector is poised to grow exponentially. The segment is fast evolving and new niches have emerged in the past few years. For example, vocational training, finishing schools, child-skill enhancement and e-learning have emerged recently. Moreover, the increased spending by the growing middle class on education, and initiatives by private entrepreneurs shall further drive sectoral growth.

The year 2009-10 was indeed a good year for the Indian education system. The 86th Constitutional Amendment Act, 2002 led to the insertion of Article 21-A in Part III of the Constitution of India that made free and compulsory

education to all children of 6 to 14 years of age a fundamental right. Besides, the e-government and the local authority is required to establish, within such area or limits of neighbourhood, a school where it is not so established, within a three-year period. The central and state governments enjoy concurrent responsibility to provide funds to carry out provisions under the Act. The Plan allocation for school education increased by 16 per cent from Rs. 268 billion in 2009-10 to Rs. 310.36 billion in 2010-11. In addition, states have been allowed access to Rs. 36.75 billion for elementary education under the thirteenth finance commission grants for 2010-11 (Source: Key Features of Budget 2010-11, <http://indiabudget.nic.in/ub2010-11/bh/bh1.pdf>)

The private sector participation in the education sector is nearly as large as the combined annual budget for power, roads, airports, ports and telecoms (based on the 11th Five-Year Plan of the Government for 2007-2012). There is an estimated USD 40 billion market for the private sector, with a five-year CAGR potential of 16 per cent.

Planned outlay on education in the 11th Five-Year Plan (Rs. bn)



Planned outlay on education to increase substantially in 11<sup>th</sup> Five-Year Plan

Note: 11<sup>th</sup> plan numbers are preliminary. (Source: CLSA Asia-Pacific Markets, Planning Commission India)  
(Source: CLSA Report)

### India's K-12 segment

K-12 is India's core education market and the most attractive segment for private sector investment within the education sector. India has the largest K-12 population globally. However, India enjoys a low enrolment level, 84% at primary level, 57% at the middle school level and 32% at the secondary and higher secondary level. Compared to

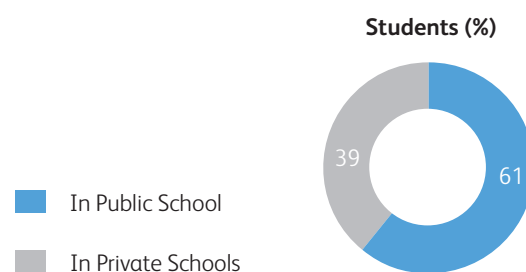
the matured markets of the US and UK, India's education sector is still nascent, considering the student population. Besides, India also witnesses higher dropout rate caused by low availability of schooling and rural awareness. But considering the government's increased education focus, it is expected that the student population in K12 and the higher education segment is expected to grow by 5% and 10% respectively, every year.

Student population (in mn)	2007	2008	2009	2010	2011E	2012E	2013E
<b>India</b>							
K-12	207	218	229	240	252	265	278
Higher Education	7		9.9	10.9	12.0	13.2	14.5
<b>U.S.A</b>							
K-12 *	55.71	55.879	56.116	56.4	56.781	57.275	57.817
Higher Education *	17.74	18.72	19.08	19.13	19.24	19.34	19.53
<b>U.K</b>							
K-12	10.03	10.28	10.54	10.80	11.07	11.34	11.63
Higher Education	2.3	2.39	2.48	2.58	2.68	2.79	2.90

\* National Centre for Education Statistics – 2009

At present, private sector schooling comprises 7-8% of India's total schools, educating around 39% of the total number of students. According to NCERT (National Council of Education Research and Training), India requires almost 20,000-25,000 quality schools, thus creating a vast and credible opportunity for the private players to exploit the space.

	2009
<b>India</b>	<b>Students (in mn)</b>
In Public School	139
In Private Schools	90
<b>Total</b>	<b>229</b>



K-12 segment is expected to grow at a CAGR of 13-14% and emerge as a USD 29 billion market by 2012.

#### Public-private partnerships

The government's increasing emphasis towards PPP model of education could create revenue-generating models for the private sector. The opportunities comprise the following:

- Relocate or build new schools, colleges, universities or job centres and provide facilities management for the new buildings and campuses. Projects may involve land exchanges or enable the private sector provider to generate a third-party revenue stream from the existent infrastructure
- Build facilities for education institutions with the potential for third-party income generation, such as sports or academic and conference facilities
- Refurbish existing assets and/or provide facilities management
- Provide information systems to ensure sustained hardware and software availability, or allocate to the private sector some administrative functions. There may be opportunities for third-party income generation by selling excess capacity
- Institutions enjoy varying requirements and the private sector may be able to offer innovative solutions to offer quality services and value for money

## Programmes undertaken by the Government of India

### Sarva Shiksha Abhiyan (SSA)

#### About SSA

Flagship programme introduced by the Government of India to achieve universal education, as mandated by the 86th amendment to the Constitution of India. It aims at providing elementary education and computer education to children in the age group of six to fourteen years, with a special care for girl's education and differently-abled children.

#### Objective

- Opening new schools in areas without schooling facilities
- Strengthening existing school infrastructure through the provision of additional classrooms, toilets, drinking water, maintenance and school improvement grants
- Providing additional teachers to schools with inadequate teachers
- Imparting extensive training and developing learning materials for existing teachers
- Strengthening the academic support structure at a cluster, block and district level

#### Achievements

- Opening 288,155 new schools
- Constructing 240,888 school buildings, 1,026,831 additional classrooms and 286,862 toilets
- Installing 184,652 drinking water facilities
- Supplying free textbooks to 90.5 million children
- Appointing 1,011,000 teachers and training 2,179,000 teachers
- Reducing the number of out-of-school children

(Source: CLSA Report and Economic Survey 2009-10)

### Outlay on Sarva Shiksha Abhiyan

	Outlay on education (Rs. billion)	Outlay on SSA (Rs. billion)
10th Plan (2002-07)	438.20	170.00
11th Plan (2007-12)	2,733.30	720.00

(Source: CLSA Asia-Pacific Markets, Department of Education, Planning Commission India)

### Rashtriya Madhyamik Shiksha Abhiyaan (RMSA)

#### About RMSA

A scheme, sponsored by the Government to enhance access to secondary education and improving its quality.

#### Objectives

- Providing secondary school within reasonable distance of every habitation
- Improving all secondary schools to the prescribed norms
- Achieving enrolment ratio of 75% for class IX-X
- Removing gender, socio-economic and disability barriers
- Providing universal access to secondary education by the end of 2017
- Achieving universal retention by 2020

(Source: Economic Survey 2009-10)

### ICT in public schools

State governments outsource the installation and maintenance of IT hardware, content and training requirements of public schools to private parties. The ICT business is tender-based and functions under the build, own, operate and transfer (BOOT) model. The Government has been funding this initiative under the SSA and ICT

Schools programmes. The planned government outlay for education is expected to increase substantially as about 200,000 public schools will offer computer training to a substantial number of students. The ICT inflows to private sector vendors will reach around US\$1 billion by March 2012 (*Source: CLSA Report*).

### ICT – Estimate of market size

	FY10	FY11	FY12	FY13
Start of period schools, wired	36,000	66,000	106,000	156,000
New bids	30,000	40,000	50,000	50,000
<b>End of period schools, wired</b>	<b>66,000</b>	<b>106,000</b>	<b>156,000</b>	<b>206,000</b>
Inflow per month per school (Rs)	20,000	20,000	20,000	20,000
Annual revenue to providers (Rs)	15,840	25,440	37,440	49,443
<b>Annual revenue providers (U.S.\$ m)</b>	<b>396</b>	<b>636</b>	<b>936</b>	<b>1,236</b>
Chg YoY (%)		61	47	32

(Source: CLSA Asia-Pacific Markets)

### Teacher training

Teacher training is one of the emerging sectors in the field of education. There exists a lack of trained teachers in India as a result of low spending by schools on teacher training. The market currently stands at USD 15 million annually.

The 11th Plan seeks to train teachers for quality improvement in schools through District Institutes of Education & Training (DIET) and has allocated Rs. 1,124 million for the purpose. The government has drawn up plans to establish advanced ICT facilities in select institutions and public schools, set up 6,000 model schools and conduct teacher training programs. The government has allocated Rs. 40 billion for conducting teacher training programs under the 11th plan, of which only 36% has been utilised so far. A State

Council for Education, Research and Training (SCERT) would be established by the respective state governments. Each SCERT would structure the syllabus content, be responsible for implementing the state government's policy for teacher enablement and would administer the state education budget and federal government funds allocated for teacher enablement. Teacher enablement programs consist of building upon teacher capacity and enhancing the skills sets of existing teachers in that state. Each SCERT would be assisted by Oxford University. Oxford University would discuss with each SCERT the particular requirements for teacher enablement in the state for which the SCERT is responsible. After detailed discussions, an implementation framework would be developed and the technical content required for teacher enablement would be prepared.

### India's teacher requirement

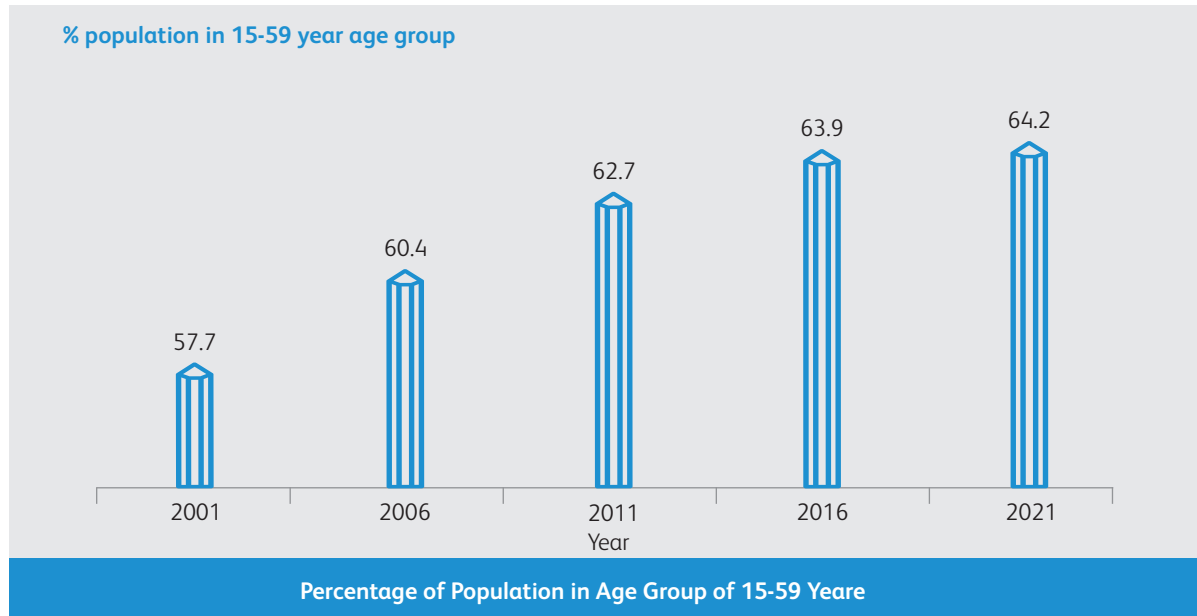
Country	By year	Estimated demand (in million)
India	2011	0.8
USA	2016	4.2

### Vocational training

In any country, people need skills and knowledge to catalyse economic growth and leverage emerging socio-economic opportunities. In other words, the objective for any growing economy should be to impart skills to those entering the labour market in both organised and unorganised sectors. In India, the labour force for 2009-10 is estimated to be

520 million, which is expected to touch 574 million in 2014-15. This means 10 to 11 million people would be joining the labour force annually during the period.

India is now poised at a demographic sweet spot: the Census projection report demonstrates that the proportion of population in the working age group (15-59 years) is likely to increase from around 58% in 2001 to over 64% by 2021.



(Source: Office of Registrar General & Census Commissioner (RGCC), 2006)

The skill base of the Indian population is still low, compared to developed economies of the world. Around 2% of our population in the age group of 15-29 years have received formal vocational training and around 8% are reported to have received non-formal vocational training (Source: NSSO data for 2004-05). Globally, the developed economies enjoy 60 to 80% of skilled workers. India is in urgent need of skill development infrastructure, so that the youth get adequate training for relevant skills.

According to the 61st round of the National Sample Survey Organisation, 2004-05, the vocational training capacity is estimated to be around 3.1 million, while 12.8 million persons enter the labour force annually. There are 8,039 industrial training institutes/centres with 11.16 lakh seating capacity in the country. Although there has been an increase of about 1000 ITIs/ITCs adding about 1 lakh seats annually, more focused effort is needed to impart industry relevant skill development.

The National Skill Development Policy, formulated in February, 2009, targets the creation of 500 million skilled people by 2022, with the following vision:

- Skill development should harness inclusivity and reduce economic and social divisions among Indian workforce, particularly across rural-urban, male-female, organised-unorganised and traditional/contemporary.

- Matching the emerging demands for skills across various industries and economic enterprises.
- Evolving National Vocational Qualification Framework comparable with international standards.
- Developing standard certification system by recognising and including quality skills acquired through any informal system of learning.
- Greater and more active role for worker organisations, industry, civil society, Panchayati Raj Institutions and other professional bodies.
- Greater reduction of poverty through enhanced earnings of skilled workers.

### Achievements

- A total of 8039 ITIs and ITCs have been affiliated with the NCVT - 2133 Government ITIs with 4.32 lakh and 5906 ITCs with 6.84 lakh seating capacity, increasing the total seating capacity to 11.16 lakh as on 31st March, 2010.
- Of 1,896 Government ITIs, 1400 ITIs have been adopted for upgradation as on 31st March, 2010 at a cost of Rs. 3205 crore, which are under different stages of modernisation.
- Under the Skill Development Initiative (SDI) Scheme, 4.99 lakh persons have been trained up to 31st March, 2010.



#### Future strategies and targets

- 1500 new ITIs and 5000 skill development centres are proposed to be set up in public private partnership in the next three years.
- 300 new government ITIs will be adopted for upgradation at Rs. 750-crore cost in 2010-11, under the scheme Upgradation of 1396 Government ITIs in public private partnership.
- 3 lakh persons will be trained under SDI in short-term modular courses during 2010-11.
- All Employment Exchanges in the country are proposed to be modernised in public private partnership at an investment of Rs. 2167 crore in the next three years.
- The process for formulation of National Vocational Qualification Framework will be initiated in close co-ordination with all stakeholders.

#### Budget allocation for training

- Budget for training under the Ministry of Labour & Employment for 2010-11: Rs. 403.29 crore
- Budget of training and employability, under the Ministry of rural development for Swarnajayanti Gramin Swarajgar Yojna (SGSY) scheme: Rs. 2683 crore
- Budget of training and employability under the Ministry of Housing & Urban development for Swarnajayanti Sheheri Rojgar Yojna (SJSRY) scheme: Rs. 1730 crore
- Training budget under the Ministry of Tourism for 2010-11: Rs. 104 crore
- Scheme for upgradation of Govt. ITI under the Ministry of Labour & Employment: Rs. 735 crore
- Budget for support of training and employment program (STEP) under the Ministry of Women & Child development for 2010-11: Rs. 22 crore

(Source: Planning Commission & Respective Government websites and annual reports)

#### Drop-out Rate (%)

	Classes I-V	Classes I-VIII	Classes I-X
India	25.4	46	59.9

(Source: MHRD Annual Report 2006-07)

The drop-out rates indicate the pressing need to provide students dropping out of formal education with skill sets that enhance their employability options. This provides CORE with a huge opportunity to offer courses based on industry demand, customised to industry needs.

Year	Employment (in mn)			% share		
	Formal	Non-Formal	Total	Formal	Non-Formal	Total
2007-08	About 30-35	About 415-420	About 450	About 8%	About 92%	100%

Informal Employment	in mn
2007-08	415
2011-12	453
2016-17	521

(Source: National Skill-Development Corporation (NSDC) of India study on "Mapping of Human Resource Skill Gaps in India till 2022")

### Upgrade of industrial training institutes

It has been proposed by India's Finance Ministry to provide financial support to upgrade 1,396 industrial training institutes (ITIs) to centres of excellence in specific trades and skills through the PPP route. The state governments would be in charge of regulating admissions and fees, while private management would be given academic and financial autonomy. The Government aims to upgrade 300 ITIs a year, with Rs. 7.5 billion allocated for this purpose. Some of the programs would receive World Bank grants. In India, there are approximately 950,000 government schools. The infrastructure in a majority of these schools is in a poor state, and this provides a need of urgent upgradation.

### CORE's products that cater to the Indian markets

Assessment Domain	edmastery	Customisable Assessment Delivery and Reporting System.
	FAIM	Examination Management System
Grants & Financial Domain	eGrants Manager	Grants Management System of Private and Public Grants
	Project Monitoring Information System (PMIS)	web based budgeting system for overall financial planning and monitoring for State, District, Block level users
Student Information System	Child Tracking System	Solution of identification and Tracking Children in a State
	TALMOS	Learning Management System (VLE)
School Infrastructure (PPP)	Information & Communication Technology	CORE ICTs are transformational tools which can promote a "Learner-Centered Education Environment"
	Brick & Mortar School – Model Schools	Offering holistic & integrated education services across schools in the country
Educational Training & Services	Vocational Training	- Source, Training and Placement Model - Embedded skill Center Model
	Teachers training and capacity Building	Work closely with SCERT and DIETs to understand their needs and challenges. Develop lesson modules and assessment tools that meet the precise need for teachers within schools across the country
	E-Content Creation & Management	Multimedia content to support improvement and enrichment of the learning process of the students through conceptual clarity

### Outlook

In the coming fiscal years, the sector is set to see even more significant happenings with several proposed reforms and implementations crystallising. Among the many impending reforms, Foreign Universities Bill is expected to see the light of the day in the coming year. The Ministry of Human Resource Development (MHRD) is keen to commence the Foreign Educational Institutions (Regulation of Entry and Operations, Maintenance of Quality and Prevention of Commercialisation)

Bill. With the bill, 100 percent foreign direct investment (FDI) in higher education would soon be a reality, making quality education accessible to every Indian.

### SWOT analysis

#### Strengths

- Ability to offer complete range of education services – from assessment to administrative to training to content to consulting and reporting
- Proven range of products and services

- Credible presence in the US and UK markets
- Access to world-class technology
- A team of reputed and experienced professionals
- Longstanding client relationships

#### Weakness

- New entrant in the Indian markets
- Business highly dependent on Government regulations and policies

#### Opportunities

- Largest (and growing) population globally in the K-12 age group
- Increasing preferences for private schools
- Certain Indian states demarcate land at subsidised rates, which can be used only for schools
- Huge demand-supply gap in the higher education segment

#### Threats

- Stringent regulations
- Long time to build the brand equity

#### Segment-wise performance

	<b>Turnover 2009-10 Rs. in mn</b>	Turnover 2008-09 Rs. in mn
Education	6,352.50	4,701.93
ERP	1,609.30	1,629.43
Consulting / ITES	508.20	443.60
<b>Total turnover</b>	<b>8,470.00</b>	<b>6,774.96</b>

#### Risks and concerns & mitigation

##### 1. Regulatory risk

The education sector in every country is highly dependent on government regulations and policies. Changes in government policies could adversely affect our business, resulting in operations and financial condition.

##### *Risk mitigation*

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

##### 2. Competition risk

Education sector in developed countries like the US and UK is highly competitive with presence of large players with richer domain experience and bigger brands. Therefore, the competition can result in lower margins for the Company.

##### *Risk mitigation*

The Company has emerged as an integrated player and

provides solutions across the value chain from K-12 education to higher education to vocational education and school management. It provides products and solutions aimed at management of education as well as delivery of education. It has developed its expertise organically and inorganically as well as by forging partnerships with the best companies and institutes like Oxford University, IGNOU and CHL, among others. The Company's ability to provide a wide range of products and solutions through various delivery models and in diverse geographies has enabled it to perform against competition.

##### 3. Geographical concentration risk

The Company derives more than 75 % of its revenues from the US and UK. Any loss of market share in the US would adversely affect the Company's revenues.

##### *Risk mitigation*

Since the public education system is highly matured in the US and UK, they were the first markets of operations for CORE Projects. Over the years, while India has emerged as a promising market for education, 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 in the Middle East and Caribbean Islands. In the coming years, the company expects to derive reasonable contributions on the revenues from non-US and UK markets.

#### 4. Technology obsolescence risk

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

##### *Risk mitigation*

CORE Projects has always believed in keeping up to the change in terms of technology. The Company has a dedicated R&D unit that caters to the upgradation, implementation and incorporation of latest methodologies, techniques, systems and products to the Company's offerings. It has also partnered with the best-in-class technology leaders to understand and offer the latest technology to its clients.

#### 5. Attrition risk

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

##### *Risk mitigation*

CORE Projects 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.

#### 6. Foreign exchange risk

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

##### *Risk mitigation*

Our exposure to foreign exchange is only towards the exports from India, which constitutes 18.5% of total consolidated operations. We hedge the transaction at particular time with reasonable care.

#### Internal Control System

The Company possesses an adequate system of internal controls to safeguard its assets from loss or unauthorised use. All transactions are properly authorised, 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.

#### Discussion on financial & 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 Rs. 2 each. The authorised share capital is Rs. 300 mn divided into 150 mn equity shares of Rs. 2 each.

During the year, the Company's share capital increased by Rs. 24.66 mn by addition of 12.33 mn equity shares of Rs.2 each, of which 7.49 mn equity shares were allotted against the conversion of FCCBs and 4.8 mn equity shares were allotted on exercise of warrants by the Promoter Group issued on a preferential basis in December 2009 and 41,875 equity shares were allotted on exercise of Employee Stock Options under CORE ESOS 2007.

