

Annual Report  
2010-11



# Redefined

*The Future of Education*

**CORE**  
Projects & Technologies Ltd.

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## THE YEAR THAT WAS...

**TOTAL  
ORDER BOOK  
₹ 11,000 MILLION,  
OF WHICH INDIAN  
CUSTOMERS  
COMPRISE  
₹ 5,840 MILLION**

**ACQUIRED TECHNICAL  
SYSTEMS  
INTEGRATORS  
LLC (TSI), FOR  
COMPETENCY  
IN ADVANCED  
TECHNOLOGIES**

**TOOK OVER THE  
EMPLOYMENT  
STORE IN  
THE US TO  
STRENGTHEN OUR  
COMPETENCY IN  
CONSULTING AND  
STAFFING**

**FORAYING INTO  
THE MIDDLE EAST**

**ROLLED OUT VOCATIONAL EDUCATION  
PROJECTS IN THE US AND IN INDIA**

### Forward-looking statements

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

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

# EDUCATION IS NOT A PREPARATION FOR LIFE; EDUCATION IS LIFE ITSELF.

JOHN DEWEY

Much may have changed since the mid-20th century, but education has always set the tone for the future. Education systems have forever forced the young to develop strictly the necessities - a knowledge base, and stating a preference early on. Knowledge was handed down by a generation that happened to be there first, to one that came later. For once though, the roles are reversing.

Modern education is learner-centric. It challenges conventions. It is open to young perspectives. More and more schools have begun to adapt technology-based solutions to improve teaching quality and learning infrastructure.

CORE plays a vital role in redefining the global educational space. Its technology-driven endeavours are designed to be the potent force in lending balance to a swiftly shifting education scenario. The Company provides innovative and futuristic education solutions to government bodies, teachers at college and school levels, and students, to add value to textbooks, to give names and faces to numbers, and to make education student-centric.



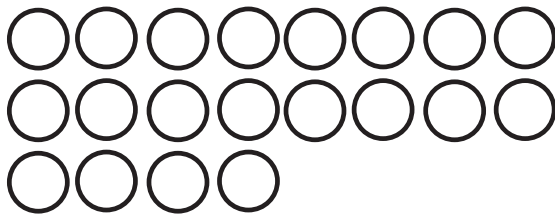
# CORE, THE CHANGING

CORE Projects & Technologies Ltd. is India's largest global education company that provides the best technological solutions across the world. Since inception in 2003, CORE has helped educate over 32,500,000 students, trained more than 1,00,000 teachers across 84,887 schools

## PRESENCE

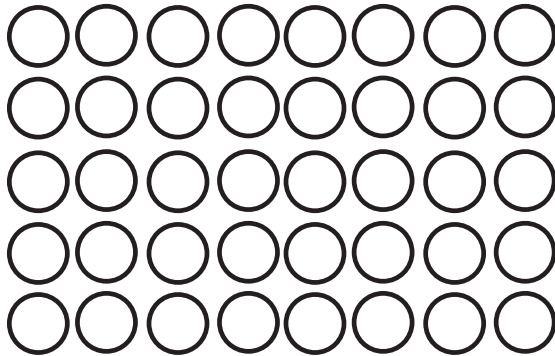
20+

states  
in the US



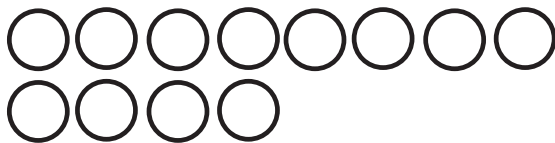
40+

educational  
counties  
in UK



12

states in India



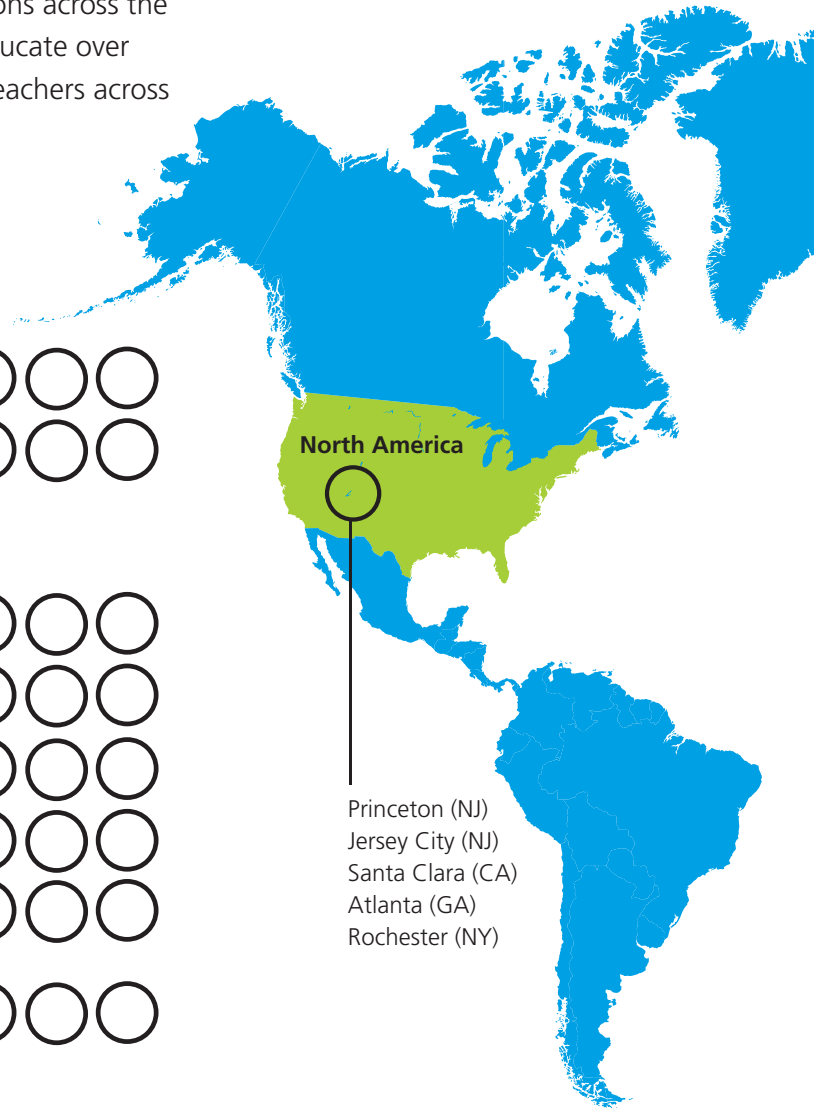
8

countries  
in Africa



3

countries in  
the Caribbean



# FACE OF EDUCATION

## The CORE educational values

At CORE, we imbibe and echo a set of principles at every step, and in every aspect of our business operations.

### Continuous Learning

Bring global experience, expertise and best practices

### Result orientation

Enhance teaching-learning outcome for measurable impact

### Service Excellence

Reliable and Trustworthy

### Innovative and Futuristic

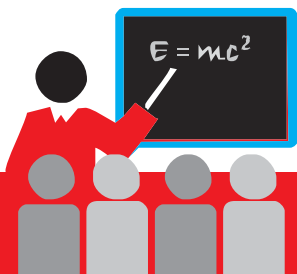
Research driven and cutting edge technology-led solutions



Headquarters: Mumbai (India); International headquarters: Atlanta (US) and London (UK) CMMi Level 3 organization; ISO 9001:2008 certified; 1325 employees globally; BSE code: 512199; NSE code: COREPROTEC; Equity ISIN : INE247G01024; Bloomberg code: CPTL in equity; Market capitalisation (as on 31st March, 2011): ₹ 3,393 crore

# REDEFINING THE EDUCATION BUILDING BLOCKS FOR GENX LEARNERS

CORE offers comprehensive solutions in the areas of Teaching, Learning, Assessment, and Governance through Consultancy and Advanced Technologies.



## CORE TEACHING

CORE provides innovative and interesting learning platforms to bridge the gap between existing teaching methodology and new age learning needs.

The tie-up with The University of Oxford has resulted in the development of first-of-its-kind teacher-learning programs in India.



## CORE LEARNING

CORE has developed innovative learning solutions - immersive classroom education and subject intervention approaches - to address the needs of the new generation. Our partnership with NASA CHL allows us to procure modern 3-D simulation-based immersive learning for a near-real experience and to understand complex subjects.



## CORE ASSESSMENT

CORE is a global pioneer in the assessment space. We provide an extensive range of assessment solutions that schools can use for data-driven decision making for improved outcomes. Our Assessment Centre and Item banks enable educators to measure psychometric growth and provide unique personalized interventions to help simulate student thinking.



## CORE GOVERNANCE

CORE's comprehensive learner centric e-governance solutions help governments, policy makers and educators generate comprehensive and customised programmes for better decision making.

## CREDIBILITY AND RECOGNITIONS

- > **Mr. Sanjeev Mansotra** has been listed among India's Most 'Value'able CEOs by Businessworld in 2010
- > CORE was one of Asia's Best under a Billion for 2010 shortlisted companies in Forbes 200



# KEY PERFORMANCE

## 29%

Increase in Net Sales

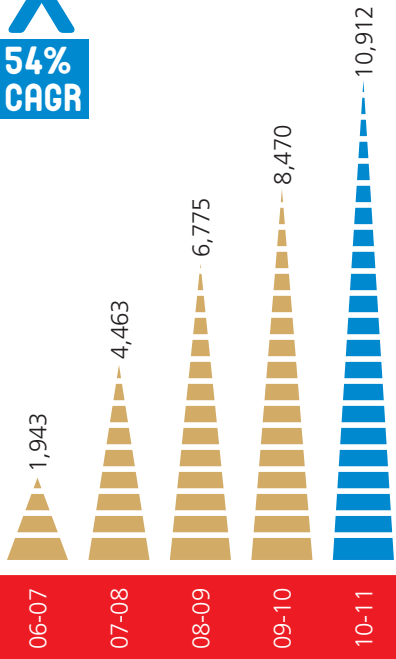


From ₹ 8,470 mn  
in 2009-10 to  
₹ 10,912 mn  
in 2010-11

### NET SALES

(₹ mn)

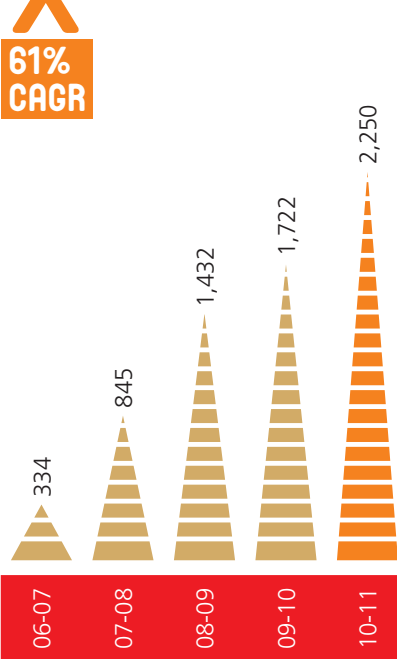
**54%  
CAGR**



### NET PROFIT

(₹ mn)

**61%  
CAGR**



## 41%

Rise in EBIDTA

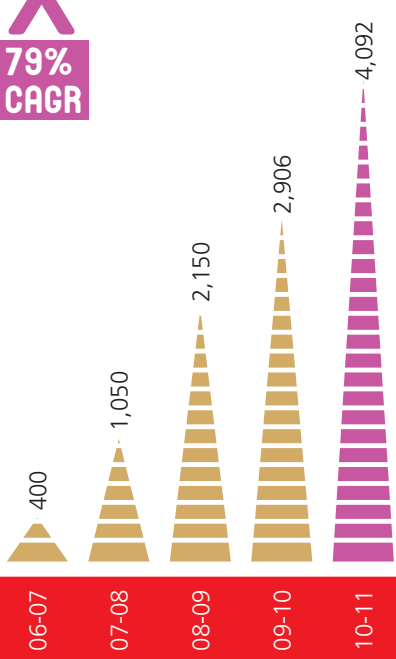


From ₹ 2,906 mn  
in 2009-10 to  
₹ 4,092 mn  
in 2010-11

### EBIDTA

(₹ mn)

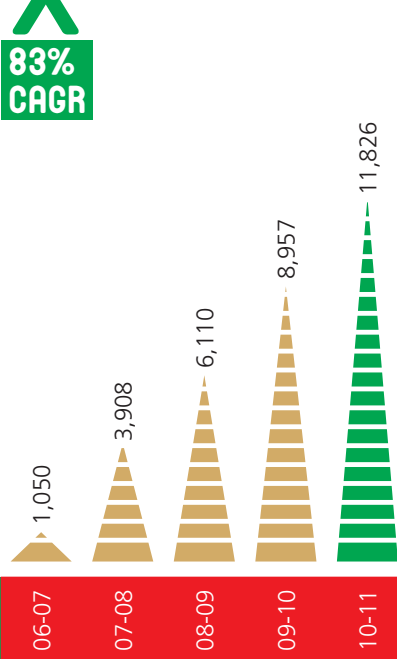
**79%  
CAGR**



### NET WORTH

(₹ mn)

**83%  
CAGR**

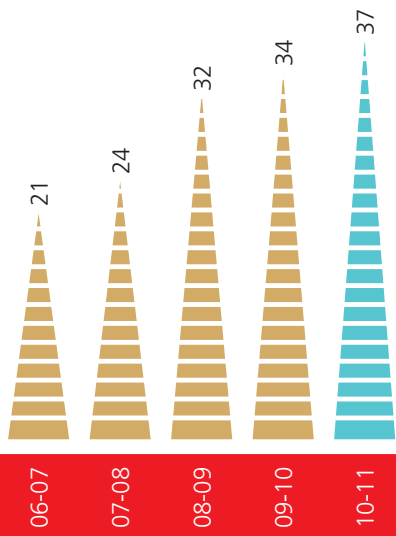




# INDICATORS

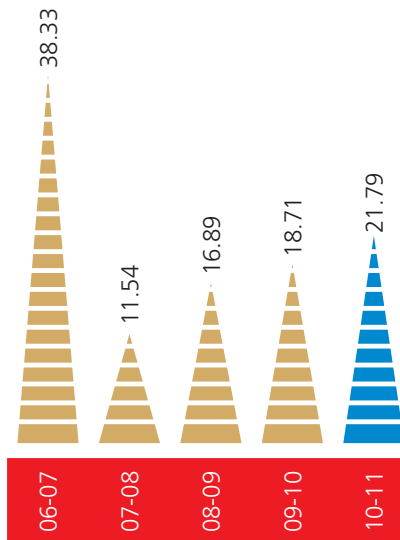
## EBIDTA MARGIN

%



## EPS

(₹)



### 300BPS

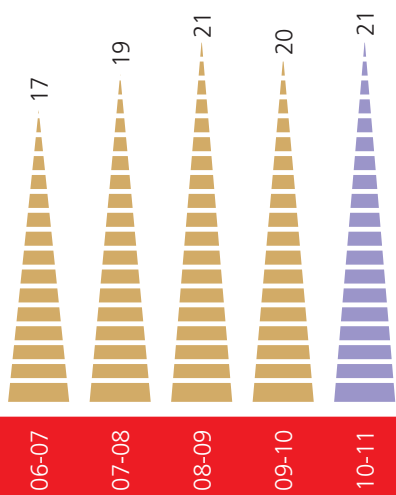


Rise in EBIDTA Margin

From 34%  
in 2009-10 to  
37% in 2010-11

## NET MARGIN

%



### 100BPS



Rise in NET Margin

From 20%  
in 2009-10 to  
21% in 2010-11

# CHAIRMAN'S PERSPECTIVE



Sanjeev Mansotra  
Chairman



## WHERE EVERY CHILD CAN ACHIEVE WHERE EVERY NATION CAN EXCEL



### Dear Shareholders,

In recent times, educators across the world have emphasised the need to usher in a new wave of education which will eventually result in life-long learning. These solutions should transcend the limitations of the traditional education system and address questions lingering around it: Why does 'education' not always translate into a robust career? Why does knowledge consumption lack perspective, context setting, or critical analysis? Why doesn't the current learning environment foster knowledge creation ensuring learner success in the competitive globalized economy?

I am proud to state that CORE's transformational and innovative technology-driven products, solutions and services redefine the four building blocks of 21st century education – Teaching, Learning, Assessment and Governance.

#### REDEFINING EDUCATION

CORE continuously brings innovation and cutting edge technologies to break the current clutter and offer unique teaching and learning experiences beyond the conventional IT enabled education. Our partnerships with institutions like NASA Centre of Higher Learning and the University of Oxford, and our innovations like student growth modeling methodology, more commonly known as "ipGrowth" and Special Education product Bright IDEA have helped and redefined the paradigms of Teaching, Learning, Assessment and Governance.

Our scale and size of operations have widened with the number and variety of our global acquisitions. We have completed successful strategic acquisitions and subsequent merger of K-12 division of the Princeton Review, and Technical System Integrators to name a few. CORE thus commands an extensive international footprint with its solutions being used by thousands of schools and universities across India, US, UK, Middle East and Africa.

#### PROSPECTS IN THE INDIAN EDUCATION SECTOR

It is my firm belief that the Indian Education Sector (IES) is at an inflection point. It is expected to grow at a strong pace over the next few years. 64.3% of the population of India is between the age group of 15-64 years and it is expected to grow to 72% by 2021. At the household level, education is fast gaining importance in line with rise in income levels. Share of education in total household spending is estimated to increase to more than 9% by FY '25 from 5% at present.

#### LANDMARK ACHIEVEMENTS

ICT in Government schools has made a significant contribution towards revolutionising teaching and learning platforms in government schools in India. I am happy to state that at CORE, we witnessed an unprecedented year which saw us bag contracts for over 9,000 schools under the ICT projects in India. This not only is a testimony for CORE's exemplary implementation track record with Governments across the world but also a platform to deploy CORE's Total School Quality Improvement Systems in these schools. In what I believe to be a major milestone, CORE has been mandated to deploy School Quality Enhancement Programs at 60 Navodaya Vidyalaya Samitis and 25 Kendriya Vidyalaya Sangathans. This could pave

the way for its implementation across all other Government schools in the country.

#### OUR FOCUS FOR THE FUTURE

I believe that the next wave of explosive growth for CORE will come from India and other emerging markets. With a unique offerings portfolio catering to the entire continuum of education, CORE is uniquely poised to build new paradigms in Education. To reflect the current business activities appropriately the Board has decided to change the name of the Company from "CORE Projects & Technologies Limited" to "CORE Education & Technologies Limited", which is being placed before the members for their approval. In what we see as a culmination of our experience, expertise and efficacy in offering educational solutions, we look to establish Institutes of Excellence in K-12 and Higher Education segments.

I would like to thank each and every one of you for your continued support in this exciting journey of growth and value creation around the world as we **Teach, Learn, Assess and Govern - The CORE way.**

Best wishes

Sanjeev Mansotra  
Chairman

# EDUCATION 3.0 ADDRESSING EDUCATION NEEDS OF THE FUTURE

Paper charts, blackboards, maps, and models made for all the illustrative tools employed in the classroom less than two decades ago. Today students learn with 3D characters, wikis, and videos. This paradigm shift in education is revolutionizing teaching and learning methodology. India has witnessed the emergence of Education 3.0 with a large focus on communication, collaboration, and technology advantage.

CHARACTERISTICS	EDUCATION 1.0
Role of the teacher	Source of knowledge
Content	Traditional copyright materials
Learning activities	Traditional approach; essays, assignments, tests, some group work within classroom
Institutional arrangements	Campus-based with fixed boundaries between institutions; teaching, assessment, and accreditation provided by one institution
Student behaviour	Largely passive absorption
Technology	E-learning enabled through an electronic learning management system and limited to participation within one institution

EDUCATION 2.0	EDUCATION 3.0
Guide and source of knowledge	Facilitator of collaborative knowledge creation
Copyright and free/open educational resources for students within discipline, sometimes across institutions	Free/open educational resources created and reused by students across multiple institutions, disciplines, nations, supplemented by original materials created for them
Traditional assignment approaches transferred to more open technologies; increasing collaboration in learning activities; still largely confined to institutional and classroom boundaries	Open, flexible learning activities that focus on student creativity; social networking outside traditional boundaries of discipline, institution, and nation.
Increasing collaboration between universities (also international); still one-to-one affiliation between students and universities	Loose institutional affiliations and relations; entry of new institutions that provide higher education services; regional and institutional boundaries breakdown
Passive to active, emerging sense of ownership of the education process	Active, strong sense of ownership of own education, co-creation of resources and opportunities, active choice
E-learning collaborations involving other universities, largely within the confines of learning management systems but integrating other applications	E-learning driven from the perspective of personal distributed learning environments; consisting of a portfolio of applications

With opportunities in the education technology domain on the rise, we at CORE have already begun to tread the path of change. As illustrative examples of our endeavours spreading education, we present to you the stories of how we have begun to make a difference in the education landscape in India.

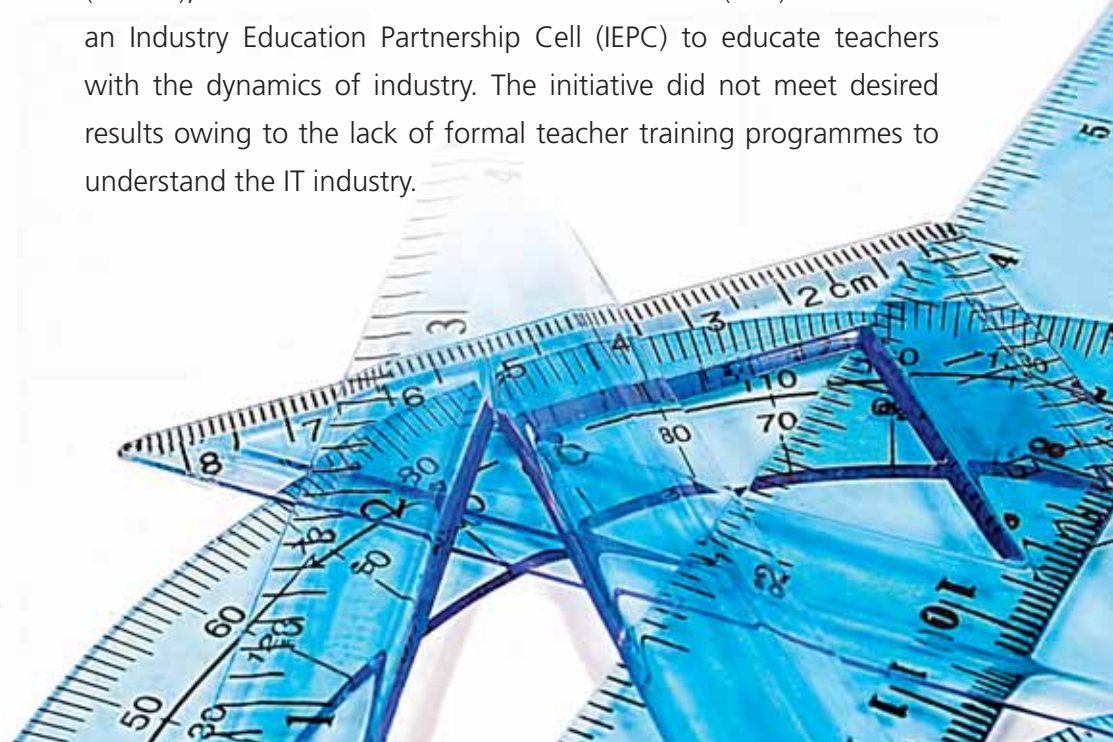
Redefined

# TEACHING AT POLYTECHNICS AND ENGINEERING INSTITUTES

Polytechnic and engineering colleges appoint lecturers who are themselves fresh post-graduates. With no practical exposure, and a theoretical style, nuances of on-site experience go amiss.

Owing to purely theoretical settings, and the handicap of near-nil fundamental concepts, graduate entry trainees are less capable of being immediately absorbed in mainstream projects.

To meet the talent deficit in remote and semi-urban areas as well as small towns, in Maharashtra, the Maharashtra Economic Development Council (MEDC), Maharashtra State Board of Technical Education (MSBTE), and Directorate of Technical Education (DTE) established an Industry Education Partnership Cell (IEPC) to educate teachers with the dynamics of industry. The initiative did not meet desired results owing to the lack of formal teacher training programmes to understand the IT industry.



IT GAVE ME MORE IDEA ABOUT  
**REAL WORLD** TECHNOLOGIES AND  
THE DIFFERENCES BETWEEN  
THEORIES AND PRACTICAL.

**-Ms. Poonam S. Waghchaure,**  
Lecturer IT, From  
Muchhala Polytechnic, Thane

CORE is the first of its kind in India to devise a comprehensive training programme (in partnership with MEDC / MSBTE) to train precisely this group of teaching faculty. Our Teaching and Learning modules (each consisting of 15-20 lessons) interlace live industry instances to illustrate phase-wise industrial nitty-gritty.

Post training, faculty members have felt to be better equipped to take classroom interactions beyond the textbook. In turn, their students display more hands on knowledge in technical jobs.

# Redefined K-12 EDUCATION SYSTEM

Conventional school teaching assumes every child to be the product of an assembly line. It disregards individual learning capabilities and leanings. A child's inclination to go to school is inversely proportionate to his or her mounting difficulties in learning.

The spotlight remains fixed on top performers; those struggling with learning blocks are sidelined as 'average'. The education path remains unvarying – pupils must conform to its rigours. There is no room for individual speeds of absorbing knowledge and interests.

At CORE, we recognise individual paces of progress. To us, it is important that solutions tackle specific challenges and are not based on generic assumptions. When we formulate school improvement programmes, the methodology ensures that instructors take into account drawbacks as well as strengths of every pupil – so that learning is fun and not a quandary.

CORE interventions in JJ school, Parel, Mumbai, is one such example of improvement in teaching & learning process. It involves enabling the teachers to focus on students learning, rather than just teaching method. The students are exposed to reading strategies and even the senior KG students are now found to speak a few sentences in English. There is renewed interest among the staff and parents of the children in the school to see more progress this year. With a specialist stationed at the school for the duration of a year, there is always a point of reference for teachers to seek guidance and support.



CORE's efforts have resulted in students becoming more aware, concerned, and responsible. They display greater confidence and clarity in decision-making, with a view of their long-term goals.



**THE PROGRAMME HAS IMMENSELY HELPED **TEACHERS** TO PLAN THEIR LESSONS BETTER.**

**Ms. Bhavanagari,**  
Education Director, JJ School Trust

**THE ATTITUDE OF THE TEACHERS HAVE CHANGED.**

**Mrs. Marukh Kotwal,**  
Principle, JJ School, Parel, Mumbai





# Redefined INDIA'S EDUCATION PENETRATION

Sarva Shiksha Abhiyan (SSA) or the Education for All programme is the Indian Government's time-bound flagship initiative to universalise elementary education. For its implementation, partnerships have been forged with state governments to address the needs of 192 million children in 1.1 million locations across India. A constant hurdle that hampers the Government's efficiencies is data collection related to the lack of education penetration.

Despite comprehensive efforts by Government agencies and NGOs, certain areas remain a challenge:

- Reasons for school dropouts
- Collating demographic; gender-based; social and economic data about the population
- Identifying issues of the minority, children with special needs and addressable populations
- Fund allocation for various beneficiary schemes, like midday meals, by preventing data duplication

The liberty of decentralisation often presents procedural inconsistencies and slows the process of statistics-collection, and preparation of the final reports. Final data, when published, is obsolete in context of the actual situation due to time lags.



**CORE PROJECTS & TECHNOLOGIES LTD., MUMBAI, IS HELPING US IN DEFINING AN END-TO-END SOLUTION BY DEPLOYING THE **WEB-BASED CHILD TRACKING SYSTEM (CTS)**. WITH THE IMPLEMENTATION OF THIS PROJECT, THE STATE WILL BE ABLE TO TRACK AND SUPPORT MORE THAN 50 LAKH CHILDREN, WHICH WILL FACILITATE THE OBJECTIVE OF RIGHT TO EDUCATION.**

**L.S. Changsan,**  
IAS, Mission Director, SSA Assam

CORE's unique Child Tracking Software (CTS) enables Governments to overcome this problem. The software digitizes survey data and creates a unique ID to identify and classify children on various parameters. A web portal makes information easily accessible.

The CTS portal is based on centralized architecture that takes into account every state, and includes the minutest details.

This level of comprehensiveness renders higher usefulness for analysis. CORE has made possible for the Government to take data-driven decisions for policy framing to address specific problems.

# MILESTONES OF ACQUISITIONS

Since inception, we have made some strategic acquisitions to enhance our capabilities and extend our reach in the global arena. We chronicle the growth trajectory over the years.

## 2005

### **Enterprise Computing Services Inc., USA**

- Education, Healthcare and BFSI Products
- Started focusing on Education

## 2006

### **Software Technical Services Inc., USA**

- Consulting and project Management Services

## 2007

### **Emacs Technologies, Inc. USA**

- ERP & ITeS Consulting

### **Aarman Inc., USA**

- ERP & SAP Implementation



# 2007

## **KC Management Group, USA**

- > IT products for Education Sector

## **Virtual Learning Business of Azzuri Communications, UK**

- > Learning Management Systems

## **Symbia Ltd, UK**

- > Consulting and Training

## **Hamlet Computer Group Ltd., UK**

- > Assessment System

# 2009

## **K-12 Division, The Princeton Review Inc., USA**

- > Assessment Product for K12 segment

# 2010

## **Technical Systems Integrators LLC**

- > System Integration and Cloud Computing for K12

## **The Employment Store & Partners 4 Growth**

- > Professional Development in Higher Education

# 2011

## **ITN Mark, UK**

- > Teacher Placement and Training

# REVIEW OF OUR GLOBAL OPERATIONS

## USA

CORE Education and Consulting Solutions Inc., a Wholly Owned Subsidiary of the Company in the US, provider of Assessment and Intervention Solutions is also an educational publisher and consulting partner, which provides technology-based products, services, and professional personnel assets for schools, state departments of education, institutions of learning, and select businesses.

**K-12 Education** has carved a niche for itself through its groundbreaking innovations in diagnostic assessment, making use of the very latest in psychometric applications and research-based instructional materials for challenged learners.

## OUR EDUCATIONAL EXPERTISE

- > K-12 education
- > Consulting and staffing
- > Career skills development
- > Advanced technologies

PRODUCTS	CLIENTS
Assessment Center – AC3	Los Angeles Unified School District
AC3- the Online Platform	Pasco County School system
AC3- the Item Bank	Orange Co Public School District
AC3- Reports	Region 13 Ed Service Center
AC3- Implementation Models	Rockwall Ind School District
AC3- Assessment Data	Berendo Middle School
Warehouse	Palmyra Area School District
iP Growth	Miami-Dade Co Public School District
PsyStat	North Carolina Department of Public Instruction
Psychometric Services	Michigan Office of Special Education
	Georgia Department of Early Care and Learning
	Maine Department of Education
	Virginia Dept of Education
	Texas Education Agency

**Consulting and staffing** address the needs that related to the human capital market of US, It addresses the education staffing needs for optimizing efficiency, data capturing and enhanced educational experience.

ACHIEVEMENTS	NEW INITIATIVES/PRODUCTS	CLIENTS
<p><b>Acquisition:</b> In July 2010 CORE ECS acquired The Employment Store, a contract staffing and recruiting organization that focuses in providing services to Higher Ed, K12, and selected corporate clients mainly in Healthcare.</p> <p><b>Consolidation:</b> Merging the CORE BCS division and TES into a newly formed division CORE Consulting and Staffing in January 2011.</p>	<p>Launched a new services offering tailoring to higher end IT and technical placements in schools, colleges and select corporate clients.</p> <p>Penetrated new markets in Boston, MA, Princeton and New Jersey with the purpose of recruiting and contract staffing service to these new geographies.</p>	<p>The following clients signed contracts in FY2011</p> <ol style="list-style-type: none"> <li>1. Rochester City School District</li> <li>2. City of Rochester</li> <li>3. City of Rochester (PRIME II)</li> <li>4. RochesterWorks</li> <li>5. Thermo Fischer Scientific</li> <li>6. Chicago Public Schools</li> <li>7. D2M</li> <li>8. Enerpath</li> <li>9. Benefits Resource Group</li> <li>10. North American Breweries</li> </ol>

## CORE CAREERS BACKGROUND

**Career Skills Development** is the evolving division of K-12 Education that is actively researching and developing products for high school students and young adults. First in the online internet based Career Tech Education Space, with nine variations of customisable and comprehensive programs to suit industry demands, it holds certification from 41 of the most prominent industries. These multi-faceted qualifiers put us ahead of competition in building pathways to help students reach their goals.

- > BLENDED CURRICULA
- > VIRTUAL CURRICULUM
- > CAREER ACADEMIES AND CENTERS
- > DROPOUT RECOVERY\*

\*To be launched in the fall of 2011.

**Advanced Technologies** is one of the leading players in the realm of educational products and services that specializes in cloud computing, e-learning technologies, computer hardware, networking, visualization, help-desk and audio-visual.

ACHIEVEMENTS	OPPORTUNITIES	PRODUCTS	CLIENTS
<p>Acquisition of TSI (hardware products reseller and major provider of services to Dell and Dell clients)</p> <p>Cloud Based Computing to school systems through the VBlock1 technology from VCE, a consortium based on products from Cisco, VMware and EMC.</p>	<p>Channel program for "white box" services, Development of an E-Rate program, Expansion of the Asset Recovery business and Consolidation of Datacenters</p>	<p>Service Practices, 3D mobile cart</p>	<ul style="list-style-type: none"> <li>-Cobb County Government, Georgia</li> <li>-Downingtown Schools, Pennsylvania</li> <li>-Evansville Schools, Indiana</li> <li>-Richland County Schools, South Carolina</li> <li>-Cherokee County Schools, Georgia</li> <li>-Lexington County Schools, South Carolina</li> <li>-Bartow County Schools, Georgia</li> <li>-Walton County Schools, Georgia</li> <li>-Paulding County Schools, Georgia</li> <li>-Loudoun County Schools, Georgia</li> <li>-Douglas County Schools, Georgia</li> </ul>

## UK

CORE Education and Consulting Solutions (UK) Ltd., another Wholly Owned Subsidiary in the UK, was formed in September 2007 following the take-over of the education division of Azzurri Communication Ltd.

## EDUCATION CONSULTING AND SOLUTIONS MANAGEMENT CONSULTING AND SOLUTIONS EXAMINATION MANAGEMENT SOFTWARE SOLUTIONS

**Education Consulting and Solutions** specialize in SharePoint consultancy and design. The solutions range from Parental Engagement Portals to full content management and lesson planning systems.

**Management Consulting and Solutions** provide dynamic and innovative offerings that result in excellent performance and enhanced execution.

**Examination Management Software Solutions** are comprehensive, reliable and cost-effective solutions for assessment management system.

## CORE OPPORTUNITY

**MANY SCHOOLS HAVE SOUGHT ACADEMY STATUS IN RECENT TIMES FOR ADDITIONAL FUNDING. CORE ECS HAS TAKEN ADVANTAGE OF THIS SITUATION AND INTRODUCED A LINE OF PRODUCT OFFERINGS IN THIS ARENA.**





# VALUABLE TIE-UPS



## The University of Oxford – teacher training

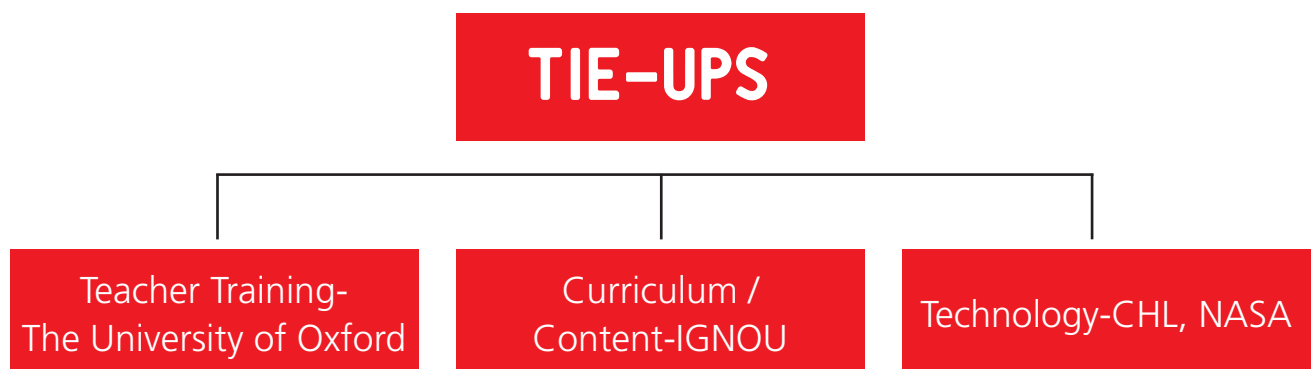
Teacher training and finishing schools would become critical, and vital to the success of the Sarva Shiksha Abhiyaan (SSA), the Rashtriya Madhyamik Shiksha Abhiyaan (RMSA) and the model schools programme. To serve this purpose, CORE entered a collaboration with The University of Oxford, UK, for teacher capacity building and enablement in India.

## Centre for Higher Learning (CHL) – NASA

CORE has tied-up with the Center for Higher Learning (CHL) at NASA’s John C Stennis Space Center for training its engineering man power on 3D immersive technology. CORE has also set up four projected surfaces (three walls and the floor - FLEX) at Mhape, Navi Mumbai. FLEX permits users to walk through the 3D prototypes of situations that are difficult to comprehend in 2D and allows interacting in a virtual environment with the ability to do a “What If–” analysis.

## The Indira Gandhi National Open University (IGNOU)

CORE has signed a five-year (renewable) MoU with IGNOU to certify its e-content developed under IGNOU supervision for K12 (CBSE, ICSE, etc.) as well as for vocational training. This certification from IGNOU is one of CORE’s key differentiators when bidding for government projects.



# CORPORATE SOCIAL RESPONSIBILITIES

## SUSTAINING ACTIONS

CORE has been spreading the wings of education across diverse regions in India. It propagates 'Education for all', enhancing the process of imparting education in India. Being a pioneer in the field of education, it has constantly kept in touch with its humane side, as it nurtures young minds.

Aligned with its business activity, CORE had undertaken CSR initiatives in 2010-11 in the areas of supporting the physically challenged, supporting a charitable trust with education and training, and healthcare initiatives.

### The Standard Chartered Mumbai Marathon 2011

Along with SMILE foundation, the Marathon witnessed active participation from CORE employees as they successfully completed the corporate challenge category.



## Helen Keller Institute of the Deaf and Deafblind

Proactive support was conveyed towards the exhibition-cum-sale of the handmade items made by students of Helen Keller Institute of the Deaf and Deafblind. The exhibition was a huge success and this is the third consecutive year that CORE employees supported this noble cause by purchasing the beautiful items and supporting this event.



## Mission Career Academy

Mission Career Academy (MCA) was founded in 2009 as a public trust that is registered with the charity commissioner. This Academy operates in the districts of Ratnagiri and Sindhudurga in coastal region of Maharashtra.

It's broad objectives include:

- > Assisting education
- > Employability skills
- > Training
- > Healthcare assistance



CORE along with its association with MCA carried out the following activities:

### Education

MCA provides monthly scholarships to deserving economically deprived children. Students receive free textbooks and school bags as well. The students undergo various mock examinations that help them perform better in the Secondary School Certificate and High School Certificate examinations.

### Training

Various training initiatives have also been undertaken by MCA. Workshops and regular seminars on skill development are held to improve employability of youth. Training sessions are conducted for youth to attain jobs in railways and the banking sector.

### Health

CORE helped MCA procuring and deploying two ambulances in Ratnagiri and Sindhudurga, for the locals to access emergency medical facilities. MCA conducts regular blood donation and free eye check-up camps. Various health awareness camps are conducted to spread awareness about contagious diseases as well.

# PROFILE OF THE BOARD OF DIRECTORS



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## 1. Mr. Sanjeev Mansotra Chairman

Mr. Sanjeev Mansotra, aged 40, formed CORE Projects & Technologies in 2003 at the young age of 31. Over the years, he has demonstrated enormous vision to successfully establish successful business entities in the areas of Education, Wellness and Power. His leadership has resulted in CORE emerging as one of the biggest companies in the technology-aided education sector worldwide. Mr. Mansotra's ability to forge strategic alliances with key partners across the globe has led the company's efforts in bringing prominent names including The University of Oxford and Centre of Higher Learning, NASA, into India. He has led CORE to achieve several recognitions including being featured in Forbes Asia's list of "Best Companies under a Billion" and ranking 2nd

in Deloitte's "Technology Fast Growing 50 Companies - India 2007 Awards". Mr. Sanjeev Mansotra has also been listed among India's Most 'Value'able CEOs by Businessworld in 2010.

## 2. Prof. Arun Nigavekar Executive Director

Dakshina Fellowship holder of Rajaram College in Kolhapur and a SIDA Fellowship awardee, Prof Nigavekar, aged 69, is a renowned physicist and educationist with over 40 years in academics. He has contributed significantly to technology enhancement in the utility and quality of higher education and its internationalization – aptly therefore titled the father of the quality movement in higher education by the former President of India, Hon. Dr APJ Abdul Kalam.

Among the prominent positions that Prof. Nigavekar has held, are,

Vice Chairman and Chairman of UGC, Member of the Scientific Advisory Committee to the Cabinet, and Vice Chancellor of University of Pune.

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

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

## 3. Ms. Maya Sinha Executive Director

Ms. Sinha, aged 52, belongs to the 1981 batch of the Indian Revenue Service (IRS: IT). Of these, about 22

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

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

#### 4. **Mr. Nikhil Morsawala** Director- Finance

Mr. Morsawala, aged 51, a Chartered Accountant and a Certified Public Accountant (USA) 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 has worked with Taj Group of Hotels and HDFC Ltd. He is known to be extremely approachable, quick with problem solving, a great mentor and motivating team player.

#### 5. **Mr. Naresh Sharma** Whole-time Director

Mr. Sharma, aged 49, is a dynamic leader and a specialist in the Services & Hospitality segment with a career spread over two decades. An excellent people manager, he is extremely conscious and passionate of quality in customer services management.

#### 6. **Mr. Awinash Arondekar** Independent Director

Mr. Awinash Arondekar, aged 69, has served Bank of India, a leading Public Sector Bank, for nearly four decades. Rising from the ranks, he

served the Bank in various capacities in India and abroad. Some of the prominent positions held by him were, (a) Manager, Tokyo Branch, (b) Zonal Manager, Mumbai South Zone, and (c) General Manager, in charge of Priority Sector Credit. He retired from the Bank's service at the end of the year 2000 and was immediately placed in a financially impaired industrial undertaking, as Monitor of working capital by the consortium of its banks, for over two years.

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

#### 7. **Mr. S. S. Dua** Independent Director

Mr. Dua, aged 73, has more than 5 decades of experience. In his varied professional career, Mr. Dua has travelled extensively in his quest for knowledge and disseminating it. 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.

#### 8. **Mr. M. N. Nambiar** Independent Director

Mr. Nambiar, aged 71 belongs to the 1964 Batch of the Indian Revenue Service. He has held several assignments within and outside the Income- Tax Department. He was Director General of the National Academy of Direct Taxes – Nagpur and retired as Chief Commissioner of Income Tax, Andhra Pradesh, Hyderabad. He gained recognition for Best Performance in Revenue Collections 1993-1994, while serving as Commissioner of IT Karnataka Central Charge, which had exclusive jurisdiction over large group cases of suspected tax evasion.

Mr. Nambiar has attended various seminars and has completed a course for All India & Central Services Officers in "Organization Based Management" from Indian Institute of Management,

Bangalore. He also participated and has attended various courses on Taxation held by the National Institute of Public Finance and Policy, New Delhi.

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

#### 9. **Mr. K.C. Ganjwal** Independent Director

Mr. K. C. Ganjwal, aged 68, B.A. LLB and a Post Graduate Diploma holder in Personnel Management, is a former member of the Company Law Board (2003-2005). He is a practicing Advocate and Member of the Supreme Court Bar Association since 2005. He is also a member of the Indian Arbitration Council and FICCI. His previous assignments included various positions with the Government of India over 41 Years.

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

#### 10. **Mr. Harihar Iyer** Non-Executive Director

Mr. Iyer, aged 65, was a co-founder and chief executive of Enterprises Computing Services, Inc (ECS), an education company acquired by CORE Projects & Technologies. ECS, founded in 1993, was an Atlanta, Georgia-based education software products and services company specializing in state-wide compliance and administrative software solutions.

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

# VIEWS OF OUR SENIOR MANAGEMENT



In the 21st century world, where knowledge creation and innovation are key to success, our Education is transforming families, societies and nations; mainly because education is a tool to create and disseminate knowledge. The present century economies are looking for reliable and replicable solutions for cultivating young minds to face challenges of future. Each nation, advanced, emerging, and developing, desires to be in the forefront of knowledge linked economic revolution. What they are looking for is the possibility for anyone to access relevant and quality education, at any time, any place; this is the domain in which CORE would innovate and implement blended learning through the clever use of human ingenuity and technology.

**Arun Nigavekar,**  
Executive Director

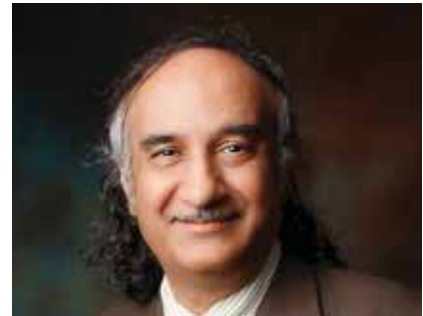


Education system has to redefine how we teach, learn, measure outcomes and provide appropriate governance. This is essential to equip new and old learners to be successful in this competitive and globalised economy.

Also in this digital era, in which people work, live and play in new ways, education has to build new models of providing relevant, enquiry driven and engaged learning processes that give new educational experiences for all.

I am very excited to see CORE building world-class new educational practices of Teaching, Learning, Assessment and Governance.

**Anshul Sonak,**  
President



With the emergence of a global and highly competitive new-knowledge based economy, the role of Higher Education is not simply tweaked and fine-tuned but also fundamentally redefined. The physical barriers to teaching have given a way to technology-based learning environment. Institutions will adopt innovative solutions that will change the way students learn, communicate, produce, collaborate and study both on and off campus solutions. "Campus Commons" will be the buzzword wherein the technologies can be showcased and explored. The Institutions will be re-inventing the spaces as innovation Centres where the faculty can integrate technology into curriculum or students can watch videos and work on projects. The Campus culture will undergo transformation wherein technical and information literacy continues to gain importance on campuses, ensuring that students, faculty are viable candidates in the global workplace.

CORE Higher Education will be leveraging the strength of CORE in establishing the International University which will be technology driven with an excellence in learning environment for aspirants through world class ambience, an environment to achieve an excellence in research for betterment of the society and an International institute which will add value to social, economic and national development.

**Dr. N.M. Kondap,**  
President,  
Higher Education



It is time now to redefine both within the U.S. and around the world, a new curriculum and commitment to helping every student to be both college ready and career prepared. In this direction, CORE Careers has designed a new, technology driven, global career curriculum that leads to certification in a wide range of industry sectors.

CORE Careers is the next generation of Career Technical Education. Our curriculum is an easy blend of the "state-of-the-art" interactive, online instruction with the "hands-on," performance-based clinical experience necessary for certification. It also recognizes and adapts to the ever-changing technological revolution in the workplace, guaranteeing that the CORE Careers students are prepared for current and emerging workplace demands. Whether it is predicting economic and work place trends, designing career facilities, teaching career readiness, providing online industry assessments or building strong job certification curriculum, CORE Careers has developed the educational technology products and expertise that redefine how we train youth for exciting and important new careers.

**Robert (Bob) Collins,**  
Senior Vice President,  
Technology and Marketing



At CORE, we aim to reshape the landscape of the educational environments in which today's students learn. Through innovation and dedicated research, CORE opens opportunities for students to engage in thought-provoking, skill-enhancing experiences that rely upon advances in technology. Leveraging the technology already familiar and intuitive to students, like mobile devices, CORE is on the frontier of exploring how students can learn through playful experimentation inside a virtual world. For the 21st century learner this means experiencing the pleasure of creative expression in contrast to the redundancy of routine memorization. For the second language learner and special education student this means new vistas for acquiring math and science education; for the college bound student this means empowering habits of mind that permit creative explorations of subject matter. At CORE, we are also advancing the role of assessment within the educational process by providing industry-leading assessments that measure growth and presenting actionable data that describes the path of student learning.

**Dr. James Ashby,**  
Assessment and Research &  
Chief of Psychometrics, CORE K12



The UK education market place is undergoing significant challenge and change as a result of the Governments 2010 Capital Spending Review; despite this CORE's UK education services and solutions businesses continue to deliver effective and efficient strategic solutions to schools and local authorities. Our embedded relationships with all of our clients have enabled us to respond positively to the high value opportunities that are emerging in our keys areas of competence such as software support and strategic staffing solutions. New client acquisition continued to show steady growth in 2010 with the CORE UK business now supporting over 2000 state schools in England and Wales, our industry unique school partnership service initiative has now evolved to support 600 cluster-based schools in four of the UK's largest and most challenging regions. This growth contributed in our staffing business being awarded the prestigious best Public Sector Recruitment Agency in 2010. The key operating objectives for 2011 will be to generate a higher level of service offering and integration across all of CORE UK's clients and to seek organic and acquisitive growth opportunities; also to ensure that CORE's UK education services and solutions offerings are line with the trends and needs of the education sector.

**Eddie Austin,**  
Managing Director,  
ITN Mark Education

# Directors' Report

Dear Members,

Your Directors have pleasure in presenting the 26th Annual Report on business and operations of your Company along with the audited financial statements for the year ended 31 March 2011.

## RESULTS OF OPERATIONS

( ₹ in Million)

	Consolidated		Standalone	
	2010-11	2009-10	2010-11	2009-10
Income from Operations	10,912.29	8,469.81	5,155.92	4,179.52
Other Income	155.76	89.38	142.59	85.78
Variation in Inventory	444.44	95.64	107.84	138.34
Expenses	8,793.86	6,578.82	3,886.04	3,041.99
Profit Before tax	2,718.62	2,076.00	1,520.31	1,361.65
Less: Provision for tax (current)	447.35	332.27	262.13	221.72
Provision for tax (deferred)	21.17	21.50	21.17	21.50
Profit after Tax	2,250.11	1,722.24	1,237.01	1,118.43
Add: Balance B/F from Previous Year	3,832.94	2,301.07	2,124.04	1,195.98
Excess/Short Provision for Earlier years	-	(5.65)	-	(5.65)
Profit Available for appropriations	6,083.05	4,017.66	3,361.05	2,308.76
Debt Redemption Reserve	0.35	-	0.35	-
Transfer to General Reserve	125.00	112.00	125.00	112.00
Proposed Dividend	65.49	62.16	65.49	62.16
Provision for Taxes on Dividends	13.05	10.56	13.05	10.56
Balance C/F to Balance Sheet	5,879.16	3,832.94	3,157.16	2,124.04

### Overview:

The growth during the year under review was satisfactory. On a consolidated basis, your Company achieved a Total Operating Income of ₹ 10,912.29 million registering a growth of 28.84% as compared to ₹ 8,469.81 million during the previous financial year. Similarly, Profit Before Tax was ₹ 2,718.62 million with a growth of 30.95% as compared to ₹ 2,076.00 million during the previous financial year. Profit After Tax was ₹ 2,250.11 million with a growth of 30.65% as compared to ₹ 1,722.24 million during the previous financial year.

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.



### Dividends & Appropriations:

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

- (i) to those beneficial owners, holding shares in electronic form, whose name appear in the statement of beneficial owners furnished by the Depositories to the Company as at the close of business hours on 3 August 2011.
- (ii) to those Equity Shareholders, holding shares in physical form, whose names appear on the Register of Members of the Company at the close of business hours on 3 August 2011 after giving effect to all valid transfers in physical form lodged with the Company or its Registrar and Share Transfer Agent till 3 August 2011.

The dividend above, if approved by the members would involve a cash outflow of ₹ 66.28 million (as on the date of this report) and dividend tax of ₹ 13.05 million.

The Register of Members shall be closed from 4 August 2011 to 11 August 2011 (both days inclusive), for the purposes of payment of dividend and for the Annual General Meeting proposed to be held on 11 August 2011.

### Transfer to Reserves:

The Company proposes to transfer ₹ 125.00 million. (Previous year ₹ 112.00 million) to the General Reserve. An amount of ₹ 5,879.16 million (Previous year ₹ 3832.94 million) has been proposed to be retained in the Profit and Loss Account on consolidated basis.

## OPERATIONAL HIGHLIGHTS

### Domestic Operations:

#### ICT@CORE

A major milestone in the history of the Company was recorded by bagging one of the largest education projects valued approximately ₹ 2,950 million from the State of Haryana for implementing ICT (Information & Communication Technology) covering 2,622 schools

**The Company achieved yet another milestone by bagging one of the largest ICT implementation project in Haryana valuing approximately ₹ 2,950 million**

which will benefit 5 million students across 21 districts in that State. This project is expected to augment the focus of the Government to improve the quality of education in schools by ushering in enhanced use of technology. The project envisages use of computers and bio-metric devices to enhance delivery of quality education in the schools and to monitor student and teacher performances. We will also develop software to support monitoring and evaluation of teachers and students for the State's Education Department including asset and maintenance management system and help desk facility at the State level.

Our Company has also bagged a contract from the Govt. of Maharashtra under the ICT@Schools Phase 2 program covering 947 schools across the three districts of Mumbai, Pune and Kolhapur. The contract, which will extend over a period of 5 years from the date of its commencement, is valued at ₹ 1,200 million.

We also successfully commissioned the ICT project with the State of Nagaland.

Another project with the Government of Gujarat was signed for implementing Computer Aided Learning (CAL) for 645 Schools valued at about ₹ 264 million covering 645 schools across south Gujarat for a period of 5 years. This project involves setting up Computer Aided Learning in Secondary and Higher Secondary schools and supply of hardware, software, manpower services including Teachers' Training and maintenance of systems.

We also signed a contract for providing Child Tracking System (CTS) with the Assam State Government under the Axom Sarba Siksha Abhijan Mission. The project includes providing bi-lingual CTS application and supply of ICR survey forms, household survey training,

converting the data digitally and providing support and maintenance for 1 year.

Similarly, we have entered into a contract with the Government of Tripura to provide a Learning Management System (LMS) and for developing 100 hours of content in English and Bengali.

#### CORE K12 Schools

We are initiating many activities under this domain with many small projects being implemented with quality products and solutions. This is a major step for the Company to create its niche in the domestic market, by leveraging its overseas experience and expertise. We have undertaken a pilot project for implementing school ERP and maintenance for Navodaya Vidhyalaya Samiti, under the Ministry of HRD, Department of Education.

We are commissioning a pilot project for Kendriya Vidyalaya Sangathan for implementing Quality Improvement Programs and School ERP products, implementing Assessment Centre and providing e-learning contents for 25 Kendriya Vidyalayas. Similar products and services are also provided to Navodaya Vidyalaya Samiti, under the Ministry of HRD covering 64 schools.

We plan to establish a chain of CORE K12 schools in next few years. These schools will be established in accordance with existing regulations and affiliated to various streams like IB, ICSE, CBSE, etc. These schools would aim to provide quality education clubbed with special focus on sports, arts and other activities, which would not only enable the students for preparing themselves for better prospects' in their career but also to explore the students' hidden talent.

#### CORE Higher Education

We were awarded a contract by the National Project Implementation Unit (NPIU), under the ministry of HRD for providing MIS for monitoring technical education quality improvement program for 200 Engineering Colleges, setting up data center for hosting MIS, provide MIS training for 1,200 users and maintenance for 5 years.

Similar to the schools, we also plan to establish private universities for Management Studies, Engineering & Technical. With the passing of Private Universities Bill

We have undertaken a pilot project for implementing school ERP and maintenance for Navodaya Vidhyalaya Samiti, under the Ministry of HRD, Dept. of Education.

by some States, we believe, this would be another big opportunity for CORE to help the students to imbibe quality higher education.

#### CORE Skill Development:

##### *Vocational Training:*

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

Under the vocational training initiatives, your Company received a mandate to assist the Delhi Police to equip its personnel with latest IT Skills for approximately 2000 policemen with the basics of IT. This initiative will be a part of Crime & Criminal Tracking Network & System (CCTNS) program which Delhi Police has undertaken to curb crime in the city. The CCTNS is a comprehensive system designed to facilitate collection, storage, retrieval, analysis, transfer and sharing of data and information between police stations and the State and Central Police Organisation.

The Company also signed MOU with Gujarat Knowledge Society to impart job-oriented skill up-gradation courses to students from various disciplines in colleges across Ahmedabad and Surat districts. This is a significant step towards educating and enhancing the employment potential of youth in Gujarat. The courses will be offered across 18 verticals covering 400 colleges to cater to a student population of about 100,000. We also received approval from the Ministry of Higher & Technical Education, Maharashtra, for establishing Industrial Training Center (ITC) in Navi Mumbai. This initiative will focus towards skill capacity

building and plans to address the challenges of skilled manpower in the country by producing trained workforce through a delivery mechanism for industry relevant training programs. The courses to be provided will follow the National Council for Vocational Training (NCVT) in accordance with the guidelines issued by the respective Governments.