On 16th April 2010, the Company had launched and priced new FCCBs issue for USD 75 million, with Standard Chartered Bank as the Sole Book Runner the details, of which are given in the Directors' Report. None of these FCCBs is converted as on the date of this report.

##### 2. Reserves and surplus

##### a. Securities premium account

During the year, a sum of Rs. 605.49 mn was added to the Securities premium account on the allotment of 7.49 mn equity shares on conversion of FCCBs and a sum of Rs. 878.4 mn was added on account of allotment of 4.8 mn equity shares on exercise of warrants by the Promoter Group and Rs. 5.64 mn on allotment of 41,875 equity shares on exercise of employee stock options. In aggregate, a sum of Rs. 1,489.53 mn was added to the opening balance of Rs. 3,110.23 mn. Further a sum of Rs. 1.51 mn was written off from the securities premium account, on the expenses incurred against the allotment of FCCBs and Employee Stock Options, leaving the balance at Rs. 4,598.24 mn at the end of the year.

##### b. General reserve

A sum of Rs. 112.00 mn has been transferred from the current year profits to the general reserve account with a balance of Rs. 193.00 mn at the end of the year.

##### c. Profit and loss account

The opening balance in the profit and loss account was Rs. 2,301.07 mn. A sum of Rs. 1,722.23 mn was added during the year. The balance retained in the profit and loss account as of March 31, 2010, after transfer to the general reserve and making provision for proposed dividend and dividend tax is Rs. 3,832.94 mn.

Thus, the Company's total shareholders' funds increased to Rs. 8,957.37 mn as on March 31, 2010 from Rs. 6,110.29 mn as of the previous year end.

### 3. Loan funds

	(Rs. in mn)	
Particulars	<b>2009-10</b>	2008-09
Secured loans	2,478.90	1,790.78
Unsecured loans	1,101.40	1,483.94
<b>Total</b>	<b>3,580.30</b>	<b>3,274.72</b>

Secured loans comprise term loans and working capital facilities availed, which increased by Rs. 688.12 mn. The unsecured loans declined on account of a conversion of FCCBs.

### 4. Deferred tax liability

The deferred tax liability increased by Rs. 21.50 mn on account of “timing differences” between taxable income and accounting income .

### Application of funds

#### 5. Fixed assets

The gross block (including goodwill) increased by Rs. 535.15 mn and depreciation increased by Rs. 409.23 mn during the current year. The increase is mainly on account of addition to Building and developing the IPRs. Net block at the end of the financial year stands at Rs. 2,079.84 mn. Capital work in progress as of March 31, 2010 stands at Rs. 3,647.71 mn, which includes a sum of Rs. 1,508 mn towards advance against capital expenditure.

#### 6. Investments

We make selective investments in the companies that operate and offer solutions in education space after complete due diligence process. Total outstanding investment by us in such companies, which are our wholly owned subsidiaries as at March 31, 2010, is Rs. 4,880.38 mn.

Details of subsidiary companies performance are discussed in the Directors’ Report.

### Current assets, loans & advances

#### 7. Inventories

Inventories include unbilled revenue and man hour cost incurred in developing software.

#### 8. Sundry debtors

Sundry debtors amounted to Rs. 3,968.36 mn (net of provision for doubtful debts) as at March 31, 2010, compared to Rs. 3,048.54 mn as at March 31, 2009. These debtors are considered good and realisable. 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 customer 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 Rs. 513.83 mn crores as compared to Rs.1,055.52 mn in the previous year.

#### 10. Loans and advances

Loans and advances include advances to subsidiary and associate companies. Further a sum of Rs. 581.60 mn was invested as share application money in the existing subsidiaries. Other advances include advances to staff recoverable within a year and against expenses, a sum of Rs.55.24 mn are incurred as trade advances against supplies and services.

#### 11. Current liabilities and provisions

Sundry creditors for goods and services represent amounts accrued for various operational expenses. Provisions have been made fully for our tax liabilities and for the dividend being proposed at the ensuing AGM.

### Results of operations

#### 1. Income

Our revenues for software development, both domestic and international, are generated primarily on fixed-time frame and time and material basis. Revenue from software services on fixed-price, fixed-time frame contracts is recognised as per the proportionate completion method. On time-and-materials contracts, revenue is recognised as the related services rendered. Revenue from the sale of user licenses for software applications is recognised on transfer of the title in the user license. The growth in software services and product revenues is due to the effective steps initiated by the company to realise the full business potential and on the focused approach on the various domains in which the Company operates. The expansion of the offshore development centre and optimum utilisation of resources have resulted in robust business growth. Our consolidated income from operations was Rs. 8469.81 mn

## Financial review

	2009-10	2008-09	Rs. in million growth (%)
Turnover	8,469.81	6,774.96	25.00
EBITDA	2,905.85	2,149.70	35.18
EBTDA	2,488.83	1,933.84	28.70
PBT	2,076.00	1,653.51	25.55
PAT	1,722.24	1,432.04	20.26
Basic E.P.S. (Rs)	18.71	16.89	10.77
DILUTED E.P.S. (Rs)	17.76	13.51	31.45
Net worth	8,957.37	6,110.29	46.59

### Revenues & margins

On a consolidated basis your Company achieved gross revenue of Rs. 846.98 crores for the financial year under review from last year's revenue of Rs. 677.49, demonstrating 25% growth. Profit before tax increased by 25.55% to Rs. 207.60 crores from Rs. 165.35 crores and profit after tax increased by 20.26% to Rs. 172.22 crores from Rs. 143.20 crores for the same period.

During the year, the Company's EOU offshore development increased by 3.15% from Rs. 1,521.60 mn to Rs. 1,569.51 mn and onshore development by 17.44% from Rs. 1,863.92 mn to Rs. 2,189.01 mn. This affected the increased level of off-shoring and the implementation of education and other projects being undertaken by the Company's USA and UK subsidiaries. Globally, this has also positively impacted the profitability of our international operations.

#### 2. Expenditure

- a. **Software development costs:** Represent employee costs and cost of utilising outside consultants to correct the mismatch in certain skill sets that are required in various projects for software

development and purchase of hardware and software, establishment expenses, interest & finance cost and depreciation. The Company continues to use these external consultants on the basis of needs. Employee costs consist of salaries paid to employees. Travelling expenses mainly consist of cost of travel incurred by our project managers and sales and operations team. Advertisement and sales promotion primarily consist of cost of advertising for recruitment and certain sales promotion expenses incurred in the normal course of business. Exchange loss or gain mainly arises from the restatement of the foreign currency assets and liabilities as at 31st March, 2010.

- b. **Interest and finance cost:** We avail of working capital facilities and term loan facilities from our bankers and have also raised funds through short-term debt instruments. Total interest costs towards servicing the availed facilities were Rs. 417.03 mn compared to Rs. 215.86 mn during the previous year.

EXPENSES (as % of total expenses)	2009-10	2008-09
Software development cost	73.54	73.63
Establishment and other expenses	13.96	17.18
Interest and finance charges	6.27	3.99
Depreciation	6.20	5.18
EXPENSES (as % of income from operation)	2009-10	2008-09
Software development cost	57.72	58.78
Establishment & other expenses	10.96	13.72
Interest & finance charges	4.92	3.19
Depreciation	4.87	4.14

#### 4. Provision for tax

We have provided fully for our tax liability, both in India and overseas. The present Indian corporate tax rate is 33.99%, comprising base rate, surcharge and cess. The profits attributable to operations under the Software Technology Park (STP) scheme can be

deducted from income for a consecutive period of 10 years from the financial year in which the unit starts producing computer software, or March 31, 2011, whichever is earlier. As effective tax planning measures we have planned to shift our 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.

### Material developments in human resources / industrial relations front, including number of people employed.

At CORE our 1000 plus resources operates across four countries. The growth and sustained leadership of the Company is largely a function of the competence and quality of its human resource.

The ability to attract and retain talented employees is critical to business success. At Core, we recognise that each individual is unique and brings his unique talents to the organisation.

As part of our talent management strategies, we practice Strategic Talent Acquisition which takes a long-term view of not only filling positions for today, but also using the candidates to fill similar 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 ahead of time.

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

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

To keep our people across the globe connected with all the happening and events at Core, we have introduced a newsletter this year called "Connect" which has received an overwhelming response. We also introduced Employee Stock Option Plans at regular intervals to encourage employees' participation in the growth of the organisation. So far we have introduced CORE ESOS 2007 and CORE ESOS 2009.

Various engagement activities are planned during the year such as celebrating the major festivals, sporting events such as annual cricket tournament, football tournament, table tennis and carrom tournament, picnics, team outings and other cultural events where the employees and their families come together and have a good time. These events help the people to come together as one team and share great camaraderie and acts as a good team building activity.

At Core we realise that the key to customer satisfaction is with the people. We have 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, it gives our people whatever they need to succeed - be it 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 our 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 are doing.

A formal reward and recognition program has been formulated where employees, teams, leaders are recognised for their outstanding contribution to the organisation and rewarded as part of the annual award ceremony. This generates a 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, individual and organisational excellence.

We believe that happy employees are productive employees. Having fun while being at work enables an employee to enjoy one's work and make that extra effort and even stretch oneself for the job. Working in a relaxed environment and adding the fun element to the work atmosphere make the job a pleasure for the employees. This dynamic and vibrant work environment helps to create a feel-good factor within the organisation and a positive and cohesive attitude among the employees. Such an environment boosts employee morale, reduces stress and brings change in the monotonous work schedule. This culture also plays an important role in the retention process at CORE.

Such initiatives provide a platform to understand, imbibe and integrate with the organisation and the organisational culture. It promotes optimism and team building and motivates employees to bring out the best in themselves.

### 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.

# Corporate Governance Report

## Auditors' Certificate Regarding Compliance of Condition of **Corporate Governance Under Clause 49 of the Listing Agreement(s).**

### To the Members, CORE Projects and Technologies Limited

We have examined the compliance of Corporate Governance by CORE Projects & Technologies Limited for the year ended 31st March, 2010 as stipulated in Clause 49 of the Listing Agreement (as amended from time to time) entered with the stock exchanges in India.

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

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

On the basis of the records maintained by the Company and further certified by the Registrars & Share Transfer Agents of the Company, we state that there were no investor grievances pending for the period ended 31st March 2010.

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*

**Amit Chaturvedi**

*Partner*

Membership No.: 103141

For **Asit Mehta & Associates**

*Chartered Accountants*

**Sanjay Rane**

*Partner*

Membership No.: 100374

Place: Mumbai

Date: 12th August, 2010



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 year 2009-10. We believe good governance practices stem from the culture and mindset of the organisation.

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 institutionalised. Good governance is a continuing process and CORE reiterates its commitment to pursue and adopt global standards of Corporate Governance in the overall interest of the stakeholders.

Our Company is listed on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited in India and forms part of BSE 500 and Mid Caps on the BSE Index 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, as we move forward of being global corporation, our corporate governance standards must also be globally benchmarked. We are committed to meet the aspiration of all our stake holders. This is reflected in the shareholders returns, credit ratings, governance practices, entrepreneurial and performance focused working environment.

The Board of Directors and the Management of your Company commit themselves to:

- 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 and presently comprises of eight members on the Board of which five members are Non-Executive Independent Directors, one Non-Executive and two Executive Directors. The Chairman of the Board is Executive and Managing Director and is responsible for conduct of business and managing day to day affairs of the Company.

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 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 Board of Directors

Name of Directors	Category*	Attendance in Board Meetings		Attendance at Last	Other Board		
		Held	Attended@	AGM	Directorship**	Committee Chairmanship***	Committee Membership
Mr. Sanjeev Mansotra	PD & CMD	9	7	YES	10	-	-
Mr. Naresh Sharma	PD & WTD	9	9	YES	7	-	-
Mr. Sunder Shyam Dua	ID	9	8	YES	3	-	-
Mr. Nikhil Morsawala	ID	9	9	YES	6	-	2
Mr. Awinash Arondekar	ID	9	8	YES	3	1	2
Mr. M. N. Nambiar	ID	9	8	YES	2	-	-
Mr. Harihar Iyer	NED	9	0	NO	NIL	-	-
Ms. Maya Sinha <sup>§</sup>	ID	-	-	-	-	-	-

\* PD – Promoter Director, CMD – Chairman & Managing Director, NED- Non Executive Director, ID-Independent Director, WTD – Whole Time Director,

\*\* In Indian public limited companies as on 31.03.2010 (excluding private and foreign companies)

\*\*\* In Audit and Shareholders Grievances Committee of Indian public limited companies as on 31st March, 2010.

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

§ - appointed with effect from 14th May 2010

### Details of Board Meetings Held during the Year

Date of Board Meeting	Board Strength	No. of Directors Present
30-Apr-2009	7	4
31-Jul-2009	7	6
05-Aug-2009	7	6
24-Sept-2009	7	5
01-Oct-2009	7	6
23-Oct-2009	7	6
08-Dec-2009	7	5
29-Jan-2010	7	5
24-Mar-2010	7	6

### 3. Board Committees

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

As a process of improving the governance practice, the Board decided to rotate the Chairmanship of the committees within the members. Details of the Committees membership and its Chairmanships are detailed as given below.

#### A. Audit Committee

##### Composition of Committee, Meetings held and Attendance of the Members

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

During the year the Committee had met 5 times on 30-04-2009, 31-07-2009, 05-08-2009, 23-10-2009 and 29-01-2010. The Audit Committee Chairman attended the last Annual General Meeting.

##### Details of meeting and attendance of the members

	Attendance in Audit Committee Meetings	
	Held	Attended
Mr. Awinash Arondekar	5	5
Mr. Sunder Shyam Dua	5	5
Mr. Nikhil Morsawala	5	5
Mr. M. N. Nambiar	5	4
Mr. Naresh Sharma	5	5

##### Terms of Reference

1. 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.
2. 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.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - a. 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.
  - b. Changes, if any, in accounting policies and practices and reasons for the same
  - c. Major accounting entries involving estimates based on the exercise of judgment by management
  - d. Significant adjustments made in the financial statements arising out of audit findings
  - e. Compliance with listing and other legal requirements relating to financial statements
  - f. Disclosure of related party transactions
  - g. Qualifications in the draft audit report.

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

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

**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 based on their performance and assessment criteria and to review the appointments of Senior Management Personnel. The Committee has been further authorised to administer and supervise the Employee Stock Option Scheme. The committee meets as and when required. During the year committee met six times on 30-04-2009, 31-07-2009, 05-08-2009, 15-10-2009, 23-10-2009 and 28-01-2010.

**Remuneration / Compensation Committee is constituted with following members**

<b>Names of the Members</b>	<b>Position</b>
Mr. M. Narayanan Nambiar	Chairman
Mr. Nikhil Morsawala	Member
Mr. Sunder Shyam Dua	Member
Mr. Awinash Arondekar	Member

**Attendance during the year**

Committee Members	Attendance in Remuneration / Compensation Committee meeting	
	Held	Attended
Mr. M. Narayanan Nambiar	6	5
Mr. Sunder Shyam Dua	6	6
Mr. Nikhil Morsawala	6	6
Mr. Awinash Arondekar	6	6

**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.

**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)

**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 Mar 2010	No. of Options Granted
Mr. Sanjeev Mansotra	12,576,000	-	-	5 years with effect from 1st April 2009	Nil	Nil
Mr. Naresh Sharma	1,884,000	-	-	Retirement by rotation	Nil	Nil
Mr. Sunder Shyam Dua	-	-	3,20,000	Retirement by rotation	25,000	1,50,000
Mr. Nikhil Morsawala	-	-	3,30,000	Retirement by rotation	Nil	1,50,000
Mr. Harihar Iyer	-	-	-	Retirement by rotation	337,500	40,000
Mr. Awinash Arondekar	-	-	3,20,000	Retirement by rotation	500	1,50,000
Mr. M. N. Nambiar	-	-	2,20,000	Retirement by rotation	Nil	1,50,000

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

## C. Shareholders/Investors Grievance Committee

The Committee, inter alia approves allotment of equity shares, issue of duplicate share certificates, oversees and reviews all matters connected with transfer of shares 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

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

Mr. Nikhil Morsawala heads the Committee as its Chairman. The committee meets as and when required. During the year committee met eleven times on 12-06-2009, 26-06-2009, 15-07-2009, 31-07-2009, 20-10-2009, 15-12-2009, 15-02-2010, 26-02-2010, 05-03-2010, 15-03-2010 and 31-03-2010.

### Attendance during the year

Committee Members	Attendance in Shareholders / Investors Grievances Committee Meeting	
	Held	Attended
Mr. Nikhil Morsawala	11	11
Mr. Sunder Shyam Dua	11	11
Mr. Naresh Sharma	11	11
Mr. Awinash Arondekar	11	11
Mr. Sanjeev Mansotra	11	10
Mr. M.N. Nambiar*	5	5

\*(appointed as member w.e.f. 29th January, 2010)

### Brief Terms of Reference

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

### Name and Designation of Compliance Officer

Ganesh Umashankar - Company Secretary & Compliance Officer

### Shareholders/Investors Complaints during the year

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

Number of Shareholders Complaints Received during the year: Seventeen

Number of Complaints resolved to the satisfaction of Shareholders: Seventeen

Number of Complaints pending: NIL

## 4. Details of last 3 General Body Meetings

Annual General Meeting (AGM)	Date	Time	Venue	No. of special resolutions passed
24th 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

#### 4. Details of last 3 General Body Meetings (Contd.)

Annual General Meeting (AGM)	Date	Time	Venue	No. of special resolutions passed
23rd AGM	31-07-2008	4:00 p.m.	Unit No. 1-4, Building No. 4, Sector-III, Millennium Business Park, Mahape, Navi Mumbai- 400 710	1
22nd AGM	14-06-2007	3:30 p.m.	Unit No. 1-4, Building No. 4, Sector-III, Millennium Business Park, Mahape, Navi Mumbai- 400 710	2

ii) Special Resolution passed at the last 3 Annual general Meetings

<b>Year 2008-09</b>	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 1st 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 ( CORE ESOS – 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 Rs.1,250 Crores or its equivalent of any other foreign currency in one or more tranches.
<b>Year 2007-08</b>	Special Resolution under section 81(1A) of the Companies Act, 1956 together with the provisions of the Foreign Exchange Management Act, 1999 (FEMA), Articles of Association of the Company, Regulations and Guidelines, if any, as prescribed by the Securities and Exchange Board of India (SEBI) and the Reserve Bank of India (RBI), the company plans to issue securities upto an amount not exceeding USD 500 million or equivalent in Indian rupees in one or more tranches.
<b>Year 2006-07</b>	Special resolution under Section 309 of the Companies Act, 1956 for payment of Commission to Non- Executive Director for sum not exceeding 1 % of the net Profits of the Company.
	Special Resolution for acquiring and holding Equity Shares of the Company by Foreign Institutional Investors (FIIs) including their sub-accounts upto an aggregate limit of 74 % of the paid-up equity share capital of the Company.

iii) No resolutions were passed through Postal Ballot during the previous year

#### 7. Disclosures by Management

- No material, financial and commercial transactions were reported by the management to the Board, in which the management had personal interest having a potential conflict with the interest of the company at large.
- There were no material transactions with Directors or Management, their associates or their relatives that may have potential conflict with the interest of the Company at large.
- There was no instance of non-compliance during the last three years by the Company on any matter related to capital market. There were neither penalties imposed nor strictures passed on the Company by Stock Exchanges, SEBI or any statutory authority.

- d) Though there is no formal Whistle Blower Policy, the Company takes cognisance 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.