#### *Teachers' Training, Capacity Building:*

Your Company has already signed a MOU with the University of Oxford for enabling Teachers Capacity Building and for Training Teachers in India. This path breaking collaboration with the University of Oxford is 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 USD one billion. This collaboration with Oxford University is the first ever private sector initiative in the field of teacher enablement in India. The Company has already commenced leveraging this association in the domestic market and will see more developments in this regard in the immediate future.

### **OVERSEAS OPERATIONS:**

#### **USA Operations**

During the year under review, CORE Education & Consulting Solutions Inc., USA, one of our main wholly owned subsidiaries in the US reported a turnover of USD 125.87 (₹ 5,725.33 million) showing an increase of 19.65% over the previous year. Profit After Tax was USD 16.95 million (₹ 771.07 million) showing an increase of 41.40% over the previous year.

### **ACQUISITIONS**

#### **Acquisition of TSI:**

Going ahead with the trend of inorganic growth, during the year under review the Company through its subsidiaries in the US acquired Technical Systems Integrators LLC (TSI), a Georgia based Education Solutions Company and Keenan, Keenan & Associates Inc., and a New York based Education Consulting Company.

TSI, in operation since 2002, provides Education Solutions and IT services, with primary focus on the sales, delivery, installation and management of advanced technology assets towards the K-12 and Higher Education markets. TSI assists customers in Cloud Computing, Virtualization, selecting systems, designing networks, integrating with educational infrastructure, planning and managing networks and other infrastructure projects from concept to completion.

The Company is also into providing Asset Recovery and Disaster Recovery Solutions to the Education sector. The delivery of world class solutions is enabled by TSI's partnerships and alliances with companies like Cisco, Dell, Intel, Microsoft, Nortel and Montana State University. TSI is also certified with Solution Providers like J D Edwards, SAP, Oracle and PeopleSoft, enabling seamless delivery of solutions across the entire functional spectrum of its customers. TSI is both a reseller of hardware products and a major provider of services to Dell and Dell clients. TSI has been a major part of the foundation for our strategy.

TSI's focus on the K-12 and Higher Education markets covers 100 districts across 25 States in the US, including California, Florida, Maine, Montana, South Dakota, Texas and Virginia. From the University of Georgia, to Kaplan University in eight states, to the state of Oregon school system, the customer base exceeds 500 educational institutions and companies.

#### **Acquisition of Keenan & Keenan Group:**

Keenan, Keenan & Associates Inc., based in New York, and operating under the business name 'The Employment Store', together with Partners4Growth Inc., provides highly skilled and specialized resources, with primary focus on providing trained consultants and staff to educational institutions. The Company offers a range of services such as Project Management, High Technology Services, Business Consulting, Process Re-engineering, Special Education Consulting, Para Professional Consulting and Adjunct Services like Logistics, Transportation Management and Nutrition Management.

In operation since 1981, the firm supervises the activities of as many as 500 active consultants in a

wide range of K-12 and Higher Education Institutions and other business corporations. Prominent Education Clients of Keenan Group includes University of Rochester, Eastman School of Music, University of Rochester School of Medicine and Dentistry, Rochester Institute of Technology, National Technical Institute for the Deaf, State University of New York Geneseo, Rochester City School District, VWR International (The US's leading distributor of scientific supplies, lab ware and educational aids to K12 and Higher Ed). KKG also serves a number of key clients in other verticals, such as healthcare and pharmaceuticals.

### UK OPERATIONS

During the year under review, CORE Educaton & Consulting Solutions Inc, UK, one of our main Wholly Owned Subsidiaries in the UK, reported a turnover of GBP 6.87 million (₹ 488.15 million) showing an increase of 9.31% over the previous year. Profit After Tax was GBP 1.33 million (₹ 94.42 million) showing an increase of 36.13% over the previous year.

#### Acquisitions:

In May 2011, the UK subsidiary acquired ITN Mark Education Ltd.; a UK based Education Solutions Company which is a national provider of supply teachers and teaching assistants. It contributes towards the ultimate goal of making teaching globally competitive in each and every sector and is focused on imparting industry relevant training to the teachers.

ITN is one of the leading providers of supply teachers and teaching assistants in England & Wales to primary and secondary schools. It also provides educational consulting services to academies and local authorities. It is 8th largest in size with a 5% market share of a total market of GBP 430 million (supply teachers and teaching assistant business). It also has a specialized Educational Consultancy Services division that works with larger client groups such as education authorities, school clusters, academies, private sector education providers and a range of other educational institutes.

ITN Mark was acquired from Ochre House Limited, the recruitment outsourcing and talent management business backed by NBGI Private Equity.Changes in Capital Structure

**In May 2011, Company acquired the UK-based ITN Mark Education Ltd, a national provider of supply teachers and teaching assistants.**

#### Authorised Share Capital:

The Authorised share capital of the Company was increased from ₹ 300 million (comprising of 150 million equity shares of ₹ 2 each) to ₹ 500 million (comprising of 250 million equity shares of ₹ 2 each) at the previous Annual General Meeting.

#### Allotment of equity shares against conversion of Warrants:

Pursuant to the approval received from the members at the Extra Ordinary General Meeting of the Company held on 31 October 2009, the Company in accordance and compliance with the Securities & Exchange Board of India Issue of Capital and Disclosure Regulation, 2009, issued and allotted on preferential basis, 1,00,00,000 (One crore) Warrants to CORE Infrapower Limited, forming the part of Promoter Group entitling the Warrant-holder to apply for equivalent number of equity shares of ₹ 2/- each at a price of ₹ 185/- per share (including a premium of ₹ 183/- per share) to be exercised over a period of 18 months from the date of its allotment. In the previous year 2009-10, 48,00,000 shares of ₹ 2/- each were allotted on exercise of the equivalent number of Warrants and during the year under review, the balance Warrants constituting 52,00,000 were exercised and equivalent number of shares of ₹ 2/- each were allotted, to the said entity. With this all the outstanding warrants were fully exercised and against which equivalent number of equity shares were allotted.

#### 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 8 April 2007. As on 1 April 2010,

out of the total issue of USD 80 Million Zero Coupon FCCB's bonds worth USD 10 million were outstanding for conversion. During the year under review the entire outstanding FCCB's aggregating USD 10 million were converted and the Company allotted 4,926,380 equity shares of ₹ 2 each at a premium of ₹ 80.86 per equity share. With this allotment, the entire issue of USD 80 million Zero Coupon Foreign Currency Convertible Bonds, were fully converted.

Pursuant to the approval received from the Members at the 24th AGM held on 24 September 2009. The company had launched and priced the issue of USD 60 Million 7% Convertible Bonds with an upside option of USD 15 million, convertible into ordinary / equity shares of the Company. The issue was fully subscribed and closed on 6 May 2010, with an aggregate issue of USD 75 million. The Bonds mature over a period of 5 years and 1 day with the maturity date 7 May 2015. The Bonds carry YTM and coupon of 7% p.a. The initial conversion price of the said bonds, was fixed at 10% premium over the reference share price of ₹ 247.09 calculated in accordance with the applicable rule and regulations governing the issue, under the guidelines issued by the Reserve Bank of India and the Securities and Exchange Board of India in this regard, which works out to ₹ 271.80. The fixed exchange rate for the issue was USD 1 = ₹ 44.43. During the year under review, bonds worth USD 217,000 were converted against which the Company had allotted 35,472 equity shares of ₹ 2 each at a premium of ₹ 269.80 per equity share. As on 31 March 2011 the end of the year, USD 74,783,000 bonds were outstanding for conversion. However during the period from 1 April 2011 till the date of this report the Company had further allotted 1,209,645 equity shares of ₹ 2 each against the conversion of USD 7,400,000 bonds at the applicable premium with bonds worth USD 67,383,000 outstanding as on the date of this report.

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

The Company introduced and implemented the CORE Employee Stock Option Scheme (the Scheme) in CORE ESOS 2007 and CORE ESOS 2009, in accordance with the Securities and Exchange Board of India (Employee

Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (the Guidelines). The detailed disclosure required under the relevant guidelines is attached herewith and forms part of this report.

During the year, 272,173 equity shares under CORE ESOS 2007 and 115,320 equity shares under CORE ESOS 2009, were allotted to the eligible employees/ Director.

Considering all the allotments above, during the year 2010 – 2011, the paid-up share capital of your Company stands increased from ₹ 197,192,582/- comprising 98,596,291 equity shares of ₹ 2/- each to ₹ 218,291,272/- comprising 109,145,636 equity shares of ₹ 2/- each.

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

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

As per the provisions of Section 212 of the Companies Act, 1956 (herein after referred to as 'the Act'), your Company is required to attach the Directors' Report, Balance Sheet, Profit and Loss Account and other information of the subsidiaries to its Balance Sheet. Government of India (Ministry of Corporate Affairs), vide General Circular 2/2011 dated 8 February 2011 has granted general exemption to all the companies from attaching to its Balance Sheet, the individual Annual Reports of all its subsidiary companies, as required under Section 212 of the Act, subject to Board approval and fulfillment of certain other conditions.

Your Directors believe that the audited Consolidated Accounts present a full and fair picture of the state of affairs and financial conditions of the Company and its subsidiaries, as is done globally. A statement pursuant to Section 212 of the Companies Act, 1956 relating to the Company's interest in subsidiaries is attached to the financial statement and forms part of this Report. The annual accounts of these subsidiaries and the related detailed information will be made available to any Member of the Company seeking such information and are also available for inspection by any Member of the Company at the Registered Office of the Company.

### BOARD OF DIRECTORS

As mandated by the Board, Mr. Sanjeev Mansotra, accepted greater responsibilities as the Chairman & Global CEO of the CORE Group and stepped down from the post of Managing Director of the Company, with effect from 1 April, 2011, which will entail and necessitate extensive travel across the Middle East, Asia-Pacific and the African region and other continents to explore business opportunities. Mr Mansotra continues to be the Chairman of the Board.

Prof. Nigavekar was appointed as an Additional Director by the Board on 15 April, 2011. At the recommendation of the Remuneration / Compensation Committee, the Board approved appointment of Prof. Arun Nigavekar as an Executive Director of the Company, at the Board meeting held on 26 May, 2011. Resolutions proposing appointment of Prof. Nigavekar as an Executive Director of the Company and the terms of his appointment have been included in the notice convening the 26th Annual General Meeting of the Company for your Consideration.

Ms. Maya Sinha is in association with the company since 14 May, 2010. At the recommendation of Remuneration / Compensation Committee, the Board approved appointment of Ms. Maya Sinha, as an Executive Director of the Company, at the Board meeting held on 10 June, 2011. Resolution proposing her appointment as an Executive Director of the Company and the terms of her appointment has been included in the notice convening the 26th Annual General Meeting of the Company for your Consideration.

## During the year, the Company acquired 'Technical System Integrators' and 'The Employment Store' in the US

We believe that the Company will be immensely benefitted with the appointment of Prof. Nigavekar and Ms. Maya Sinha as Executive Directors of the Company with their expertise in the areas of their operations.

Mr. K C Ganjwal, was appointed as an Additional Director in the Category of Non-executive Independent Director with effect from 26 June, 2011. A notice in writing under Section 257 of the Companies Act, 1956, has been received from a shareholder signifying the intention to propose Mr. K C Ganjwal, as a candidate for the office of Director. The proposed resolution has been included in the notice convening the 26th Annual General Meeting of the Company for your consideration.

In accordance with the provisions of the Act and the Articles of Association of your Company, Mr. Harihar Iyer & Mr. Naresh Sharma, Directors of your Company, are retiring by rotation at the ensuing Annual General Meeting of the Company and being eligible offer themselves for re-appointment, at the said Meeting.

Brief resume of the Directors proposed to be appointed, reappointed, nature of his expertise in specific functional areas and names of companies in which they hold directorships and memberships/chairmanships of Board Committees, as stipulated in Clause 49 of the Listing agreement with the stock exchanges are provided in the report on Corporate Governance forming part of the annual report.

### Directors' Responsibility Statement:

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

- (a) that in preparation of the Annual Accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;
- (b) that 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.

#### **HUMAN RESOURCE MANAGEMENT:**

COREans are the key resources of our company. The company has been able to create and continuously improve a favorable work environment that keeps engaging employees across levels.

Our HR is also actively involved in organizing other significant and well received employee engagement initiatives viz. CORE Cricket Premium League, CORE Football Tournament, CORE Annual Table Tennis and Carrom Tournament. We also celebrate Cultural event on various occasion on Independence Day – 'Colours of India', Picnics, Women's Day Celebrations etc.

To connect our employees in the CORE family across the globe, we started and launched 'CORE Connect', a bi-monthly magazine to share experience and other happenings across all our offices. This is an exciting platform that connects all the COREans on the latest happenings in CORE across the globe.

As the journey continues, CORE's HR policies and processes continues to be aligned to effectively drive its expanding businesses at a global level and make inroads into emerging opportunities. Initiatives further planned at reaching out to employees across levels as well as locations through training and engaging initiatives. Our

**To connect our employees in the CORE family across the globe we started and launched 'CORE Connect', a bi-monthly magazine to shares experience and other happenings across all our offices.**

human resources management process continuously keeps in pace with our business and we keep attracting and retaining high caliber employees.

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

#### **Credit Ratings:**

Company has been assigned A1 rating by ICRA for short term borrowings indicating highest credit quality. The Company was also rated 'CARE A+' by Credit Analysis & Research Ltd. (CARE) for long term borrowings/debts.

#### **BEST PRACTICES:**

Your Company continues to be an ISO 9001:2008 organization 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, in the Clause 49 of the Listing Agreement with Stock

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

The Chairman's declaration regarding compliance with 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.

#### **AUDITORS AND AUDITOR'S REPORT:**

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

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

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

#### **FIXED DEPOSITS:**

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

#### **EMPLOYEE PARTICULARS:**

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

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

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

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



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

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

**ACKNOWLEDGEMENTS:**

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

For and on behalf of the Board

Place: Mumbai  
Date: 10 June 2011

**Sanjeev Mansotra**  
Chairman

# Annexure to Directors' Report

## ANNEXURE I

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

### A) Details on Conservation of Energy

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

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

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

- Toughened glass windows to reduce infrared radiation.
- Effective management of ventilation to ensure acceptable air quality.

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

### B) Technology Absorption & Research & Developments

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

### C) Foreign Exchange Earnings & Outgo:

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

Total foreign exchange earned by the Company during the year under review was ₹ 1,777.06 million as compared to ₹ 1,569.51 million during the previous year.

Total foreign exchange outflow during the year under review was ₹ 257.97 million as against ₹ 14.99 million during the previous year.

**ANNEXURE II**

Disclosure pursuant to the provisions of Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 as on 31 March 2011

Sr.No.	Scheme-1 : ESOS 2007							Scheme-2 : ESOS 2009				
	14.06.2007	13.03.2008	22.05.2008	27.06.2008	31.07.2008	15.10.2009	12.08.2010	11.11.2010	11.02.2011			
1.	Date of grant	14.06.2007	13.03.2008	22.05.2008	27.06.2008	31.07.2008	15.10.2009	12.08.2010	11.11.2010	11.02.2011		
2.	Options granted	1,421,500	1,179,340	170,690	77,960	109,755	4,200,000	978,000	351,000	474,000		
3.	Pricing Formula	Exercise price shall be the latest available closing market price of the Equity Shares of the Company on BSE or NSE, where the highest volume of shares are traded, prior to the date of grant.										
4.	Price of the share in market at the time of option grant (₹)	136.80	204.85	222.75	181.45	214.70	192.00	261.90	306.30	267.50		
5.	Outstanding options as at 1st April, 2010 (Nos.)	708,790	532,145	122,890	17,500	34,255	3,783,500	N.A.	N.A.	N.A.		
6.	Options granted during the year ended 31 March 2011 (Nos.)	Nil	Nil	Nil	Nil	Nil	Nil	978,000	351,000	474,000		
7.	Options vested during the year ended 31 March 2011 (Nos.)	179,122	234,054	60,045	7,500	14,978	2,143,599	Nil	Nil	Nil		
8.	Options exercised during the year ended 31 March 2011 (Nos.)	251,561	7,161	3,100	10,076	275	115,320	Nil	Nil	Nil		
9.	Total no. of shares arising as a result of exercise of options (Nos.)	251,561	7,161	3,100	10,076	275	115,320	Nil	Nil	Nil		
10.	Options lapsed / surrendered during the year ended 31 March 2011 (Nos.)	98,522	109,890	8,400	2,274	4,300	692,025	205,500	31,000	17,000		
11.	Options in force as at 31 March 2011 (Nos.)	358,707	415,094	111,390	5,150	29,680	2,976,155	772,500	320,000	457,000		
12.	Variation of terms of options	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil		
13.	Money realised by exercise of options (₹)	34,413,544.80	1,466,930.85	690,525.00	1,828,290.20	59,042.50	22,141,440.00	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	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2	Refer Note 2
	ii) Employees receiving 5% or more of the total number of options granted during the year	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	iii) Employees granted options equal to or exceeding 1% of the issued capital	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

**ANNEXURE II (CONTD.)**

Disclosure pursuant to the provisions of Securities and Exchange Board of India  
(Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 as on 31 March 2011

Scheme-1 : ESOS 2007		Scheme-2 : ESOS 2009	
Sr.No.			
15	Diluted EPS on issue of shares on exercise calculated in accordance with AS 20 (₹)		
	i) Method of calculation of employee compensation cost	Intrinsic Value Method	
	ii) Difference between the employee compensation cost so computed (i) above and the employee compensation cost that shall have been recognized if fair value of options had been used.	₹ 206,507,908	
	iii) The impact of the difference on profits and EPS of the Company if fair value of options had been used for accounting Employee Options	Proforma Profit ₹ 1,030,504,097 and Proforma Basic EPS ₹ 9.98	
16	Weighted-average exercise prices and weighted-average fair value of options, exercise price of which is less than the market price on the date of grant shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock		
	i) Weighted average exercise price (₹)	136.80	204.85
	ii) Weighted average fair value (₹)	72.76	108.95
		222.75	214.70
		181.45	261.90
		192.00	306.30
		Type A - ₹ 115.37 Type B - ₹ 115.37 Type C - ₹ 118.76	Type A - ₹ 105.17 Type C - ₹ 119.18
17	Significant assumptions used to estimate fair values of options granted during the year		
	i) Risk free interest rate(%)	7.81	7.81
	ii) Expected life (years)	5	5
	iii) Expected volatility(%)	54.00	36.98
	iv) Dividend yield(%)	0.10	0.33
		7.24	7.44
		5	5
		73.64	31.91
		0.51	0.33
			7.75
			5
			33.13
			0.33

Note: 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	
Grant Date	14-Jun-10	13-Mar-08	22-May-08	27-Jun-08	31-Jul-08	15-Oct-09	12-Aug-10
Mr. Prakash Gupta	80,000	20,000	Nil	Nil	Nil	110,000	Nil
Mr. Kevin Howell	Nil	Nil	Nil	Nil	Nil	100,000	Nil
Mr. Shekhar Iyer	40,000	Nil	Nil	Nil	Nil	60,000	Nil
Mr. Sanjay Minocha	40,000	Nil	Nil	Nil	Nil	57,500	Nil
Mr. Vijay Kumar Malik	Nil	Nil	Nil	Nil	Nil	50,000	Nil
Mr. James Ashby	Nil	Nil	Nil	Nil	Nil	Nil	50,000
Mr. Bill Wallet	Nil	Nil	Nil	Nil	Nil	Nil	50,000
Mr. Robert Collins	Nil	Nil	Nil	Nil	Nil	Nil	50,000
Mr. Diane Bean	Nil	Nil	Nil	Nil	Nil	Nil	40,000

# Management Discussion and Analysis

## I. INDUSTRY STRUCTURE AND DEVELOPMENTS

Education sector has seen some major developments and a few trend changing impacts across the globe in the past year. Some landmark changes like the grant for special education, assessment in the US, the Right To Education (RTE) becoming law and putting the onus of providing education to every child in the country on the Government in India, the reaffirmation of the focus on education in post recession UK make for a bright picture for the future for this sector. This is also supported by one of goals of the United Nation under its Millennium Development Goals that is to – ‘Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary Schooling’.

In the developing markets, as governments continue to increase spend year after year, this creates more infrastructure and facilitated better reach to the remotest of areas directly affecting the increase in the addressable population for us.

Also noticeable are the continuing trends of increasing spending on education across nations that comes as a confirmation of all administrations to focus on education.

An area that is also emerging is that of Skill Development and Vocational Training so as to align the newly emerging skilled workforce with the market needs. Emphasis on the quality aspect of education has seen training of teachers becoming a focal area for innovations and growth.

Higher education continues to grow by leaps and bounds as demand keeps rising year on year.

Literacy and education would enable the developing nations to improve their Human Capital Development, which is the need of the hour for advancement in the progress of its economy.

## PROMISE OF THE NEW WORLD: UNITED STATES OF AMERICA

The Obama administration has clearly defined the value of education with relevance to the US context, in the measures that the Government has taken towards making it far reaching and qualitative. A \$100 billion stimulus package has been allotted for the academic years of 2009-10 and 2010-11. \$10 billion will be utilised towards Title I Grants (for material and activities) and funds for the Special Education IDEA program add up to \$12 billion. Another piece of the education fund pie is the \$4.2 billion Race to the Top Program spread over a period of three years – a competitive grants fund to encourage and reward States that make learning conducive through innovations and reform in education. These alternatives could range from adopting standards and assessment parameters, to building data systems that measure student growth and success, recruiting and retaining effective teachers and turning around the lowest achieving schools to achieving small but significant milestones. Among these formative assessment and K-12 interventions are the major areas of particular focus for CORE.

### The K-12 market in US

55 million students in primary and secondary school

4 million pre- school-ers

1 million students home-schooled

95,000+ public schools

29,200+ private schools of all levels and types

(Source: InfoUSA)

### Looking forward the Budget 2011 forecasts

\$3 billion increase in authorized K-12 education funding in the Elementary and Secondary Education Act (ESEA)

\$661 billion annual spends across approximately

98,000 schools across US

50 million public-school students, 6 million private school students, and 2 million homeschooled students have been enrolled

(Source: National Center for Education Statistics (NCES))

CORE is already present in 20+ States within the US providing Formative Assessment and we are further working on providing Summative Assessment as well for the K12 segment. With the increase in government spending for the K12 we are positioned well to cater to the existing demands. Further our Consulting & Staffing services together with the Advance Technology Group will be an added advantage for cross selling the solutions to the existing customers beyond top 100 school districts.

### SHARING THE ROYAL CANVAS: UNITED KINGDOM

#### Education spending in the UK – Government Capital Spending Review 2010

UK's Coalition Government has committed support to school spending and pupil development in its 2010 Capital Spending Review. This move shall concretise maintained funding on classroom frontline services, critical to building a world-class education system. The current school budget will increase from £35 billion to £39 billion; the schools budget for 5 to 16-year-olds will grow by 0.1% in real terms in each year of the 2011 to 2015 Spending Review

Program. An additional annual £2.5 billion will be made available for the new Pupil Premium funding; this will support the educational development of disadvantaged pupils and encourage high performing schools to take on pupils from poorer backgrounds. Further, places for 16 to 18-year-olds will also be funded. University budgets will reduce as some actions recommended in the Browne report have been applied. Graduates on higher incomes will now pay a greater proportion of the cost of a university education. The UK Government Academy program is now well established with over 700 having already opened and a further 800 in the application stage. Capital school spending has been set at £15.8 billion for the review period, which is a real term reduction of 60%, however it is expected that the Government will introduce a new PFI in the early periods of the review to balance some of the lost capital funding.

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

8.1 million pupils in all schools in England

4.1 million pupils in Secondary schools in England

3.3 million pupils in Primary schools in England

1 million pupils in Special Educational Needs Schools in England

600 k pupils in independent schools

22,200 state schools

2,400 private schools of all levels and types

(Source: Dept for Education 2010 school census report)

#### Education School Budget - blueprint

£4 billion increase in school budget

£39 billion annual spends across 24,661 UK schools

8.1million state school students, 4.1million Primary school students,

3.3 million Secondary school students and 576k Independent school students

(Source: Dept. for Education 2010 school census report)

CORE has implemented an aggressive business development strategy to capitalise on the impact of the spending review and the large number of school-led strategic resourcing and ICT project opportunities.

### WORLD'S OLDEST CIVILIZATION: INDIA

The education sector is the second largest in India after food. Recognized largely because of both, the State and the Central Governments' interventions. In recent times, the sector has witnessed an overhaul in teaching methods. White boards and markers have replaced old slate boards and chalk dust. More electronic audio-visual aids are employed in class instead of make shift charts and unwieldy models, for improving the quality of Education. Education is more about continuous assessment (of not just student learning, but also teacher capabilities), rather than end-of-year grades.

Apart from pedagogical changes, State as well as private equity is being invested into the education sector at all stages – schools, higher education institutions (HEIs), and skill-training centres included. With a projected potential of blooming into an \$80 billion market by 2014, about \$40 billion is ploughed into the Indian education sector annually – 2 to 4% of the country's GDP (at par with the global average). Moreover, the government has budgeted ₹ 2,700 billion in the Eleventh Plan towards the education sector, a four-fold jump from the Tenth Plan, with emphasis on partnerships with private entities within the sector.

Various initiatives taken by the Centre and State Governments are giving a boost to the focus on education and the quality of education. Some of the landmark initiatives are:

#### Right to Education (RTE) bill

The Indian Parliament adopted The Right of Children to Free and Compulsory Education Bill in 2009, which envisages education to children in the 6-14 years age group obligatory. As per this bill, every school will have to earmark at least 25% seats in Class 1 free of cost. The bill seeks to do away with the practice of schools taking capitation fees before admission and subjecting the child or parents to any screening procedure. The bill also seeks to ban private tuition by teachers and ensure that no child is subjected to physical punishment or mental harassment. It shall be the duty of every parent or guardian to admit the child to a neighbourhood school for elementary education and no child should be denied admission for lack of age proof.

Future goals	- 1500 new ITIs and 5000 skill development centers to be built in three years in PPP
	- 300 new government ITIs will be adopted for upgradation at ₹ 750 crore cost in 2010-11 in PPP
	3 lakh persons will be trained under SDI in short-term modular courses during 2010-11 Rs 2,167 crores of investment in 3 years to modernize all employment exchanges
Budget allocation for training	₹ 403.29 crore under the Ministry of Labour & Employment for 2010-11
	₹ 2,683 crore under the Ministry of Rural Development for Swarnajayanti Gramin Swarojgar Yojna (SGSY)
	₹ 1,730 crore under the Ministry of Housing & Urban Development for Swarnajayanti Sheheri Rojgar Yojna (SJSRY)
	₹ 104 crore under the Ministry of Tourism
	₹ 735 crore for upgradation of Govt. ITI under the Ministry of Labour & Employment
	₹ 22 crore for support of training and employment program (STEP) under the Ministry of Women & Child Development

(Source: Planning Commission)

#### ICT (Information and Communication Technologies)

The Right to Free and Compulsory Education has now become a law and its implementation will require enormous funds and ICT aids. The Government of India has been increasingly emphasizing on the potential of utilizing ICT in the education sector. As ICT has become compulsory for HEIs since August 2009 as per the policy of distance



education (Source: Edge Report 2010), the government has approved the provision of broadband internet network to connect 20,000 HEIs and 10,000 university departments. This mission will involve investments worth ₹ 4,612 crore. Satellite and terrestrial connectivity will be provided to classrooms, facilitating live interaction.

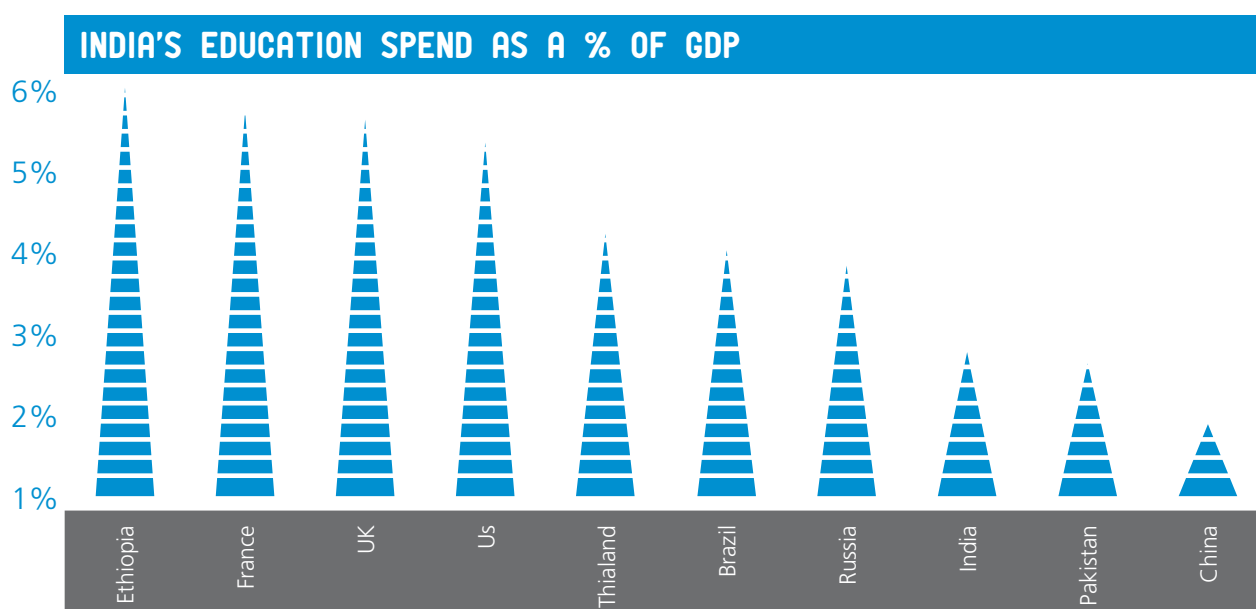
#### Foreign education bill

Present regulations do not allow foreign universities to directly offer degree courses in India. The Foreign Education Bill will allow foreign universities to invest at least 51% of the total capital expenditure needed to establish higher education institutions in India. Such institutes will be granted deemed university status under Section 3 of the Universities Grants Commission (UGC) Act, 1956. Although the Law is yet to be enforced, sources say the revised AICTE norms would allow foreign universities to set up campuses in India. This will help in increasing capacity, improving quality and challenging the current standards, strengthen Research Save Foreign Exchange outflow, which, in turn will generate jobs in India.

According to a report by the Associated Chambers of Commerce & Industry endorsed by the Planning Commission, India's economy will create 87.4 million new jobs by 2015. The most significant areas are expected to be in manufacturing (27.9 million jobs), trade (24.2 million), construction (15.1 million), tourism, IT, IT-enabled services, banking and finance, real estate and retail.

Stages of Education	(\$ billion)	
	2009	2014
K12 sector	20	39
Higher education	7	15
Books/CD Roms/ Stationery/ Multimedia in school	4	7
Vocational training	1.4	4
Test preparation/ tutoring	7	15
Total growth	40	80

(Source: CLSA report, March 2008)



18% to 59% is the likely increase in the range of expenditure that an Indian middle class household may incur on education by 2025.

(Source: McKinsey Global Institute)

## India's K-12 market

84% student enrollments in primary school, 57% in middle school and 32% in secondary and higher secondary schools

1,025,000 schools in India of which 75,000 schools are privately run and accommodate almost 90 million students

317 million students enrolled out of which 147 million are in the 6-11 years range, 72 million are between 11-14 years and 97 million are 14-18 year-olds

Latest figures show that private schools comprise close to 14% of India's total K-12 institutions, disseminating education to around 39% of the total number of students. With a qualitative shift in education, India requires almost 20,000 to 25,000 schools – yet another chance for private players to do their job effectively whilst exploiting the large void (Source: National Council of Education Research and Training). According to CRISIL Research, investments of around ₹ 4.8 trillion are expected to be pooled in between 2010-11 and 2014-15 of which, the private sector is likely to account for 77%.

The following table sets out the number of K-12 institutions in India at present along with the enrollment figures:

Segment	Number of Schools	Student Enrollment	Teacher Enrollment
Primary	1,106,304	193,017,831	4,134,646
Secondary and Higher Secondary	171,862	44,166,694	2,107,411

(Source: MHRD Annual Report 2009-10)

## Higher Education

16,000 registered higher education colleges affiliated to 543 universities

7,700+ institutions providing diploma/ certificate courses

26,478 institutions make India the largest higher education system in the world as compared to 6,706 and 4,000 in US and China respectively

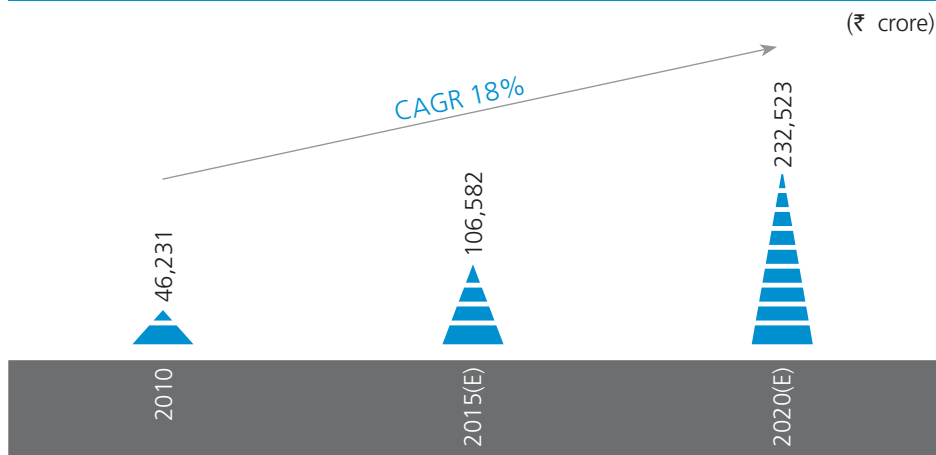
(Source: Ministry of HRD report 2009-10)

In 2010, India recorded the largest number of higher education institutions (26,478) in its history. In the last 25 years, student enrollment in this sector has grown at a CAGR of 6%. India is on the threshold of new paradigms in higher education. The thrust on vocation, education and training (VET) and technology will transform the education sector in India. Current investments in the Indian higher education sector stand at an estimated ₹ 46,200 crores. Further investments planned constitute the setting up of new institutions: 16 central universities, 14 innovation universities, 8 IITs and 7 IIMs. The current number - 16 million students – is expected to increase to 40 million by 2020. The Indian higher education sector promises to grow at an 18% CAGR by then. And that is where private entrants aim to make an impact.

Universities & University-level Institutes	Central Universities- 40
	Deemed Universities-130
	Institutes of National importance-33
	Institutes under state legislations-5
	State Private Universities-76
	State Universities-243
Colleges	Autonomous colleges and
	Affiliated colleges - 25951

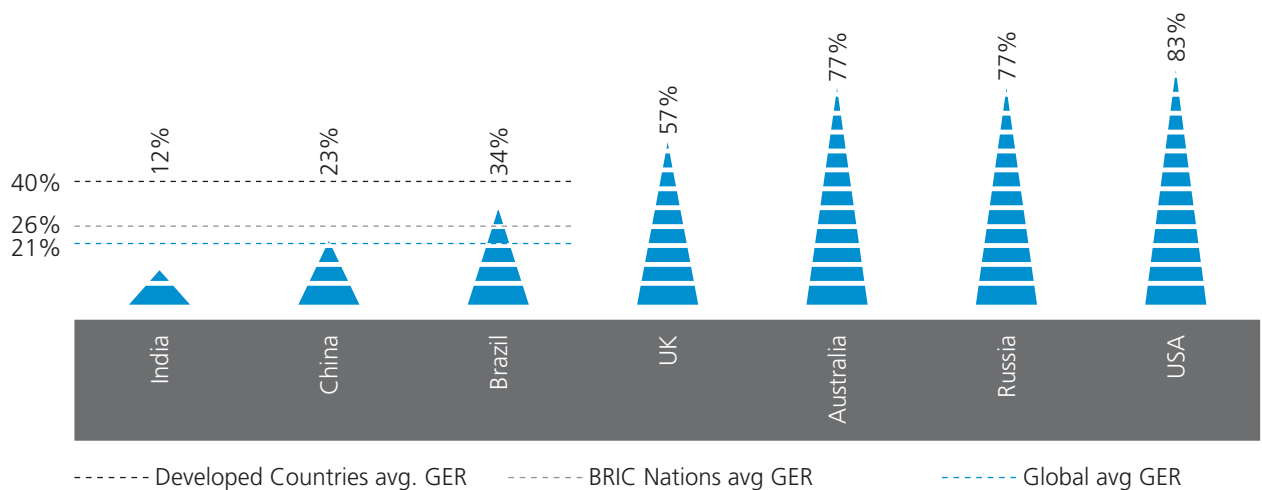
(Source: Edge Report by Ernst &Young 2011)

## EXPECTED GROWTH OF THE HIGHER EDUCATION SECTOR



### Gross Enrollment Ratio (GER)

India's GER vis-à-vis other countries is lower, despite consistent growth in the number of higher education institutes (HEIs), enrollments and increasing government spending. India's GER for higher education stood at 12% in 2010, significantly less than the global GER average of 26%.



(UNESCO Global Education Digests 2009-10)

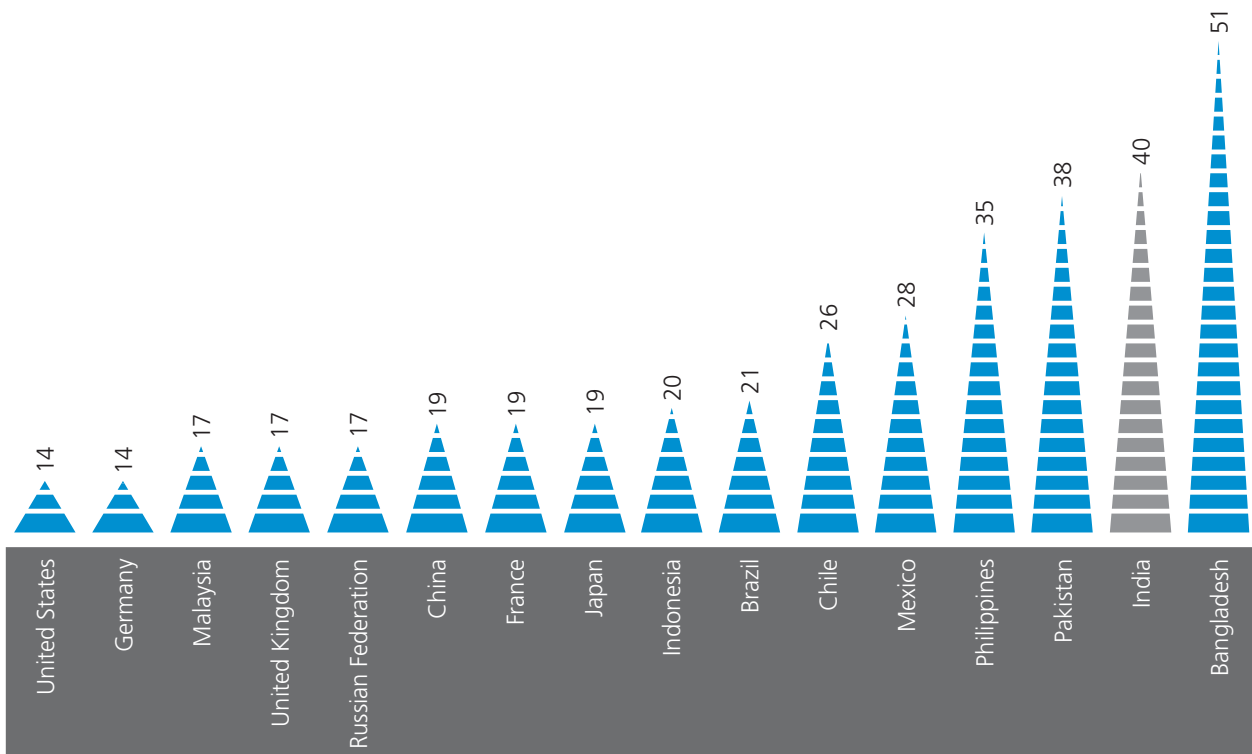
The Indian government has set a higher education Gross Enrollment Ratio (GER) target of 30% by 2020. To reach this target an additional 33,000 institutions would be required which would entail an investment of about ₹ 1,000,000 crores for infrastructure facilities for educational institutes.

### Teacher training

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

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

## PUPIL-TEACHER RATIO: PRIMARY SCHOOLS

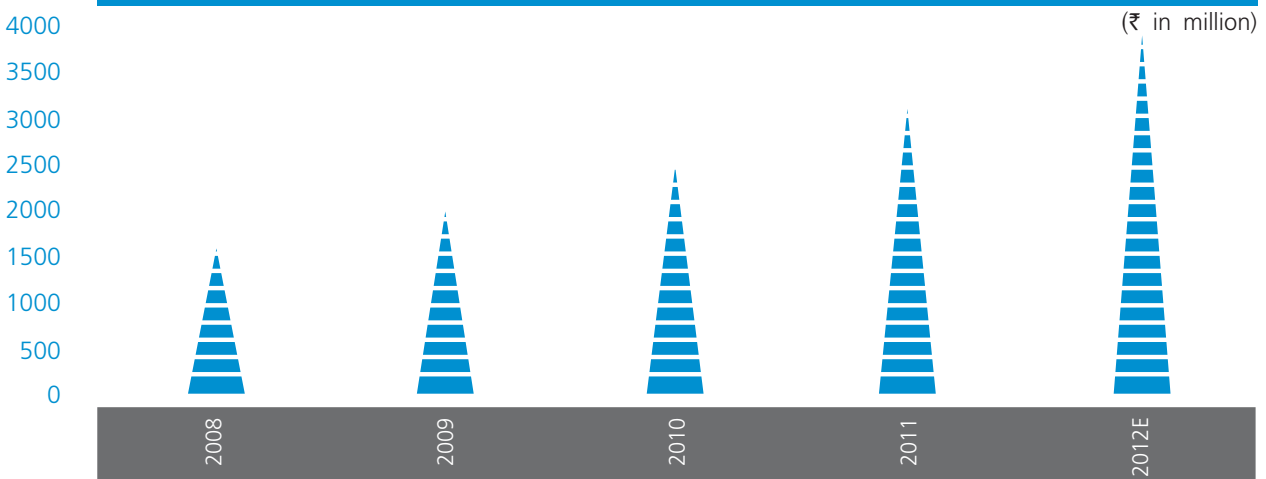


(Source: UNESCO Institute for Statistics)

### Vocational training

Vocational training helps individuals develop skills in very specific areas, by giving them applied or concrete experience in specific vocations or trades. This not only makes them employable but also helps create opportunities for entrepreneurship. Vocational education is growing faster and at double the rate as compared to the K-12 segment in India. As per the government's plans, of the 15 million students who need vocational education every year, about 5 million students would be provided initial training by strengthening existing VET Institutions and setting up new VET Institutions. The remaining 10 million students would be trained through non-formal/informal mode. The segment is expected to grow at a CAGR of 25% between 2008-2012.

## VOCATIONAL MARKET SIZE AND GROWTH



(Source: Research on India report on Vocational Training)

The table below gives an insight into the existing vocational courses and enrollments:

Types of Source	Institute	Capacity	Quantity
Mainstream education System	Centrally Sponsored Scheme of Vocationalisation of Secondary Education run by the Ministry of Human Resource Development	Enrolling less than 3 percent of students at the higher secondary level	9,583 schools offering about 150 educational courses of two years' duration
Training institutions outside the school and university systems	Industrial Training Institutes (ITIs) and Industrial Training Centers (ITCs)	Total seating capacity of 785,000	5,488 public (ITI) and private (ITC) institutions imparting VET, of which 1,922 are ITIs and 3,566 are ITCs
Diploma level	Polytechnics	1,244 polytechnics run by MHRD with a capacity of over 295,000	1,747 AICTE-approved diploma programs with 294,370 seats

### Government initiatives for an EDUCATED INDIA

Public-private partnerships (PPP)

6,000 new model schools in secondary education

2,500 schools to be built on the PPP model

3,500 schools to be built in Educationally Backward Blocks (EBB)

The government's increasing emphasis towards the PPP model provides increasing opportunities for the private sectors. The initiatives include:

- Relocating or building new schools, colleges, universities or job centres and providing basic amenities in the new buildings and campuses; this can be done by land exchanges and by generating a third party revenue stream from the existing infrastructure
- Building sports and academic facilities for educational institutions with open ends for third-party income generation
- Renovating existing assets and providing facility management initiatives
- Providing information systems to ensure sustained hardware and software or deploy administrative functions in the private sector
- Generation of opportunities by selling excess capacity for third party income
- Institutions have a set of multiple and dynamic requirements that the private sector can cater to with innovative and value for money solutions

## Sarva Shiksha Abhiyaan (SSA)

About SSA	Sarva Shiksha Abhiyaan (SSA) is the Government of India's flagship programme for time bound achievement of Universalization of Elementary Education (UEE) for children in the age group of 6-14 years. SSA is being implemented in partnership with State Governments to cover the extents of the country and address the needs of 192 million children.
Objective	<ul style="list-style-type: none"> <li>- Opening new schools in areas that lack schooling facilities</li> <li>- Strengthening existing school infrastructure by providing additional classrooms, toilets, drinking water, maintenance and school improvement grants</li> <li>- Providing additional teachers to schools with inadequate teachers</li> </ul>
Achievements	<ul style="list-style-type: none"> <li>- Imparting extensive training and developing learning materials for existing teachers</li> <li>- 288,155 new schools opened</li> <li>- 240,888 school buildings constructed</li> <li>- 1,026,831 additional classrooms and 286,862 toilets built</li> <li>- 184,652 drinking water facilities</li> <li>- 90.5 million Children receiving textbooks</li> <li>- 1,011,000 teachers appointed and training 2,179,000 teachers currently</li> <li>- Reducing the number of out-of-school children</li> </ul>

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

## Rashtriya Madhyamik Shiksha Abhiyaan (RMSA)

About SSA	RMSA is a government scheme, to enhance access to secondary education and improving its quality.
Objective	<ul style="list-style-type: none"> <li>- Providing secondary school within reasonable distance of every habitation</li> <li>- Improving all secondary schools to the prescribed norms</li> <li>- Achieving enrollment ratio of 75% for class IX-X</li> <li>- Removing gender, socio-economic and disability barriers</li> <li>- Providing universal access to secondary education by the end of 2017</li> </ul>
Achievements	<ul style="list-style-type: none"> <li>- 18 model schools at the cost of ₹ 3 crore each</li> <li>- 15,000 teachers trained for five days</li> <li>- 200 middle schools upgraded to high schools</li> </ul>

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

Looking at the spread of spending across various segments, CORE is poised to capitalise the opportunities under the ICT's, Teachers Training, Skills Development, Model Schools, Assessments and Governance solutions, etc.

**CONTINENT OF DIVERSITY: ENTERING INTO THE EMERGING MARKETS OF AFRICA & THE MIDDLE EAST**  
 Having already established our presence in Africa and the Middle East, we believe that another growing opportunity will be Sub-Saharan region and the Middle East.

Education contributes to the development of social capital, facilitating communication between ethnic groups and promoting social cohesion, which in turn lowers transaction costs and reduces social tensions. The historical role of education in building social capital and creating common norms and values has been a major catalyst

in the development of the public education system. In time, Africa's post-colonial investment in public education is likely to achieve similar results and lead to faster economic growth and major progress towards political stability and democracy.

In Sub-Saharan Africa, half the eligible school age population is not enrolled, and fewer than half of those complete the primary school cycle. Unemployment and underemployment are causing crime and social problems. In many countries, the workforce is being decimated by HIV/AIDS and thousands of children are being orphaned by the disease and leaving school. Youth and workforce development are emerging, critical issues in Sub-Saharan Africa. The ability of African nations to gain or maintain a competitive market niche is often constrained by the inadequacy of available skills to match labour market demand. Universal primary education policies have paid high dividends; nevertheless, they have also produced a more capable labour force with greater expectations but little skill focus and limited employability. In short, the gap between basic skills and labour market needs continues to widen.

Technical and Vocational Education in sub-Saharan Africa is undergoing deep restructuring. One significant dimension of this progress of change concerns the role of private provision in improving and expanding the overall quantum of vocational training in the economy. Such a conceptual shift is very much supported by advocates of a deregulated system, for whom the adoption of market principles in the area of TVE will lead to greater efficiency and effectiveness. The state run Training and Vocational Education system in a large number of countries of the region has de facto, created a market niche for private providers. Gradually, private providers have emerged in an uncoordinated and unmonitored fashion. In most countries, very little is known about the nature and operation of these entities.

The Education for All policy has resulted in a growing and heterogeneous student population at the secondary level, creating problems of mixed ability teaching. The policy emphasis is on learner-centered education, but many studies reveal that

actual classroom practices are still largely dominated by teachers, with students silently copying notes from the blackboard.

Some of the major policies proposed under the study report 'Developing Science, Mathematics and ICT education in Sub-Saharan Africa: Patterns and Promising practices' by the World Bank that would be changing the trends are:

- Curriculum Policies, Instructional Practices, and Assessment, School Context and Instructional Resources
- School Context and Instructional Resources
- Teacher Education and Development

*Education for All* - The EFA policy has led to a growing and heterogeneous student population at the secondary level, creating problems of mixed ability teaching in most countries.

*Localization* - All countries have localized curricula and examinations or are in the process of localization.

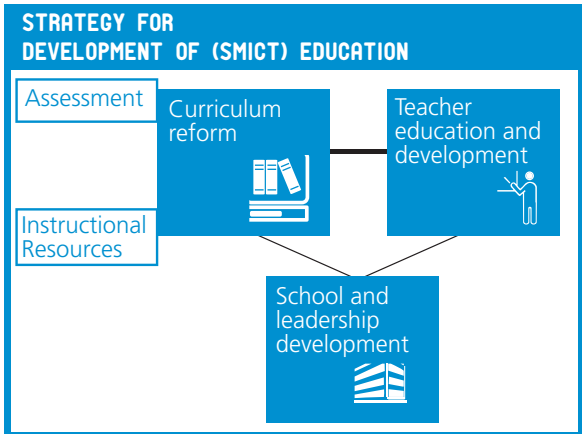
*Learner-centered Education* - In all countries active learning approaches are strongly emphasized in curriculum policies, but rarely applied in classroom practices.

*Inclusion of Societal Issues* - Inclusion of HIV/AIDS-related themes, environmental education, and issues related to science and technology in the curriculum.

*Integration of Science Topics* - Integrated science courses contain at least a combination of biology, chemistry, and physics, and can also include agricultural and environmental topics.

*Inclusion of ICT* - In most countries, Computer Studies has been introduced as an optional subject, or as part of existing subjects, at both the junior secondary and senior secondary levels, but there are numerous implementation problems.

*New Ways of Assessment* - There are some efforts to introduce criterion-referenced assessment systems and continuous assessment as part of the examination process.



(Source : World Bank Working Paper No. 101, Africa Human Development Series. Developing Science, Mathematics, and ICT Education in Sub-Saharan Africa)

**Similarly in the Middle East:**

With over 90,000 schools and more than 50 million students in the Middle East, the opportunities for innovate educational companies is vast and fast growing.

Educational systems in many countries across the region, especially in the United Arab Emirates, Qatar and Saudi Arabia are changing rapidly. Strategic plans are being adopted to implement educational reforms to be executed within 5–10 years. Public and private spending has also increased significantly to fund these strategic initiatives.

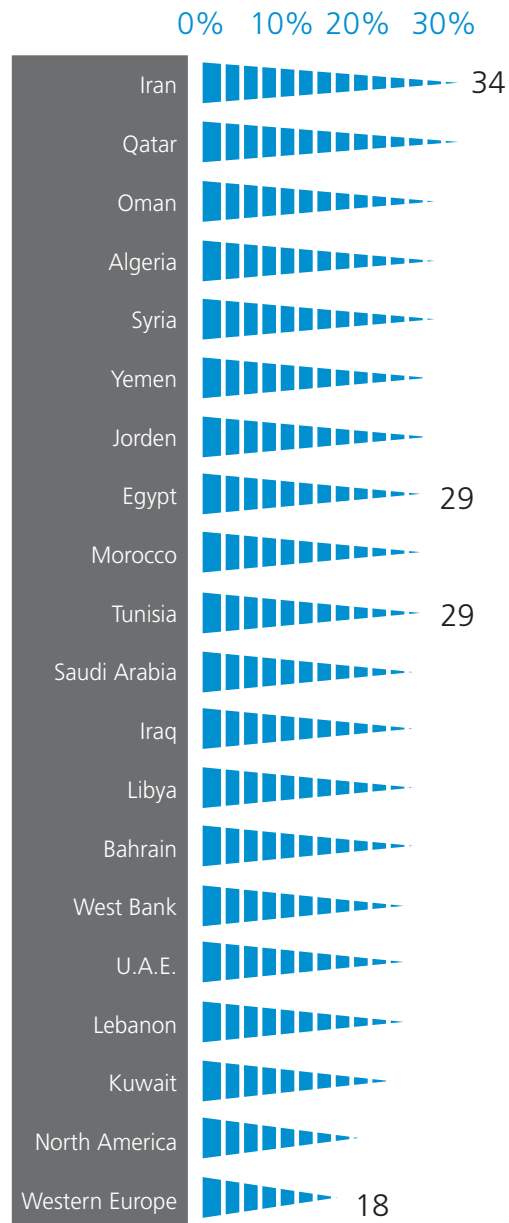
Education plays a key role in national strategies to improve the economic and social development of societies. With the Gulf societies undergoing radical changes and economic development since the end of the 1970s, the need for reforms in the education sector is paramount to enable sustained economic and social growth.

The recent political turmoil's in some of the Middle East countries has highlighted the importance of education in ensuring a prosperous and stable future in the region.

In the Middle East, young people make up a much greater share of countries' populations than in the west. Middle East governments know that they must focus on helping their youths by improving education from primary level, promoting

entrepreneurship, encouraging private-public partnerships, and making the young the priority and to work more closely with the private sector and civil society to produce long-term solutions.

**PERCENTAGE OF THE POPULATION AGES 15–29 (2010)**



(Sources: U.N. World Population Prospects; U.S. Census Bureau International Database)

The challenges become opportunities as the majority of public schools across the Middle East do not use modern teaching techniques and learning tools.



The U.A.E leads the way in terms of spend and focus on technology and innovation in education.

According to a report by Euromonitor International, overall consumer expenditure on education in the UAE has been steadily rising, from \$1.83m in 2005 to \$3.4m in 2010. Compared to other GCC countries, UAE consumers were the second biggest spender in 2010, trailing behind Saudi Arabia (\$5.2m).

Abu Dhabi played host to BETT Middle East this year and the event is set to grow as more companies seek to capitalise on the opportunities in the region.

IT spending in the Middle East and Africa is set to grow faster than almost any other region in the world as investment continues at a record pace with a 12 percent growth this year, four times that of the global average, according to the latest research.

While worldwide spending will only grow at three percent, the Middle East and Africa is set to buck the trend as emerging markets drive global industry growth, reports IDC.

We strongly believe that with the wide range of products and solutions that we currently have, CORE should be a front runner for supporting the implementation of the above policies.

## II. OUTLOOK

The education system worldwide is dominated by core sectors of higher education and the K12 schools, which account for nearly 80% of the total consumer spends in the market.

The Indian higher education sector is expected to grow at an 18% CAGR till 2020, considering the Government initiatives through the 'PPP' model, and the industry's boom in the years to come it seems to be a natural consequence – double incomes in nuclear families, high spending propensity and population growth will all be active contributors to the economy.

## III. RISK MITIGATION

### 1. Regulatory risk

The education sector in every country is highly regulated by the Government. Changes in

government policies may affect business, results of operations and financial condition.

### *Risk mitigation*

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

### 2 Dealing with Government agencies

Most customers are government departments; delay in payments are characteristic of such association, adversely affecting business, results of operations or financial condition. Delay in the Schedule of Implementation of government project might have an adverse impact on our profitability. The cost overruns due to delay in payments from governments could in turn stunt the Company's operating results.

### *Risk mitigation*

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

### 3 Competition risk

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

### *Risk mitigation*

The Company has emerged as an integrated player. It provides solutions aimed at

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

#### 4 Geographical concentration risk

The Company derives more than 97% of its revenues from the US and UK. Any loss of market share in these regions 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 emerging markets of India as well as the Middle East, South East and African region. In the years to come, the company expects to derive reasonable contributions from the emerging markets on the revenues from non-US and UK markets.

#### 5 Technology obsolescence risk

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

##### *Risk mitigation*

CORE Projects has always believed in keeping up with changes in technology. The Company has a dedicated R&D unit that helps

upgrade, implement and incorporate latest methodologies, techniques, systems and products to the Company's offerings. We have also partnered with best-in-class technology leaders to understand and offer the latest in technology to our clients.