## 8. Means of Communication

- i) The Quarterly Unaudited results immediately after its declaration are published in Newspapers:
- ii) News Papers wherein the results are published: Business Standard (English financial newspaper) & Lokmat (Marathi – regional language newspaper)
- iii) The financial results are also displayed on the company's website at [www.coreprojectstech.com](http://www.coreprojectstech.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

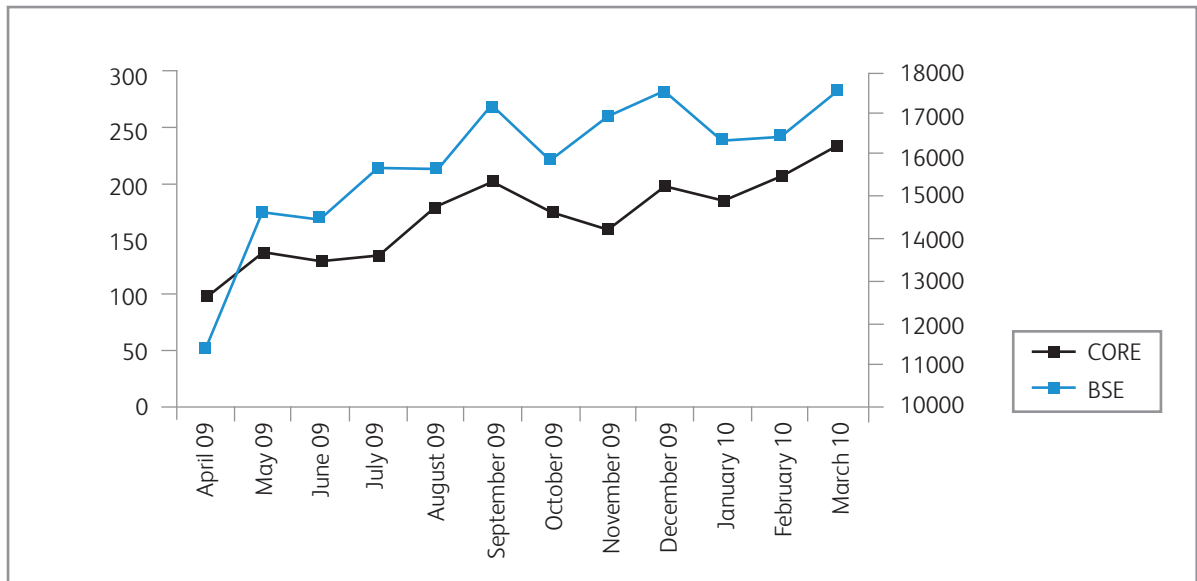
## 9. General Shareholder Information

- i) 25th Annual General Meeting
- ii) Date and Time: 30th September 2010 at 12.30 p.m.
- iii) Venue : Hotel Tunga Regency, Plot No. 37, Sector 30-A, Vashi, Navi Mumbai 400703
- iv) Financial year: April to March
- v) Book Closure Date: 27th September 2010 to 30th September 2010.  
(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: Bombay Stock Exchange Limited (BSE)  
National Stock Exchange of India Limited (NSE)
- viii) Listing Fee: The Company has paid the annual listing fees for the year 2010-11.
- ix) Stock Code : BSE : 512199  
NSE : COREPROTEC  
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:

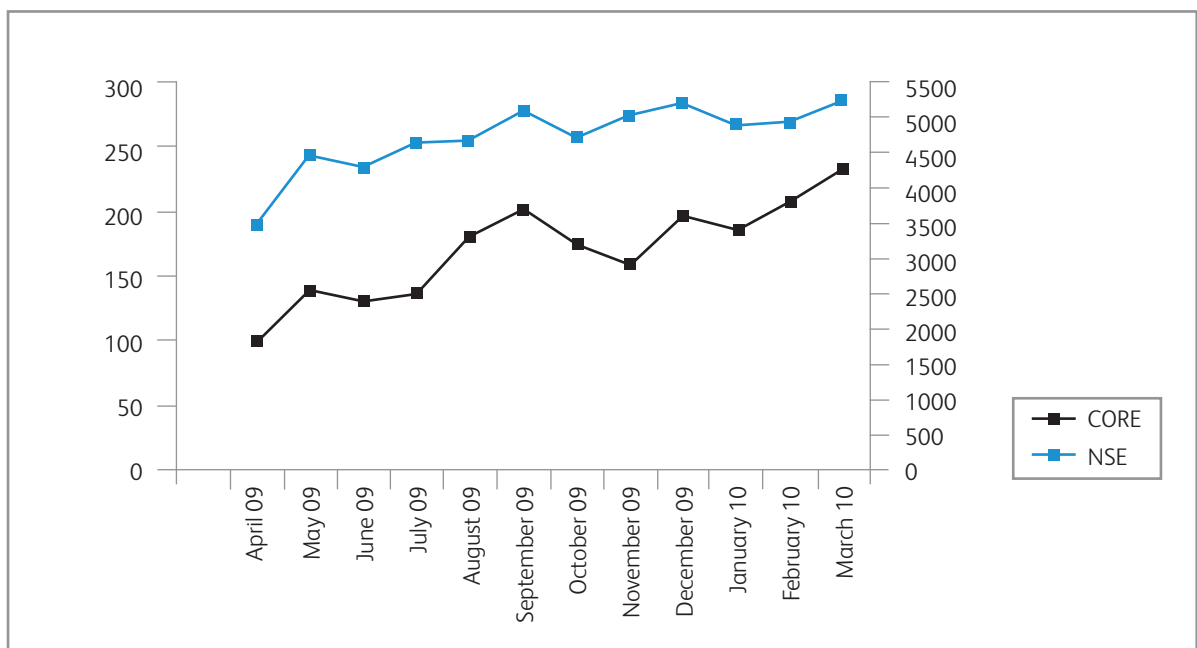
Month	BSE				NSE			
	High (Rs.)	Low (Rs.)	Close (Rs.)	No. of shares traded	High (Rs.)	Low (Rs.)	Close (Rs.)	No. of shares traded
Apr 2009	124.45	55.50	99.10	25,466,428	121.50	55.50	98.65	32,439,706
May 2009	151.35	97.65	139.05	19,340,680	151.25	95.15	138.95	24,494,198
Jun 2009	165.00	114.50	129.70	13,701,476	161.95	114.10	130.00	16,354,024
July 2009	144.00	91.50	136.30	20,440,109	150.00	91.25	136.50	22,778,424
Aug 2009	197.35	136.65	182.10	19,140,248	196.90	137.50	181.30	25,766,407
Sep 2009	207.30	171.55	202.10	14,033,091	207.30	172.00	202.45	16,754,561
Oct 2009	215.10	172.00	173.85	11,476,860	215.50	166.00	174.00	13,379,207
Nov 2009	183.40	148.00	159.30	8,596,879	184.00	147.80	158.95	8,097,349
Dec 2009	200.80	159.40	197.20	12,906,698	200.00	157.10	197.00	11,971,967
Jan 2010	217.10	180.00	185.55	9,246,442	217.00	180.00	186.45	10,641,914
Feb 2010	220.50	185.00	208.20	10,562,788	221.80	184.15	207.90	10,167,002
Mar 2010	271.70	206.65	232.95	29,860,339	269.75	206.00	233.60	25,668,304



Core and BSE



Core and NSE



xi) Registrar & Transfer Agents & Investor Correspondence

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

M/s. Adroit Corporate Services Private Limited  
 19, Jaferbhoy Industrial Estate, Makwana Road,  
 Marol Naka, Andheri (E), Mumbai – 400 059  
 Phone: 022 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@coreprojectstech.com for any type of complaints or queries.

### Dematerialisation of Shares and Liquidity

The Shares of the Company are tradable only in dematerialised (electronic) form and are available for trading under both the depository systems in India – National Securities Depository Ltd. (NSDL) & Central Depository Services (India) Ltd. (CDSL) 95.08% of the Company's share are held in electronic form as on March 31, 2010.

Sl.No	Category	No. of Shareholders	Total Shares	% of Equity
1.	NSDL	11,381	78,326,046	79.44
2.	CDSL	6,663	15,414,413	15.63
3.	PHYSICAL	25	4,855,832	4.93
<b>TOTAL</b>		<b>18,069</b>	<b>98,596,291</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.

#### A. Distribution of Shares by Shareholders Category

Sl.No.	Shareholders Category	No. of Shareholders	Shares Held	Voting Strength %
1.	Promoters	2	45,941,291	46.60
2.	Directors and their relatives	4	29,500	0.03
3.	Bodies Corporate (Domestic)	758	22,559,047	22.88
4.	Banks / Financial Institutions / Insurance Companies / Central/State Govt. Financial Institution	7	1,429,163	1.45
5.	Mutual Funds	6	1,399,750	1.42
6.	Foreign Institutional Investors / FFI	20	15,383,014	15.60
7.	Non Resident Individuals (NRIs)	193	130,957	0.13
8.	Foreign Individuals	3	1,325,200	1.34
9.	Resident Individuals	16,957	9,907,940	10.05
10.	In Transit	98	469,405	0.48
11.	Trust	6	4,149	0.00
12.	Employees	15	16,875	0.02
<b>TOTAL</b>		<b>18,069</b>	<b>98,596,291</b>	<b>100.00</b>

#### Distribution of Share Holding as on March 31, 2010

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

Sl. No.	No. of Shares	No. of Shareholders	% of Total Shareholders	Total Shares	Amount (Rs.)
1	Upto-500	16,497	91.30	1,784,395	3,568,790
2	501-1000	743	4.11	595,260	1,190,520
3	1001-2000	333	1.84	495,917	991,834
4	2001-3000	137	0.76	352,371	704,742
5	3001-4000	55	0.31	199,166	398,332
6	4001-5000	64	0.35	306,617	613,234
7	5001-10000	85	0.47	632,790	1,265,580
8	10001 & above	155	0.86	94,229,775	188,459,550
<b>Total</b>		<b>18,069</b>	<b>100.00</b>	<b>98,596,291</b>	<b>197,192,582</b>

#### Details of Foreign Currency Convertible Bonds (FCCBs) and Warrants

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

##### Issue of Warrants on preferential basis

At the Extraordinary General Meeting of the Members of the Company held on 31st October, 2009, the Members approved the issue of 1,00,00,000 convertible warrants to "CORE Infrapower Limited" forming part of the Promoter Group on a preferential basis, issued in accordance with Chapter XIII of the SEBI (Disclosure and Investors Protection) Guidelines 2000,

and the same were allotted on 5th March, 2010 at an exercise price of Rs. 185/- per warrant (each convertible warrant are eligible for allotment of one equity share of Rs. 2 each at a premium of Rs. 183/- per equity share on exercise of these warrants), subsequent to the necessary approvals received from the relevant authorities. As on 31 March 2010, 48,00,000 equity shares were allotted on exercise of 48,00,000 warrants by the Promoter Group and 52,00,000 warrants are outstanding for conversion.

The Company had previously allotted 450,000 convertible warrants to TGS Investment & Trade Pvt. Ltd. a private equity arm of AV Birla Group at an exercise price of Rs.305/- per warrant (including a premium of Rs.303/- per warrant) on 13th March, 2008. None of these convertible warrants were exercised till its expiry i.e. 18 months from the date of its allotment. Accordingly, in the terms of issue of these warrants under the then existing SEBI Guidelines, the application money being 10% of the subscription amount were forfeited on 12th September, 2009.

**Utilisation of proceeds from warrants:** Mainly for general corporate purposes and for expansion of existing business activities.

#### Employee Stock Option Schemes

The Company had introduced CORE Employee Stock Option Scheme 2007 in April 2007 reserving 45,00,000 stock options to the eligible employees and the directors of the Company and also for the employees of the subsidiaries. Under the said scheme 41,59,245 options were granted in aggregate to the eligible employees and directors on various grant dates. During the year, 41,875 equity shares were allotted to the eligible employees and director, on exercise of their options granted to them under the said Scheme. 14,15,580 stock options were outstanding as on 31st March, 2010 under the said scheme. Details of vested, live and lapsed options are given in the Directors Report. Further as on the date of this report 61,083 equity shares were allotted under the said scheme on exercise of options.

During the year, the Company also introduced CORE Employee Stock Option Scheme 2009 reserving 75,00,000 stock options to the eligible employees and Directors of the Company and also for the employees of the subsidiaries. Under this scheme as on the date of this report, the Company had granted 51,78,000 stock options to the eligible employees and directors. None of the options are vested as on 31 March 2010 and as on the date of this report.

#### Foreign Currency Convertible Bonds

The Company had issued USD 80,000,000 Zero Coupon Foreign Currency Convertible Bonds due 2012 vide Offering Circular dated 8th May, 2007. As at the beginning of the year USD 25.20 Mn bonds were outstanding for conversion and during year 74,88,097 equity shares were allotted against conversion of USD 15.20 million bonds. As on March 31, 2010, USD 10 million bonds were outstanding for conversion. Further as on the date of this report, 49,26,380 equity shares were allotted against conversion of outstanding USD 10 million bonds and with this allotment the entire issue of USD 80 million FCCBs were converted into equity shares and no bonds were outstanding for conversion as on the date of this report.

Utilisation of proceeds from FCCBs: Proceeds from FCCBs were utilised for overseas acquisition and further investment in the overseas subsidiaries and also for eligible capital expenditure in India.

The Company had also issued USD 60,000,000 7% Convertible Bonds due 2015 vide Offering Circular dated 30th April, 2010 with an upsize of USD 15,000,000 which were fully subscribed. The said issue was closed on 6 May 2010 and an aggregate of USD 75,000,000 were raised. The proceeds from these issues will be utilised 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 Utilisation Proceeds as mentioned in the said Offering Circular.

#### Office Locations

Registered Office	:	Unit No.1- 4, Building No.4, Sector III, Millennium Business Park, Mahape, Navi Mumbai 400 710
Corporate Office	:	Lotus Neelkamal Business Park, 10th Floor, Dalia Industrial Estate, Off Andheri Link Road, Andheri (W), Mumbai 400053
Global Development Centre :		Unit No.1- 8, Building No.4, Sector III, Millennium Business Park, Mahape, Navi Mumbai 400 710
Global Delivery Centre :	:	Unit No. 403, Multistoried Building, SEEPZ - SEZ, Andheri (E) Mumbai 400096
USA Branch	:	Three Ravinia Drive, Suite 1900, Atlanta, GA 30346
UK Branch	:	37, Warren Street, London W1T 64D

On behalf of the Board of Directors

Place: Mumbai

Dated: 12th August, 2010

**Sanjeev Mansotra**

Chairman & Managing Director

## CEO & CFO Certification

The CEO i.e. the Managing Director and the Director-Finance have provided the certificate to the Board pursuant to sub-clause V of the Clause 49 of the Listing Agreement.

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

The Board of Directors at its meeting held on 22nd December, 2005, adopted the Code of Conduct for Directors and senior management personnel. Further Code of Conduct for prevention of Insider Trading 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 28th January, 2009. A copy of the code has been put on the Company's website. The code has been circulated to all members of the Board and senior management personnel who have confirmed compliance with the same for the year ended 31st March 2010.

### 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 and Managing Director 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 2009-10.

Place: Mumbai

Date: 12th August, 2010

**Sanjeev Mansotra**

*Chairman & Managing Director*

# Auditors' Report

The Members,

CORE Projects & Technologies Limited,

Mumbai.

We have audited the attached Balance Sheet of Core Projects & Technologies Limited, as at March 31, 2010 and also the Profit and Loss Account 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.

Included in the attached financial statements are the accounts of two overseas branches which also have been audited by us.

1. As required by the Companies (Auditor's Report) Order, 2003, (as amended by DCA Notification G.S.R. 766(E), dated November 25, 2004) 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 purposes 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 unless otherwise stated;
  - iii. the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts;
  - iv. in our opinion, the Balance Sheet, Profit and Loss Account 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 unless reported otherwise ;

- v. Accounting for Software Development segment of the Company's business involves significant estimation and technical knowledge. The software development income of the Company and related costs, are marked by factors such as records of delivery, development process and product documentation being in electronic form. In the event, we have reviewed the documentation as available and placed reliance management representations in matters involving, inter alia, revenue recognition and matching.
- vi. on the basis of written representations received from the directors as on March 31, 2010 and taken on record by the Board of Directors, we report that none of the directors was disqualified as on March 31, 2010 from being appointed as a director in terms of Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- vii. 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 31st March, 2010;
  - (b) in the case of Profit and Loss Account, 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**  
Chartered Accountants  
Firm Registration No.  
101720W

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

Place : Mumbai  
Date : 12th August, 2010

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

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

## Annexure to the Auditors' Report

of even date to the members of CORE Projects & Technologies Limited

- (i) (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 where the records are stated to be under completion.
- (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) (a) The Company is a service company, rendering software related services. The Company also executes software development projects for its customers. The inventories of software work-in-progress, being intangible, have not been physically verified by the management. Hence, clause (ii) of paragraph 4 of the Order is not applicable.
- (b) The inventories in respect of software work-in-progress, being intangible, have not been physically verified by us. In our opinion, the inventory records in respect of software, traded products and consumables need to be created in a more secure environment and the correlation of underlying documents to inventory records need to be strengthened.
- (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 is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, 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. However, in our opinion, the Company needs to improve upon product development documentation and related costs, particularly with the growing size of the Company's business. During the course of our audit, we have not observed any continuing failure to correct major weakness in respect of these areas.
- (v) (a) Based on the audit procedures applied by us and according to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register in pursuance of section 301 of the Companies Act have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts and arrangements referred to in para (v) (a) above and exceeding the value of Rs.5 lakhs with any party during the year have been made at prices which are prima facie reasonable having regard to the prevailing market prices, to the extent available for comparable transactions, at the relevant time.
- (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. Considering the significant growth in its business and further expansion plans, the internal audit system needs to be strengthened for the coming years to have improved internal controls. We are informed that the Company has already taken steps in this regard.
- (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, Custom Duty except Employee State Insurance, Provident Fund, Profession Tax, TDS.
- (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 31st March, 2010

## Annexure to the Auditors' Report (Contd.)

of even date to the members of CORE Projects & Technologies Limited

- for a period of more than six months from the date they became payable other than Dividend Distribution Tax of Rs.94,84,786/- (paid subsequently) and wealth taxes of Rs.1,00,000. Further, shortfalls/delays were also noticed in payment of quarterly installments of advance tax. We have been advised by the Company that pending completion of tax audit, crystallisation of tax liabilities in respect of its overseas branches and the resultant tax-credit, the shortfalls could not be determined by 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 and Excise Duty.
- (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 any financial institution or bank.
- (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 Rs. 1,190,340,000/- 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 formalised, 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 were applied by the Company 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) During the year, the Company has made allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Act on exercise of the right against the warrants issued to them earlier during the year on preferential basis.
- (xix) The Company did not have any outstanding debentures at the year-end.
- (xx) The Company has not raised any money by public issues 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**  
Chartered Accountants  
Firm Registration No.  
101720W

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

Place : Mumbai  
Date : 12th August, 2010

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

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

## Balance Sheet

as at 31 March 2010

(Amount in Rs.)

	Schedules	As at 31 March 2010	As at 31 March 2009
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Funds</b>			
Share Capital	1	197,192,582	172,532,638
Equity Share Warrants	2	240,500,000	180,725,000
Reserves and Surplus	3	7,101,380,205	4,384,648,563
<b>Loan Funds</b>			
Secured Loans	4	1,769,574,611	771,779,531
Unsecured Loans	5	1,101,398,027	1,483,940,000
Deferred Tax Liability (Net)		42,651,818	21,156,445
<b>TOTAL</b>		<b>10,452,697,242</b>	<b>7,014,782,177</b>
<b>APPLICATION OF FUNDS</b>			
Fixed Assets	6		
Gross Block		1,314,349,599	516,939,428
Less : Depreciation		120,222,780	68,225,911
Net Block		1,194,126,819	448,713,517
Capital Work in Progress		1,719,745,453	923,356,404
		<b>2,913,872,272</b>	<b>1,372,069,921</b>
<b>Investments</b>	7	4,880,383,786	3,520,528,711
Current Assets, Loans and Advances			
Current Assets	8		
Inventories		296,399,983	158,058,000
Sundry Debtors		1,911,789,339	1,757,117,202
Cash & Bank Balances		315,135,039	814,130,769
Loans and Advances	9	695,284,253	634,248,076
		<b>3,218,608,614</b>	<b>3,363,554,047</b>
<b>Less: Current Liabilities &amp; Provisions</b>	10		
Current Liabilities		221,008,597	1,068,651,044
Provisions		339,158,833	172,930,718
		<b>560,167,430</b>	<b>1,241,581,762</b>
<b>Net Current Assets</b>		2,658,441,185	2,121,972,285
Miscellaneous Expenditure (to the extent not written off or adjusted)	11	-	211,260
<b>TOTAL</b>		<b>10,452,697,242</b>	<b>7,014,782,177</b>
<b>Significant Accounting Policies</b>	18		
<b>Notes on Accounts</b>	19		

As per our report of even date

For **Chaturvedi & Shah**  
Chartered Accountants

**Amit Chaturvedi**  
Partner  
Membership No. 103141

Place : Mumbai  
Date : 12th August, 2010

For **Asit Mehta & Associates**  
Chartered Accountants

**Sanjay Rane**  
Partner  
Membership No.100374

For and on behalf of the Board

**Sanjeev Mansotra**  
Chairman & Managing Director

**Nikhil Morsawala**  
Director - Finance

**Ganesh Umashankar**  
Company Secretary



## Profit & Loss Account

for the year ended 31 March 2010

	Schedules	Year Ended 31 March 2010	(Amount in Rs.) Year Ended 31 March 2009
<b>INCOME</b>			
Income from Operations	12	4,179,521,801	3,466,334,992
Other Income	13	34,871,812	12,707,558
Variation in Inventory	14	138,341,983	147,958,000
<b>TOTAL</b>		<b>4,352,735,596</b>	<b>3,627,000,550</b>
<b>EXPENDITURE</b>			
Cost of Operation	15	2,457,227,532	2,199,596,318
Establishment & Other Expenses	16	170,369,256	357,177,324
Interest & Finance Charges	17	307,669,444	132,336,174
Depreciation	6	55,611,728	23,403,308
Share Issue Expenses Written Off		211,260	211,260
<b>TOTAL</b>		<b>2,991,089,221</b>	<b>2,712,724,383</b>
<b>Profit Before Tax</b>		<b>1,361,646,375</b>	<b>914,276,168</b>
Less: Provision for Taxes			
Current Year Tax		221,721,848	94,524,017
Deferred Tax		21,495,373	9,144,750
Fringe Benefit Tax		-	1,770,000
<b>Profit After Tax</b>		<b>1,118,429,154</b>	<b>808,837,401</b>
Add : Balance Brought Forward from Previous Year		1,195,980,151	535,718,601
Excess / (Short) Provision for Tax for earlier Years		(5,647,996)	(2,281,790)
Amount Available for Appropriations		2,308,761,309	1,342,274,212
Appropriations			
General Reserve		112,000,000	81,000,000
Proposed Dividend on Equity Shares		62,157,667	55,809,275
Tax on Dividend		10,563,695	9,484,786
<b>Balance Carried to Balance Sheet</b>		<b>2,124,039,947</b>	<b>1,195,980,151</b>
Basic Earning per Shares of face value of Rs. 2 each (In Rs.)		12.15	9.54
Diluted Earning per Shares of face value of Rs. 2 each (In Rs.) (Refer Schedule No. 19 Note No. 2.11)		11.53	7.63
<b>Significant Accounting Policies</b>	18		
<b>Notes on Accounts</b>	19		

As per our report of even date

For **Chaturvedi & Shah**  
Chartered Accountants

**Amit Chaturvedi**  
Partner  
Membership No. 103141

Place : Mumbai

Date : 12th August, 2010

For **Asit Mehta & Associates**  
Chartered Accountants

**Sanjay Rane**  
Partner  
Membership No.100374

For and on behalf of the Board

**Sanjeev Mansotra**  
Chairman & Managing Director

**Nikhil Morsawala**  
Director - Finance

**Ganesh Umashankar**  
Company Secretary

## Schedules

forming part of the Balance Sheet

		(Amount in Rs.)	
		Schedule	As at
		1	31 March 2009
		<b>As at</b>	<b>As at</b>
		<b>31 March 2010</b>	<b>31 March 2009</b>
<b>SHARE CAPITAL</b>			
<b>Authorised</b>			
150,000,000	Equity Shares of Rs. 2 each	<b>300,000,000</b>	<b>300,000,000</b>
(150,000,000)			
<b>Issued , Subscribed &amp; Paid Up</b>			
98,596,291	Equity Shares of Rs. 2 each fully paid up	<b>197,192,582</b>	172,532,638
(86,266,319)			
<b>TOTAL</b>		<b>197,192,582</b>	<b>172,532,638</b>

### Notes :

#### a) Of the above Equity Shares

1. 14,400,000 Equity Shares issued & allotted as Bonus Shares in a ratio of 12:1 in June, 2005  
(14,400,000)
2. 36,700,000 Equity Share issued & allotted as Bonus Shares in a ratio of 2:1 in August, 2006  
(36,700,000)
3. 1,350,000 Equity shares allotted to the promoters of subsidiary against acquisition  
(1,350,000)
4. 29,629,416 Equity shares allotted on conversion of Foreign Currency Convertible Bonds .  
(22,141,319)
5. 12,525,000 Equity Shares allotted against exercise of Warrants  
(7,725,000)

#### b) Option on Unissued Share Capital

- i. 45,00,000 Equity Shares are reserved for allotment of equity shares under Core Employee Stock Option Scheme 2007  
Out of this issue 41,875 (P. Y. Nil) Equity Shares have been issued and allotted to the Employees / Director against exercise of Options under Core Esos 2007.
- ii. 75,00,000 Equity Shares are reserved for allotment of equity shares under Core Employee Stock Option Scheme 2009.
- iii. Refer note no.2.3 & 2.4 of Schedule 19 for option vested on Share Capital in respect of Warrants and Foreign Currency Convertible Bonds.