#### 6 Attrition risk

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

##### *Risk mitigation*

CORE 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.

#### 7 Foreign exchange risk

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

##### *Risk mitigation*

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

## IV. SEGMENT-WISE PERFORMANCE

### Segment-wise performance

	(₹ in million)	
Turnover	2010-11	2009-10
Education	8,372.30	6352.50
ERP	2,004.57	1609.30
Consulting / ITES	535.41	508.20
<b>Total turnover</b>	<b>10,912.29</b>	<b>8470.00</b>

**CORE's comprehensive global offerings**

Domain	Product	Speciality
Assessment Domain	Edmastery	Customizable Assessment Delivery and Reporting System
	Assessment Center-K12	Online Assessment Platform with 180,000 test items in English, Mathematics, Science and Social Studies
Intervention Domain	Side Street	Reading and Math for grades 1-8
	Prospects	Reading and Math for high school
	Lightning Math	Algebra Readiness Program
Compliance & Reporting Domain	Bright IDEA	Special Ed Compliance management system
	Pre-K matters	Pre-K Management and Accountability System
Grants & Financial Domain	dTOOL	Data Analysis and Data Querying/Reporting tool
	eGrants Manager	Grants Management System of Private and Public Grants
	States First	State Financial Information Reporting System
	FAIM	Examination Management System
	eGrants Manager	Grants Management System of Private and Public Grants
Student Information System	Project Monitoring Information System (PMIS)	Web-based budgeting system for overall financial planning and monitoring for state, district, block level users
	Unique ID Generator	Statewide Identifier for longitudinal tracking of students
	TALMOS	Learning Management System (VLE)
	Supply Teacher Recruitment Services	Nationally UK network of recruitment branches providing temporary supply teachers to schools
	School leadership Development Support	Nationwide provision of pre and post school inspection support and leadership development advice
	Child Tracking System	Solution of identification and Tracking Children in a State
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 and 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 precise teacher needs in 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

## V. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

### Internal Control System

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

## VI. FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE.

### Consolidated financial and operational performance

#### Sources of funds

##### 1. Share capital

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

During the year, the Company's share capital increased by ₹ 21.09 million by addition of 10,549,345 equity shares of ₹ 2 each, of which 49,61,852 equity shares were allotted against the conversion of FCCBs issued in 2007 and 2010. 5,200,000 equity shares were allotted on exercise of warrants by the Promoter Group issued on a preferential basis in December 2009, and 387,493 equity shares were allotted on exercise of Employee Stock Options under the CORE ESOS 2007 and 2009 Schemes.

##### 2. Reserves and surplus

###### a. Capital Reserve

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

###### b. Securities premium account

During the year, Securities Premium increased by ₹ 1,276 million due to premium on allotment of shares on conversion of FCCBs, Exercise of Warrants and Employee

Stock Options which is net of expenses incurred on the issue.

###### c. General reserve

A sum of ₹ 125 million has been transferred from the current year profits to the general reserve account with a balance of ₹ 318 million at the end of the year.

###### d. Profit and loss account

The opening balance in the profit and loss account was ₹ 3,833 million. A sum of ₹ 2,047 million was added during the year. The balance retained in the profit and loss account as of March 31, 2011, after transfer to the general reserve and making provision for proposed dividend and dividend tax is ₹ 5,879 million.

### 3. Loan funds

Particulars	₹ in million)	
	2010-11	2009-10
Secured loans	4,104.25	2,478.90
Unsecured loans	4,290.80	1,101.40

Increase in Secured loans comprises of term loans, working capital facilities and funds raised from issue of NCDs. Unsecured loans comprises of issue of Foreign Currency Convertible Bonds.

### 4. Deferred tax liability

The deferred tax liability increased by ₹ 21.16 million on account of timing differences between taxable income and accounting income.

### Application of funds:

#### 5. Fixed assets

The gross block increased by ₹ 2,338 million and depreciation increased by ₹ 590 million during the current year. The increase is mainly on account of addition of assets on acquisition of companies, developing IPRs and purchase of immovable properties. Net block at the end of the financial year stands at ₹ 3,795 million. Capital work in progress as of March 31, 2011 stands at ₹ 4,878 million.

## 6. Investments

On a standalone basis, investments increased by ₹ 4,517 million during the year. The increase resulted out of new overseas acquisitions and further investments in the existing wholly owned subsidiaries. Proceeds from FCCBs were mainly utilised to fund these investments. Further, the Company has also invested in domestic SPV to cater to domestic markets. Total outstanding investments by the Company as on March 31, 2011 stands at ₹ 9,397.11 million. On Consolidated basis the Investment increased by a net of ₹164 million which is on account of acquisitions by the subsidiary company. Part of the investments also includes investments in liquid funds / mutual funds for temporary period till utilised.

## Current assets, loans, and advances

### 7. Inventories

Those portions of software development contracts which have not been billed, but which are partly completed, are recognised in our balance sheet under Inventories. This is valued at the lower of net realisable value of work completed or the cost incurred. For this purpose, manpower cost of the software development team and other directly attributable costs are considered as cost for valuation. As on 31 March 2011, Inventories stand at ₹ 1,465 million which includes unbilled revenue and man hour cost incurred in developing software.

### 8. Sundry debtors

Sundry debtors amounted to ₹ 4,890 million (net of provision for doubtful debts) as on 31 March 2011, compared to ₹ 3,968 million as at 31 March 2010. These debtors are considered good and realizable. The need for provisions is assessed based on various factors including collectability of specific dues, continuity of business with the customer, risk perceptions of the industry in which the customers operate, general economic factors, which could affect the customer's ability to settle and on the management's perception of the risk.

### 9. Cash & bank balance

Cash and bank balance stands at ₹ 1,897 million as compared to ₹ 514 million in the previous year.

### 10. Loans and advances

Loans and advances include advances to subsidiary and associate companies. Part of the advance was also towards advance against target acquisition. Other advances include advances to staff and other trade advances against supplies and services.

### 11. Current liabilities and provisions

Current liability includes sundry creditors for goods and services for various operational expenses, and other acceptances amounting to ₹ 768 million as compared to ₹ 72 million in the previous year is towards bill discounting facilities availed by the company and its subsidiaries. Provisions have been made fully for our tax liabilities and for the dividend (including dividend tax) 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 recognized as per the proportionate completion method. On time-and-materials contracts, revenue is recognized as the related services rendered. Revenue from the sale of user licenses for software applications is recognized on transfer of the title in the user license. The growth in software services and product revenues is due to the effective steps initiated by the company to realize the full business potential and the focused approach towards various domains in which the Company operates. The expansion of the offshore development centre and optimum utilization of resources have resulted in robust business growth. Our consolidated income from operations was ₹ 10,912 million.

## 2. Revenues & margins

On a consolidated basis, the Company achieved gross revenue of ₹ 10,912 million for the financial year ended 31 March 2011 as compared to ₹ 8,469 million in the last fiscal, demonstrating approximately 29% growth. Profit before tax increased by 31% to ₹ 2,718 million from ₹ 2,076 million and profit after tax increased by 30.66% to ₹ 2,250 million from ₹ 1,722 million in the last fiscal.

During the year, the Company's EOU off-shore development increased by 13% from ₹ 1,569 million to ₹ 1,777 million and On-shore development by 53% from ₹ 2,189 million to ₹ 3,357 million. This affected the increased level of off-shoring and the implementation of products and solutions and undertaking of projects by the Company's USA and UK subsidiaries. Globally, this also has a positive impact on the profitability of our international operations.

## 3. Expenditure

- a. Software development costs represent employee costs and cost of utilizing outside consultants to correct the mismatch in certain skill sets that are required in various projects for software development and purchase of hardware and software, establishment expenses, interest & finance cost and depreciation. The Company continues to use these external consultants based on needs. Employee costs consist of salaries paid to employees. Travelling expenses mainly consist of cost of travel incurred by our project managers and sales and operations team. Advertisement and sales promotion primarily consist of cost of advertising for recruitment and certain sales promotion expenses incurred in the normal course of business. Exchange loss or gain mainly arises from the restatement of the foreign currency assets and liabilities as at 31 March 2011.
- 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 viz. NCDs and long

term debt by issue of FCCBs. Total interest costs towards servicing the availed facilities were ₹ 786 million compared to ₹ 417 million during the previous year. The increase is mainly of servicing of FCCBs and NCDs.

## 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 service our export business activities from 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.

## VII. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED.

### Material developments in human resources and industrial relations

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

As part of our talent management strategies, we practice Strategic Talent Acquisition, which takes a long-term view of not only filling vacancies for today, but also using the candidates to fill positions in the future to create sufficient talent pool. This has helped in ensuring the availability of the right talent at the right time and sometimes even ahead of time.

We have been successful in building a culture of personal growth and have been able to engage

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

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

To keep our people across the globe informed about happenings and events at CORE, we have introduced a newsletter called "CORE-Connect", which has received overwhelming response.

A formal rewards and recognitions program has been formulated wherein employees, teams, and leaders are recognized for their outstanding contribution to the organization and rewarded as part of the annual award ceremony. This generates

healthy competition among individuals and teams, which ultimately contributes to higher levels of overall performance.

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

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

#### Cautionary statement

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

# 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 & Technologies Limited

We have examined the compliance of Corporate Governance by CORE Projects & Technologies Limited for the year ended 31 March 2011 as stipulated in Clause 49 of the Listing Agreement (as amended from time to time) entered with the stock exchanges in India.

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

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

On the basis of the records maintained by the Company and further certified by the Registrars & Share Transfer Agents of the Company, we state that there were no investor grievances pending for the period ended 31 March 2011.

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  
Firm Registration No. 101720W

**Jignesh Mehta**  
Partner  
Membership No.: 102749

Place: Mumbai  
Date: 26 May 2011

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

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



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 2010-11. We believe good governance practices stem from the culture and mindset of the organization.

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

Our Company is listed on the Bombay Stock Exchange Limited (BSE) and the National Stock Exchange of India Limited (NSE) in India and forms part of 'A' Group on BSE and CNX IT at 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 stakeholders. This is reflected in the shareholders returns, credit ratings, governance practices, entrepreneurial and performance focused working environment.

The Board of Directors and the Management of your Company 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. As on 31 March 2011, the Company had eight members on the Board of which four members were Non-Executive Independent Directors, one Non-Executive Director and three Whole-time / Executive Directors including the Managing Director. The Chairman of the Board was Managing Director till 31 March 2011, however, since 1 April 2011, Mr. Mansotra stepped down as the Managing Director of the Company and currently holds the position of Chairman of the Board.

As on the date of this Report, the Board comprises ten Directors, the Chairman being Non-Executive, four Whole-time/Executive Directors and one Non-Executive Director and four Non-Executive Independent Directors.

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

None of the Directors on the Company's Board is a member of more than ten committees and

Chairman of more than five committees across all the companies in which he or she is a Director. All the Directors have made necessary disclosures regarding Committee positions held by them in other companies. Also none of the Directors on board hold the office of Director in more than 15 Public Limited Companies.

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

The composition of the Board, attendance at Board meetings held during the year under review, number of Directorships and memberships is given below:

### Composition of Board of Directors

Name of Directors	Category*	Attendance in Board Meeting (as on 31 Mar 2011)		Attendance at Last AGM	Other Directorships **	On the Board of other Companies	
		Held	Attended@			Committee Chairmanship ***	Committee Membership
Mr. Sanjeev Mansotra#	C&PD	6	5	NO	8	-	-
Mr. Naresh Sharma	PD & WTD	6	6	YES	6	-	-
Mr. Sunder Shyam Dua	ID	6	6	YES	3	-	-
Mr. Nikhil Morsawala \$	WTD	6	6	YES	6	-	2
Mr. Awinash Arondekar	ID	6	6	YES	2	1	2
Mr. M. N. Nambiar	ID	6	5	NO	1	-	-
Mr. Harihar Iyer	NED	6	0	NO	-	-	-
Ms. Maya Sinha~	ED	5	3	YES	1	-	-
Prof. A. S. Nigavekar \$\$	ED	-	-	-	-	-	-
Mr. K. C. Ganjwal^	ID	-	-	-	-	-	-

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

# Until 31 March 2011- Chairman & Managing Director, w.e.f. 1 April 2011- Chairman of the Company

\*\* In Indian Public Limited Companies as on 31 March 2011 (excluding private and foreign companies)

\*\*\* In Audit Committee and Shareholders'/ Investors' Grievance Committee of Indian Public Limited Companies as on 31 March 2011.

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

\$ Appointed as Director-Finance w.e.f. 12 August 2010

~ Appointed as ED. w.e.f. 10 June 2011

\$\$ Appointed as Additional Director w.e.f. 15 April 2011 and ED w.e.f. 26 May 2011

^ Appointed as Additional Director w.e.f. 26 June 2011

### Details of Board Meetings held during the Year

Date of Board Meeting	Board Strength	No. of Directors Present
15 April 2010	7	6
14 May 2010	8	6
12 August 2010	8	7
30 September 2010	8	6
11 November 2010	8	5
11 February 2011	8	7

### 3. BOARD COMMITTEES

The Board of Directors' have constituted the Audit Committee, the Shareholder's / Investor's 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.

Details of the Committee memberships 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

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

During the year the Committee had met 4 times on 14 May 2010, 12 August 2010, 11 November 2010 and 11 February 2011. The Audit Committee Chairman attended the last Annual General Meeting.

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

	Held	Attended
Mr. Awinash Arondekar	4	4
Mr. Sunder Shyam Dua	4	4
Mr. Nikhil Morsawala	4	4
Mr. M. N. Nambiar	4	4
Mr. Naresh Sharma	4	4

##### 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.

The Audit Committee has the following powers:

- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal or other professional advice.

- To secure attendance of outsiders with relevant expertise, if it considers necessary.

## B. Remuneration / Compensation Committee

The Remuneration / Compensation Committee has been constituted to recommend and review remuneration of the Managing Director and Whole-time Directors / Executive Directors and to review the appointments of Senior Management Personnel. The Committee has been further authorized to administer and supervise the Employee Stock Option Schemes implemented by the Company. The committee meets as and when required. During the year, committee met four times on 14 May 2010, 12 August 2010, 11 November 2010 and 11 February 2011.

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

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

### Attendance during the year

Committee Members	Attendance in Remuneration / Compensation Committee meeting	
	Held	Attended
Mr. M. Narayanan Nambiar	4	4
Mr. Sunder Shyam Dua	4	4
Mr. Nikhil Morsawala	4	4
Mr. Awinash Arondekar	4	4

**Brief Terms of Reference:**

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

**Remuneration Policy**

The Remuneration Policy approved by the Board of Directors, inter alia, provides for the following:

**Executive Directors**

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

**Non-executive Directors**

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

**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 2011	No. of Options Granted
Mr. Sanjeev Mansotra	1,25,76,000	2,89,43,560	-	5 years with effect from 1 April 2009	Nil	Nil
Mr. Naresh Sharma	25,12,800	-	-	Retirement by rotation	Nil	Nil
Mr. Sunder Shyam Dua	-	-	3,50,000	Retirement by rotation	14,850	1,50,000
Mr. Nikhil Morsawala	37,50,003	-	90,000	Retirement by rotation	Nil	1,50,000
Mr. Harihar Iyer	-	-	-	Retirement by rotation	337,500	40,000
Mr. Awinash Arondekar	-	-	3,50,000	Retirement by rotation	500	1,50,000
Mr. M. N. Nambiar	-	-	3,10,000	Retirement by rotation	Nil	1,50,000
Ms. Maya Sinha	-	-	30,000	Retirement by rotation	Nil	1,00,000

**Notes:**

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

### C. Shareholders'/Investors' Grievance Committee

The Committee, inter alia approves 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' Grievance Committee

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

\* appointed as Chairman w.e.f. 12 August 2010

The Committee meets as and when required. During the year committee met nineteen times on 16 April 2010, 14 May 2010, 15 June 2010, 23 June 2010, 19 July 2010, 02 August 2010, 12 August 2010, 09 September 2010, 30 September 2010, 15 October 2010, 11 November 2010, 03 December 2010, 24 December 2010, 14 January 2011, 31 January 2011, 11 February 2011, 28 February 2011, 18 March 2011 and 30 March 2011.

#### Attendance during the year

Committee Members	Attendance in Shareholders / Investors Grievances Committee meeting	
	Held	Attended
Mr. Sunder Shyam Dua	19	19
Mr. Nikhil Morsawala	19	16
Mr. Naresh Sharma	19	12
Mr. Awinash Arondekar	19	19
Mr. Sanjeev Mansotra	19	12
Mr. M.N. Nambiar	19	18

#### 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: Four

Number of Complaints resolved to the satisfaction of Shareholders: Four

Number of Complaints pending: NIL

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

i) Annual General Meeting (AGM)	Date	Time	Venue	No. of special resolutions passed
25th AGM	30 September 2010	12:30 p.m.	Hotel Tunga Regency, Plot No.37, Sector 30-A, Vashi, Navi Mumbai - 400 703	2
24th AGM	24 September 2009	3:00 p.m.	Unit No. 1-4, Building No. 4, Sector-III, Millennium Business Park, Mahape, Navi Mumbai- 400 710	6
23rd AGM	31 July 2008	4:00 p.m.	Unit No. 1-4, Building No. 4, Sector-III, Millennium Business Park, Mahape, Navi Mumbai- 400 710	1

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

Year 2009-10	Special Resolution under Section 309 and other applicable provisions of the Companies Act, 1956 for payment of commission to Non-Executive Director for a period of 3 years commencing from the financial year 2010-11.
	Special Resolution under Section 81(1A) and other applicable provisions of the Companies Act, 1956 to create, offer, issue and allot equity shares, ADRs, GDRs, FCCBs, etc. of an aggregate amount of ₹ 750 crores.
Year 2008-09	Special Resolution under section 198, 269, 309 and 310 of the Companies Act, 1956 for appointment of Mr. Sanjeev Mansotra as Chairman & Managing Director for a period of 5 years with effect from 1 April, 2009.
	Special Resolution under Section 81(1A) of the companies Act, 1956 for introduction and implementation of CORE Employee Stock Option Scheme, 2009 (CORE ESOS 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.
	Special Resolution under Section 81(1A) of the Companies Act, 1956, for issuance of the Company's securities in the form of shares or other securities including GDRs, ADRs or any other convertible instruments such as Bonds, Convertible Debentures, FCCBs, Convertible Warrants, not exceeding ₹ 1,250 Crores or its equivalent of any other foreign currency in one or more tranches.
Year 2007-08	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.

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

## 5. DISCLOSURES BY MANAGEMENT

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

## 6. MEANS OF COMMUNICATION

- i The Quarterly Unaudited results 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

## 7. GENERAL SHAREHOLDER INFORMATION

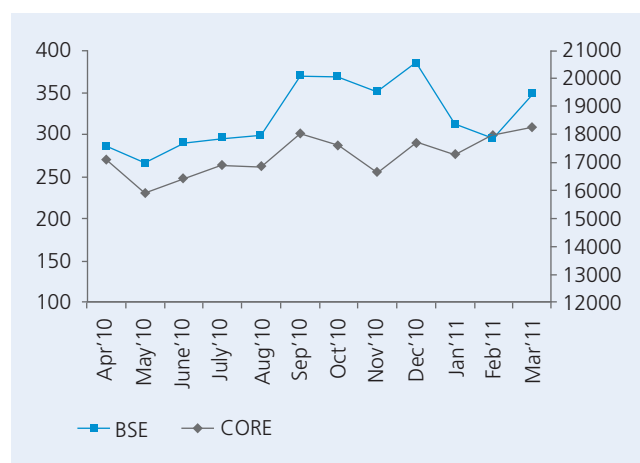
- i) 26th Annual General Meeting
- ii) Date and Time: 11 August 2011 at 12:30 P.M.
- iii) Venue: Hotel Ramada, 156, Millennium Business Park, MIDC, Sector-2, Mahape, Navi-Mumbai – 400710.
- iv) Financial year: April to March
- v) Book Closure Date: Thursday, 4 August 2011 to Thursday, 11 August 2011.  
(both days inclusive - for the purpose of AGM, 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 2011-12.
- ix) Stock Code:       BSE       : 512199  
                          NSE       : COREPROTEC  
Equity ISIN    : INE247G01024



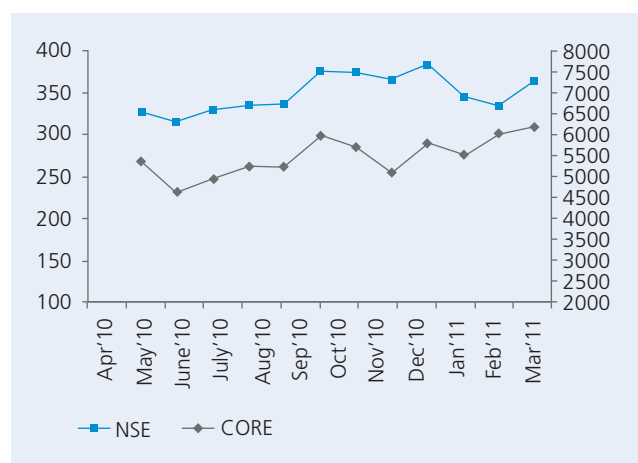
- x) Stock Market Data: Average of the High, Low and the close price during each month in last financial year as available from the websites of BSE and NSE:

Month	BSE				NSE			
	High (₹)	Low (₹)	Close (₹)	No. of shares traded	High (₹)	Low (₹)	Close (₹)	No. of shares traded
Apr 2010	269.05	233.2	269.05	12,322,982	268.80	232.45	268.80	10,489,240
May 2010	259.10	206.15	230.75	9,234,574	258.95	205.00	231.15	8,130,005
Jun 2010	248.25	193.75	248.25	11,531,355	248.25	193.75	248.25	16,609,653
July 2010	280.85	240.70	264.10	10,067,723	280.60	241.55	262.85	16,594,340
Aug 2010	268.10	250.50	261.95	6,319,530	268.10	250.50	262.85	11,333,853
Sep 2010	303.95	266.95	301.10	11,247,147	303.35	268.30	299.85	16,910,446
Oct 2010	304.70	279.25	286.80	3,885,811	304.75	278.75	286.20	8,107,894
Nov 2010	313.25	218.85	255.65	27,064,865	313.40	219.75	254.15	42,783,721
Dec 2010	331.10	240.50	290.25	25,693,312	331.40	240.80	290.95	53,292,602
Jan 2011	321.20	268.45	276.65	8,920,868	321.15	271.20	277.10	23,657,217
Feb 2011	301.20	267.15	300.70	4,552,435	301.95	267.50	301.95	9,745,388
Mar 2011	331	303.65	309.20	2,919,929	331.35	303.80	310.90	6,578,684

#### 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](mailto:investors@coreprojectstech.com) for any type of complaints or queries.

## Dematerialization of Shares and Liquidity

The Shares of the Company are tradable only in dematerialized (electronic) form and are available for trading under both the depository systems in India – National Securities Depository Ltd. (NSDL) & Central Depository Services (India) Ltd. (CDSL) 96.62% of the Company's share are held in electronic form as on March 31, 2011.

Sl.No	Category	No. of Shareholders	Total Shares	% of Equity
1.	NSDL	5,693	88,17,869	8.08
2.	CDSL	8,432	9,66,37,737	88.54
3.	PHYSICAL	9	36,90,030	3.38
TOTAL		14,134	10,91,45,636	100.00

Note: No of shareholders is given as per demat details/folio basis.

## Share Transfer System

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

## Distribution of Share Holding as on 31 March 2011

### A. Distribution of Shares by Shareholders Category

Sl.No.	Shareholders Category	No. of Shareholders	Shares Held	Voting Strength %
1.	Promoters	2	52,001,291	47.64
2.	Directors and their relatives	3	16,350	0.02
3.	Bodies Corporate (Domestic)	537	22,401,339	20.52
4.	Banks / Financial Institutions / Insurance Companies /Central/State Govt. Financial Institution	6	1,741,100	1.60
5.	Foreign Institutional Investors / FFI / FDI	42	26,045,104	23.86
6.	Non Resident Individuals (NRIs)	176	369,087	0.34
7.	Foreign Individuals	3	1,144,089	1.05
8.	Resident Individuals	13,323	5,367,657	4.92
9.	Trust	6	12,661	0.01
10.	Employees	32	46,958	0.04
	Total	14,130	109,145,636	100

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

Sl. No.	No. of Shares	No. of Shareholders	% of Total Shareholders	Total Shares	Amount (₹)	%
1.	Upto-5000	13,882	98.22	1,770,036	3,540,072	1.62
2.	5001-10000	76	0.54	280,998	561,996	0.26
3.	10001-20000	45	0.32	339,337	678,674	0.31
4.	20001-30000	18	0.13	225,502	451,004	0.21
5.	30001-40000	4	0.03	68,605	137,210	0.06
6.	40001-50000	2	0.01	45,058	90,116	0.04
7.	50001-100000	14	0.10	515,388	1,030,776	0.47
8.	100001 & above	89	0.66	105,900,712	211,801,424	97.03
	Total	14,130	100.00	109,145,636	218,291,272	100.00

### Details of Foreign Currency Convertible Bonds (FCCBs), Warrants and shares issued under ESOP:

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 31 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 8 December 2010 at an exercise price of ₹ 185 per warrant (each convertible warrant are eligible for allotment of one equity share of ₹ 2 each at a premium of ₹ 183 per equity share on exercise of these warrants), subsequent to the necessary approvals received from the relevant authorities. During the financial year 2010-11 the balance of 52,00,000 equity shares were allotted on exercise of equivalent no. of convertible warrants by M/s. CORE Infrapower Ltd., and with this, the entire 1,00,00,000 warrants were exercised as per the terms of its issue.

**Utilization of proceeds from warrants:** Mainly for Capital expenditure and expansion of existing business activities and for general corporate purpose.

#### Foreign Currency Convertible Bonds:

The Company had issued USD 60,000,000 7% Convertible Bonds due 2015 vide Offering Circular with an upsize of USD 15,000,000 which were fully subscribed. The said issue was closed on 16 May 2010 and an aggregate of USD 75,000,000 were raised. The proceeds from these issues will be utilized mainly towards acquisition of overseas companies and investment in existing subsidiaries with eligible capital expenditure in India as may be permitted under the governing regulations in accordance with Utilization Proceeds as mentioned in the said Offering Circular.

During the year under review, USD 217,000 FCCBs were converted into equity shares and allotted 35,472 equity shares to the Bondholder. In the current financial year 2011-12, so far 7,400,000 FCCBs were converted and allotted 12,09,645 equity shares to the Bondholders.

Utilization of proceeds from FCCB's: Proceeds from FCCB's were utilized for acquisition of overseas companies and investment in existing overseas subsidiaries and for eligible capital expenditure in India.

#### Employee Stock Option Schemes:

The Company had introduced CORE Employee Stock Options Scheme 2007 in April 2007 reserving 45,00,000 stock options to the eligible employees and the directors of the Company and also for the employees of the subsidiaries. During the financial year 2010-11, 272,173 stock options were exercised and equivalent number of equity shares were allotted to the eligible employees and director, on exercise of their options granted under the said Scheme. Under this Scheme, 920,021 stock options were outstanding as on 31 March 2011. Details of vested, live and lapsed options are given in the Directors report. Further, during current financial year 2011-12, 27,639 equity shares of ₹ 2/- each were allotted under the said Scheme on exercise of equivalent number of stock options by the eligible employees / Director of the Company.

The Company had also introduced CORE Employee Stock Option Scheme 2009. During the financial year under report, the Company had granted 18,03,000 stock options to the eligible employees and directors under this Scheme. During the year under review, 1,15,320 stock options were exercised and equivalent no. of equity shares of ₹ 2/- each have been allotted to the eligible employees / Director of the Company under the said Scheme. Under this Scheme, 4,525,655 stock options were outstanding as on 31 March 2011. The details of

vested, live and lapsed options are given in the Director Report. In the current financial year 2011-12, 79,071 equity shares of ₹ 2/- each were allotted under the said Scheme on exercise of equivalent number of stock options by the eligible employees/ Director of the company.'

#### Office Locations

##### Registered Office:

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

##### Corporate Office:

Lotus Business Park, 10th Floor, Dalia Industrial Estate,  
Off Andheri Link Road, Andheri (W), Mumbai-400053

**Global Delivery Centre:** Unit No.403, Multistoried Building,  
SEEPZ - SEZ, Andheri (E)  
Mumbai-400 096

Place: Mumbai  
Date: 10 June 2011

On behalf of the Board of Directors

**Sanjeev Mansotra**  
Chairman

## CEO & CFO CERTIFICATION

Mr Prakash, Gupta Chief Executive Officer, and Mr. Nikhil Morsawala, Director Finance, have provided requisite certificate to the Board pursuant to sub clause V of the clause 49 of the Listing Agreement with the Stock Exchange(s.)