		(Amount in Rs.)	
		Schedule	As at
		2	31 March 2009
		<b>As at</b>	<b>As at</b>
		<b>31 March 2010</b>	<b>31 March 2009</b>
<b>EQUITY SHARE WARRANTS</b>			
As per Last Balance Sheet		<b>180,725,000</b>	213,725,000
Add : Warrant Issued During the Year		<b>462,500,000</b>	-
		<b>643,225,000</b>	213,725,000
Less : Warrant forfeited during the year		<b>180,725,000</b>	-
Less : Warrant Converted during the year		<b>222,000,000</b>	33,000,000
<i>(Refer note no. 2.3 of schedule 19)</i>			
<b>TOTAL</b>		<b>240,500,000</b>	<b>180,725,000</b>

## Schedules

forming part of the Balance Sheet (Contd.)

	Schedule 3	As at 31 March 2010	(Amount in Rs.) As at 31 March 2009
<b>RESERVES AND SURPLUS</b>			
<b>Capital Reserve</b>			
As per Last Balance Sheet		8,775,000	-
Add: Warrant Application Money Forfeited during the Year		180,725,000	8,775,000
		<b>189,500,000</b>	<b>8,775,000</b>
<b>Securities Premium Account</b>			
As per Last Balance Sheet		3,110,226,861	2,510,244,741
Add: On conversion of FCCB's		605,487,523	274,225,762
Add: On exercise of Warrants		878,400,000	326,700,000
Add: On exercise of ESOS		5,644,750	-
Less : Expenses On conversion of FCCBs / Warrants		1,514,193	943,642
		<b>4,598,244,941</b>	<b>3,110,226,861</b>
<b>General Reserve</b>			
As Per Last Balance Sheet		81,000,000	-
Add : Transfer During the Year		112,000,000	81,000,000
		<b>193,000,000</b>	<b>81,000,000</b>
Profit and Loss Account		2,124,039,947	1,195,980,151
Foreign Currency Translation Reserve		(3,404,683)	(11,333,448)
<b>TOTAL</b>		<b>7,101,380,205</b>	<b>4,384,648,563</b>

	Schedule 4	As at 31 March 2010	(Amount in Rs.) As at 31 March 2009
<b>SECURED LOANS</b>			
<b>1. Term Loan</b>			
From Banks		232,483,582	217,500,000
<b>2. Vehicle Loans</b>			
From Banks		7,444,920	11,594,311
<b>3. Working Capital Loan</b>			
From Bank			
Foreign Currency Loans		227,001,702	248,124,022
Rupee Loans		1,302,644,406	294,561,198
<b>TOTAL</b>		<b>1,769,574,611</b>	<b>771,779,531</b>

### Notes :

#### 1. Term Loans

-Rs.8,75,00,000 (P. Y. 11,75,00,000/-) secured by First charge of property at Office No. 127, 10th Floor, Lotus Neelkamal Business Park

-Rs. 14,49,83,582 (P. Y. Nil) Secured by Equitable Mortgage of Unit No. 1, First Floor, United Infotek Park, TTC Industrial Area, Navi Mumbai

#### 2. Vehicle Loan

-Secured by hypothecation of respective vehicles

#### 3. Working Capital Loan

-Secured by hypothecation of present & future stocks of material, stock in process, finished goods, book debts, outstanding monies, receivable & claims of the company.

- Secured by equitable mortgage on the immovable properties of the company situated at Millennium Business Park, Navi Mumbai and United Infotech Park, Navi Mumbai and Unit No. 1, 4th floor, United Infotech Park, TTC Industrial Area, Navi Mumbai.

## Schedules

forming part of the Balance Sheet (Contd.)

	Schedule	As at	(Amount in Rs.)
	5	31 March 2010	As at 31 March 2009
<b>UNSECURED LOANS</b>			
<b>1. Short Term</b>			
From Banks*		649,998,027	200,000,000
<b>2. Foreign Currency Convertible Bonds ** (Refer Note No. 2.4 of Schedule 19)</b>			
		451,400,000	1,283,940,000
<b>TOTAL</b>		<b>1,101,398,027</b>	1,483,940,000

### Notes :

- \* Short Term Loan from Bank include commercial paper of Rs.30,00,00,000/- (P.Y. Nil)  
( Maximum Balance outstanding at any time during the year being Rs.50,00,00,000/- (P.Y. Nil)
- \*\* Short Term Loan from Banks is secured by personal guarantee of a Director and Corporate Guarantee of promoter Company.



## Schedules

forming part of the Balance Sheet (Contd.)

		Schedule	(Amount in Rs.)	
		7	As at 31 March 2010	As at 31 March 2009
<b>INVESTMENTS</b>				
<b>Non Trade</b>				
<b>Long Term Investment</b>				
<b>In Equity Shares of Wholly Owned Subsidiary Companies</b>				
<b>Unquoted, Fully Paid up</b>				
1,000,000	Core Education & Consulting Solutions, Inc. (USA) (CECS) of No Par Value fully paid up		729,290,963	729,290,963
(1,000,000)	(1,000,000 Common Stock of CECS has been pledged against loan facility availed by CECS)			
1,000,000	Core Education & Consulting Solutions (UK) Ltd.		80,910,392	80,910,392
(1,000,000)	of GBP 1 each, fully paid up (Formerly Core Projects & Technologies (UK) Ltd.)			
3	Core Projects & Technologies (FZE)		40,164,567	38,301,712
(1)	of AED 450000 each fully paid up, UAE			
7500	Aarman Software Pvt. Ltd.		5,379,100	5,379,100
(7500)	of Rs. 10 each fully paid up			
1,050,000	Core Education Infratech Limited		10,500,000	10,500,000
(1,050,000)	of Rs. 10 each fully paid up			
<b>In Preference Shares of Wholly Owned Subsidiary Companies Unquoted, Fully Paid up</b>				
576,22,300	Core Education & Consulting Solutions, Inc., (USA)		3,626,191,469	2,276,241,249
(280,24,300)	of US\$ 1 each fully paid up			
4,684,931	Core Education & Consulting Solutions (UK) Ltd.		387,947,295	379,905,295
(4,233,931)	of GBP 1 each, fully paid up (Formerly known as Core Projects & Technologies (UK) Ltd.)			
<b>TOTAL</b>			<b>4,880,383,786</b>	3,520,528,711
<b>AGGREGATE VALUE OF</b>				
			<b>As at 31 March 2010</b>	<b>As at 31 March 2009</b>
	<b>Book Value</b>	<b>Market Value</b>	<b>Book Value</b>	<b>Market Value</b>
Unquoted Investments	4,880,383,786	-	3,520,528,711	-
<b>Investment Purchased &amp; Sold During the Year</b>				
		<b>Face Value (Rs.)</b>	<b>Numbers</b>	<b>Cost (Rs.)</b>
SBI Magnum Instant Cash Fund (Daily Dividend Option)		10	1,791,013	30,000,000

## Schedules

forming part of the Balance Sheet (Contd.)

	Schedule 8	(Amount in Rs.) As at 31 March 2010	As at 31 March 2009
<b>CURRENT ASSETS</b>			
<b>Inventories</b>			
Software Development-Work-in-Progress (Taken, valued and certified by the management)		296,399,983	158,058,000
<b>TOTAL</b>		<b>296,399,983</b>	<b>158,058,000</b>
<b>Sundry Debtors</b>			
<b>Unsecured, Considered Good</b>			
Outstanding exceeding six month		229,901,019	378,815,253
Others		1,681,888,320	1,378,301,948
<b>TOTAL</b>		<b>1,911,789,339</b>	<b>1,757,117,202</b>
<b>Cash &amp; Bank Balances</b>			
Cash on Hand		257,584	2,288,944
<b>Balance with Banks</b>			
<b>In Current Accounts</b>			
With Scheduled and other banks		224,861,192	191,532,801
<b>In Fixed Deposits Account</b>			
With Scheduled Banks		90,016,264	620,309,023
<b>TOTAL</b>		<b>315,135,039</b>	<b>814,130,769</b>
<b>TOTAL CURRENT ASSETS</b>		<b>2,523,324,362</b>	<b>2,729,305,971</b>

	Schedule 9	(Amount in Rs.) As at 31 March 2010	As at 31 March 2009
<b>LOANS &amp; ADVANCES</b>			
( Unsecured, Considered Good unless otherwise stated )			
Advances to Subsidiaries & Associates		604,110	-
Share Application Money		581,599,568	509,028,500
Advance Recoverable in Cash or in Kind or for value to be received		55,243,776	79,074,023
Deposits		5,513,297	5,793,363
Balance with Service Tax / Sales Tax Authorities, etc.		52,323,503	40,352,190
<b>TOTAL</b>		<b>695,284,253</b>	<b>634,248,076</b>

## Schedules

forming part of the Balance Sheet (Contd.)

	Schedule 10	As at 31 March 2010	(Amount in Rs.) As at 31 March 2009
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>			
<b>A. Current Liabilities</b>			
<b>Sundry Creditors</b>			
- Micro, Small & Medium Enterprises		-	-
- Others*		220,660,046	1,068,442,704
Unclaimed Dividend**		348,551	208,340
		<b>221,008,597</b>	<b>1,068,651,044</b>
<b>B. Provisions</b>			
Proposed Dividend		62,157,667	55,809,275
Provision for Dividend Tax		10,563,695	9,484,786
Provision for Employee Benefits (net)		4,055,343	3,813,035
Provision for Income Tax (Net of Tax)		262,282,128	103,723,622
Provision for Wealth Tax		100,000	100,000
		<b>339,158,833</b>	<b>172,930,718</b>
<b>TOTAL CURRENT LIABILITIES AND PROVISIONS</b>		<b>560,167,430</b>	<b>1,241,581,762</b>

Note :

\*Includes Rs. 4,26,68,500/- (P. Y. Rs. 78,34,23,424) payable to Subsidiaries

\*\*No amount is due to investor education & protection fund

	Schedule 11	As at 31 March 2010	(Amount in Rs.) As at 31 March 2009
<b>MISCELLANEOUS EXPENDITURE</b>			
(To the extent not written off or adjusted)			
Opening Balance as per Last Balance sheet		211,260	422,520
Less : Amortised During the Year		211,260	211,260
<b>TOTAL</b>		<b>-</b>	<b>211,260</b>



## Schedules

forming part of the Profit & Loss Account

	Schedules	Year Ended 31 March 2010	(Amount in Rs.) Year Ended 31 March 2009
<b>INCOME FROM OPERATIONS</b>	12		
Sales of Trading Hardware		-	-
<b>EOU Turnover</b>			
Software Development : Off-shore		1,569,512,464	1,521,596,202
Software Development : On -shore		2,189,008,658	1,863,923,807
<b>Non - EOU Turnover</b>			
Software Development & Other Activities		421,000,679	80,814,983
<b>TOTAL</b>		<b>4,179,521,801</b>	<b>3,466,334,992</b>
<b>OTHER INCOME</b>	13		
Interest Income ( TDS Rs. 27,83,999/- , (P. Y. 26,80,699/-)		34,859,487	12,707,558
Dividend Income on Current Investment		12,324	-
<b>TOTAL</b>		<b>34,871,812</b>	<b>12,707,558</b>
<b>VARIATION IN INVENTORY</b>	14		
Inventory (at close)			
Work in Progress		296,399,983	158,058,000
Inventory (at Commencement)			
Work in Progress		158,058,000	10,100,000
<b>TOTAL</b>		<b>138,341,983</b>	<b>147,958,000</b>
<b>COST OF OPERATIONS</b>	15		
Software Development Cost		2,114,356,095	1,963,022,311
Software / Hardware Purchase		97,489,402	97,347,820
Salary, Bonus & Allowances		245,382,036	139,226,187
<b>TOTAL</b>		<b>2,457,227,532</b>	<b>2,199,596,318</b>

	Schedule	Year Ended 31 March 2010	(Amount in Rs.) Year Ended 31 March 2009
<b>ESTABLISHMENT &amp; OTHER EXPENSES</b>	16		
<b>Establishment Expenses</b>			
Insurance Charges		13,967,767	8,838,485
Rent, Rates and Taxes		20,824,989	24,002,828
Repairs & Maintenance		2,008,333	2,207,827
Travelling Expenses		23,462,022	24,724,134
Audit Fees		4,193,576	3,055,433
Professional Charges		25,552,181	24,509,670
Electricity Charges		5,491,514	4,932,832
Office Expenses		8,033,963	4,354,677
Stationery & Printing		3,261,658	2,804,817
Postage, Telegram & Telecommunications exps		673,502	1,017,085
Internet and Web Site Maintenance		1,052,230	2,688,836
Conveyance and Vehicle Expenses		1,574,673	1,279,553
ROC, Listing Fees		361,819	171,251
Exchange (Gain) / Loss - Net		(50,904,025)	112,321,408
Other Expenses		3,346,981	32,927,776

## Schedules

forming part of the Profit & Loss Account (Contd.)

	Schedules	Year Ended 31 March 2010	(Amount in Rs.) Year Ended 31 March 2009
	16		
<b>ESTABLISHMENT &amp; OTHER EXPENSES (Contd.)</b>			
Computer Software & Hardware Maintenance		6,374	36,617
STPI Registration Charges		933,750	207,500
Telephone Expenses		2,633,241	2,572,928
Licence Fees		-	2,120,106
Membership & Subscription		1,410,494	1,579,169
Sundry Balances written off		3,883,608	10,037,426
Donation		146,000	44,600
Tender Fees		168,308	46,167
		<b>72,082,956</b>	<b>266,481,125</b>
<b>Payments to &amp; Provisions for Employees (Including Managerial Remuneration)</b>			
Salary, Bonus & Allowances		62,655,201	55,857,456
Contribution to Provident Fund, Gratuity Fund, ESIC etc.		3,033,005	2,916,956
Director Remuneration		13,800,000	13,550,000
Gratuity		319,251	545,842
Employee Welfare & Other Amenities		7,680,408	5,953,236
Directors' Sitting Fees		1,190,000	730,000
Recruiting Expenses		359,268	819,590
Provision for Unpaid Leave		252,515	1,011,880
		<b>89,289,648</b>	<b>81,384,961</b>
<b>Sales &amp; Distribution Expenses</b>			
Sales Promotions & Advertisement Expenses		8,976,651	9,291,238
Commission		20,000	20,000
		<b>8,996,651</b>	<b>9,311,238</b>
<b>TOTAL</b>		<b>170,369,256</b>	<b>357,177,324</b>
<b>INTEREST &amp; FINANCE CHARGES</b>			
	17		
Interest		235,778,831	103,362,383
Bank Charges		2,793,986	1,980,320
Processing Fees		44,924,035	24,924,082
Others		24,172,592	2,069,389
<b>TOTAL</b>		<b>307,669,444</b>	<b>132,336,174</b>

# Schedules

forming part of the Balance Sheet and Profit & Loss Account

Schedule

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## 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 prescribed by the central government.

### (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 recognised 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 advances paid for acquiring intellectual property rights & licenses for projects under development on balance sheet date are shown under Capital Work in Progress.

### (v) Depreciation

Depreciation on fixed assets is provided on Straight Line Method at the rates prescribed under Schedule XIV of the Companies Act, 1956 on pro-rata basis, except depreciation on assets used in BOOT projects, which

are depreciated equally over the period of respective project; depreciation on foreign branch assets has been provided at the rates followed under the relevant law of the foreign country which are: Computers 4%; Furniture & Fixture 4% and Computer Software are amortised 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 recognised 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 recognised as operating leases. Lease payments under operating lease are recognised as an expense in the profit & loss account.

### (viii) Foreign Currency Transactions

- Transactions denominated in foreign currencies are recorded at the rate of exchange prevailing on the date of transactions.
- Monetary items denominated in foreign currencies at the year end are restated at year end rates.
- Non-monetary foreign currency items are carried at cost.
- 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'.
- Any income or expense on account of exchange difference either on settlement translation or restatement, is recognised 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,

# Schedules

forming part of the Balance Sheet and Profit & Loss Account (Contd.)

Schedule

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## 1. SIGNIFICANT ACCOUNTING POLICIES (Contd.)

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 realisable 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

Revenue from Software Development and services contracts are recognised to the extent of billings based on achievements as per customer confirmed milestone, if available, or else according to the management estimate of the completed work.

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

### (xii) Employee Benefits

- a) Short-term employee benefits are recognised 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 recognised as an expense in the profit and loss account for the year in which the employee has rendered services. The expense is recognised 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 amortised 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 recognised and carried forward only to the extent that there is a virtual certainty that the asset will be realised in future.

### (xv) Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised 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 recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

## Schedules

forming part of the Profit & Loss Account

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### 2. NOTES TO ACCOUNTS

**2.1** The previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary. Amounts and other disclosures for the preceding years are included as integral part of the current year financial statements and are to be read in relation to the amount and other disclosure relating to the current year.

**2.2** These accounts of CORE Projects & Technologies Ltd. include accounts of its two overseas branches.

#### 2.3 Warrants Consist of

(I) In the Extra Ordinary General Meeting of the Members of the Company held on 31 October 2009, the members have 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 Rs. 2 each. Accordingly, Core Infrapower Limited, the promoter group company, had applied for conversion of 4,800,000 warrants into equivalent number of equity shares and the company had allotted 4,800,000 equity shares to CORE Infrapower Limited @ 185/- per share (including premium of Rs. 183/- per share) and 5,200,000 warrants are outstanding as on 31 March 2010.

(II) 10,000,000 warrants were issued to Wisdom Global Enterprises Limited, promoter Company, entitling the warrant holders to apply for equivalent number of equity shares of Rs.2/- each at a price of Rs.200/- per share ( including a premium of Rs.198/- per share) on exercise of warrants at the end of 18 months from the date of issue i.e. 29 October 2007.Of these, 1,650,000 warrants have been converted into equivalent number of shares during the Financial Year 2008-09. Balance warrants have not been exercised and consequently an amount of Rs.167,000,000 received on subscription of such warrants forfeited during the year.

(III) 450,000 warrants allotted to TGS Investment & Trade Private Limited, entitling the warrant holder to apply for equivalent number of equity shares of Rs.2/- each at the price of Rs.305/- per share (including premium of Rs.303/- per share) at the end of 18 months from the date of issue i.e. 27 February 2008. None of these warrants have been exercised by M/s TGS Investments & Trade Private Limited. Therefore, the application money of Rs. 13,725,000 being 10% of the total subscription money received has been forfeited during the year.

#### 2.4 Foreign Currency Convertible Bonds

During the financial year 2009-10, zero coupon FCCB of US\$ 15.2 million were converted into equity shares at the conversion price of Rs. 82.86, constituting face value of the equity share of Rs. 2 and premium of Rs. 80.86 for each share. Thus, out of total FCCB of US\$ 80 million issued in the year 2007-08, total conversions till 31 March 2010 amounts to US\$ 70 million. Balance FCCB of US\$ 10 Million (P.Y. US\$ 25.20 Million) outstanding as at the year end can be converted at the option of bond holder into one equity share at Rs. 82.86 per Equity Share at a pre determine exchange rate of US\$ 1 = 40.82

#### 2.5 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, recognised as expense for the year are as under:

	(Amount in Rs.)	
	2009 – 10	2008 – 09
Employer's Contribution to Provident Fund	5,946,823	6,763,937

##### Defined Benefit Plan

The Company operate post retirement benefit plan as follows:

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

## Schedules

forming part of the Profit & Loss Account (Contd.)

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(Amount in Rs.)

### 2. NOTES TO ACCOUNTS (Contd.)

**Table Showing changes in present value of obligation as on 31 March 2010**

	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2009 – 10	2008 - 09	2009 – 10	2008 - 09
Present Value of obligation as at the beginning of the year	1,720,376	1,050,697	3,613,986	3,391,491
Interest Cost	137,630	84,056	367,464	414,724
Current Service Cost	845,140	894,378	1,619,220	2,187,256
Benefits Paid	-	-	(329,461)	(789,385)
Actuarial (gain)/loss on obligations	(526,600)	(308,752)	(1,734,169)	(1,590,100)
Present value of obligation as at the end of the year	2,176,546	1,720,373	3,537,040	3,613,986

**Table showing changes in the fair value of plan assets as on 31 March 2010**

	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2009 – 10	2008 - 09	2009 – 10	2008 - 09
Fair value of plan asset at beginning of the year	1,521,324	1,259,705	-	-
Expected return on plan asset	136,919	123,837	-	-
Contribution	-	137,782	-	-
Benefits Paid	-	-	-	-
Actuarial (gain)/loss on plan asset	-	-	-	-
Fair value of plan assets at the end of the year	1,658,243	1,521,324	-	-

**The amounts to be recognised in the balance sheet and statements of profit and loss**

	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2009 – 10	2008 - 09	2009 – 10	2008 - 09
Present value of obligation as at the end of the year	2,176,546	1,720,373	3,537,040	3,613,986
Fair value of plan assets as at the end of the year	1,658,243	1,521,324	-	-
Funded status asset/(liability)	(518,303)	(199,052)	(3,537,040)	(3,613,986)
Net asset/(liability) recognised in balance sheet	(518,303)	(199,049)	(3,537,040)	(3,613,986)

## Schedules

forming part of the Profit & Loss Account (Contd.)

	Schedule	
	19	(Amount in Rs.)

### 2. NOTES TO ACCOUNTS (Contd.)

#### Expenses recognised in statement of profit and loss

	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2009 – 10	2008 - 09	2009 – 10	2008 - 09
Current Service Cost	845,140	894,378	1,619,220	2,187,256
Interest Cost	137,630	84,056	367,464	414,724
Expected return on plan asset	(136,919)	(123,837)	-	-
Net Actuarial (gain)/loss recognised in the year	(526,600)	(308,755)	(1,734,169)	(1,590,100)
Expenses recognised in statement of profit and loss	319,251	545,842	252,515	1,011,880

#### Actuarial Assumption

	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2009 – 10	2008 - 09	2009 – 10	2008 - 09
Assumption Discount Rate	8.00%	8.00%	7.75%	7.25%
Salary Escalation	4.00%	4.00%	8.00%	10.00%

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.

### 2.6 Employee Stock Option Scheme

During the year 2007, the company had formulated 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 the employee's work 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:

Table Showing changes in present value of obligation as on 31 March, 2010.

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

Out of 4,500,000 options, 1,200,000 options granted on 12 December, 2007 were surrendered.

## Schedules

forming part of the Profit & Loss Account (Contd.)

Schedule

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### 2. NOTES TO ACCOUNTS (Contd.)

**The options do not vest on one date but have graded vesting schedule, as follow**

<b>% of Option Granted which shall be vested</b>	<b>Period from the date of grant in which option shall be vested</b>
First 25 %	On completion of 18 months
Next 25 %	On completion of 24 months
Next 25 %	On Completion of 30 months
And the balance 25 %	On Completion of 36 months

During this financial year, the Company had formulated Employee Stock Option Scheme – 2009 for 75,00,000 options to be granted. The options are to be 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 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 01 April 2007 and 31 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 01 April 2008 and for subsequent set of grants, if any made to employees joined on or before 01 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

Out of the same, on 15 October 2009, the company has granted 4,200,000 options.

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.



# Schedules

forming part of the Profit & Loss Account (Contd.)

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## 2. NOTES TO ACCOUNTS (Contd.)

Sr.No.	Scheme-1 : ESOS 2007							Scheme-2 : ESOS 2009
	14 June 2007	12 December 2007	13 March 2008	22 May 2008	27 June 2008	31 July 2008	15 October 2009	
1	Date of grant							
2	Options granted	1,421,500	1,200,000	1,179,340	170,690	109,755	4,200,000	
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 (Rs.)	136.80	377.15	204.85	222.75	181.45	192.00	
5	Outstanding options as at 01 April 2009 (Nos.)	882,850	-	732,400	131,290	42,700	-	
6	Options granted during the year ended 31 March 2010 (Nos.)	-	-	-	-	-	4,200,000	
7	Options vested during the year ended 31 March 2010 (Nos.)	90,800	-	467,815	109,560	14,400	-	
8	Options exercised during the year ended 31 March 2010 (Nos.)	41,875	-	-	-	-	-	
9	Total no. of shares arising as a result of exercise of options (Nos.)	41,875	-	-	-	-	-	
10	Options lapsed / surrendered during the year ended 31 March 2010 (Nos.)	132,185	-	200,255	8,400	25,200	416,500	
11	Options in force as at 31 March 2010 (Nos.)	708,790	-	532,145	122,890	17,500	3,783,500	
12	Variation of terms of options	-	-	-	-	-	-	
13	Money realised by exercise of options (Rs.)	5,728,500	-	-	-	-	-	

## Schedules

forming part of the Profit & Loss Account (Contd.)

Schedule

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### 2. NOTES TO ACCOUNTS (Contd.)

Sr.No.		Scheme-1 : ESOS 2007	Scheme-2 : ESOS 2009
14	Diluted EPS on issue of shares on exercise calculated in accordance with AS 20 (Rs.)	11.53	
i)	Method of calculation of employee compensation cost	Intrinsic Value Method	
ii)	Difference between the employee compensation cost so computed(i) above and the employee compensation cost that shall have been recognised if fair value of options had been used.	Rs. 183,422,450	
iii)	The impact of the difference on profits and EPS of the Company had fair value of options had been used for accounting Employee Options	Proforma Profit Rs. 934,606,704 and Proforma Basic EPS - Rs. 10.15	
15	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 (Rs.)	136.80	377.15
ii)	Weighted average fair value (Rs.)	72.76	N.A.
		204.85	222.75
		108.95	101.35
		181.45	214.70
		83.88	105.34
			192.00
			Type A - Rs. 115.37, Type B - Rs. 115.37, Type C - Rs. 118.76
16	Significant assumptions used to estimate fair values of options granted during the year:		
i)	Risk free interest rate (%)	7.81	N.A.
ii)	Expected life (years)	4.25	N.A.
iii)	Expected volatility (%)	54	N.A.
iv)	Dividend yield (%)	0.10	N.A.
		7.67	9.09
		4.25	4.25
		46.23	46.23
		0.10	0.10
			7.24
			4.50
			73.64
			0.51

## Schedules

forming part of the Profit & Loss Account (Contd.)

	Schedule 19	(Amount in Rs.)
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### 2. NOTES TO ACCOUNTS (Contd.)

#### 2.7 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.

#### 2.8 Payment to Auditors

	(Amount in Rs.)	
Particulars	2009 – 10	2008 – 09
Audit Fees	4,000,000	3,000,000
Other Services/Certificate	193,576	55,433
<b>TOTAL</b>	<b>4,193,576</b>	<b>3,055,433</b>

#### 2.9 Managerial Remuneration

(a) Calculation of Managerial Remuneration u/s 198 read with section 349 of the Companies Act, 1956

	(Amount in Rs.)	
Particulars	2009 – 10	
Net Profit Before Taxation	1,361,646,375	
<b>Less :</b>		
Directors Remuneration	13,800,000	
Director Sitting Fees	1,190,000	
Misc. Expenditure Written Off	211,260	
Loss on Sales of Fixed Assets	369,292	
Provisions for Bad & Doubtful Debts	1,203,633	16,774,185
		<b>1,344,872,190</b>
Net Profit under Section 349	1,344,872,190	
Permissible Maximum commission @ 1%	13,448,722	
Permissible Maximum Managerial Remuneration @ 11%	147,935,941	

(b) Managerial Remuneration Paid/Payable

	(Amount in Rs.)	
Particulars	2009 – 10	2008-2009
Salaries	13,800,000	13,550,000
Contribution to Provident Fund	660,000	649,000
Sitting Fees	1,190,000	730,000
<b>TOTAL</b>	<b>15,650,000</b>	<b>14,929,000</b>

## Schedules

forming part of the Profit & Loss Account (Contd.)

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### 2. NOTES TO ACCOUNTS (Contd.)

#### 2.10 The Deferred Tax Liability comprise of the following

(Amount in Rs.)

Particulars	As at 31 March 2010	As at 31 March 2009
(a) Deferred Tax Liability		
Fixed Assets (Depreciation)	43,414,591	21,729,295
(b) Deferred Tax Assets		
Employee Benefits	(762,774)	(572,850)
Deferred Tax Liability (Net)	42,651,818	21,156,445

#### 2.11 (a) Earnings Per Share (EPS) Basic and Diluted

(Amount in Rs.)

Particulars	2009 – 10	2008 – 09
Profit after Taxation	1,118,429,154	808,837,401
Add : Dividend Tax/Tax Adjustments	-	-
Adjusted Profit after Taxation	1,118,429,154	808,837,401
Weighted average number of Share (Basic)	92,067,372	84,803,059
Weighted average number of share (Diluted)	96,993,752	106,017,541
Earning Per Share (EPS) Basic	12.15	9.54
Earning Per Share (EPS) Diluted	11.53	7.63
Face Value of Shares	2	2

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

(Amount in Rs.)

Particulars	2009 – 10	2008 – 09
Number of shares considered as basic weighted average shares outstanding	92,067,372	84,803,059
Add : Effect of dilutive issues of shares	4,926,380	21,214,482
Number of shares considered as weighted average shares and potential share outstanding	96,993,752	106,017,541

#### 2.12 Financial and Derivative Instruments

Foreign currency exposure that are not hedged as on 31 March 2010 amount to Rs. 1,231,438,600/- (Previous Year Rs. 2,134,545,822/-) on account of

(Amount in Rs.)

Particulars	2009 – 10	2008 – 09
Loans & Advances	-	70,900,198
Debtors	553,045,926	779,725,864
Creditors	-	(20,240)
Borrowings	678,392,674	1,283,940,000
	1,231,438,600	2,134,545,822

#### 2.13 Transactions during the year with the companies under same management are as under

- Sundry Debtors includes Rs. 9,88,00,000/- (P. Y. Nil) receivables from Core Higher Learning Limited and Core Learning Panorama Limited;
- Share Applications money includes Rs. 16,00,00,000/- (P. Y. Nil) given to Core Learning Panorama Limited.

## Schedules

forming part of the Profit & Loss Account (Contd.)

Schedule

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### 2. NOTES TO ACCOUNTS (Contd.)

2.14 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 Projects & Technologies FZE, Sharjah		
3	Aarman Software Pvt. Ltd.		
4	CORE Education & Consulting Solutions (UK) Ltd. (Formerly CORE Projects & Technologies (UK) Ltd.)		
5	Core Education Infratech Ltd.		
6	HCL Systems Inc.		
7	Symbia Limited		
8	Hamlet Computer Group Limited		
9	Wisdom Global Enterprises Limited		
10	Core Steel Industries Pvt. Ltd.		
11	San-Neel Industries Ltd.	Promoter/ Associate / Group Companies	
12	Soham Health Awareness Pvt. Ltd.		
13	Core Steel & Power Ltd.		
14	Core Wellness Ltd.		
15	Soham Spar Pvt. Ltd.		
16	Core Higher Learning Ltd.	Relative of Key Managerial Personnel	
17	Core Infrapower Ltd.		
18	Core Learning Panaroma Ltd.		
19	Mrs. Neelam Mansotra		
20	Mr. Sanjeev Mansotra (Chairman & Managing Director)		
21	Mr. Naresh Sharma (Wholetime Director)		Key Managerial Personnel
22.	Mr. Prakash Gupta (CEO)		

- (b) Transaction during the year with related parties

Transaction	Subsidiary Company	Companies controlled by Key Managerial Personnel or their relatives	Key Management	Relative of key Managerial Person	Total
<b>Warrant Application Money</b>		240,500,000	-	-	240,500,000
<b>Advances Taken</b>		(-)	(-)	(-)	(0)
Op. Balance	783,423,424	-	-	-	783,423,424
Taken during the year	-	(830,344)	(-)	(-)	(830,344)
Repaid / Adjusted during the year	169,334,230	-	-	-	169,334,230
	(877,863,324)	(1,000,000)	(-)	(-)	(878,863,324)
	906,489,154	-	-	-	906,489,154
	(94,439,900)	(169,656)	(-)	(-)	(94,609,556)

## Schedules

forming part of the Profit & Loss Account (Contd.)

			Schedule 19	(Amount in Rs.)	
<b>2. NOTES TO ACCOUNTS (Contd.)</b>					
(b) Transaction during the year with related parties (Contd.)					
Transaction	Subsidiary Company	Companies controlled by Key Managerial Personnel or their relatives	Key Management	Relative of key Managerial Person	Total
Cl. Balance	46,268,500 (783,423,424)	- (830,344)	- (-)	- (-)	46,268,500 (784,253,768)
<b>Advances Given</b>					
Op. Balance	587,689,976 (175,426)	(830,344) (-)	- (-)	- (-)	586,859,632 (175,426)
Given during the year	619,227,222 (737,578,892)	291,779,605 (279,765)	- (-)	- (-)	911,006,823 (737,858,657)
Repaid / Adjusted during the year	1,205,650,527 (150,064,342)	290,714,293 (279,765)	- (-)	- (-)	1,496,364,820 (150,344,107)
Cl. Balance	1,266,671 (587,689,976)	234,968 (-)	- (-)	- (-)	1,501,639 (587,689,976)
<b>Turnover</b>	984,797,764 (1,606,926,202)	95,000,000 (-)	- (-)	- (-)	1,079,797,764 (1,606,926,202)
<b>Expenditure</b>		1,800,000 (1,827,900)	14,900,000 (25,712,368)	3,600,000 (3,600,000)	20,300,000 (31,140,268)
<b>Sundry Debtors</b>	542,423,326 (781,267,592)	98,800,000 (-)	- (-)	- (-)	641,223,326 (781,267,592)
Creditors	-	- (-)	- (-)	- (254,000)	(254,000)
Investments	4,880,383,786 (3,520,528,711)	- (-)	- (-)	- (-)	4,880,383,786 (3,520,528,711)
Share Application Money	421,599,568 (509,028,500)	160,000,000 (-)	- (-)	- (-)	581,599,568 (509,028,500)
Guarantee	1,190,340,000 (1,299,225,000)	- (-)	- (-)	- (-)	1,190,340,000 (1,299,225,000)
Capital Expenditure	- (7,297,737)	- (-)	- (-)	- (-)	- (7,297,737)

Note: The figures in brackets are in respect of previous year.

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

1. Warrant Application Money includes Rs.2405.00 lacs (Previous year Nil) from Core Infra Power Ltd.
2. Loan & Advances taken, includes an advance of Rs. Nil (Previous year Rs. 7,308.67 lacs) taken from Core Education Consulting Solutions Inc., a wholly owned subsidiary company.
3. Sundry Debtors include, amount of Rs. 4598.70 lacs (Previous Yr. Rs. 7621.20 lacs) due from Core Education & Consulting Solutions Inc. and Rs.837.20 lacs (Previous Yr. Rs. Nil) due from Core Education Inftratech Ltd., a wholly owned subsidiary.
4. Creditors includes amount payable to Ms Neelam Mansotra Rs. Nil (Previous Year Rs. 2.54 lacs).

## Schedules

forming part of the Profit & Loss Account (Contd.)

Schedule

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### 2. NOTES TO ACCOUNTS (Contd.)

5. Income from Operations includes export of software developed of Rs. 8660.11 lacs (previous year Rs. 15822.32 lacs) to Core Education & Consulting Solution Inc. a wholly owned subsidiary and Rs. 182.87 lacs (previous year Rs. 246.94 lacs) to Core Projects & Technologies (UK) Ltd. another wholly owned subsidiary and domestic sales of Rs.805.00 Lacs (Previous Year Rs. Nil) to Core Education Infratech Ltd.
6. In Expenditure, remuneration to Key Management Personnel includes Rs. 120.00 Lacs to Mr. Sanjeev Mansotra (Previous year Rs. 120.00 Lacs), Rs. 18.00 Lacs, Salary to Naresh Sharma (Previous year. Rs. 15.50 Lacs), Salary to Mr. Prakash Gupta Rs. 118.53 Lakhs (P. Y. 100.00 Lakhs) and rent paid to Relatives of Key Managerial person Mrs. Neelam Mansotra amounts to Rs. 36 lacs (Previous year Rs. 36 lacs)
7. Share application money includes Rs.1600.00 lacs (Previous year Rs.Nil) in Core Learning Panorama Ltd., Rs.3813.29 lacs (Previous year Rs.Nil) in Core Education Infratech Ltd.
8. Guarantees, includes Rs. 11903.40 Lacs (Previous year 12992.25 Lacs) Corporate guarantee on behalf of Core Education Consulting Solutions Inc. a wholly owned subsidiary company.
9. Capital Expenditure includes Rs. Nil (Previous year Rs. 72.97 Lacs) for equipments received from Core Education Consulting Solutions Inc a wholly owned Subsidiary.

#### 2.15 Disclosure required under clause 32 of the listing agreement

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

##### (a) Loans & Advances

Sr. No.	Name of the Company		<b>As at 31 March 2010</b>	As at 31 March 2009	Maximum Balance during the year
1	Aarman Software Pvt. Ltd.	Subsidiary	369,449	498,149	498,149
2	Core Education Infratech Ltd	Subsidiary	897,222	897,222	897,222

Note :

- i. 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.
- ii. Advances in the nature of trade advances are not considered here for reporting under this clause.

##### (b) Investment by the loanee in the shares of the company

None of the loanees of subsidiary companies have, per se made investment in the shares of the company or subsidiary.

#### 2.16 Segment Reporting

The company has identified two basic segments viz. **Local-Software Development India and EOU-Software Development**. However, EOU-Software Development has further classified into **Off-Shore Development and On-Shore Development**.

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

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

## Schedules

forming part of the Profit & Loss Account (Contd.)

Particulars	(Amount in Rs.)				Schedule	
	Local Software Development		EUO Software Development			19
	2010	2009	Off-Shore Development 2010	On-Shore Development 2009		
<b>Revenue</b>				<b>Total</b>		
External sales	421,000,679	80,814,983	1,569,512,464	1,863,923,807	2010	
Increase/(Decrease) in Inventories					2009	
<b>Total Revenue</b>	<b>421,000,679</b>	<b>80,814,983</b>	<b>1,569,512,464</b>	<b>1,863,923,807</b>	<b>2010</b>	
<b>Direct Allocable Costs</b>					<b>2009</b>	
Segment results	389,104,652	124,676,075	367,782,556	2,100,124,446	2010	
Unallocated corporate expenses	31,896,028	(43,861,092)	1,201,729,908	(236,200,639)	2009	
Operating Profit					2010	
Interest Expenses					2009	
Other income					2010	
Income tax					2009	
Net profit After Tax					2010	
Previous Year's Adjustment					2009	
Net profit After Adjustment					2010	
Segment Assets	796,124,293	408,995,004	1,191,666,654	1,115,885,778	2009	
Unallocated corporate assets					2010	
Total assets					2009	
Segment Liabilities	116,460	3,616,741	13,039,381	841,836,334	2010	
Unallocated corporate Liabilities					2009	
Total Liabilities					2010	
Capital expenditure					2009	
Depreciation					2010	
Non cash Expenses other than depreciation					2009	
					2010	



## Schedules

forming part of the Profit & Loss Account (Contd.)