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

The Board of Directors at its meeting held on 22 December 2005, adopted the Code of Conduct for Directors and senior management personnel. Further Code of Conduct for prevention of Insider Trading Regulations as amended by Securities and Exchange Board of India (SEBI), in the SEBI (Prohibition of Insider Trading) Regulations, 2008 was revised vide Board Resolution dated 28 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 31 March 2011.

## Insider Trading Policy

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

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

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

I hereby confirm that:

The Company has obtained from all members of the Board and Senior Management personnel, affirmation that they have complied with the Code of Conduct for Directors and Senior Management personnel for the financial year 2010-11.

Place: Mumbai

Date: 10 June 2011

**Sanjeev Mansotra**  
Chairman

# FINANCIAL STATEMENTS

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The Members,

## CORE Projects & Technologies Limited

We have audited the attached Balance Sheet of CORE Projects & Technologies Limited, as at 31 March 2011 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.

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 purpose of our audit;
  - ii. in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of such books 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 ;
  - 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 determined based on records of delivery, stage of development process and product documentation which are in electronic form. We have reviewed these documents as available and placed reliance on management representations in matters involving, revenue and cost recognition.

- vi. on the basis of written representations received from the directors as on 31 March 2011 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31 March 2011 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 31 March 2011
  - (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

**Jignesh Mehta**  
(Partner)  
Membership No: 102749

Place : Mumbai  
Date : 26 May 2011

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 updation.
- (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 inventories of the Company comprises of software work-in-progress. Being intangible, the same could not be physically verified by the management. Hence, clause (ii) of paragraph 4 of the Order is not applicable.
- (b) The inventories in respect of software work-in-progress, being intangible, have not been physically verified by us.
- (iii) The Company has neither granted nor taken any loan, secured or unsecured to/from companies, firms and other parties covered in the Register maintained under Section 301 of the Companies Act, 1956 and hence clause (iii) of paragraph 4 of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, On an overall basis there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and sale of products and services. In view of growing nature of the Company business, the Company needs to strengthen internal controls relating to inventory records. 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 ₹5 lacs 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 & Tax deducted at source.
- (b) According to the information and explanations given to us, no undisputed amounts, in respect of the statutory dues referred above were outstanding as at 31 March 2011 for a period of more than six months from the date they became payable. However, 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 be determined by the year-end.



# Annexure to the Auditors' Report

of even date to the Members of CORE PROJECTS & TECHNOLOGIES LIMITED

- (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 banks, debenture holders and financial institutions.
- (xii) Based on our examination of records and according to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other investments.
- (xiii) The Company is not a chit/nidhi/mutual benefit fund/society and therefore provisions of clause 4 (xiii) of the Order are not applicable to the Company.
- (xiv) The Company is not dealing or trading in shares, securities, debentures and other investments.
- (xv) According to the information and explanations given to us, the Company has given the guarantee of ₹ 1,138,575,000/- 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 taken during the year were applied for the purpose for which they were taken.
- (xvii) According to the information and explanation given to us and on overall examination of the balance sheet of the Company, we report that, prima-facie no funds raised on short-term basis have been used for long-term investment.
- (xviii) 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 during the previous year on preferential basis.
- (xix) During the year Company has issued non-convertible debentures. The Company is in the process of executing the Debenture Trust deed and creating the security in favour of the Debenture Trustee.
- (xx) The Company has not raised any money by public issue during the year.
- (xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

For [Chaturvedi & Shah](#)  
Chartered Accountants  
Firm Registration No.  
101720W

[Jignesh Mehta](#)  
(Partner)  
Membership No: 102749

Place : Mumbai  
Date : 26 May 2011

For [Asit Mehta & Associates](#)  
Chartered Accountants  
Firm Registration No.  
100733W

[Sanjay Rane](#)  
(Partner)  
Membership No:100374

# Balance Sheet

as at March 31 2011

(Amount in ₹)

	Schedule	As at 31 March 2011	As at 31 March 2010
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Funds</b>			
Share Capital	1	218,291,272	197,192,582
Equity Share Warrants	2	-	240,500,000
Reserves and Surplus	3	9,489,550,182	7,101,380,205
<b>Loan Funds</b>			
Secured Loans	4	3,657,661,576	1,769,574,611
Unsecured Loans	5	4,290,804,472	1,101,398,027
Deferred Tax Liability (Net)		63,818,241	42,651,818
<b>Total</b>		<b>17,720,125,743</b>	<b>10,452,697,242</b>
<b>APPLICATION OF FUNDS</b>			
Fixed Assets	6		
Gross Block		3,018,251,592	1,314,349,599
Less : Depreciation		203,793,754	120,222,780
Net Block		2,814,457,837	1,194,126,819
Capital Work in Progress		1,767,473,435	1,719,745,453
		4,581,931,272	2,913,872,272
	7	9,397,116,082	4,880,383,786
<b>INVESTMENTS</b>			
<b>Current Assets, Loans and Advances</b>			
Current Assets :	8		
Inventories		404,239,075	296,399,983
Sundry Debtors		2,454,771,287	1,911,789,339
Cash & Bank Balances		1,444,766,278	315,135,039
Loans and Advances	9	641,797,280	695,284,253
		4,945,573,921	3,218,608,614
Less: Current Liabilities & Provisions	10		
Current Liabilities		893,739,414	221,008,597
Provisions		310,756,118	339,158,833
		1,204,495,532	560,167,430
<b>Net Current Assets</b>		<b>3,741,078,389</b>	<b>2,658,441,185</b>
Miscellaneous Expenditure (to the extent not written off or adjusted)	11	-	-
<b>Total :</b>		<b>17,720,125,743</b>	<b>10,452,697,242</b>
Significant Accounting Policies	18		
Notes on Accounts	19		

As per our report of even date

For and on behalf of the Board

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

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

**Sanjeev Mansotra**  
Chairman  
10 June 2011

**Jignesh Mehta**  
Partner

**Sanjay Rane**  
Partner

**Nikhil Morsawala**  
Director- Finance

Membership No. 102749

Membership No.100374

**Naresh Sharma**  
Whole-time Director

Place : Mumbai  
Date : 26 May 2011

**Ganesh Umashankar**  
Company Secretary

# Profit & Loss Account

Balance Sheet and  
Profit & Loss Account

for the year ended March 31 2011

(Amount in ₹)

	Schedule	2010-11	2009-10
<b>INCOME</b>			
Income from Operations	12	5,155,921,658	4,179,521,801
Other Income	13	142,594,724	85,775,837
Variation in Inventory	14	107,839,092	138,341,983
<b>Total</b>		5,406,355,474	4,403,639,621
<b>EXPENDITURE</b>			
Software Development Cost	15	2,533,764,532	2,457,227,532
Establishment & Other Expenses	16	572,865,585	221,273,281
Interest & Finance Charges	17	695,046,598	307,669,444
Depreciation	6	84,365,986	55,611,728
Share Issue Expenses Written Off		-	211,260
<b>Total</b>		3,886,042,701	3,041,993,246
<b>PROFIT BEFORE TAX</b>			
		1,520,312,773	1,361,646,375
Less:- Provision for Taxes			
Current Tax		262,034,345	221,621,848
Deferred Tax		21,166,423	21,495,373
Wealth Tax		100,000	100,000
<b>PROFIT AFTER TAX</b>			
		1,237,012,005	1,118,429,154
Add Balance Brought Forward From Previous Year		2,124,039,947	1,195,980,151
Excess / (Short ) Provisions for Tax for earlier years		-	(5,647,996)
Amount Available for Appropriations		3,361,051,952	2,308,761,309
<b>APPROPRIATIONS</b>			
General Reserve		125,000,000	112,000,000
Debenture Redemption Reserve		350,000	-
Proposed Dividend on Equity Shares		65,487,382	62,157,667
Tax on Dividend		13,051,963	10,563,695
<b>BALANCE CARRIED TO BALANCE SHEET</b>			
		3,157,162,606	2,124,039,947
Basic Earning per shares of face value of ₹ 2 each (In ₹)		11.98	12.15
Diluted Earning per shares of face value of ₹ 2 each (In ₹)		11.98	11.53
Significant Accounting Policies	18		
Notes on Accounts	19		
(Refer Note No: 2.12 Schedule 19)			

As per our report of even date

For and on behalf of the Board

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

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

**Sanjeev Mansotra**  
Chairman  
10 June 2011

**Jignesh Mehta**  
Partner

**Sanjay Rane**  
Partner

**Nikhil Morsawala**  
Director- Finance

Membership No. 102749

Membership No.100374

**Naresh Sharma**  
Whole-time Director

Place : Mumbai  
Date : 26 May 2011

**Ganesh Umashankar**  
Company Secretary

# Schedules

forming part of the Balance Sheet

(Amount in ₹)

	Schedule	As at 31 March 2011	As at 31 March 2010
<b>SHARE CAPITAL</b>	<b>1</b>		
<b>Authorised :</b>			
250,000,000 (150,000,000)	Equity Shares of ₹ 2/- each	500,000,000	300,000,000
<b>Issued , Subscribed &amp; Paid Up :</b>			
109,145,636 (98,596,291)	Equity Shares of ₹ 2/- each fully paid up	218,291,272	197,192,582
<b>Total</b>		<b>218,291,272</b>	<b>197,192,582</b>

Notes :

**a) Of the above Equity Shares,**

1. 14,400,000  
(14,400,000) Equity Shares issued & allotted as Bonus Shares in June, 2005
2. 36,700,000  
(36,700,000) Equity Share issued & allotted as Bonus Shares in August, 2006
3. 1,350,000  
(1,350,000) Equity shares allotted to the promoters of subsidiary against acquisition
4. 34,591,268  
(29,629,416) Equity shares allotted on conversion of Foreign Currency Convertible Bonds.
5. 17,725,000  
(12,525,000) Equity Shares allotted against exercise of Warrants

**b) Option on Unissued Share Capital**

- i. 4,500,000 Equity Shares are reserved for allotment of equity shares under CORE Employee Stock Option Scheme 2007 Out of this issue, 314,048 (P.Y. 41,875) Equity Shares have been issued & allotted to the Employees / Director against exercise of Options under CORE ESOS 2007.
- ii. 7,500,000 Equity Shares are reserved for allotment of equity shares under CORE Employee Stock Option Scheme 2009. Out of this issue, 115,320 (P.Y. Nil) Equity Shares have been issued & allotted to the Employees / Director against exercise of Options under CORE ESOS 2009.
- iii. Refer Note No.2.4 of schedule 19 for option vested on share capital in respect of Foreign Currency Convertible bonds

(Amount in ₹)

	Schedule	As at 31 March 2011	As at 31 March 2010
<b>EQUITY SHARE WARRANTS</b>	<b>2</b>		
As per Last Balance Sheet		240,500,000	180,725,000
Add : Call Money Received		721,500,000	462,500,000
		962,000,000	643,225,000
Less : Warrants forfeited during the year		-	180,725,000
Less : Warrants converted during the year		962,000,000	222,000,000
<b>Total</b>		<b>-</b>	<b>240,500,000</b>

(Refer Note No.2.3 of Schedule 19)

forming part of the Balance Sheet (Contd.)

(Amount in ₹)

	Schedule	As at 31 March 2011	As at 31 March 2010
<b>RESERVES AND SURPLUS</b>	3		
<b>Capital Reserve</b>			
As per Last Balance Sheet		189,500,000	8,775,000
Add: Warrant Application Money Forfeited during the Year		-	180,725,000
		189,500,000	189,500,000
<b>Securities Premium Account</b>			
As per Last Balance Sheet		4,598,244,941	3,110,226,861
Add: On conversion of FCCB		407,917,432	605,487,523
Add: On exercise of Warrants		951,600,000	878,400,000
Add: On exercise of ESOS		59,824,788	5,644,750
		143,187,030	1,514,193
Less : FCCB / Warrant issue expenses		5,874,400,131	4,598,244,941
<b>General Reserve</b>			
As per Last Balance Sheet		193,000,000	81,000,000
Add : Transfer During theYear		125,000,000	112,000,000
		318,000,000	193,000,000
Debenture Redemption Reserve (Transferred from Profit & Loss Account)		350,000	-
Profit and Loss Account		3,157,162,606	2,124,039,947
Foreign Currency Translation Reserve		(49,862,555)	(3,404,683)
<b>Total</b>		9,489,550,182	7,101,380,205

(Amount in ₹)

	Schedule	As at 31 March 2011	As at 31 March 2010
<b>SECURED LOANS</b>	4		
<b>1. Non Convertible Debentures</b> (Refer Note No. 2.5 of Schedule 19)		640,000,000	-
<b>2. Term Loans</b>			
From Banks		612,499,335	232,483,582
<b>3. Short Term Loans</b>			
From Banks		505,134,730	-
<b>4. Vehicle Loans</b>			
From Banks		13,907,452	7,444,920
<b>5. Working Capital Loan</b>			
From Bank			
Foreign Currency Loans		-	227,001,702
Rupee Loans		1,886,120,060	1,302,644,406
<b>Total</b>		3,657,661,576	1,769,574,611

forming part of the Balance Sheet (Contd.)

Notes :

## 1. Non Convertible Debentures

- ₹ 640,000,000/- (P. Y. Nil) is to be secured by pari passu first charge on immovable asset and tangible Fixed assets of specific projects of the Company having a total asset cover of upto 1.25 times.

## 2. Term Loans

- ₹ 57,500,000 (P. Y. ₹ 87,500,000/-) secured by First charge of property at unit No. 1 to 7, 10th Floor, Lotus Neelkamal Business Park, New Link Road, Andheri (west) Mumbai.

- ₹ 49,903,445/- (P. Y. ₹ 144,983,582/-) Secured by Equitable Mortgage of Unit No. 1, First Floor, United Infotech Park, TTC Industrial Area, Navi Mumbai

- ₹ 505,095,890/- (P. Y. Nil) Secured by first charge on property located at Unit No. 1, Third floor, United Infotech Park, TTC Industrial Area, Navi Mumbai

## 3. Short Term Loan secured by subservient charge on the current assets of the company.

## 4. Vehicle Loan

-Secured by hypothecation of respective vehicles

## 5. Working Capital Loan

-Secured by hypothecation of entire stocks, book debts & other current assets of the company (present & future) ; Further Secured by equitable mortgage on the immovable properties of the company situated at Unit No: 1 to 8, Sector III, Building No: 4, Millennium Business Park, Navi Mumbai and Unit No. 1, 4th floor, United Infotech Park, TTC Industrial Area, Navi Mumbai; Further Secured by Fixed deposit given by the promoter company

(Amount in ₹)

Schedule	As at 31 March 2011	As at 31 March 2010
<b>UNSECURED LOANS</b>	5	
1. Short Term :		
From Banks	951,695,762	649,998,027
2. Foreign Currency Convertible Bonds (Refer Note No. 2.4 of Schedule 19)	3,339,108,710	451,400,000
<b>Total</b>	<b>4,290,804,472</b>	<b>1,101,398,027</b>

Notes :

## 1. Short Term Loans from Banks includes

-Commercial paper of ₹ 650,000,000/- (P.Y. ₹ 300,000,000/-)

(Maximum Balance outstanding at any time during the year being ₹ 1,000,000,000/- (P.Y. ₹ 500,000,000/-)

## 2. Short term loan from bank of ₹ 301,695,762/- (P.Y. ₹ 349,998,027/-) is secured by personal guarantee of a Director and Corporate Guarantee of promoter Company.

forming part of the Balance Sheet (Contd.)

Description of Assets	Gross Block					Depreciation					Net Block	
	As on 1 April 2010	Foreign Exchange Revaluation Difference	Additions	Deductions	As on 31 March 2011	As on 1 April 2010	Foreign Exchange Revaluation Difference	Additions	Deductions	As on 31 March 2011	As on 31 March 2010	
<b>Tangible Assets</b>												
Land	-	-	1,552,560,000	-	1,552,560,000	-	-	-	-	1,552,560,000	-	-
Building	820,043,640	-	43,264,275	-	863,307,915	17,143,532	13,763,166	-	-	30,906,698	802,900,108	802,900,108
Computers	102,840,038	-	9,794,677	-	112,634,715	36,975,244	1,434,268	11,909,858	-	50,319,370	65,864,794	65,864,794
Furniture & Fixtures	236,110,115	(102,762)	12,658,234	-	248,665,587	32,027,564	2,011,601	15,418,362	-	49,457,527	204,082,551	204,082,551
Electrical Equipments	12,589,831	-	315,360	-	12,905,191	1,169,871	1,280,497	-	-	2,450,368	11,419,960	11,419,960
Office Equipments	19,518,616	(35,729)	3,472,935	-	22,955,823	5,362,736	232,379	2,019,697	-	7,614,812	14,155,880	14,155,880
Motor Car	25,245,650	(27,189)	14,812,906	2,057,265	37,974,102	7,203,275	306,906	2,329,353	795,012	9,044,522	18,042,375	18,042,375
<b>Intangible Assets</b>												
Computer Software	27,573,818	(36,368)	1,314,000	-	28,751,450	20,309,280	(3,985,154)	12,427,323	-	28,751,449	-	7,264,538
Intellectual Property Rights	70,427,891	-	-	-	70,427,891	31,278	11,416,361	-	-	11,447,639	70,396,613	70,396,613
Lease Hold Improvement	-	-	68,068,918	-	68,068,918	-	-	13,801,369	-	13,801,369	54,267,549	-
<b>Total Amount (₹)</b>	1,314,349,599	(302,048)	1,706,261,305	2,057,265	3,018,251,592	120,222,780	84,365,986	795,012	795,012	203,793,754	1,194,126,818	1,194,126,818
Previous Year	516,939,428	(4,062,752)	802,050,027	575,105	1,314,349,599	68,225,911	(3,614,860)	55,798,509	186,780	120,222,780	-	-
Capital Work in Progress											1,767,473,435	1,719,745,453

Note:

Capital Work in progress includes:

- ₹ 1,310,009,457/- an account of advances against capital expenditure (PY ₹ 1,508,479,194/-)
- ₹ 457,463,978/- On account of Product Development (PY ₹ 120,663,326/-)

# Schedules

forming part of the Balance Sheet (Contd.)

(Amount in ₹)

	Schedule	As at 31 March 2011	As at 31 March 2010
<b>INVESTMENTS</b>	<b>7</b>		
<b>Non Trade</b>			
<b>Long Term Investment</b>			
In Equity Shares of Wholly Owned Subsidiary Companies -			
<b>Unquoted, Fully Paid up</b>			
1,000,000 CORE Education & Consulting Solutions, Inc. (USA) (CECS)		729,290,963	729,290,963
(1,000,000) of No Par Value fully paid up (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. (1,000,000) of GBP 1 each, fully paid up		80,910,392	80,910,392
6390 Core Projects & Technologies (FZC) (formerly known as CORE Projects & Technologies (FZE))		212,288,867	40,164,567
(300) of AED 1500 each fully paid up, UAE			
7500 Aarman Software Pvt. Ltd. (7500) of ₹ 10 each fully paid up		5,379,100	5,379,100
9,000,000 CORE Education Infratech Limited (1,050,000) of ₹ 10 each fully paid up		90,000,000	10,500,000
7,904,193 CORE Education Consulting Solutions - ISLE of Man (-) of GBP 1 each fully paid up		181,030,000	-
50,000 CORE Careers & Skill Developments Ltd, (-) of ₹ 10 each fully paid up		500,000	-
In Equity Share of Subsidiary Companies -			
<b>Unquoted, Fully Paid up</b>			
5,032,300 CORE Higher Education Pvt Ltd., (-) of ₹ 10 each fully paid up		50,323,000	-
4,860,993 CORE K 12 Schools Pvt Ltd., (-) of ₹ 10 each fully paid up		48,609,930	-
4,869,271 CORE Skill Development & Careers Pvt Ltd., (-) of ₹ 10 each fully paid up		48,692,710	-
In Preference Shares of Wholly Owned Subsidiary Companies -			
<b>Unquoted, Fully Paid up</b>			
108,722,300 CORE Education & Consulting Solutions, Inc., (USA) (57,622,300) of US\$ 1 each fully paid up		5,965,503,469	3,626,191,469
4,784,931 Core Education & Consulting Solutions (UK) Ltd. 4,684,931 of GBP 1 each, fully paid up (Formerly known as CORE Projects & Technologies (UK) Ltd.)		404,938,507	387,947,295
10,000,000 CORE Education Infratech Limited (-) of ₹ 10 each fully paid up		301,800,000	-
8,221,878 CORE Education Consulting Solutions - ISLE of Man (-) of GBP 1 each fully paid up		1,117,849,144	-
8,000,000 CORE Learning Panorama Limited (-) of ₹ 10 each fully paid up		160,000,000	-
<b>Total</b>		<b>9,397,116,082</b>	<b>4,880,383,786</b>



forming part of the Balance Sheet (Contd.)

(Amount in ₹)

AGGREGATE VALUE OF		As at 31 March 2011		As at 31 March 2010	
	Book Value	Market Value	Book Value	Market Value	
Unquoted Investments	9,397,116,082	-	4,880,383,786	-	

(Amount in ₹)

	Schedule	As at 31 March 2011	As at 31 March 2010
<b>CURRENT ASSETS</b>	8		
<b>Inventories</b>			
Software Development-Work-in-Process ( Taken, valued and certified by the management )		404,239,075	296,399,983
		404,239,075	296,399,983
<b>Sundry Debtors</b>			
<b>Unsecured, Considered Good</b>			
Outstanding exceeding six month		256,714,222	229,901,019
Others		2,198,057,065	1,681,888,320
		2,454,771,287	1,911,789,339
<b>Cash &amp; Bank Balances</b>			
Cash on Hand		533,434	257,584
<b>Balance with Banks</b>			
In Current Accounts			
With Scheduled & other banks		1,239,889,966	224,861,192
In Fixed Deposits Account			
With Scheduled Banks		204,342,878	90,016,264
(Given as security for bank guarantee)			
		1,444,766,278	315,135,039
<b>Total</b>		4,303,776,641	2,523,324,362

(Amount in ₹)

	Schedule	As at 31 March 2011	As at 31 March 2010
<b>LOANS &amp; ADVANCES</b>	9		
( Unsecured, Considered Good unless otherwise stated )			
Advances to Subsidiaries		23,306,193	369,142
Share Application Money		757,929	581,599,568
Advance Recoverable in Cash or in Kind or for value to be received		406,672,918	55,478,744
Deposits		136,937,472	5,513,297
Balance with Service Tax / Sales Tax Authorities, etc.		74,122,768	52,323,503
<b>Total</b>		641,797,280	695,284,253

# Schedules

forming part of the Balance Sheet (Contd.)

(Amount in ₹)

	Schedule	As at 31 March 2011	As at 31 March 2010
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>	10		
<b>A. Current Liabilities</b>			
Acceptance		321,218,338	72,092,000
Sundry Creditors :-			
- Micro, Small & Medium Enterprises (Ref Note No. 2, Schedule 19)			
-Others*		354,778,159	147,102,978
Other Liabilities		133,950,000	-
Interest Accrued But Not Due		83,341,805	1,465,068
Unclaimed Dividend**		451,112	348,551
		893,739,414	221,008,597
<b>B. Provisions</b>			
Proposed Dividend		65,487,382	62,157,667
Dividend Tax		13,051,963	10,563,695
Gratuity & Leave Encashment		5,820,010	4,055,343
Income Tax & Wealth Tax (Net of Advance Tax)		226,396,763	262,382,128
<b>Total</b>		310,756,118	339,158,833
<b>Current Liabilities and Provisions</b>	<b>Total</b>	1,204,495,532	560,167,430

Note :

\*includes ₹129,574,603/- (P.Y. ₹ 42,668,500/-) payable to Subsidiaries

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

(Amount in ₹)

	Schedule	As at 31 March 2011	As at 31 March 2010
<b>MISCELLANEOUS EXPENDITURE</b>	11		
(To the extent not written off)			
Opening Balance as per last balance sheet		-	211,260
		-	211,260
Less : Written off During the Year		-	211,260
<b>Total</b>		-	-

forming part of the Profit and Loss Account

(Amount in ₹)

	Schedule	2010-11	2009-10
<b>INCOME FROM OPERATIONS</b>	12		
<b>EOU Turnover</b>			
Software Development : Off-shore		1,777,056,363	1,569,512,464
Software Development : On -shore		3,357,688,805	2,189,008,658
<b>Non - EOU Turnover</b>			
Software Development & Services		21,176,490	421,000,679
<b>Total</b>		5,155,921,658	4,179,521,801
<b>OTHER INCOME</b>	13		
Interest Income (TDS ₹ 355,909/-, PY ₹ 2,680,699/-)		21,937,913	34,859,487
Exchange Gain (Net)		119,920,676	50,904,025
Miscellaneous Income		736,135	12,324
<b>Total</b>		142,594,724	85,775,837
<b>VARIATION IN INVENTORY</b>	14		
Inventory (at Close)			
Work in Process		404,239,075	296,399,983
Inventory (at Commencement)			
Work in Process		296,399,983	158,058,000
<b>Total</b>		107,839,092	138,341,983
<b>SOFTWARE DEVELOPMENT COST</b>	15		
Cost of Software Development (Including Software & hardware Purchases)		2,241,659,975	2,211,845,496
Salary, Bonus & Allowances		292,104,557	245,382,036
<b>Total</b>		2,533,764,532	2,457,227,532

(Amount in ₹)

	Schedule	2010-11	2009-10
<b>ESTABLISHMENT &amp; OTHER EXPENSES</b>	16		
<b>Establishment Expenses</b>			
Insurance Charges		29,337,879	13,967,767
Rent, Rates and Taxes		91,845,440	21,758,739
Repairs & Maintenance		3,862,078	2,008,333
Travelling Expenses		40,290,876	23,462,022
Audit Fees		4,506,238	4,193,576
Professional Charges		120,061,773	25,552,181
Electricity Charges		6,559,905	5,491,514
Office Expenses		5,565,868	8,033,963
Stationery & Printing		4,220,749	3,261,658
Postage, Telegram & Telecommunications expenses		2,444,242	673,502
Internet and Web Site Maintenance		1,478,025	1,052,230
Conveyance and Vehicle Expenses		1,932,245	1,574,673
ROC, Listing Fees		2,656,768	361,819
Other Expenses		3,761,045	33,46,981

# Schedules

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

(Amount in ₹)

	Schedule	2010-11	2009-10
<b>ESTABLISHMENT &amp; OTHER EXPENSES (Contd.)</b>	16		
Computer Software & Hardware Maintenance		587,103	6,374
Telephone Expenses		4,143,087	2,633,241
Membership & Subscription		2,239,062	1,410,494
Sundry Balances written off		30,622,638	3,883,608
Donation		4,855,000	146,000
Tender Fees		187,426	168,308
		361,157,448	122,986,982
<b>Payments to &amp; Provisions for Employees (Including Managerial Remuneration)</b>			
Salary, Bonus & Allowances		119,164,582	62,655,201
Contribution to Provident Fund, Gratuity Fund, ESIC etc.		5,503,171	3,033,005
Director Remuneration		47,093,563	13,800,000
Gratuity		1,054,654	319,251
Employee Welfare & Other Amenities		9,965,042	7,680,408
Directors' Sitting Fees		1,230,000	1,190,000
Recruiting Expenses		532,140	359,268
Provision for Unpaid Leave		1,827,107	252,515
		186,370,259	89,289,648
<b>Sales &amp; Distribution Expenses</b>			
Sales Promotions & Advertisement Expenses		25,337,878	8,996,651
		25,337,878	8,996,651
<b>Total</b>		572,865,585	221,273,281
<b>INTEREST &amp; FINANCE CHARGES AS PER ON</b>	17		
Interest		661,635,886	251,393,923
Bank Charges		4,792,228	2,793,986
Processing Fees		28,171,259	44,924,035
Others		447,225	8,557,500
<b>Total</b>		695,046,598	307,669,444

**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 recognized in the period in which the results are known.

**(iii) Tangible Fixed Assets :**

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

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

**(iv) Intangible Assets**

Intellectual Property Rights (IPR) and Software Licenses which have been separately paid for and put to use are shown under ' Fixed Assets' in the Balance sheet.

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

**(v) Depreciation**

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

depreciated equally over the period of respective project; depreciation on foreign branch assets has been provided at the rates followed under the relevant law of the foreign country which are: Computers 5%; Furniture & Fixture 5% and Computer Software are amortized over 5 years.

**(vi) Impairment of Assets**

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

**(vii) Leases**

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

**(viii) Foreign Currency Transactions**

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

**(ix) Investments**

Current investments are carried at the lower of the cost and fair market value.