		Schedule 19	(Amount in Rs.)
<b>2. NOTES TO ACCOUNTS (Contd.)</b>			
2.16.1	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		
		<b>As at 31 March 2010</b>	As at 31 March 2009
	Payable		
	Not later than one year	5,100,000	4,200,000
	Later than one year but not later than five years	1,800,000	3,625,000
	Later than five years	-	-
2.16.2	Additional information pursuant to the provisions of Part II of Schedule VI to the Companies Act, 1956		
	Quantitative information as required under Part C of Schedule VI of the Companies Act, 1956 is not applicable being service company.		
	Apart from rendering software related services, the Company also execute software development projects for its customers; the software development activity inter alia includes purchases / consumption of hardware. The hardware purchases / consumed are not homogeneous nature and are only ancillary to the main software and thus quantitative detail in respect thereof cannot be furnished.		
			(Amount in Rs.)
<b>Sr. No.</b>	<b>Particulars</b>	<b>As at 31 March 2010</b>	As at 31 March 2009
(a)	<b>Estimated Amount of Contracts remaining to be executed on capital account and not provided for</b>	67,715,733	54,773,197
(b)	<b>Contingent Liabilities</b>		
	1. Bank Guarantee to Jharkhand Government	7,631,000	7,631,000
	2. Bank Guarantee to Tribal Development Dept. Gujarat	0	5,000,000
	3. There is an SBLC (Stand by Letter of Credit) for GBP 191,000	15,756,300	15,573,168
	4. Corporate Guarantee given on behalf of Core Education & Consulting Inc. USA, a wholly owned subsidiary Company	1,190,340,000	1,299,225,000
	5. Bank Guarantee to Director of Education (Secondary & Higher Secondary), Maharashtra State, Pune-1	40,000,000	-
	6. Bank Guarantee to Bihar State Electronics Development Corporation Limited., Govt of Bihar	10,000,000	-
	7. Bank Guarantee for Mission Director, Sarva Shiksha Abhiyan, State Mission, Nagaland	900,000	-
(c)	<b>Expenditure in Foreign Currency</b>	<b>2009 – 10</b>	2008 – 09
	Travelling, Hotel & Lodging	3,380,618	3,636,487
	FCCB Issue Expenses (Including professional fees)	-	336,066
	Professional Fees	1,537,792	-
	Sales Promotion	-	424,956
	Listing Fees on Singapore Stock Exchange	815,500	51,664
	Bank & Other Financial Charges	-	-
(d)	<b>Earnings in Foreign Currency</b>	<b>2009 – 10</b>	2008 – 09
	Export of Software on FOB Basis	1,569,512,464	1,521,596,202
	Interest on Term Deposits	-	602
	TOTAL	1,569,512,464	1,521,596,804
(e)	<b>Remittance in foreign Currency on account of dividend</b>	<b>2009 – 10</b>	2008 – 09
	Number of Non-resident shareholders	253	210
	Number of Equity Shares held by them	15,438,927	7,298,512
	Face value of Equity Shares	2	2
	Gross Amount of Dividend	9,263,356	270,000
	Year to which Dividend relates	<b>2008-2009</b>	2007-2008

## Schedules

forming part of the Profit & Loss Account (Contd.)

Schedule

19

(Amount in Rs.)

### 2. NOTES TO ACCOUNTS (Contd.)

#### 2.16.3 Additional information in respect of bank balances

	Maximum Balance		Closing Balance	
	2009-10	2008-09	2009-10	2008-09
Balances in Current Accounts				
-With Schedule Bank	NA	NA	NA	NA
-With Others				
Omni National Bank.	-	79,556,030	-	6,917,636
SunTrust Bank	73,320,763	-	(7,944,312)	1,538,236
Bank of America	5,115,607	5,115,607	1,141,140	5,115,607

2.16.4 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.

2.16.5 All advances, receivables and payables are subject to confirmation and reconciliation, if any.

As per our report of even date

For **Chaturvedi & Shah**  
Chartered Accountants

**Amit Chaturvedi**  
Partner  
Membership No: 103141

Place : Mumbai  
Date : 12th August, 2010

For **Asit Mehta & Associates**  
Chartered Accountants

**Sanjay Rane**  
Partner  
Membership No:100374

For and on behalf of the Board

**Sanjeev Mansotra**  
Chairman & Managing Director

**Nikhil Morsawala**  
Director - Finance

**Ganesh Umashankar**  
Company Secretary

# Cash Flow Statement

for the year ended 31 March 2010

(Amount in Rs.)

Particulars	2009-10	2008-09
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax	1,361,646,375	914,276,168
Add: Depreciation	55,611,728	23,403,308
Interest & Finance Cost	307,669,444	132,336,174
Foreign Currency Translation Loss (FCCB)	(210,257,984)	183,315,880
Provision for Gratuity	319,251	545,842
Provision for Unpaid Leave	252,515	1,011,880
Sundry Balances written off (Net)	3,883,608	10,037,426
Shares issue expenses written off	211,260	211,260
<b>Operating Profit before Working Capital changes</b>	<b>1,519,336,198</b>	<b>1,265,137,937</b>
Changes in:		
Trade & Other receivables	(154,672,137)	(980,053,008)
Inventories	(138,341,983)	(147,958,000)
Trade Payables	(103,501,318)	572,153,985
Loans & Advances	12,139,001	78,221,556
Tax paid / (Refund)	(74,552,366)	(30,635,608)
<b>Net cash from operating activities</b>	<b>1,060,407,395</b>	<b>756,866,862</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Investment in Fixed Assets (Net of disposal)	(1,606,386,853)	(490,565,378)
Purchases of Investments & Share Application	(1,359,855,075)	(47,854,420)
Share Application Money	(73,175,178)	(509,028,500)
<b>Net cash from investing activities</b>	<b>(3,039,417,106)</b>	<b>(1,047,448,298)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase/Decrease in unsecured Loans	449,998,027	199,053,514
Increase/Decrease in Secured Loans	997,795,080	384,370,966
Interest & Finance Cost	(307,669,444)	(132,336,174)
Advance from Subsidiaries	(737,154,924)	-
Increase in Capital	1,134,228,500	297,000,000
Payment of Dividends	(55,669,064)	(19,221,817)
Share Issue Expenses	(1,514,193)	(943,642)
<b>Net Changes in cash &amp; cash equivalents (A+B+C)</b>	<b>(498,995,730)</b>	<b>437,341,411</b>
Cash & Cash Equivalents Opening Balance	814,130,769	376,789,358
Cash & Cash Equivalents Closing Balance	<b>315,135,039</b>	<b>814,130,769</b>

As per our report of even date

For **Chaturvedi & Shah**  
Chartered Accountants

**Amit Chaturvedi**  
Partner  
Membership No. 103141

Place : Mumbai

Date : 12th August, 2010

For **Asit Mehta & Associates**  
Chartered Accountants

**Sanjay Rane**  
Partner  
Membership No.100374

For and on behalf of the Board

**Sanjeev Mansotra**  
Chairman & Managing Director

**Nikhil Morsawala**  
Director - Finance

**Ganesh Umashankar**  
Company Secretary

## Information Pursuant to Section 212

of the Companies Act, 1956 relating to Subsidiary Companies

Name of Subsidiary	Core Education & Consulting Solutions Inc., USA	HCL System Inc. USA (wholly Owned Subsidiary of Core Education & Consulting Solutions Inc. USA)	Core Education & Consulting Solutions (U.K.) Ltd.	Hamlet Computer Group Ltd. (Wholly Owned Subsidiary of Core Education & Consulting Solutions (U.K.) Ltd.)	Symbia Ltd. (Wholly Owned Subsidiary of Core Education & Consulting Solutions (U.K.) Ltd.)	Core Projects & Technologies FZE	Aarman Software Pvt. Ltd.	Core Education Infotech Limited
Financial year of subsidiary ended on	31st Mar., 2010	31st Mar., 2010	31st Mar., 2010	31st Mar., 2010	31st Mar., 2010	31st Mar., 2010	31st Mar., 2010	31st Mar., 2010
Shares of the subsidiary held by the company on the above date								
Nos.	Equity - 1,000,000 Preferred Stock - 57,622,300	Common Stock - 1500	Ordinary Shares - 1,000,000 Preferred Stock - 4,684,931	Ordinary Shares - 61,500	Ordinary Shares - 2,205,000	Common Shares - 3	129,960	Ordinary Shares - 1,050,000
Face value	Equity - No Par Value Preferred Stock - USD 1 each	USD 0.01 each	Ordinary Shares - £ 1.00 each & Preferred Stock - £ 1.00 each	£ 1.00 each	£ 0.01 each	AED 150,000 each	Rs.10/- each	Rs.10/- each
<b>Extent of holding</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
The net Aggregate of profits or (losses) for the current period of the Subsidiary Company so far as it concerns the members of the Holding Company								
a. dealt with or provided for in the accounts of the Holding Company	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b. not dealt with or provided for in the accounts of the Holding Company	548,999,276	(3,683,076)	72,669,987	55,66,049	(8,875,085)	Nil	Nil	829,197
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
b. not dealt with or provided for in the accounts of the Holding Company	534,318,333	38,618,953	25,463,935	11,023,899	(4,021,643)	28,507,412	109,684	Nil

For and on behalf of the Board

Place : Mumbai

Dated : 12 August, 2010

**Sanjeev Mansotra**  
Chairman & Managing Director

## Details of Subsidiaries under Section 212(8)

of the Companies Act, 1956 for the Financial Year ending 31 March 2010

Sr. No.	Financial Details	Core Education & Consulting Solutions Inc. USA	HCL System Inc. USA (a Wholly Owned Subsidiary of Core Education & Consulting Solutions Inc. USA)	Core Education & Consulting Solutions (U.K.) Ltd.	Hamlet Computer Group Ltd., UK (wholly owned subsidiary of Core Education & Consulting Solutions (U.K.) Ltd.)	Symbia Ltd. (wholly owned subsidiary of Core Education & Consulting Solutions (U.K.) Ltd.)	Core Projects & Technologies FZE.,	Aarman Software Pvt. Ltd., India	CORE Education Infretech Ltd.
A	<b>Capital</b>								
	Paid up Capital	3,047,276,452	677	386,761,815	4,184,017	1,500,123	5,512,365	1,299,600	10,500,000
	Share Application	Nil	Nil	-	-	-	-	-	381,328,568
B	<b>Reserves</b>	1,920,944,620	87,859,098	75,608,580	21,711,569	37,216,119	150,380,815	23,494,235	543,278
C	<b>Total Assets</b>	6,428,978,809	113,235,045	548,761,792	42,520,808	74,267,875	238,474,042	24,063,780	568,687,580
D	<b>Total Liabilities</b>	1,460,757,738	25,375,270	86,391,397	16,625,222	35,551,633	82,580,862	(730,055)	176,315,734
E	<b>Details of investments (except in case of investment in the subsidiaries)</b>	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
F	<b>Turnover</b>	4,658,167,852	126,585,185	257,249,229	56,122,560	136,806,798	-	-	23,760,000
G	<b>Profit before Taxation</b>	646,299,979	(4,082,997)	85,494,102	6,548,294	(9,451,802)	-	-	957,814
H	<b>Provision for Taxation</b>	97,300,703	(399,921)	12,824,115	982,244	(576,717)	-	-	414,536
I	<b>Profit after Taxation</b>	548,999,276	(3,683,076)	72,669,987	5,566,050	(8,875,085)	-	-	543,278
J	<b>Proposed Dividend</b>	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

# Balance Sheet Abstract

of the Companies Act, 1956 Relating to Subsidiary Companies

## 1 Registration Details

Registration No.      State Code

Balance Sheet Date        
Date Month Year

## 2 Capital raised during the year (Amount in Rs. Thousands)

Public Issue        Right Issue

Bonus Issue        Private Placements

(Including FCCB Conversion, Preferential Allotment and ESOS)

## 3 Position of Mobilisation and Development of Funds (Amount in Rs. Thousands)

Total Liabilities           Total Assets

### Sources of Funds

Paid - up Capital          Reserves & Surplus

Secured Loans           Unsecured loans

### Application of Funds

Net Fixed Assets           Investments

Net current assets

Misc. Expenses          Accumulated Losses

## 4 Performance of Company (Amount in Rs. Thousands)

Turnover           Total Expenditure

Profit/(Loss) Before Tax           Profit/(Loss) After Tax

Earning per Share in (Rs)          Dividend Rate (%)

## 5 Generic Names of the three Principle Products / Services of Company (As Per Monetary Terms)

Item Code (ITC Code)          Product Description

As per our report of even date

For **Chaturvedi & Shah**  
Chartered Accountants

**Amit Chaturvedi**  
Partner  
Membership No. 103141

Place : Mumbai

Date : 12th August, 2010

For **Asit Mehta & Associates**  
Chartered Accountants

**Sanjay Rane**  
Partner  
Membership No.100374

For and on behalf of the Board

**Sanjeev Mansotra**  
Chairman & Managing Director

**Nikhil Morsawala**  
Director - Finance

**Ganesh Umashankar**  
Company Secretary

## Auditors' Report

to the board of directors on the Consolidated Financial Statements of CORE Projects & Technologies Limited and its subsidiaries

To,  
The Board of Directors,  
CORE Projects & Technologies Limited,

We have audited the attached Consolidated Balance Sheet of Core Projects & Technologies Limited (Company) and its Subsidiaries (collectively referred to as "the Group") as at 31st March 2010, the Consolidated Profit and Loss Account 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 misstatements. 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 one subsidiary which reflect total assets of Rs. 568,324,890 as at 31st March, 2010, total revenue of Rs. 23,760,000 and net cash flows amounting to Rs. 314,890 for the period then ended, have been audited by one of us.
2. We did not audit the consolidated financial statements of the four subsidiaries, whose financial statements reflect total assets of Rs. 6,924,891,914/- as at 31st March, 2010, total revenue of Rs. 5,312,080,045/- and cash flows amounting to (Rs. 43,015,257/-) for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the reports of other auditors.
3. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting

Standard (AS) 21, 'Consolidated Financial Statements' and Accounting Standard (AS) 23, 'Accounting for Investments in Associates in Consolidated Financial Statements' prescribed by the Central Government under Section 211 (3C) of the Companies Act, 1956 and other recognised accounting practices and policies.

4. Based on our audit as aforesaid, and on consideration of reports of other auditors on the separate financial statements and on the other financial information on 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:
  - (i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March 2010;
  - (ii) in the case of the Consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date; and
  - (iii) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

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

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

Place : Mumbai  
Date : 12th August, 2010

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

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

# Consolidated Balance Sheet

as at 31 March 2010

(Amount in Rs.)

	Schedules	As at 31 March 2010	As at 31 March 2009
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Funds</b>			
Share Capital	1	197,192,582	172,532,638
Equity Share Warrants	2	240,500,000	180,725,000
Reserves and Surplus	3	8,519,693,542	5,757,033,173
<b>Loan Funds</b>			
Secured Loans	4	2,478,904,571	1,790,779,531
Unsecured Loans	5	1,101,398,027	1,483,940,000
Deferred Tax Liability (Net)		42,597,630	21,102,257
<b>TOTAL</b>		<b>12,580,286,352</b>	<b>9,406,112,599</b>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
Gross Block	6	2,884,042,790	2,348,890,901
Less : Depreciation		804,205,183	394,977,597
Net Block		2,079,837,606	1,953,913,304
Capital Work in Progress		3,647,706,678	1,766,217,159
		5,727,544,284	3,720,130,463
<b>Investments</b>			
Goodwill On Consolidation	7	295,667,000	-
		636,289,929	636,289,929
<b>Current Assets, Loans and Advances</b>			
<b>Current Assets</b>			
Inventories	8	1,021,163,720	925,523,139
Sundry Debtors		3,968,362,447	3,048,544,898
Cash & Bank Balances		513,826,055	1,055,517,151
Loans and Advances	9	1,297,886,865	774,037,792
		6,801,239,086	5,803,622,980
<b>Less: Current Liabilities &amp; Provisions</b>			
<b>Current Liabilities</b>			
Provisions	10	382,325,733	395,415,064
		498,524,716	358,760,780
		880,850,449	754,175,844
<b>Net Current Assets</b>			
		5,920,388,637	5,049,447,135
Miscellaneous Expenditure (to the extent not written off or adjusted)	11	396,502	245,072
<b>TOTAL</b>		<b>12,580,286,352</b>	<b>9,406,112,599</b>
<b>Significant Accounting Policies</b>			
	17		
<b>Notes on Accounts</b>			
	18		

As per our report of even date

For **Chaturvedi & Shah**  
Chartered Accountants

**Amit Chaturvedi**  
Partner  
Membership No. 103141  
Place : Mumbai  
Date : 12th August, 2010

For **Asit Mehta & Associates**  
Chartered Accountants

**Sanjay Rane**  
Partner  
Membership No.100374

For and on behalf of the Board

**Sanjeev Mansotra**  
Chairman & Managing Director

**Nikhil Morsawala**  
Director - Finance

**Ganesh Umashankar**  
Company Secretary



# Consolidated Profit & Loss Account

for the year ended 31 March 2010

	Schedules	Year Ended 31 March 2010	(Amount in Rs.) Year Ended 31 March 2009
<b>INCOME</b>			
Income from Operations	12	8,469,808,422	6,774,955,376
Other Income	13	38,344,679	27,363,173
Variation in Stocks		215,624,777	259,786,094
<b>TOTAL</b>		<b>8,723,777,877</b>	<b>7,062,104,643</b>
<b>EXPENDITURE</b>			
Cost of Operations	14	4,889,157,838	3,982,789,116
Establishment & Other Expenses	15	928,554,985	929,405,442
Interest & Finance Charges	16	417,027,454	215,860,501
Depreciation	6	412,825,238	280,327,383
Share Issue Expenses Written Off		211,260	211,260
<b>TOTAL</b>		<b>6,647,776,774</b>	<b>5,408,593,703</b>
<b>Profit Before Tax</b>		<b>2,076,001,103</b>	<b>1,653,510,939</b>
Less: Provision for Taxes			
Current Year Tax		332,266,810	210,560,501
Deferred Tax		21,495,373	9,144,750
Fringe Benefit Tax		-	1,770,000
<b>Profit After Tax</b>		<b>1,722,238,920</b>	<b>1,432,035,689</b>
Add : Balance Brought Forward from Previous Year		2,301,072,940	1,017,613,102
Excess / (Short) Provision for Tax for earlier Years		(5,647,996)	(2,281,790)
Amount Available for Appropriations		4,017,663,864	2,447,367,001
<b>Appropriations</b>			
General Reserve		112,000,000	81,000,000
Proposed Dividend on Equity Shares		62,157,667	55,809,275
Tax on Dividend		10,563,695	9,484,786
<b>Balance Carried to Balance Sheet</b>		<b>3,832,942,502</b>	<b>2,301,072,940</b>
Basic Earning per Shares of face value of Rs. 2 each (In Rs.)		18.71	16.89
Diluted Earning per Shares of face value of Rs. 2 each (In Rs.)		17.76	13.51
(Refer Schedule No. 18 Note No. 2.6 )			
<b>Significant Accounting Policies</b>	17		
<b>Notes on Accounts</b>	18		

As per our report of even date

For **Chaturvedi & Shah**  
Chartered Accountants

**Amit Chaturvedi**  
Partner  
Membership No. 103141  
Place : Mumbai  
Date : 12th August, 2010

For **Asit Mehta & Associates**  
Chartered Accountants

**Sanjay Rane**  
Partner  
Membership No.100374

For and on behalf of the Board

**Sanjeev Mansotra**  
Chairman & Managing Director

**Nikhil Morsawala**  
Director - Finance

**Ganesh Umashankar**  
Company Secretary

## Schedules

forming part of the Consolidated Balance Sheet

		(Amount in Rs.)	
Schedule		As at	As at
1		31 March 2010	31 March 2009
<b>SHARE CAPITAL</b>			
<b>Authorised</b>			
150,000,000	Equity Shares of Rs. 2 each	300,000,000	300,000,000
(150,000,000)			
<b>Issued , Subscribed &amp; Paid Up</b>			
98,596,291	Equity Shares of Rs. 2 each fully paid up	197,192,582	172,532,638
(86,266,319)			
<b>TOTAL</b>		<b>197,192,582</b>	<b>172,532,638</b>

### Notes :

#### a) Of the above Equity Shares

1. 14,400,000 Equity Shares issued & allotted as Bonus Shares in a ratio of 12:1 in June, 2005  
(14,400,000)
2. 36,700,000 Equity Share issued & allotted as Bonus Shares in a ratio of 2:1 in August, 2006  
(36,700,000)
3. 1,350,000 Equity shares allotted to the promoters of subsidiary against acquisition  
(1,350,000)
4. 29,629,416 Equity shares allotted on conversion of Foreign Currency Convertible Bonds .  
(22,141,319)
5. 12,525,000 Equity Shares allotted against exercise of Warrants  
(7,725,000)

#### b) Option on Unissued Share Capital

- i. 45,00,000 Equity Shares are reserved for allotment of equity shares under Core Employee Stock Option Scheme 2007  
Out of this issue 41,875 (P. Y. Nil) Equity Shares have been issued and allotted to the Employees / Director against exercise of Options under Core Esos 2007.
- ii. 75,00,000 Equity Shares are reserved for allotment of equity shares under Core Employee Stock Option Scheme 2009.
- iii. Refer note No. 2.2 & 2.3 of Schedule 18 for option vested on Share Capital in respect of Warrants and Foreign Currency Convertible Bonds.

		(Amount in Rs.)	
Schedule		As at	As at
2		31 March 2010	31 March 2009
<b>EQUITY SHARE WARRANTS</b>			
	Balance as per Last Balance Sheet	180,725,000	213,725,000
	Add : Warrant Issued During the Year	462,500,000	-
		643,225,000	213,725,000
	Less : Warrant forfeited during the year	180,725,000	-
	Less : Warrant Converted during the year	222,000,000	33,000,000
<b>TOTAL</b>		<b>240,500,000</b>	<b>180,725,000</b>
<i>(Refer note no. 2.2 of schedule 18)</i>			

## Schedules

forming part of the Consolidated Balance Sheet (Contd.)