Long-term investments are stated at cost. Cost includes costs incidental to acquisition such as legal costs,

investment banking fees etc. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary.

#### (x) Inventories

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

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

#### (xi) Revenue Recognition

Revenue from Software Development and services contracts are recognized 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 recognized as and when these are delivered.

#### (xii) Employee Benefits

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

#### (xiii) Borrowing Cost

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

#### (xiv) Taxes on Income

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

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

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

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

**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**

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

**2.4 Foreign Currency Convertible Bonds**

During the financial year 2010-11, Balance portion of zero coupon FCCB of USD 10 Million were converted into equity shares at the conversion price of ₹ 82.86 comprising face value of ₹ 2/- and premium of ₹ 80.86 per equity share. With these, FCCB of USD 80 million in aggregate, issued in the year 2007-08 stands, fully converted into equity shares as on 31 March 2011.

Pursuant to the approval received from the Members at the 24<sup>th</sup> AGM held on 24th September 2009 the Company had launched and priced the issue of USD 60 Million 7% Foreign Currency Convertible Bonds with an upsize option of USD 15 million, convertible into equity shares of the Company. The issue was fully subscribed and closed on 6th May, 2010, with an aggregate issue of USD 75 million. The Bonds are issued for 5 years and 1 day and will mature on 7th May 2015. The initial conversion price of the said bonds, was fixed at 10% premium over the reference share price of ₹ 247.09 calculated in accordance with the applicable rule and

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

During the year ended 31 March 2011 FCCB of USD 0.217 million were converted into 35472 equity shares at the conversion price of ₹ 271.80 comprising face value of ₹ 2/- and premium of ₹ 269.80 for each equity share. As on 31 March 2011 USD 74.783 million bonds are outstanding for conversion

**2.5 Secured Redeemable Non Convertible Debentures (NCD's)**

The Company had allotted 640 (Six Hundred Forty Only) Secured Redeemable Non Convertible Debentures (NCDs) of ₹ 10.00 Lakhs each (₹ Ten Lakhs only) in the form of Separately Transferable Redeemable Principal Parts of (STRPPS) having the face value of ₹ 1.00 Lakh (₹ One Lakh Only) each aggregating to ₹ 64.00 Crores (₹ Sixty Four Crores only) having a coupon rate of 11.75% payable annually. The Debentures are redeemable in three instalments viz 30% at the end of 3rd year, 30% at the end of 4th year and 40% at the 5th year from the date of allotment i.e. 30th March 2011.

**2.6 Disclosure as per Accounting Standard 15 (Revised) "Employee Benefits" notified by The Companies (Accounting Standard) Rules, 2006 are as under Defined Contribution Plan**

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

	(Amount in ₹)	
	2010 – 11	2009 – 10
Employer's Contribution to Provident Fund	7,341,848	5,946,823

**Defined Benefit Plan**

The Company operate post retirement benefit plan as follows:

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

## 2. NOTES TO ACCOUNTS (Contd.)

Table Showing changes in present value of obligation as on 31 March 2011.

(Amount in ₹)

	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2010 – 11	2009 - 10	2010 – 11	2009 – 10
Present Value of obligation as at the beginning of year	2,176,546	1,720,376	3,537,040	3,613,986
Interest Cost	174,124	137,630	353,642	357,975
Current Service Cost	782,698	845,140	1,245,377	1,619,220
Benefits Paid	-	-	(438,587)	(591,239)
Actuarial (gain)/loss on obligations	199,406	(526,600)	(33,690)	(1,462,902)
Present value of obligation as at the end of year	3,332,774	2,176,546	4,663,782	3,537,040

Table showing changes in the fair value of plan assets as on 31 March 2011.

(Amount in ₹)

	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2010 – 11	2009 - 10	2010 – 11	2009 – 10
Fair value of plan asset at beginning of year	1,658,243	1,521,324	-	-
Expected return on plan asset	132,659	136,919	-	-
Contribution	-	-	-	-
Benefits Paid	-	-	-	-
Actuarial gain/(loss) on plan asset	-	-	-	-
Fair value of plan assets at the end of year	1,790,902	1,658,243	-	-

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

(Amount in ₹)

	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2010 – 11	2009 - 10	2010 – 11	2009 – 10
Present value of obligation as at the end of year	3,332,774	2,176,546	4,663,782	3,537,040
Fair value of plan assets as at the end of the year	1,790,902	1,658,243	-	-
Funded status asset/(liability)	(1,541,872)	(518,303)	(4,663,782)	(3,537,040)
Net asset/(liability) recognised in balance sheet	(1,541,872)	(518,303)	(4,663,782)	(3,537,040)



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

Schedule

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

Expenses recognised in statement of profit and loss

(Amount in ₹)

	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2010 – 11	2009 - 10	2010 – 11	2009 – 10
Current Service Cost	782,698	845,140	1,245,377	1,619,220
Interest Cost	174,124	137,630	353,642	367,464
Expected return on plan asset	(132,659)	(136,919)	-	-
Net Actuarial (gain)/loss recognised in the year	199,406	(526,600)	(33,690)	(1,462,902)
Expenses recognised in statement of profit and loss	1,023,569	319,251	1,565,329	514,293

Actuarial Assumption

(Amount in ₹)

	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2010 – 11	2009 - 10	2010 – 11	2009 – 10
Assumption Discount Rate	8.00%	8.00%	8.00%	7.25%
Salary Escalation	4.00%	4.00%	8.00%	8.00%

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

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

**2.7 Employee Stock Option Scheme :**

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

The Remuneration/Compensation Committee have granted 4,159,245 option out of 4,500,000 under

the scheme to the eligible directors and employees of the Company and its subsidiaries, as follows:

Date of Meeting	No. Of Options Granted
14 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 granted on 12<sup>th</sup> December 2007 were surrendered.

## 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 vested</b>
First 25%	On completion of 18 months
Next 25%	On completion of 24 months
Next 25%	On Completion of 30 months
Next 25%	On Completion of 36 months

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

### TYPE A

Applicable only for the first set of grants made to eligible employees who have joined on or before 31 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 1 April 2008 and for subsequent set of grants, if any made to employees joined on or before 1 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

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

The Remuneration/Compensation Committee have granted 6,003,000 option out of 7,500,000 under the ESOS scheme 2009 to the eligible directors and employees of the Company and its subsidiaries, as follows:

Date of Meeting	No. Of Options Granted
15 October 2009	4,200,000
12 August 2010	978,000
11 November 2010	351,000
11 February 2011	474,000

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

**Disclosure pursuant to the provisions of Securities and Exchange Board of India  
(Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 as on 31 March 2011**

Sr. No.	Scheme-1 : ESOS 2007					Scheme-2 : ESOS 2009				
	14 June 2007	13 March 2008	22 May 2008	27 June 2008	31 July 2008	15 October 2009	12 August 2010	11 November 2010	11 February 2011	
1.	Date of grant									
2.	Options granted	1,421,500	1,179,340	170,690	77,960	109,755	978,000	351,000	474,000	
3.	Pricing Formula	Exercise price shall be the latest available closing market price of the Equity Shares of the Company on BSE or NSE, where the highest volume of shares are traded, prior to the date of grant.								
4.	Price of the share in market at the time of option grant (₹)	136.80	204.85	222.75	181.45	214.70	192.00	261.90	306.30	267.50
5.	Outstanding options as at 1st April, 2010 (Nos.)	708,790	532,145	122,890	17,500	34,255	3,783,500	N.A.	N.A.	N.A.
6.	Options granted during the year ended 31 March 2010 (Nos.)	Nil	Nil	Nil	Nil	Nil	Nil	978,000	351,000	474,000
7.	Options vested during the year ended 31 March 2011 (Nos.)	179,122	234,054	60,045	7,500	14,978	2,143,599	Nil	Nil	Nil
8.	Options exercised during the year ended 31 March 2011 (Nos.)	251,561	7,161	3,100	10,076	275	115,320	Nil	Nil	Nil
9.	Total no. of shares arising as a result of exercise of options (Nos.)	251,561	7,161	3,100	10,076	275	115,320	Nil	Nil	Nil
10.	Options lapsed / surrendered during the year ended 31 March 2011 (Nos.)	98,522	109,890	8,400	2,274	4,300	692,025	205,500	31,000	17,000
11.	Options in force as at 31 March 2011 (Nos.)	358,707	415,094	111,390	5,150	29,680	2,976,155	772,500	320,000	457,000
12.	Variation of terms of options	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
13.	Money realised by exercise of options (₹)	34,413,545	1,466,931	690,525	1,828,290	59,043	22,141,440	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	N.A	N.A	N.A
	ii) Employees receiving 5% or more of the total number of options granted during the year	Nil	Nil	Nil	Nil	Nil	Nil	N.A	N.A	N.A
	iii) Employees granted options equal to or exceeding 1% of the issued capital	Nil	Nil	Nil	Nil	Nil	Nil	N.A	N.A	N.A

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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 2011

Sr. No.	Scheme-1 : ESOS 2007			Scheme-2 : ESOS 2009						
15.	Diluted EPS on issue of shares on exercise calculated in accordance with AS 20 (Rs.)					N.A	N.A	N.A		
	i) Method of calculation of employee compensation cost	Intrinsic Value Method								
	ii) Difference between the employee compensation cost so computed (i) above and the employee compensation cost that shall have been recognized if fair value of options had been used.	Rs. 206,507,908				N.A	N.A	N.A		
	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. 1,03,05,04,097 and Proforma Basic EPS - Rs. 9.98				N.A	N.A	N.A		
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	261.90	306.30	267.50
	ii) Weighted average fair value (Rs.)	72.76	108.95	101.35	83.88	105.34	Type A - Rs. 115.37, Type B - 105.17, Type C - Rs.118.76	Type A - Rs. 105.17, Type C - Rs.122.76	Type C - Rs.119.18	Type C - Rs.122.76
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	7.3	7.69	7.75
	ii) Expected life (years)	5	5	5	5	5	5.00	5.00	5	5
	iii) Expected volatility(%)	54	54	46.23	46.23	46.23	73.64	36.98	31.91	33.13
	iv) Dividend yield(%)	0.10	0.10	0.10	0.10	0.10	0.51	0.33	0.33	0.33

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## 2. NOTES TO ACCOUNTS (Contd.)

### 2.8 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.

### 2.9 Payment to Auditors

Particulars	(Amount in ₹)	
	2010 – 11	2009 – 10
Audit Fees	4,000,000	4,000,000
Other Services/Certificate	3,054,999	193,576
<b>Total</b>	<b>7,054,999</b>	<b>4,193,576</b>

### 2.10 Managerial Remuneration :

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

Particulars	(Amount in ₹)	
	2010 – 11	2009 – 10
Net Profit Before Taxation	1,520,312,773	1,361,646,375
<b>Add :</b>		
Directors Remuneration	47,782,363	14,460,000
Director Sitting Fees	1,230,000	1,190,000
Loss on Sales of Fixed Assets	462,253	369,292
Mis. Expenditure Written Off	-	211,260
Sundry Balances written off	30,622,638	80,097,254
Net Profit under Section 349	1,600,410,027	1,379,080,560
Permissible Maximum Managerial Remuneration @ 11%	176,045,103	151,698,862

(b) Managerial Remuneration Paid/Payable

Particulars	(Amount in ₹)	
	2010 – 11	2009 – 10
Salaries	18,150,003	13,800,000
Contribution to Provident Fund	688,800	660,000
Commission	28,943,560	-
<b>Total</b>	<b>47,782,363</b>	<b>14,460,000</b>

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**2. NOTES TO ACCOUNTS (Contd.)****2.11 The Deferred Tax Liability comprise of the following :**

Particulars	(Amount in ₹)	
	As at 31 March 2011	As at 31 March 2010
(a) Deferred Tax Liability		
Fixed Assets (Depreciation)	64,765,150	43,414,591
(b) Deferred Tax Assets		
Employee Benefits	(946,909)	(762,774)
Deferred Tax Liability (Net)	63,818,241	42,651,818

**2.12 (a) Earnings Per Share (EPS) Basic and Diluted**

Particulars	(Amount in ₹)	
	2010 – 11	2009 – 10
Net Profit after Tax as per P&L a/c attributable to Equity Shareholders	1,237,012,005	1,118,429,154
Weighted average number of Equity Shares (Basic)	103,239,844	92,067,372
Weighted average number of Equity Shares (Diluted)	115,464,306	96,993,752
Basic Earning Per Share (EPS)	11.98	12.15
Diluted Earning Per Share (EPS)	11.98	11.53
Face Value Per Equity Shares	2/-	2/-

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

Particulars	(Amount in ₹)	
	2010 – 11	2009 – 10
Number of Equity Shares considered as basic weighted average shares outstanding	103,239,844	92,067,372
Add : Effect of dilutive issues of FCCB	12,224,462	4,926,380
Number of Equity Shares considered as weighted average shares and potential share outstanding	115,464,306	96,993,752

**2.13 Financial and Derivative Instruments**

Foreign currency exposure that are not hedged as on 31 March 2011 amount to ₹ 3,659,836,115/- (Previous Year ₹ 1,231,438,600/-) on account of :

Particulars	(Amount in ₹)	
	2010 – 11	2009 – 10
Debtors	320,727,405	553,045,926
Borrowings	3,339,108,710	678,392,674
	3,659,836,115	1,231,438,600

## 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 FZC, Sharjah (Formerly 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 UK	
8.	Hamlet Computer Group Limited UK	
9.	CORE Higher Education Pvt. Ltd.	
10.	CORE K12 Schools Pvt. Ltd.	
11.	CORE Skill Development & Careers Pvt. Ltd.	
12.	CORE Education & Consulting Solutions Ltd (Isle of Man)	
13.	Kenan, Keenan & Associates, Inc D/B/A The Employment Store, USA	
14.	Partners 4 Growth Inc, USA	
15.	CORE Education & Consulting Solutions (HK) Ltd. HK	
16.	CORE Education Technologies Inc., Delaware USA	
17.	Technical System Integrators Inc., Georgia, USA	
18.	CORE Global Education Pte Ltd	
19.	CORE Education & Consulting Solutions Pte. Ltd.	
20.	CORE Careers & Skill Developments Limited	
21.	Wisdom Global Enterprises Limited	Promoter/ Associate / Group Company
22.	CORE Steel Industries Pvt. Ltd.	
23.	San-Neel Industries Ltd.	
24.	CORE Steel & Power Ltd.	
25.	CORE Wellness Ltd.	
26.	CORE Higher Learning Ltd.	
27.	CORE Infrapower Ltd.	
28.	CORE Learning Panaroma Ltd.	
29.	Soham Health Awareness Pvt. Ltd.	Relatives of Key Managerial Personnel
30.	Soham Spa Pvt. Ltd.	
31.	Mrs. Neelam Mansotra	Key Managerial Personnel
32.	Mr. Sanjeev Mansotra (Chairman & Managing Director)	
33.	Mr. Naresh Sharma (Whole-time Director)	
34.	Mr. Nikhil Morsawala ( Finance Director)	
35.	Mr. Prakash Gupta (CEO)	



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

(Amount in ₹)

Sr. No.	Nature of Transaction (Excluding reimbursements)	Subsidiaries	Associates	Key Managerial Personal	Others	Total
1.	Purchase/Subscription of Investments	<b>4,356,956,296</b>	<b>160,000,000</b>	-	-	<b>4,516,956,296</b>
		<i>4,880,383,786</i>	-	-	-	<i>4,880,383,786</i>
2.	Loans and advances given/ (returned/taken)	<b>(46,604,478)</b>	-	-	-	<b>(46,604,478)</b>
		<i>(150,731,619)</i>	-	-	-	<i>(150,731,619)</i>
3.	Income From Operation	<b>1,099,166,863</b>	-	-	-	<b>1,099,166,863</b>
		<i>984,797,764</i>	-	-	-	<i>984,797,764</i>
4.	Payment to Key Managerial Person	-	-	<b>58,256,063</b>	-	<b>58,256,063</b>
		-	-	<i>25,653,000</i>	-	<i>25,653,000</i>
5.	Rent	-	<b>150,000</b>	-	<b>3,600,000</b>	<b>3,750,000</b>
		-	<i>1,800,000</i>	-	<i>3,600,000</i>	<i>5,400,000</i>
	Balance as at 31 March 2011					
6.	<b>Investments</b>	<b>9,237,340,082</b>	<b>1,600,00,000</b>	-	-	<b>9,397,340,082</b>
		<i>4,880,383,786</i>	-	-	-	<i>4,880,383,786</i>
7.	<b>Sundry Debtors</b>	<b>87,750,803</b>	-	-	-	<b>87,750,803</b>
		<i>542,423,326</i>	<i>98,800,000</i>	-	-	<i>641,223,326</i>
8.	<b>Loan &amp; Advances</b>	<b>(100,684,262)</b>	-	-	-	<b>(100,684,262)</b>
		<i>(45,001,829)</i>	-	-	-	<i>(45,001,829)</i>
9.	<b>Sundry Creditors</b>	<b>9,908,453</b>	-	-	<b>270,000</b>	<b>10,178,453</b>
		-	-	-	-	-
10.	<b>Share Application Money</b>	<b>533,929</b>	-	-	-	<b>533,929</b>
		<i>421,599,568</i>	<i>160,000,000</i>	-	-	<i>581,599,568</i>
11.	<b>Gaurantee</b>	<b>1,138,575,000</b>	-	-	-	<b>1,138,575,000</b>
		<i>1,190,340,000</i>	-	-	-	<i>1,190,340,000</i>

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

## 2. NOTES TO ACCOUNTS (Contd.)

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

1. Purchase/ Subscription of Investments includes CORE Education & Consulting Solutions Inc., (USA) ₹ 23,392.12 Lacs (Previous Year ₹ 13,499.50 Lacs) and CORE Education & Consulting Solutions – ISLE of Man for ₹ 11,178.49 Lacs ( Previous Year ₹ Nil ).
2. Loans and Advances ₹ 233.06 Lacs (Previous Year ₹ Nil) given to CORE Education and Consulting Solutions (UK) Ltd., and received ₹ 699.10 Lacs (Previous Year ₹ Nil) from CORE Education & Consulting Solution Inc .
3. Income from Operations includes export of software developed of ₹ 9,372.89 lacs (previous year ₹ 8,660.11 lacs) to Core Education & Consulting Solution Inc. a wholly owned subsidiary. and ₹ 1,615.56 lacs (previous year ₹ 182.87 lacs) to Core Projects & Technologies Ltd. (UK), another wholly owned subsidiary and domestic sales of ₹3.22 Lacs (Previous Year ₹ Nil) to Aarman Software Pvt.Ltd.
4. In Payment to Key Management Personnel includes ₹ 409.43 Lacs to Mr. Sanjeev Mansotra (Previous year ₹ 120.00 Lacs), ₹ 24.00 Lacs, Salary to Mr. Naresh Sharma (Previous year. ₹ 18.00 Lacs), ₹ 37.50 Lacs to Mr. Nikhil Morsawala (Previous Yer ₹ Nil) and ₹ 111.63 to Mr. Prakash Gupta (Previous Year ₹118.53 Lakhs).
5. Rent paid to Relatives of Key Managerial person Mrs. Neelam Mansotra amounts to ₹ 36 lacs (Previous year ₹ 36 lacs)
6. Share Application Money given to ₹ 1.02 Lacs to CORE K12 School Pvt. Ltd. ( Previous Year ₹ Nil ) and ₹ 4.03 Lacs to CORE Skill Development Pvt. Ltd. ( Previous Year ₹ Nil).
7. Guarantees, includes ₹ 11,385.75 Lacs (Previous year ₹ 11,903.40 Lacs) Corporate guarantee on behalf of Core Education Consulting Solutions Inc. a wholly owned subsidiary company.

### 2.15 Disclosure required by 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		As at 31 March 2011	As at 31 March 2010	Maximum Balance during the year
2.	CORE Education & Consulting Solutions (UK) Ltd.	Subsidiary	23,306,500	-	23,306,500

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

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

- i) None of the loanees of subsidiary companies have, per se made investment in the shares of the company or subsidiary.
- ii) Investment by CORE Education & Consulting Solutions (UK) Ltd., Formerly CORE Projects & Technologies (UK) Ltd.) in equity shares of subsidiaries :

Sr.No.	Name of the Company	No. of Shares
1.	Hamlet Computer Group Ltd.,	61,500
2.	Symbia Ltd.,	2,205,000

**2.16 Segment Reporting :**

The Company provides software development and related IT and Infrastructure services. The company has identified two basic segments viz. **Local-Software Development India** 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.

## 2. NOTES TO ACCOUNTS (Contd.)

### 10 Segment Reporting as per AS 17 1. Primary Segment Information

Particulars	Local Software Development		EOU Software Development		On-Shore Development		Unallocable		Total	
	31 March 2011	31 March 2010	Off-Shore Development 31 March 2011	31 March 2010	On-Shore Development 31 March 2011	31 March 2010	31 March 2011	31 March 2010	31 March 2011	31 March 2010
<b>1. Segment Revenue</b>										
External Sales (Net of Int. Seg Sales)	21,176,490	421,000,679	1,777,056,363	1,569,512,464	3,357,688,805	2,189,008,658	-	-	5,155,921,658	4,179,521,801
Gross / Net Turnover	21,176,490	421,000,679	1,777,056,363	1,569,512,464	3,357,688,805	2,189,008,658	-	-	5,155,921,658	4,179,521,801
<b>2. Segment Results before Interest and Taxes</b>	4,124,147	31,896,027	965,910,975	1,250,291,508	922,560,863	493,575,487	300,825,473	(141,306,690)	2,193,421,458	1,634,456,332
Less : Interest Expenses	-	-	-	-	448,118,251	-	246,928,347	307,669,444	695,046,598	307,669,444
Add : Interest Income	-	-	-	-	-	-	21,937,913	34,859,487	21,937,913	34,859,487
Profit before Tax	4,124,147	31,896,027	965,910,975	1,250,291,508	474,442,612	493,575,487	75,835,039	(414,116,647)	1,520,312,773	1,361,646,375
Current Tax	-	-	-	-	-	-	262,134,345	221,721,848	262,134,345	221,721,848
Deferred Tax	-	-	-	-	-	-	21,166,423	21,495,373	21,166,423	21,495,373
Profit After Tax	4,124,147	31,896,027	965,910,975	1,250,291,508	474,442,612	493,575,487	(207,465,729)	(657,333,868)	1,237,012,005	1,118,429,154
<b>3. Other Information</b>										
Segment Assets	2,958,196,327	796,124,293	2,604,845,231	1,191,666,654	2,441,803,326	1,483,610,000	10,919,776,392	5,821,718,272	18,924,621,276	9,293,119,219
Segment Liabilities	208,715,379	116,460	330,782,410	13,039,381	346,928,399	962,140,648	318,069,344	(415,129,059)	1,204,495,532	560,167,430
Capital Expenditure									1,751,932,022	1,597,863,971
Depreciation							84,365,986	55,611,728	84,365,986	55,611,728
Non Cash Expenses other than Depreciation							31,422,638	4,098,868	31,422,638	4,094,868

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**2. NOTES TO ACCOUNTS (Contd.)****2. Secondary Segment Information**

Particulars	(Amount in ₹)	
	As at 31 March 2011	As at 31 March 2010
<b>1. Segment Revenue:</b>		
Within India	1,798,232,853	1,990,513,143
Outside India	3,357,688,805	2,189,008,658
<b>Total Revenue</b>	<b>5,155,921,658</b>	<b>4,179,521,801</b>
<b>2. Segment Assets:</b>		
Within India	4,082,751,418	1,987,790,947
Outside India	14,841,869,858	7,305,328,272
<b>Total Assets</b>	<b>18,924,621,276</b>	<b>9,293,119,219</b>
<b>3. Segment Liabilities:</b>		
Within India	539,497,789	13,155,841
Outside India	664,997,743	547,011,589
<b>Total Liabilities</b>	<b>1,204,495,532</b>	<b>560,167,430</b>
<b>4. Capital Expenditure:</b>		
Within India	1,422,830,714	1,363,304,207
Outside India	329,101,308	234,559,764
<b>Total Expenditure</b>	<b>1,751,932,022</b>	<b>1,597,863,971</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**

Payable	(Amount in ₹)	
	As at 31 March 2011	As at 31 March 2010
Not later than one year	4,717,200	5,100,000
Later than one year but not later than five years	10,717,100	1,800,000
Later than five year	-	-

## 2. NOTES TO ACCOUNTS (Contd.)

### 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 ₹)

Sr. No.	Particulars	As at 31 March 2011	As at 31 March 2010
(a)	<b>Estimated Amount of Contracts remaining to be executed on capital account and not provided for</b>	1,558,693,216	67,715,733
(b)	<b>Contingent Liabilities</b>		
1.	Bank Guarantees	462,197,839	58,531,000
2.	There is an SBLC (Stand by Letter of Credit) for GBP 191,000	-	15,756,300
3.	Corporate Guarantee given on behalf of Core Education & Consulting Inc. USA, a wholly owned subsidiary Company	1,138,575,000	1,190,340,000
(c)	<b>Expenditure in Foreign Currency</b>		
	Travelling, Hotel & Lodging	9,925,103	3,380,618
	FCCB Issue Expenses (Including professional fees)	237,808,845	-
	Professional Fees	10,217,020	1,537,792
	Listing Fees on Singapore Stock Exchange	14,614	815,500
(d)	<b>Earnings in Foreign Currency</b>		
	Export of Software on FOB Basis	1,777,056,363	1,569,512,464
	<b>Total</b>	1,777,056,363	1,569,512,464

### 2.16.3 Remittance in foreign currency on account of Dividend

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

	2010-11	2009-10
a) Number of Non Resident Shareholders	264	-
b) Number of Equity Shares held by them	145,787	15,438,927
c) i) Amount of Dividend Paid (Gross)	87,472	9,263,356
ii) Tax Deducted at Source	-	-
iii) Year to Which dividend relates	2009-10	2008-09

forming part of the Balance Sheet and Profit &amp; Loss Account

Schedule

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**2. NOTES TO ACCOUNTS (Contd.)****2.16.4 Additional information in respect of bank balances**

(Amount in ₹)

	Maximum Balance		Closing Balance	
	2010-11	2009-10	2010-11	2009-10
Balances in Current Accounts				
M&T Bank.	265,495,994	-	(5,737,982)	-
SunTrust Bank	51,766,760	73,320,763	(1,413,697)	(7,944,312)
Bank of America	46,440,732	5,115,607	1,627,466	1,141,140

2.16.4.1 Balance in current accounts include cheque on hands ₹ 3,480.00 Lacs subject to realisation

- 2.16.5 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.
- 2.16.6 All advances, receivables and payables are subject to confirmation and reconciliation, if any.
- 2.16.7 The Ministry of Corporate Affairs, Government of India, Vide General Circular No. 2 and 3 dated 8th February 2011 and 21st February 2011 respectively has granted a general exemption from compliance with section 212 of the companies Act 1956, subject to fulfilment of conditions stipulated in the circular. The company has satisfied the conditions stipulated in the circular and hence is entitled to the exemption. Necessary information relating to the subsidiaries has been included in the Consolidated Financial Statements.