	Schedule 3	As at 31 March 2010	(Amount in Rs.) As at 31 March 2009
<b>RESERVES AND SURPLUS</b>			
<b>Capital Reserve</b>			
Opening Balance		8,775,000	-
Add: Warrant Application Money Forfeited during the Year		180,725,000	8,775,000
<b>TOTAL</b>		<b>189,500,000</b>	<b>8,775,000</b>
<b>Securities Premium Account</b>			
Opening Balance		3,110,226,861	2,510,244,741
Add: On conversion of FCCB's		605,487,523	600,925,762
Add: On exercise of Warrants		878,400,000	-
Add: On exercise of ESOS		5,644,750	-
Less : FCCBs / Warrant issue expenses		1,514,193	943,642
<b>TOTAL</b>		<b>4,598,244,941</b>	<b>3,110,226,861</b>
<b>General Reserve</b>			
Opening Balance		81,000,000	-
Add : Transfer During the Year		112,000,000	81,000,000
<b>TOTAL</b>		<b>193,000,000</b>	<b>81,000,000</b>
Profit and Loss Account		3,832,942,502	2,301,072,939
Foreign Currency Translation Reserve		(293,993,901)	(255,958,373)
<b>TOTAL</b>		<b>8,519,693,542</b>	<b>5,757,033,173</b>
<b>SECURED LOANS</b>			
<b>1. Term Loan</b>			
From Banks			
Foreign Currency Loans		709,329,960	1,019,000,000
Rupee Loans		232,483,582	217,500,000
<b>2. Vehicle Loans</b>			
From Banks		7,444,920	11,594,311
<b>3. Working Capital Loan</b>			
From Bank			
Foreign Currency Loans		227,001,702	248,124,023
Rupee Loans		1,302,644,406	294,561,197
<b>TOTAL</b>		<b>2,478,904,571</b>	<b>1,790,779,531</b>

### Notes :

#### 1. Term Loans

-Rs.8,75,00,000 (P. Y. 11,75,00,000/-) secured by First charge of property at Office No. 127, 10th Floor, Lotus Neelkamal Business Park

-Rs. 14,49,83,582 (P. Y. Nil ) Secured by Equitable Mortgage of Unit No. 1, First Floor, United Infotek Park, TTC Industrial Area, Navi Mumbai

-Rs.94,18,13,542 ( P. Y. 101,90,00,000/-) secured by Pledge of 1,000,000 Common Stock of Core Education & Consulting Solutions Inc., Wholly Owned Subsidiary.

## Schedules

forming part of the Consolidated Balance Sheet (Contd.)

### Notes : (Contd.)

2. **Vehicle Loan**

-Secured by hypothecation of respective vehicles

3. **Working Capital Loan**

-Secured by hypothecation of present & future stocks of material, stock in process, finished goods, book debts, outstanding monies, receivable & claims of the company.

- Secured by equitable mortgage on the immovable properties of the company situated at Millennium Business Park, Navi Mumbai and United Infotech Park, Navi Mumbai and Unit No. 1, 4th floor, United Infotech Park, TTC Industrial Area, Navi Mumbai.

	Schedule 5	As at 31 March 2010	(Amount in Rs.) As at 31 March 2009
<b>UNSECURED LOANS</b>			
<b>1. Short Term</b>			
From Banks*		649,998,027	200,000,000
<b>2. Foreign Currency Convertible Bonds ** (Refer Note No. 2.3 of Schedule 18)</b>			
		451,400,000	1,283,940,000
<b>TOTAL</b>		<b>1,101,398,027</b>	1,483,940,000

### Notes :

- \* Short Term Loan from Bank include commercial paper of Rs.30,00,00,000/- (P.Y. Nil)  
( Maximum Balance outstanding at any time during the year being Rs.50,00,00,000/- (P.Y. Nil)
- \*\* Short Term Loan from Banks is secured by personal guarantee of a Director and Corporate Guarantee of promoter Company.

# Schedules

forming part of the Consolidated Balance Sheet (Contd.)

## FIXED ASSETS

Description of Assets	Schedule 6	Gross Block					Depreciation					Net Block	
		As on 01 April 2009	Foreign Exchange Revaluation Difference	Additions up to 31 March 2010	Deductions up to 31 March 2010	As on 31 March 2010	As on 01 April 2009	Foreign Exchange Revaluation Difference	Additions up to 31 March 2010	Deductions up to 31 March 2010	As on 31 March 2010	As on 31 March 2009	
<b>Tangible Assets</b>													
Goodwill		48,292,256	(3,200,130)	-	-	45,092,126	18,711,975	(3,488,577)	-	-	15,223,398	29,868,727	29,580,281
Building		256,024,506	-	564,019,134	-	820,043,640	5,567,803	-	11,575,728	-	17,143,532	802,900,109	250,456,703
Computers		89,906,316	(2,031,680)	65,075,087	(100,041)	152,849,681	47,560,132	(5,367,258)	30,506,608	(50,449)	72,649,033	80,200,648	42,346,184
Furniture & Fixture		167,346,027	(4,974,610)	87,945,902	-	250,317,320	27,704,924	(2,086,331)	11,099,273	-	36,717,866	213,599,453	139,641,103
Electrical Equipment		3,922,391	-	8,667,441	-	12,589,832	589,549	-	580,322	-	1,169,870	11,419,961	3,332,843
Office Equipments		42,907,777	(7,295,334)	7,882,867	(73,683)	43,421,628	14,754,620	432,043	1,581,663	(5,224)	16,763,102	26,658,525	28,153,157
Motor Car		28,874,599	(64,1450)	-	(401,381)	27,831,768	6,310,619	41,369	2,402,499	(131,108)	8,623,379	19,208,389	22,563,980
Lease Hold Improvement		732,610	(83,542)	-	-	649,068	594,971	(26,660)	-	-	568,312	80,756	137,639
<b>Intangible Assets</b>													
Computer Software		167,465,637	(12,786,831)	1,535,613	-	156,214,419	83,334,743	(2,044,037)	44,620,248	-	125,910,954	30,303,465	84,130,894
Intellectual Property Rights		1,543,418,781	(246,529,515)	78,144,042	-	1,375,033,309	189,848,262	8,941,799	310,645,676	-	509,435,737	865,597,572	1,353,570,519
<b>Total Amount (Rs.)</b>		<b>2,348,890,901</b>	<b>(277,543,092)</b>	<b>813,270,086</b>	<b>(575,105)</b>	<b>2,884,042,790</b>	<b>394,977,597</b>	<b>(3,597,652)</b>	<b>413,012,019</b>	<b>(186,781)</b>	<b>804,205,183</b>	<b>2,079,837,606</b>	<b>1,953,913,304</b>
Previous Year		1,530,870,621	231,698,473	586,321,793	-	2,348,890,901	109,415,870	52,344,345	280,327,383	-	394,977,597	1,953,913,304	1,421,454,751
Capital Work in Progress		-	-	-	-	-	-	-	-	-	-	3,647,706,678	1,766,217,159

## Schedules

forming part of the Consolidated Balance Sheet (Contd.)

(Amount in Rs.)

	Schedule 7	As at 31 March 2010	As at 31 March 2009
<b>INVESTMENTS</b>			
<b>Non Trade</b>			
Long Term Investment in Preferred Stock of:			
Radiant Bay Ventures Limited		225,700,000	-
PMH Investment Ltd,		69,967,000	-
<b>TOTAL</b>		<b>295,667,000</b>	-

	As at 31 March 2010	As at 31 March 2009
	Market Value	Market Value
<b>AGGREGATE VALUE OF</b>		
	Book Value	Book Value
Unquoted Investments	295,667,000	-
<b>Investment Purchased &amp; Sold During the Year</b>		
	Face Value (Rs.)	Cost (Rs.)
SBI Magnum Instant Cash Fund (Daily Dividend Option)	10	30,000,000

	Schedule 8	As at 31 March 2010	As at 31 March 2009
<b>CURRENT ASSETS</b>			
<b>Inventories</b>			
Software Development-Work-in-Progress (Taken, valued and certified by the management)		1,021,163,720	925,523,139
<b>TOTAL</b>		<b>1,021,163,720</b>	<b>925,523,139</b>
<b>Sundry Debtors</b>			
Unsecured, Considered Good			
Outstanding exceeding six month		504,970,578	271,521,870
Others		3,463,391,869	2,777,023,028
<b>TOTAL</b>		<b>3,968,362,447</b>	<b>3,048,544,898</b>
<b>Cash &amp; Bank Balances</b>			
Cash on Hand		1,271,408	8,626,152
Balance with Banks			
<b>In Current Accounts</b>			
With Scheduled and other banks		421,535,583	425,462,975
<b>In Fixed Deposits Account</b>			
With Scheduled Banks		91,019,064	621,428,023
<b>TOTAL</b>		<b>513,826,055</b>	<b>1,055,517,151</b>
<b>TOTAL CURRENT ASSETS</b>		<b>5,503,352,221</b>	<b>5,029,585,188</b>

## Schedules

forming part of the Consolidated Balance Sheet (Contd.)

	Schedule 9	As at 31 March 2010	(Amount in Rs.) As at 31 March 2009
<b>LOANS &amp; ADVANCES</b>			
( Unsecured, Considered Good unless otherwise stated )			
Share Application Money		160,000,000	-
Advance Recoverable in Cash or in Kind or for value to be received		1,074,666,230	725,881,836
Deposits		7,677,132	7,803,765
Balance with Service Tax / Sales Tax Authorities, etc.		55,543,503	40,352,191
<b>TOTAL</b>		<b>1,297,886,865</b>	<b>774,037,792</b>

	Schedule 10	As at 31 March 2010	(Amount in Rs.) As at 31 March 2009
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>			
<b>A. Current Liabilities</b>			
<b>Sundry Creditors</b>			
- Micro, Small & Medium Enterprises		-	-
- Others		381,977,182	395,206,725
- Unclaimed Dividend*		348,551	208,340
		<b>382,325,733</b>	<b>395,415,064</b>
<b>B. Provisions</b>			
Proposed Dividend		62,157,667	55,809,275
Provision for Dividend Tax		10,563,695	9,484,786
Provision for Gratuity & Leave Encashment		4,055,343	3,813,035
Provision for Income Tax (Net of Advance Tax)		421,748,011	289,653,684
		<b>498,524,716</b>	<b>358,760,780</b>
<b>TOTAL CURRENT LIABILITIES AND PROVISIONS</b>		<b>880,850,449</b>	<b>754,175,844</b>

Note :

\*No amount is due to investor education & protection fund

	Schedule 11	As at 31 March 2010	(Amount in Rs.) As at 31 March 2009
<b>MISCELLANEOUS EXPENDITURE</b>			
(To the extent not written off)			
Opening Balance as per Last Balance sheet		245,072	513,354
Add : Addition During the Year		362,690	(57,022)
Less : Written off During the Year		211,260	211,260
<b>TOTAL</b>		<b>396,502</b>	<b>245,072</b>

## Schedules

forming part of the Consolidated Profit & Loss Account

	Schedules 12	Year Ended 31 March 2010	(Amount in Rs.) Year Ended 31 March 2009
<b>INCOME FROM OPERATIONS</b>			
<b>EOU Turnover</b>			
Software Development : Off-shore		1,569,512,464	1,521,596,202
Software Development : On -shore		2,189,008,658	1,863,923,807
<b>Non - EOU Turnover</b>			
Software Development & Other Activities		4,711,287,300	3,389,435,367
<b>TOTAL</b>		<b>8,469,808,422</b>	<b>6,774,955,376</b>
<b>OTHER INCOME</b>	13		
Interest Income ( TDS Rs. 27,83,999/- , (P. Y. 26,80,699/-)		38,332,354	27,363,173
Dividend Income on Current Investment		12,324	-
<b>TOTAL</b>		<b>38,344,679</b>	<b>27,363,173</b>
<b>COST OF OPERATIONS</b>	14		
Software Development Cost		4,525,625,530	3,746,215,109
Software / Hardware Purchase		118,150,272	97,347,820
Salary, Bonus & Allowances		245,382,036	139,226,187
<b>TOTAL</b>		<b>4,889,157,838</b>	<b>3,982,789,116</b>

	Schedule 15	Year Ended 31 March 2010	(Amount in Rs.) Year Ended 31 March 2009
<b>ESTABLISHMENT &amp; OTHER EXPENSES</b>			
<b>Establishment Expenses</b>			
Insurance Charges		53,964,035	24,036,631
Rent, Rates and Taxes		94,220,908	63,694,624
Repairs & Maintenance		4,087,683	6,684,477
Travelling Expenses		69,288,280	62,135,447
Audit Fees		9,623,191	7,197,813
Professional Charges		154,634,572	85,521,347
Electricity Charges		7,104,144	7,338,043
Office Expenses		29,619,211	5,254,491
Stationery & Printing		3,755,610	4,664,009
Postage, Telegram & Telecommunications exps		2,044,886	6,594,783
Internet and Web Site Maintenance		1,401,929	4,374,010
Conveyance and Vehicle Expenses		2,327,454	1,287,153
ROC, Listing Fees and Legal Expenses		373,949	8,001,958
Exchange (Gain) / Loss - Net		(51,031,587)	111,275,398
Software Expenses		91,435	1,604,125
Other Expenses		50,494,161	134,343,082
Computer Software & Hardware Maintenance		2,585,590	3,298,731
STPI Registration Charges		933,750	207,500
Telephone Expenses		57,898,467	15,008,372
Licence Fees		-	2,481,821



## Schedules

forming part of the Consolidated Profit & Loss Account (Contd.)

(Amount in Rs.)

	Schedules 15	Year Ended 31 March 2010	Year Ended 31 March 2009
<b>ESTABLISHMENT &amp; OTHER EXPENSES (Contd.)</b>			
Membership & Subscription		10,757,663	5,462,931
Sundry Balances written off		3,883,608	16,277,338
Donation		171,300	63,165
Tender Fees		168,308	46,167
		<b>508,398,547</b>	<b>576,853,415</b>
<b>Payments to &amp; Provisions for Employees (Including Managerial Remuneration)</b>			
Salary, Bonus & Allowances		329,008,728	290,540,039
Contribution to Provident Fund, ESIC etc.		3,033,005	2,791,240
Director Remuneration		13,800,000	13,550,000
Gratuity		319,251	671,558
Employee Welfare & Other Amenities		7,935,292	7,921,839
Directors' Sitting Fees		1,190,000	730,000
Recruiting Expenses		359,268	2,646,364
Provision for Unpaid Leave		252,515	222,495
		<b>355,898,058</b>	<b>319,073,535</b>
<b>Sales &amp; Distribution Expenses</b>			
Sales Promotions & Advertisement Expenses		51,028,409	33,417,449
Commission		13,229,970	61,044
		<b>64,258,379</b>	<b>33,478,492</b>
<b>TOTAL</b>		<b>928,554,985</b>	<b>929,405,442</b>
<b>INTEREST &amp; FINANCE CHARGES</b>			
Interest	16	235,778,831	186,805,381
Bank Charges		112,151,996	2,061,649
Processing Fees		44,924,035	24,924,082
Others		24,172,592	2,069,389
<b>TOTAL</b>		<b>417,027,454</b>	<b>215,860,501</b>

## Schedules

forming part of the Consolidated Balance Sheet and Profit & Loss Account (Contd.)

Schedule  
17

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### 1.1 Members of the Group

The accompanying Consolidated Financial Statements include the accounts of Core Projects & 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 one wholly-owned subsidiary HCL System Inc.)	U.S.A.	100 %	31 March
2.	Core Educations & Consulting Solutions (UK) Ltd. (Formerly Core Projects & Technologies (UK) Ltd.) (with its two wholly-owned subsidiaries, viz. Hamlet Computer Group Ltd and Symbia Ltd.)	U.K.	100 %	31 March
3.	Core Education Infratech Limited	India	100 %	31 March
4.	Core Projects & Technologies, FZE	UAE	100 %	31 March
5.	Aarman Software Private Limited	India	100 %	31 March

#### 1.2 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.

#### 1.3 Principles of Consolidation

- The financial statements of Core Projects & 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 unrealised 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 March 2010, .i.e same date as that of the parent;

- Goodwill arising on consolidation.  
The excess of cost to the Parent, of its investment in subsidiaries over its portion of equity in the subsidiaries at the respective dates on which investments in subsidiaries was made or as at close of the financial year of the acquisition as the case may be is recognised in the financial statements as goodwill and in the case where equity exceeds the cost; the same is being adjusted in the said goodwill. This accounting treatment/policy though not strictly in compliance with the requirements of Accounting Standard (AS-21) "Consolidated Financial Statements" is considered conservative and is being consistently followed. Goodwill as determined on consolidation is tested for impairment, if any, on an annual basis.  
Exchange differences resulting from the differences due to translation of foreign currency assets and liabilities in subsidiaries is disclosed as foreign currency translation reserve or adjustment as the case may be.

#### 1.4 Use of Estimate

The preparation of the consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions

# Schedules

forming part of the Consolidated Balance Sheet and Profit & Loss Account (Contd.)

Schedule  
17

## 1. SIGNIFICANT ACCOUNTING POLICIES (Contd.)

that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of financial statement.

Any revision to accounting estimates and or difference, if any, between the actual results and estimates is recognised in the period in which the results are known.

### 1.5 Revenue Recognition

Revenue from Software Development and services contracts are recognised to the extent of billings based on achievements as per customer's confirmed milestone, if available, or else according to the management estimate of the completed work.

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

### 1.6 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.

### 1.7 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 advances paid for acquiring intellectual property rights & licenses for projects under development on balance sheet date are shown under Capital Work in Progress.

### 1.8 Depreciation / Amortisation

Depreciation on fixed assets is provided on Straight Line Method at the rates prescribed under Schedule XIV of the Companies Act, 1956 on pro-rata basis, except depreciation on assets used in BOOT projects 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 4%; Furniture & Fixture 4% and Computer Software are amortised over 5 years

### 1.9 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 recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

### 1.10 Leases

Lease arrangement, where the risks and rewards incidental to ownership of an asset substantially vests with the lessor, are recognised as operating leases. Lease payments under operating lease are recognised as an expense in the profit & loss account.

### 1.11 Foreign Currency Transactions/Translation

Transactions in foreign currency are recorded at the rate of exchange on the date of transactions. All foreign currency monetary assets and liabilities except long term investments at the year end are restated at the exchange rates prevailing as on the last day of the balance-sheet. The resultant gain / loss are recognised in the Profit and Loss Account.

All the activities of foreign operation are carried out with a significant degree of autonomy. Accordingly, as per the provisions of AS 11 "Effects of changes in foreign exchange rates", these operations have been classified as 'Non Integral operations' and therefore all assets and liabilities, both monetary and non-monetary, are translated at the closing rate while the income and expenses are translated at the average rate for the year. The resulting exchange difference are accumulated in the 'Foreign Currency Translation Reserve'.

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'.

Any income or expense on account of exchange difference either on settlement or on translation is recognised in the profit and loss account.

## Schedules

forming part of the Consolidated Balance Sheet and Profit & Loss Account (Contd.)

Schedule

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### 1. SIGNIFICANT ACCOUNTING POLICIES (Contd.)

#### 1.12 Investments

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.

#### 1.13 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 realisable 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.

#### 1.14 Employee Benefits

- (a) Short-term employee benefits are recognised 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 recognised as an expense in the profit and loss account for the year in which the employee has rendered services. The expense is recognised 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 amortised over the vesting period.
- (d) All employee/statutory benefits/dues as applicable under relevant regulations of

respective countries of all subsidiaries have been paid and /or provided for in the accounts.

#### 1.15 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.

#### 1.16 Provision for Current and Deferred Tax

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 recognised and carried forward only to the extent that there is a virtual certainty that the asset will be realised 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.

#### 1.17 Provisions, Contingent liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised 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 recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

# Schedules

forming part of the Consolidated Profit & Loss Account

Schedule

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## 2. NOTES TO ACCOUNTS

**2.1** The previous year's figure has been reworked, regrouped, rearranged and reclassified wherever necessary. Amounts and other disclosures for the preceding year are included as integral part of the current year financial statements and are to be read in relation to the amount and other disclosure relating to the current year.

### 2.2 Warrants Consists of

(I) In the Extra Ordinary General Meeting of the Members of the Company held on 31 October 2009, the members have 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 Rs. 2 each. Accordingly, Core Infrapower Limited, the promoter group company, had applied for conversion of 4,800,000 warrants into equivalent number of equity shares and the company had allotted 4,800,000 equity shares to CORE Infrapower Limited @ Rs. 185/- per share (including premium of Rs. 183/- per share) and 5,200,000 warrants are outstanding as on 31 March 2010.

(II) 10,000,000 warrants were issued to Wisdom GlobalEnterprisesLimited, promoter Company, entitling the warrant holders to apply for equivalent number of equity shares of Rs.2/- each at a price of Rs.200/- per share (including a premium of Rs.198/- per share) on exercise of warrants at the end of 18 months from the date of issue i.e. 29 October 2007. Of these, 1,650,000 warrants have been converted into equivalent number of shares during the Financial Year 2008-09. Balance warrants have not been exercised and consequently an amount of Rs. 167,000,000 received on subscription of such warrants forfeited during the year.

(III) 450,000 warrants were allotted to TGS Investment & Trade Private Limited, entitling the warrant holder to apply for equivalent number of equity shares of Rs.2/- each at the price of Rs.305/- per shares (including premium of Rs.303/- per share) at the end

of 18 months from the date of issue i.e. 27 February 2008. None of these warrants have been exercised by M/s TGS Investments & Trade Private Limited. Therefore, the application money of Rs. 13,725,000 being 10% of the total subscription money received has been forfeited during the year.

### 2.3 Foreign Currency Convertible Bonds

During the financial year 2009-10, zero coupon FCCB of US\$ 15.2 million were converted into equity shares at the conversion price of Rs. 82.86, constituting face value of the equity share of Rs. 2 and premium of Rs. 80.86 for each share. Thus, out of total FCCB of US\$ 80 million issued in year 2007-08, total conversions till 31 March 2010 amounts to US\$ 70 million. Balance FCCB of US\$ 10 Million (P.Y. US\$ 25.20 Million) outstanding as at the year end can be converted at the option of bond holder into one equity share at Rs. 82.86 per Equity Shares at a pre determine exchange rate of US\$ 1 = 40.82.

### 2.4 Employee Stock Option Scheme

During the year 2007, the company had formulated 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 the employee's work 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:

Table Showing changes in present value of obligation as on 31 March, 2010.

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

Out of 4,500,000 options, 1,200,000 options granted on 12 December, 2007 were surrendered.

## Schedules

forming part of the Consolidated Profit & Loss Account (Contd.)

Schedule

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### 2. NOTES TO ACCOUNTS (Contd.)

**The options do not vest on one date but have graded vesting schedule, as follows**

<b>% of Option Granted which shall be vested</b>	<b>Period from the date of grant in which option shall be vested</b>
First 25 %	On completion of 18 months
Next 25 %	On completion of 24 months
Next 25 %	On Completion of 30 months
And the balance 25 %	On Completion of 36 months

During this financial year, the Company had formulated Employee Stock Option Scheme - 2009 for 75,00,000 options to be granted. The options are to be 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 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 01 April 2007 and 31 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 01 April 2008 and for subsequent set of grants, if any made to employees joined on or before 01 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

Out of the same, on 15 October 2009, the company has granted 4,200,000 options.

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.

# Schedules

forming part of the Consolidated Profit & Loss Account (Contd.)

Schedule

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## 2. NOTES TO ACCOUNTS (Contd.)

Sr.No.	Scheme-1 : ESOS 2007						Scheme-2 : ESOS 2009	
	14 June 2007	12 December 2007	13 March 2008	22 May 2008	27 June 2008	31 July 2008	15 October 2009	
1	Date of grant							
2	Options granted	1421500	1200000	1179340	170690	77960	109755	4,200,000
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 (Rs.)	136.80	377.15	204.85	222.75	181.45	214.70	192.00
5	Outstanding options as at 01 April 2009 (Nos.)	882,850	-	732,400	131,290	42,700	40,855	-
6	Options granted during the year ended 31 March 2010 (Nos.)	-	-	-	-	-	-	4,200,000
7	Options vested during the year ended 31 March 2010 (Nos.)	90800	-	467,815	109,560	-	14,400	-
8	Options exercised during the year ended 31 March 2010 (Nos.)	41,875	-	-	-	-	-	-
9	Total no. of shares arising as a result of exercise of options (Nos.)	41,875	-	-	-	-	-	-
10	Options lapsed / surrendered during the year ended 31 March 2010 (Nos.)	132,185	-	200,255	8,400	25,200	6,600	416,500
11	Options in force as at 31 March 2010 (Nos.)	708,790	-	532,145	122,890	17,500	34,255	3,783,500
12	Variation of terms of options	-	-	-	-	-	-	-
13	Money realised by exercise of options (Rs.)	5,728,500	-	-	-	-	-	-
14	Diluted EPS on issue of shares on exercise calculated in accordance with AS 20 (Rs.)	17.76						
i)	Method of calculation of employee compensation cost	Intrinsic Value Method						
ii)	Difference between the employee compensation cost so computed(i) above and the employee compensation cost that shall have been recognised if fair value of options had been used.	Rs. 183,822,450						
iii)	The impact of the difference on profits and EPS of the Company had fair value of options had been used for accounting Employee Options	Proforma Profit Rs. 1,538,416,470 and Proforma Basic EPS - Rs. 16.71						

# Schedules

forming part of the Consolidated Profit & Loss Account (Contd.)

Schedule

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## 2. NOTES TO ACCOUNTS (Contd.)

Sr.No.		Scheme-1 : ESOS 2007					Scheme-2 : ESOS 2009		
		136.80	377.15	204.85	222.75	181.45	214.70	192.00	
15	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 (Rs.)	72.76	N.A.	108.95	101.35	83.88	105.34	Type A - Rs. 115.37, Type B - Rs. 115.37, Type C - Rs. 118.76	
ii)	Weighted average fair value (Rs.)								
16	Significant assumptions used to estimate fair values of options granted during the year								
i)	Risk free interest rate(%)	7.81	N.A.	7.81	7.67	8.65	9.09	7.24	
ii)	Expected life (years)	5	N.A.	5	5	5	5	5	
iii)	Expected volatility(%)	54	N.A.	54	46.23	46.23	46.23	73.64	
iv)	Dividend yield(%)	0.1	N.A.	0.1	0.1	0.1	0.1	0.51	



## Schedules

forming part of the Consolidated Profit & Loss Account (Contd.)

Schedule  
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### 2. NOTES TO ACCOUNTS (Contd.)

#### 2.5 The Deferred Tax Liability comprise of the following

(Amount in Rs.)

Particulars	As at 31 March 2010	As at 31 March 2009
(a) Deferred Tax Liability		
Fixed Assets (Depreciation)	43,414,591	21,729,295
(b) Deferred Tax Assets		
Employee Benefits	(762,774)	(572,850)
Deferred Tax Liability (Net)	42,651,818	21,156,445

#### 2.6 (a) Earnings Per Share (EPS) Basic and Diluted

(Amount in Rs.)

Particulars	2009 - 10	2008 - 09
Profit after Taxation	1,722,238,920	1,432,035,739
Adjusted Profit after Taxation	1,722,238,920	1,432,035,739
Weighted average number of Share (Basic)	92,067,372	84,803,059
Weighted average number of share (Diluted)	96,993,752	106,017,541
Earning Per Share (EPS) Basic	18.71	16.89
Earning Per Share (EPS) Diluted	17.76	13.51
Face Value of Shares	2	2

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

Particulars	2009 - 10	2008 - 09
Number of shares considered as basic weighted average shares outstanding	92,067,372	84,803,059
Add : Effect of dilutive issues of shares	4,926,380	21,214,482
Number of shares considered as weighted average shares and potential share outstanding	96,993,752	106,017,541

#### 2.7 As per the Accounting Standard 18, the disclosure of transactions with the related parties as defined in the accounting standards, are given below

- (i) 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	<b>Promoter/ Associate / Group Companies</b>
2.	Core Steel Industries Pvt. Ltd.	
3.	San-Neel Industries Ltd.	
4.	Sohum Health Awareness Private Limited	
5.	Core Steel & Power Ltd.	
6.	Soham Spas Pvt. Ltd.	
7.	Core Wellness Ltd.	
8.	Core Higher Learning Ltd.	
9.	Core Infrapower Ltd.	
10.	Core Learning Panaroma Ltd.	
11.	Mrs. Neelam Mansotra	<b>Relative of Key Managerial Personnel</b>
12.	Mr. Sanjeev Mansotra (Chairman & Managing Director)	<b>Key Managerial Personnel</b>
13.	Mr. Naresh Sharma (Wholetime Director)	
14.	Mr. Prakash Gupta (Chief Executive Officer)	

## Schedules

forming part of the Consolidated Profit & Loss Account (Contd.)

	Schedule			(Amount in Rs.)
	18			
<b>2. NOTES TO ACCOUNTS (Contd.)</b>				
(ii) Transaction during the year with related parties				
Transaction	Companies controlled by Key Managerial Personnel or their relatives	Key Management	Relative of key Managerial Person	Total
<b>Warrant Application Money</b>	240,500,000	-	-	240,500,000
	(-)	(-)	(-)	(-)
<b>Advances Taken</b>				
Op. Balance	-	-	-	-
	(830,344)	(-)	(-)	(830,344)
Taken during the year	-	-	-	-
	(1,000,000)	(-)	(-)	(1,000,000)
Repaid / Adjusted during the year	-	-	-	-
	(169,656)	(-)	(-)	(169,656)
Cl. Balance	-	-	-	-
	(830,344)	(-)	(-)	(830,344)
<b>Advances Given</b>				
Op. Balance	830,344	-	-	830,344
	(-)	(-)	(-)	(-)
Given during the year	451,779,605	-	-	451,779,605
	(279,765)	(-)	(-)	(279,765)
Repaid / Adjusted during the year	450,714,293	-	-	450,714,293
	(279,765)	(-)	(-)	(279,765)
Cl. Balance	234,968	-	-	234,968
	(-)	(-)	(-)	(-)
<b>Turnover</b>	95,000,000	-	-	95,000,000
	(-)	(-)	(-)	(-)
<b>Expenditure</b>	1,800,000	26,753,125	3,600,000	32,153,125
	(1,827,900)	(25,712,368)	(3,600,000)	(31,140,268)
<b>Sundry Debtors</b>	98,800,000	-	-	98,800,000
	(-)	(-)	(-)	(-)
<b>Creditors</b>	-	-	(254,000)	(254,000)
<b>Share Application Money</b>	160,000,000	-	-	160,000,000
	(-)	(-)	(-)	(-)

Note: The figures in brackets represents the previous year figures.

## Schedules

forming part of the Consolidated Profit & Loss Account (Contd.)

Schedule

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### 2. NOTES TO ACCOUNTS (Contd.)

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

1. Loan & Advances taken, includes an advance of Rs. 2.34 Lacs (Previous Year Rs.8.30 Lacs) taken from group company Core Steel & Power Limited.
2. Creditors includes amount payable to Mrs. Neelam Mansotra Rs. Nil (Previous Year Rs. 2.54 lacs).
3. In Expenditure, remuneration to Key Management Personnel includes Rs. 120.00 Lacs to Mr. Sanjeev Mansotra (Previous year Rs. 120.00 Lacs), Rs.118.53 Lacs, salary to CEO Mr. Prakash Gupta (Previous year Rs.100.00 Lacs), Rs. 18.00 Lacs, Salary to Naresh Sharma (Previous year. Rs. 15.50 Lacs) and rent paid to Relatives of Key Managerial person Mrs. Neelam Mansotra amounts to Rs. 36 lacs (Previous year Rs. 36 lacs)
4. Income from operation includes Rs. 535.00 Lakhs (P. Y. Nil) from Core Higher Learning Limited and Rs. 415.00 Lakhs (P. Y. Nil) from Core Learning Panorama Limited.
5. Sundry Debtors includes Rs. 556.40 Lakhs (P. Y. Nil) from Core Higher Learning Limited and Rs. 431.60 Lakhs (P. Y. Nil) from Core Learning Panorama Limited.

### 2.8 Managerial Remuneration Paid/Payable

Particulars	(Amount in Rs.)	
	2009 - 10	2008-2009
Salaries	13,800,000	13,550,000
Contribution to Provident Fund	660,000	649,000
Sitting Fees	1,190,000	730,000
<b>TOTAL</b>	<b>15,650,000</b>	<b>14,929,000</b>

### 2.9 Segment Reporting

The company has identified two basic reportable segments viz. Local-Software Development India and EOU-Software Development. However, EOU-Software Development has further been classified into Off-Shore Development & On-Shore Development.

## Schedules

forming part of the Consolidated Profit & Loss Account (Contd.)

Particulars	(Amount in Rs.)				Schedule 18	
	Local Software Development		EOU Software Development			Total
	2010	2009	Off-Shore Development 2010	On-Shore Development 2009		
<b>Revenue</b>						
External sales	4,711,287,300	3,389,435,367	1,569,512,464	2,189,008,658	8,469,808,422	
Increase/(Decrease) in Inventories					259,786,094	
<b>Total Revenue</b>	4,711,287,300	3,389,435,367	1,569,512,464	2,189,008,658	8,685,433,198	
<b>Direct Allocable Costs</b>	3,936,434,196	1,604,180,607	367,782,556	1,786,281,153	6,090,497,905	
Segment results	774,853,104	2,045,040,854	1,201,729,908	402,727,505	2,594,935,293	
Unallocated corporate expenses					140,251,415	
Operating Profit					2,122,546,912	
Interest Expenses					215,860,501	
Other income					27,363,173	
Income tax					221,475,251	
Net profit After Tax					1,712,574,333	
Previous Year's Adjustment					2,281,790	
Net profit After Adjustment					1,710,292,543	
Segment Assets	2,607,424,072	6,905,189,756	1,191,666,654	1,483,610,000	9,523,753,443	
Unallocated corporate assets					636,289,929	
Total assets					10,159,213,028	
Segment Liabilities	870,763,556	(205,651,339)	13,039,381	962,140,648	754,175,844	
Unallocated corporate Liabilities					3,295,821,788	
Total Liabilities					4,028,065,031	
Capital expenditure					3,720,130,463	
Depreciation					280,327,383	
Non cash Expenses other than depreciation					4,094,867	
					211,260	

## Schedules

forming part of the Consolidated Profit & Loss Account (Contd.)

Schedule  
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### 2. NOTES TO ACCOUNTS (Contd.)

Information required as per Accounting Standard AS 17-Segment Reporting in respect of secondary segment is as under:

Particulars	(Amount in Rs.)	
	As at 31 March 2010	As at 31 March 2009
Segment Revenue		
India	421,000,679	80,814,983
Rest of World	8,048,807,742	6,694,140,393
Segment Assets		
India	8,976,208,746	6,417,745,282
Rest of World	3,847,955,705	3,741,467,746
Segment Liabilities		
India	3,246,583,121	2,278,227,209
Rest of World	1,214,569,925	1,749,837,822
Capital Expenditure		
India	1,633,324,923	855,083,404
Rest of World	2,014,095,836	2,865,047,059

#### 2.10 Payment to Auditors

Particulars	(Amount in Rs.)	
	2009 - 10	2008 - 09
Audit Fees & Other Services/Certificate	9,623,191	7,197,813
<b>TOTAL</b>	<b>9,623,191</b>	<b>7,197,813</b>

#### 2.11 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.

**2.12** 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 equal to the amount at which they are stated in the balance sheet.

**2.13** All advances, receivables and payables are subject to confirmation and reconciliation, if any.

As per our report of even date

For **Chaturvedi & Shah**  
Chartered Accountants

**Amit Chaturvedi**  
Partner  
Membership No. 103141  
Place : Mumbai  
Date : 12th August, 2010

For **Asit Mehta & Associates**  
Chartered Accountants

**Sanjay Rane**  
Partner  
Membership No.100374

For and on behalf of the Board

**Sanjeev Mansotra**  
Chairman & Managing Director

**Nikhil Morsawala**  
Director - Finance

**Ganesh Umashankar**  
Company Secretary

# Cash Flow Statement

for the year ended 31 March 2010

(Amount in Rs.)

Particulars	2009-10	2008-09
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>A</b>	
Net Profit before Tax	2,076,001,103	1,653,510,940
Add: Depreciation	412,825,238	280,327,383
Foreign Currency Translation Loss	(491,779,942)	263,434,666
Provision for Gratuity	319,251	545,842
Provision for Unpaid Leave	252,515	1,011,880
Other Income	(38,344,679)	(27,363,173)
Interest and finance charges	392,854,862	213,791,112
Loss on sale of Fixed Assets (Net)	369,292	-
Sundry Balances written off (Net)	3,883,608	16,277,338
Shares issue expenses written off	211,260	211,260
<b>Operating Profit before working Capital changes</b>	<b>2,356,592,508</b>	<b>2,401,747,248</b>
Changes in:		
Trade & Other receivables	(919,817,549)	(1,023,422,041)
Inventories	(95,640,581)	(882,528,153)
Trade Payables	(13,559,001)	(417,815,010)
Loans & Advances	(13,751,605)	55,463,378
Tax paid / (Refund)	(205,820,479)	(22,933,617)
<b>Net cash from operating activities</b>	<b>1,108,003,294</b>	<b>110,511,804</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>B</b>	
Purchase of Fixed Assets/CWIP/Capital advances	(3,054,759,605)	(1,841,113,159)
Sale of fixed assets	19,032	-
Purchases of Investments & Share Application	(485,667,000)	556,915,669
Sale of Investment	30,000,000	-
Other Income	48,247,211	27,363,173
	<b>(3,462,160,362)</b>	<b>(1,256,834,317)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>C</b>	
Increase/Decrease in unsecured Loans	449,998,027	197,734,500
Increase/Decrease in Secured Loans	688,125,040	1,403,370,966
Issue of shares and warrants	1,134,228,500	297,000,000
Payment of Dividends	(65,153,850)	(19,221,817)
Interest and finance charges	(392,854,862)	(213,791,112)
Share /FCCB Issue Expenses	(1,876,883)	(943,642)
<b>Net Changes in cash &amp; cash equivalents (A+B+C)</b>	<b>(541,691,096)</b>	<b>517,826,382</b>
Cash & Cash Equivalents Opening Balance	<b>1,055,517,151</b>	<b>537,690,769</b>
Cash & Cash Equivalents Closing Balance	<b>513,826,055</b>	<b>1,055,517,151</b>

As per our report of even date

For **Chaturvedi & Shah**  
Chartered Accountants

**Amit Chaturvedi**  
Partner  
Membership No. 103141

Place : Mumbai  
Date : 12th August, 2010

For **Asit Mehta & Associates**  
Chartered Accountants

**Sanjay Rane**  
Partner  
Membership No.100374

For and on behalf of the Board

**Sanjeev Mansotra**  
Chairman & Managing Director

**Nikhil Morsawala**  
Director - Finance

**Ganesh Umashankar**  
Company Secretary

# Corporate Information

## Mr. Sanjeev Mansotra

Chairman & Managing Director

## Mr. Nikhil Morsawala\*

Whole time Director - Finance

## Mr. Naresh Sharma

Whole time Director

## Mr. Sunder Shyam Dua

Independent Director

## Mr. Awinash Arondekar

Independent Director

## Mr. M. Narayanan Nambiar

Independent Director

## Mr. Harihar Iyer

Non-Executive Director

## Ms. Maya Sinha\*\*

Independent Director

\*(Appointed as Director - Finance w.e.f. August 12, 2010)

\*\* (Appointed w.e.f. May 14, 2010)

## Company Secretary

Mr. Ganesh Umashankar

## Bankers

State Bank of India  
Punjab National Bank  
Oriental Bank of Commerce  
Standard Chartered Bank  
Barclays Bank Plc.  
HSBC

## 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,

## Registrar & Transfer Agent

### Adroit Corporate Services Private Limited

19/20, Jaferbhoy Industrial Estate,  
Makwana Road, Marol Naka,  
Andheri (East), Mumbai - 400 059.

## Registered Office & Global Development Centre

Unit No.1-4, Building No. 4, Sector - III, Millennium  
Business Park, Mahape, Navi Mumbai - 400 710.

Website: [www.coreprojectstech.com](http://www.coreprojectstech.com)

Email: [info@coreprojectstech.com](mailto:info@coreprojectstech.com)

## Corporate Office

Lotus Neelkamal Business Park,  
10th Floor, Near Fun Republic,  
Off Andheri Link Road, Andheri (West),  
Mumbai - 400 053.

## Global Delivery Centre

Unit No. 403, Multistoried Building,  
SEEPZ - SEZ, Andheri (E),  
Mumbai 400 096.

## Overseas Offices

### CORE Education & Consulting Solutions Inc. U.S.A.

#### USA Corporate Headquarters

Three Ravina Drive, Suite 1900, Atlanta, GA 30346.

#### CORE K-12 Division

Harborside Financial Center Plaza 10, Suite 208,  
Jersey City, NJ 07311.

#### CORE ERP Division

3350 Scott Blvd, Bldg. 34, Santa Clara CA 95054.

## U.K.

CORE Education & Consulting Solutions (UK) Ltd.  
5, Oriel Court, Omega Business Park, Alton, Hampshire,  
GU34 2YT, UK.

## U.A.E.

CORE Projects & Technologies Ltd., FZE  
Z, 3/70, SAIF Zone, P.O.Box 120175, Sharjah, U.A.E.

# Key Managerial Personnel

Prakash Gupta - **CEO**

## India

### Operations

Vijay Kumar Malik - Director Education  
Hemant Saravate - VP Projects  
Dilip Kulkarni - VP New Projects  
Mukund Sathe - VP Technology  
Loly Vadassery - VP Human Resources  
Dipen Vadodaria - AVP Delivery  
Roshan Dadia - AVP  
Kaushik Thakkar - AVP Procurement & Logistics

### School Management

Dr. D P N Prasad - Director School Management  
Suchitra Pareekh - Functional Head School Management

### Sales & Marketing

Atul Jaiswal - VP Sales  
Sanjiv Datta - AVP Sales  
Sukhendu Ghosh - AVP Business Development  
Rajeev Pandey - Business Head Vocational Education

### Finance, Accounts & Secretarial

Nikhil Pandya - Head Banking & Treasury  
Ganesh Umashankar - Company Secretary  
Trilok Suthar - VP Accts & Taxation  
Shubhanan Ajgaonkar - AVP Internal Audit & Project Costing  
Sanjay Chandoskar - AVP Finance

## USA

### Corporate

Shekhar Iyer - CEO  
Phil Thompson - VP Corporate Marketing  
Pankaj Sampat - VP Corporate Finance & Accounting

### Advanced Technology Division

Bill Wallet - President (Adv Tech Div)  
Bob Wilson - Sr. VP Advanced Tech services,

### ERP Division

Sanjay Minocha - President (ERP)

### CORE K-12 Education Division

Kevin Howell - President  
Bob Collins - VP & Chief Academic Officer  
Dr. James Ashby - VP Assessment, Chief Psychometrics  
Adarsh Char - VP Client Services and Development

### Consulting and Staffing Division

Sanjay Chittore - President ITES Division  
Rupam Prasad - VP ITES Operations  
Dhar Jattipatti - VP IT Consulting Services  
Venkat Polakam - VP IT Sales Marketing  
Greg Yedwab - VP Business Consulting Services - Education

## UK

Mike Jones - UK Education Head  
Kim Bird - UK Sales Manager  
Peter Foley - Operations Director  
Lee Smith - UK Financial Controller  
Yadu Tekale - Senior VP Europe  
Miles Austin - Consulting Sales Director  
Peter Newman - Business Development









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