As per our report of even date

For and on behalf of the Board

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

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

**Sanjeev Mansotra**  
Chairman  
10 June 2011

**Jignesh Mehta**  
Partner

**Sanjay Rane**  
Partner

**Nikhil Morsawala**  
Director- Finance

Membership No. 102749

Membership No.100374

**Naresh Sharma**  
Whole-time Director

Place : Mumbai  
Date : 26 May 2011

**Ganesh Umashankar**  
Company Secretary

# Cash Flow Statement

for the year ended March 31 2011

(Amount in ₹)

Particulars	2010-11		2009-10	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b> A				
Net Profit before Tax	1,520,312,773		1,361,646,375	
Add: Depreciation	84,365,986		55,611,728	
Foreign Currency Translation Loss	9,620,129		(210,257,984)	
Interest Income	(21,937,913)		(34,859,487)	
Interest Expense	661,635,887		307,669,444	
Sundry Balances written off (Net)	30,622,638		3,883,608	
Shares issue expenses written off	-		211,260	
<b>Operating Profit before working</b>		2,2846,19,500		1,483,904,945
Capital changes				
Changes in:				
Trade & Other receivables	(559,543,365)		(154,672,137)	
Inventories	(107,839,092)		(138,341,983)	
Trade Payables	540,468,074		(149,198,052)	
Loans & Advances	(504,048,473)		11,769,859	
Tax paid / (Refund)	(298,119,709)	(929,082,565)	(74,552,366)	504,994,679
<b>Net cash from operating activities</b>		1,355,536,935		978,910,266
<b>CASH FLOW FROM INVESTING ACTIVITIES</b> B				
Investment in Fixed Assets	(1,753,989,287)		(1,606,386,853)	
Sale of fixed assets	800,000		-	
Purchases of Investments & Share Application money given	(3,935,890,657)		(1,433,030,253)	
Interest Received	21,937,913		34,859,487	
		(5,667,142,032)		(3,004,557,619)
<b>CASH FLOW FROM FINANCING ACTIVITIES (CONTD.)</b> C				
Increase/Decrease in unsecured Loans	118,997,580		449,998,027	
Increase/Decrease in Secured Loans	1,888,086,966		997,795,080	
Issue of FCCB	3,418,500,000			
Issue of shares and warrants	782,099,774		1,134,228,500	
Payment of Dividends	(72,618,801)		(55,669,064)	
Advance to / from subsidiaries	106,268,410		(690,517,238)	
Interest Paid	(656,910,564)		(307,669,444)	
Share / FCCB Issue Expenses	(143,187,030)	5,441,236,335	(1,514,193)	1,526,651,623
<b>Net Changes in cash &amp; cash equivalents (A+B+C)</b>		1,129,631,238		(498,995,730)
Cash & Cash Equivalents Opening Balance		315,135,039		814,130,769
Cash & Cash Equivalents Closing Balance		1,444,766,278		315,135,039

As per our report of even date

For and on behalf of the Board

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

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

**Sanjeev Mansotra**  
Chairman  
10 June 2011

**Jignesh Mehta**  
Partner

**Sanjay Rane**  
Partner

**Nikhil Morsawala**  
Director- Finance

Membership No. 102749

Membership No.100374

**Naresh Sharma**  
Whole-time Director

Place : Mumbai  
Date : 26 May 2011

**Ganesh Umashankar**  
Company Secretary



# Information Pursuant to Section 212

of the companies Act, 1956 for the financial year ended 31 March 2011

Subsidiary Companies	CORE Education & Consulting Solutions Inc., USA	HCL Systems Inc., USA	Keenan, Keenan & Associates (TES), USA	CORE Education & Consulting Solutions (U.K.) Ltd. (Formerly CORE Education Consulting Technologies (U.K.) Ltd.)	CORE Projects & Technologies FZC (Formerly CORE Projects & Technologies FZE)	CORE Education & Consulting Solutions Ltd. (Isle of Mann)	CORE Education Technologies Inc., Delaware, USA [Wholly owned subsidiary of CORE Education & Consulting Solutions Ltd. (Isle of Mann)]	Technical System Integrators Inc., Georgia, USA [Wholly owned subsidiary of CORE Education Technologies Inc., Delaware, USA]	CORE Global Education Pte. Ltd., Singapore	Aarman Software Pvt. Ltd.	CORE Careers & Skill Development Ltd. (Formerly, CORE Edumedia Ltd.)	CORE Education Infotech Ltd.	CORE Higher Education Pvt. Ltd.	CORE Skill Development & Careers Pvt. Ltd.	CORE K12 Schools Pvt. Ltd.
Financial year of the Subsidiary ended on	31 Mar 2011	31 Mar 2011	31 Mar 2011	31 Mar 2011	31 Mar 2011	31 Mar 2011	31 Mar 2011	31 Mar 2011	31 Mar 2011	31 Mar 2011	31 Mar 2011	31 Mar 2011	31 Mar 2011	31 Mar 2011	31 Mar 2011
Shares of the Subsidiary held by the Company on the above date	Equity Shares - 1,000,000 Preferred Stock - 108,722,300	Common Stock - 1,500	Equity Shares - 200	Ordinary Shares - 1,000,000 Preferred Stock - 4,684,931	Common Shares - 6,390	Ordinary Shares - 7,904,193 Preferred Stock - 8,221,878	Equity Shares - 1,000	100% Ownership interest	Equity Share - 1	Equity Shares - 129,960	Equity Shares - 50,000	Equity Shares - 9,000,000 Preference Shares - 10,000,000	Equity Shares - 6,621,447	Equity Shares - 6,406,935	Equity Shares - 6,396,043
Face value	Equity Shares - No Par Value Preferred Stock - USD 1 each	USD 0.01 each	No Par Value	Ordinary Shares - £ 1.00 each Preferred Stock - £ 1.00 each	AED 1,500 each	Ordinary Shares - £ 1.00 each Preferred Stock - £ 1.00 each	USD 1 each	NA	USD 1 each	₹10/- each	₹10/- each	₹10/- each	₹10/- each	₹10/- each	₹10/- each
Extent of holding	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	76%	76%	76%
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	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
a. dealt with or provided for in the accounts of the Holding Company	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

# Information Pursuant to Section 212

of the companies Act, 1956 for the financial year ended 31 March 2011

Subsidiary Companies	CORE Education Solutions Inc., USA	HCL Systems Inc., USA	Keenan & Associates (TES), USA	CORE Education Consulting Solutions (U.K.) Ltd. (Formerly CORE Projects & Technologies (U.K.) Ltd.)	CORE Education & Consulting Solutions (U.K.) Ltd.	CORE Projects & Technologies FZC (Formerly CORE Projects & Technologies FZE)	CORE Education Consulting Solutions Ltd. (Isle of Mann)	CORE Education Technologies Inc., Delaware, USA [Wholly owned subsidiary of CORE Education Solutions Ltd. (Isle of Mann)]	Technical System Integrators Inc., Georgia, USA [Wholly owned subsidiary of CORE Education Technologies Inc., Delaware, USA]	CORE Global Education Pte. Ltd., Singapore	Aarman Software Pvt. Ltd.	CORE Careers & Skill Development Ltd. (Formerly CORE Edumedia Ltd.)	CORE Education Infotech Pvt. Ltd.	CORE Higher Education Pvt. Ltd.	CORE Skill Development & Careers Pvt. Ltd.	CORE K12 Schools Pvt. Ltd.	
Financial year of the Subsidiary ended on	31 Mar 2011	31 Mar 2011	31 Mar 2011	31 Mar 2011	31 Mar 2011	31 Mar 2011	31 Mar 2011	31 Mar 2011	31 Mar 2011	31 Mar 2011	31 Mar 2011	31 Mar 2011	31 Mar 2011	31 Mar 2011	31 Mar 2011	31 Mar 2011	
a. not dealt with or provided for in the accounts of the Holding Company (Amount in ₹)	771,077,814	(23,624,984)	12,487,250	94,421,882	105,858,028	33,460,600	(11,972,020)	45,432,620	9,169,561	(891,743)							
b. The net aggregate of profits or (losses) for previous financial years of the subsidiary so far as it concerns the members of the holding company																	
a. dealt with or provided for in the accounts of the holding company	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b. not dealt with or provided for in the accounts of the Holding Company (Amount in ₹)	545,316,199	(3,683,076)	-	69,360,951	Nil	Nil	-	-	Nil	Nil	543,278	Nil	Nil	Nil	Nil	Nil	Nil

For and on behalf of the Board  
**Naresh Sharma**  
 Whole-Time Director

Place: Mumbai  
 26 May 2011

# Details of Subsidiaries under Section 212(8)

of the Companies Act, 1956 for the Financial Year ended 31March 2011

Sr. No.	Name of Subsidiary	(Amount in ₹)														
		CORE Education & Consulting Solutions Inc., USA	HCL Systems Inc., USA	Keenan, Keenan & Associates (TES), USA	CORE Education & Consulting Solutions (U.K.) Ltd.	CORE Projects & Technologies FZC (Formerly CORE Projects & Technologies FZE)	CORE Education & Consulting Solutions Ltd. (Isle of Mann)	CORE Education Technologies Inc., Delaware, USA [Wholly owned subsidiary of CORE Education & Consulting Solutions Ltd. (Isle of Mann)]	Technical System Integrators Inc., Georgia, USA [Wholly owned subsidiary of CORE Education Technologies Inc., Delaware, USA]	CORE Global Education Pte. Ltd., Singapore	Aarman Software Pvt. Ltd.	CORE Careers & Skill Development Ltd. (Formerly, CORE Edumedia Ltd.)	CORE Education InfraTech Pvt. Ltd.	CORE Higher Education Pvt. Ltd.	CORE Skill Development & Careers Pvt. Ltd.	CORE K12 Schools Pvt. Ltd.
A	Capital															
	Paid up Capital	5,295,812,909	670	15,234,795	416,103,767	191,666,997	44,650	44,650	40,792,781	224,000	1,299,600	500,000	190,000,000	66,214,470	64,069,350	63,960,430
	Share Application	-	-	-	-	-	-	1,262,005,460	-	-	-	-	-	56.23	403,505.82	1,010,798.63
B	Reserves	2,738,077,022	63,325,885	12,143,098	191,585,568	255,989,229	13,334,055	(11,810,238)	44,474,407	-	32,663,796	-	(370,255)	-	-	-
C	Total Assets	9,385,371,380	59,399,389	79,911,281	787,783,197	324,116,972	1,331,541,594	1,266,313,873	87,327,748	224,000	76,299,822	500,000	564,115,169	82,925,834	77,038,509	81,089,278
D	Total Liabilities	1,643,938,949	(3,927,166)	52,533,388	180,093,862	(116,748,603)	1,318,162,889	65,189,000	2,060,561	-	42,336,426	-	172,685,424	16,711,364	12,969,159	17,128,848
E	Details of investments (except in case of investment in the subsidiaries)	292,457,500	Nil	Nil	Nil	6,790,652	Nil	49,115,000	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
F	Turnover	5,725,336,247	106,844,508	461,069,212	488,153,267	206,936,112	423,636,337	11,244,077	403,547,821	-	164,042,022	-	10,263,905	-	-	-
G	Profit before Taxation	925,120,222	(28,496,723)	15,104,181	112,103,117	105,858,028	42,125,684	(11,972,020)	54,097,704	-	13,992,862	-	(891,743)	-	-	-
H	Provision for Taxation	154,042,408	(4,871,739)	2,616,931	17,681,235	-	8,665,084	Nil	8,665,084	-	4,823,301	-	-	-	-	-
I	Profit after Taxation	771,077,815	(23,624,984)	12,487,250	94,421,882	105,858,028	33,460,600	(11,972,020)	45,432,620	-	9,169,561	-	(891,743)	-	-	-
J	Proposed Dividend	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

# Balance Sheet Abstract

and Company's General Business Profile

## 1 Registration Details

Registration No.       State Code

Balance Sheet Date        
Date Month Year

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

Public Issue         Right Issue

Bonus Issue         Private Placements

(Including FCCB Conversion, Preferential Allotment and ESOS)

## 3 Position of Mobilisation and Deployment of Funds (Amount in ₹ 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           Accumulated Losses

Misc. Expenses

## 4 Performance of Company (Amount in ₹ Thousands)

Turnover           Total Expenditure

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

Earning per Share in (₹)          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  
Firm Registration No. 101720W

**Jignesh Mehta**  
Partner

Membership No. 102749

Place : Mumbai  
Date : 26 May 2011

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

**Sanjay Rane**  
Partner

Membership No.100374

For and on behalf of the Board

**Sanjeev Mansotra**  
Chairman  
10 June 2011

**Nikhil Morsawala**  
Director- Finance

**Naresh Sharma**  
Whole-time Director

**Ganesh Umashankar**  
Company Secretary

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 31 March 2011, and also 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 misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. Financial statements / consolidated financial statements of four subsidiaries, which reflect total assets of ₹ 632,015,712 as at 31 March 2011, total revenue of ₹ 10,263,905 and net cash inflows amounting to ₹ 8,111,999 for the year then ended, have been audited by one of us.
2. We did not audit the financial statements of other subsidiaries, whose financial statements reflect total assets of ₹ 11,322,207,871 as at 31 March 2011, total revenue of ₹ 7,021,269,937 and cash inflows amounting to ₹ 245,196,109 for the year 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 report 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 Standards (AS) 21, Consolidated Financial Statements notified by the Companies (Accounting Standards) Rules, 2006.
4. Based on our audit as aforesaid and on consideration of reports of other auditors on the separate financial statements and on other financial information of the components approved by the board of directors. 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 31 March 2011;
  - (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

**Jignesh Mehta**  
(Partner)  
Membership No: 102749

Place : Mumbai  
Date : 26 May 2011

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

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

# Consolidated Balance Sheet

as at March 31 2011

(Amount in ₹)

	Schedule	As at 31 March 2011	As at 31 March 2010
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Funds</b>			
Share Capital	1	218,291,272	197,192,582
Equity Share Warrants	2	-	240,500,000
Reserves and Surplus	3	11,608,244,594	8,519,693,542
Minority Interest		46,618,554	-
<b>Loan Funds</b>			
Secured Loans	4	4,104,250,876	2,478,904,571
Unsecured Loans	5	4,290,804,472	1,101,398,027
Deferred Tax Liability (Net)		63,764,053	42,597,630
<b>Total</b>		<b>20,331,973,822</b>	<b>12,580,286,352</b>
<b>APPLICATION OF FUNDS</b>			
Fixed Assets	6		
Gross Block		5,174,417,374	2,838,950,664
Less : Depreciation		1,379,371,081	788,981,785
Net Block		3,795,046,293	2,049,968,878
Capital Work in Progress		4,878,349,253	3,647,706,678
		8,673,395,546	5,697,675,556
<b>INVESTMENTS</b>	7	459,248,152	295,667,000
Goodwill On Consolidation		700,186,068	666,158,657
<b>Current Assets, Loans and Advances</b>			
Current Assets :	8		
Inventories		1,465,602,496	1,021,163,720
Sundry Debtors		4,890,201,079	3,968,362,447
Cash & Bank Balances		1,896,765,402	513,826,055
Loans and Advances	9	3,686,147,744	1,297,886,865
		11,938,716,721	6,801,239,086
Less: Current Liabilities & Provisions	10		
Current Liabilities		877,588,737	382,325,733
Provisions		564,540,667	498,524,716
		1,442,129,403	880,850,449
<b>Net Current Assets</b>		<b>10,496,587,318</b>	<b>5,920,388,637</b>
Miscellaneous Expenditure (to the extent not written off or adjusted)	11	2,556,738	396,502
<b>Total :</b>		<b>20,331,973,822</b>	<b>12,580,286,352</b>
Significant Accounting Policies	18		
Notes on Accounts	19		

As per our report of even date

For and on behalf of the Board

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

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

**Sanjeev Mansotra**  
Chairman  
10 June 2011

**Jignesh Mehta**  
Partner

**Sanjay Rane**  
Partner

**Nikhil Morsawala**  
Director- Finance

Membership No. 102749

Membership No.100374

**Naresh Sharma**  
Whole-time Director

Place : Mumbai  
Date : 26 May 2011

**Ganesh Umashankar**  
Company Secretary

# Consolidated Profit & Loss Account

for the year ended March 31 2011

(Amount in ₹)

	Schedule	2010-11	2009-10
<b>INCOME</b>			
Income from Operations	12	10,912,288,685	8,469,808,422
Other Income	13	155,757,460	89,376,266
Variation in Inventory	14	444,438,776	95,640,581
<b>Total</b>		<b>11,512,484,921</b>	<b>8,654,825,268</b>
<b>EXPENDITURE</b>			
Software Development Cost	15	5,775,423,215	4,769,173,642
Establishment & Other Expenses	16	1,645,243,836	979,586,571
Interest & Finance Charges	17	786,967,643	417,027,454
Depreciation	6	586,229,285	412,825,238
Share Issue Expenses Written Off		-	211,260
<b>Total</b>		<b>8,793,863,979</b>	<b>6,578,824,165</b>
<b>PROFIT BEFORE TAX</b>			
		<b>2,718,620,942</b>	<b>2,076,001,103</b>
Less:- Provision for Taxes			
Current Tax		447,246,374	332,166,810
Deferred Tax		21,166,423	21,495,373
Wealth Tax		100,000	100,000
<b>PROFIT AFTER TAX</b>			
		<b>2,250,108,145</b>	<b>1,722,238,920</b>
Add Balance Brought Forward From Previous Year		3,832,942,502	2,301,072,940
Excess / (Short ) Provisions for Tax for earlier years		-	(5,647,996)
Amount Available for Appropriations		<b>6,083,050,647</b>	<b>4,017,663,864</b>
<b>APPROPRIATIONS</b>			
General Reserve		125,000,000	112,000,000
Debenture Redemption Reserve		350,000	-
Proposed Dividend on Equity shares		65,487,382	62,157,667
Tax on Dividend		13,051,963	10,563,695
<b>BALANCE CARRIED TO BALANCE SHEET</b>			
		<b>5,879,161,303</b>	<b>3,832,942,502</b>
Basic Earning per shares of face value of ₹ 2 each (In ₹)		21.79	18.71
Diluted Earning per shares of face value of ₹ 2 each (In ₹)		21.54	17.76
Significant Accounting Policies	18		
Notes on Accounts	19		
(Refer Note No. 2.8 of Schedule 19)			

As per our report of even date

For and on behalf of the Board

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

**Jignesh Mehta**  
Partner

Membership No. 102749

Place : Mumbai  
Date : 26 May 2011

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

**Sanjay Rane**  
Partner

Membership No.100374

**Sanjeev Mansotra**  
Chairman  
10 June 2011

**Nikhil Morsawala**  
Director- Finance

**Naresh Sharma**  
Whole-time Director

**Ganesh Umashankar**  
Company Secretary

# Schedules

forming part of the Consolidated Balance Sheet

(Amount in ₹)

	Schedule	As at 31 March 2011	As at 31 March 2010
<b>SHARE CAPITAL</b>	<b>1</b>		
<b>Authorised :</b>			
250,000,000 (150,000,000)	Equity Shares of ₹ 2/- each	500,000,000	300,000,000
<b>Issued , Subscribed &amp; Paid Up :</b>			
109,145,636 (98,596,291)	Equity Shares of ₹ 2/- each fully paid up	218,291,272	197,192,582
<b>Total</b>		218,291,272	197,192,582

Notes :

**a) Of the above Equity Shares,**

1. 14,400,000  
(14,400,000) Equity Shares issued & allotted as Bonus Shares in a ratio of 12:1 in June 2005
2. 36,700,000  
(36,700,000) Equity Share issued & allotted as Bonus Shares in a ration of 2:1 in August 2006
3. 1,350,000  
(1,350,000) Equity shares allotted to the promoters of subsidiary against acquisition
4. 34,591,268  
(29,629,416) Equity shares allotted on conversion of Foreign Currency Convertible Bonds.
5. 17,725,000  
(12,525,000) Equity Shares allotted against exercise of Warrants

**b) Option on Unissued Share Capital**

- i. 4,500,000 Equity Shares are reserved for allotment of equity shares under CORE Employee Stock Option Scheme 2007 Out of this issue, 314,048 (P.Y. 41,875) Equity Shares have been issued & allotted to the Employees / Director against exercise of Options under CORE ESOS 2007.
- ii. 7,500,000 Equity Shares are reserved for allotment of equity shares under CORE Employee Stock Option Scheme 2009. Out of this issue, 115,320 (P.Y. Nil) Equity Shares have been issued & allotted to the Employees / Director against exercise of Options under CORE ESOS 2009.
- iii. Refer Note No.2.4 of schedule 19 for option vested on share capital in respect of Foreign Currency Convertible bonds

(Amount in ₹)

	Schedule	As at 31 March 2011	As at 31 March 2010
<b>EQUITY SHARE WARRANTS</b>	<b>2</b>		
Balance as per Last Balance Sheet		240,500,000	180,725,000
Add : Call Money Received		721,500,000	462,500,000
		962,000,000	643,225,000
Less : Warrants forfeited during the year		-	180,725,000
Less : Warrants converted during the year		962,000,000	222,000,000
<b>Total</b>		-	240,500,000
(Refer Note No.2.3 of Schedule 19)			



forming part of the Consolidated Balance Sheet (Contd.)

(Amount in ₹)

	Schedule	As at 31 March 2011	As at 31 March 2010
<b>RESERVES AND SURPLUS</b>	3		
<b>Capital Reserve</b>			
Opening Balance		189,500,000	8,775,000
Add: Warrant Application Money Forfeited during the Year		-	180,725,000
		189,500,000	189,500,000
<b>Securities Premium Account</b>			
Opening Balance		4,598,244,941	3,110,226,861
Add: On conversion of FCCB		407,917,432	605,487,523
Add: On exercise of Warrants		951,600,000	878,400,000
Add: On exercise of ESOS		59,824,788	5,644,750
Less : FCCB / Warrant issue expenses		143,187,030	1,514,193
		5,874,400,131	4,598,244,941
<b>General Reserve</b>			
Opening Balance		193,000,000	81,000,000
Add : Transfer During theYear		125,000,000	112,000,000
		318,000,000	193,000,000
Debenture Redemption Reserve (Transferred from Profit & Loss Account)		350,000	-
Profit and Loss Account		5,879,161,303	3,832,942,502
Foreign Currency Translation Reserve		(653,166,840)	(293,993,901)
<b>Total</b>		11,608,244,594	8,519,693,542

(Amount in ₹)

	Schedule	As at 31 March 2011	As at 31 March 2010
<b>SECURED LOANS</b>	4		
<b>1. Non Convertible Debentures</b> (Refer Note No. 2.5 of Schedule 19)		640,000,000	-
<b>2. Term Loans</b>			
From Banks			
Foreign Currency Loans		446,589,300	709,329,960
Rupee Loans		612,499,335	232,483,582
<b>3. Short Term Loans</b>			
From Banks		505,134,730	-
<b>4. Vehicle Loans</b>			
From Banks		13,907,452	7,444,920
<b>5. Working Capital Loan</b>			
From Bank			
Foreign Currency Loans		-	227,001,702
Rupee Loans		1,886,120,060	1,302,644,406
<b>Total</b>		4,104,250,876	2,478,904,571

forming part of the Consolidated Balance Sheet (Contd.)

Notes :

## 1. Non Convertible Debentures

- ₹ 640,000,000/- (P. Y. Nil) is to be secured by pari passu first charge on immovable asset and tangible Fixed assets of specific projects of the Company having a total asset cover of upto 1.25 times.

## 2. Term Loans

- ₹ 57,500,000/- (P. Y. ₹ 87,500,000/-) secured by First charge of property at unit No. 1 to 7, 10th Floor, Lotus Neelkamal Business Park, New Link Road, Andheri (west) Mumbai.

- ₹ 49,903,445/- (P. Y. ₹ 144,983,582/-) Secured by Equitable Mortgage of Unit No. 1, First Floor, United Infotech Park, TTC Industrial Area, Navi Mumbai

- ₹ 505,095,890/- (P. Y. Nil) Secured by First charge on property located at Unit No. 1, Third floor, United Infotech Park, TTC Industrial Area, Navi Mumbai

₹ 446,589,300/- (P.Y. ₹ 709,329,960/-) secured by Pledge of 1,000,000 common stock of CORE Education & Consulting Solution Inc., wholly owned subsidiary

## 3. Short Term Loan secured by subservient charge on the current assets of the company.

## 4. Vehicle Loan

-Secured by hypothecation of respective vehicles

## 5. Working Capital Loan

-Secured by hypothecation of entire stocks, book debts & other current assets of the company (present & future); Further Secured by equitable mortgage on the immovable properties of the company situated at Unit No: 1 to 8, Sector III, Building No: 4, Millennium Business Park, Navi Mumbai and Unit No. 1, 4th floor, United Infotech Park, TTC Industrial Area, Navi Mumbai; and further secured by Fixed deposit given by the promoter company.

(Amount in ₹)

Schedule	As at 31 March 2011	As at 31 March 2010
<b>UNSECURED LOANS</b>	5	
<b>1. Short Term :</b>		
From Banks	951,695,762	649,998,027
<b>2. Foreign Currency Convertible Bonds (Refer Note No. 2.4 of Schedule 19)</b>	3,339,108,710	451,400,000
<b>Total</b>	4,290,804,472	1,101,398,027

Notes :

### 1. Short Term Loans from Banks includes

-Commercial paper of ₹ 650,000,000/- (P.Y. ₹ 300,000,000/-)

(Maximum Balance outstanding at any time during the year being ₹ 1,000,000,000/- (P.Y. ₹500,000,000/-)

### 2. Short term loan from bank of ₹ 301,695,762/- (P.Y. ₹ 349,998,027/-) is secured by personal guarantee of a Director and Corporate Guarantee of promoter Company.

forming part of the Consolidated Balance Sheet (Contd.)

Description of Assets	Gross Block						Depreciation				Net Block	
	As on 1 April 2010	Foreign Exchange Revaluation Difference	Additions	Deductions	As on 31 March 2011	As on 1 April 2010	Foreign Exchange Revaluation Difference	Additions	Deductions	As on 31 March 2011	As on 31 March 2011	As on 31 March 2010
	(Amount in ₹)											
<b>FIXED ASSETS</b>												
<b>Tangible Assets</b>												
Land	-	-	1,578,030,593	-	1,578,030,593	-	-	-	-	1,578,030,593	-	-
Building	820,043,640	-	311,164,277	-	1,131,207,917	17,143,552	-	13,763,166	-	30,906,698	1,100,301,219	802,900,108
Computers	152,849,681	373,579	141,540,447	-	294,763,707	72,649,033	301,768	26,391,127	-	99,341,928	195,421,779	80,200,648
Furniture & Fixtures	250,317,320	(3,608,003)	32,100,235	-	278,809,552	36,717,866	16,276,004	16,172,637	-	69,166,506	209,643,046	213,599,454
Electrical Equipments	12,589,832	-	315,360	-	12,905,192	1,169,870	-	1,280,497	-	2,450,367	10,454,825	11,419,962
Office Equipments	43,421,628	(13,621,855)	82,317,399	-	112,117,172	16,763,102	2,831,452	10,279,227	-	29,873,782	82,243,391	26,658,526
Motor Car	27,831,768	(373,230)	52,765,406	2,057,265	78,166,680	8,623,379	552,657	2,513,752	795,012	10,894,776	67,271,904	19,208,389
Lease Hold Improvement	649,068	(90,588)	-	-	558,480	568,312	(3,644,160)	3,634,329	-	558,480	-	80,756
<b>Intangible Assets</b>												
Computer Software	156,214,419	5,043,114	7,293,974	-	168,551,508	125,910,954	(11,275,571)	49,930,971	-	164,566,354	3,985,154	30,303,465
Intellectual Property Rights	1,375,033,309	76,204,348	-	-	1,451,237,656	509,435,737	(87,126)	448,462,211	-	957,810,822	493,426,835	865,597,572
Lease Hold Improvement	-	-	68,068,918	-	68,068,918	-	-	13,801,369	-	13,801,369	54,267,549	-
<b>Total Amount (₹)</b>	2,838,950,665	63,927,367	2,273,596,608	2,057,265	5,174,417,374	788,981,785	4,955,023	586,229,285	795,012	1,379,371,081	3,795,046,293	2,049,968,879
Previous year	2,300,598,645	(277,543,092)	813,270,086	575,105	2,838,950,664	376,265,622	(3,597,652)	413,012,019	186,781	788,981,785	2,049,968,879	3,647,706,678
Capital Work in Progress												

Note:

Capital work in progress includes:

1. ₹ 1,745,346,957/- an account of advances against capital expenditure (P.Y ₹ 1,948,594,194/-)

2. ₹ 3,133,002,295/- an account of Product Development (P.Y ₹ 1,699,112,484/-)

# Schedules

forming part of the Consolidated Balance Sheet (Contd.)

(Amount in ₹)

	Schedule	As at 31 March 2011	As at 31 March 2010
<b>INVESTMENTS</b>	7		
Long Term Investment in Preferred Stock of :			
Radiant Bay Ventures Limited		223,250,000	225,700,000
PMH Investment Ltd		69,207,500	69,967,000
Investment in Mutual Fund		6,790,652	-
8,000,000 preference share unquoted fully paid up in CORE Learning Panorama Ltd		160,000,000	-
<b>Total</b>		459,248,152	295,667,000

(Amount in ₹)

AGGREGATE VALUE OF		As at 31 March 2011	As at 31 March 2010	
	Book Value	Market Value	Book Value	Market Value
Unquoted Investments	459,248,152	-	295,667,000	-

(Amount in ₹)

	Schedule	As at 31 March 2011	As at 31 March 2010
<b>CURRENT ASSETS</b>	8		
<b>Inventories</b>			
Software Development-Work-in-Process (Taken, valued and certified by the management )		1,465,602,496	1,021,163,720
		1,465,602,496	1,021,163,720
<b>Sundry Debtors</b>			
<b>Unsecured, Considered Good</b>			
Outstanding exceeding six month		576,545,996	504,970,578
Others		4,313,655,083	3,463,391,869
		4,890,201,079	3,968,362,447
<b>Cash &amp; Bank Balances</b>			
Cash on Hand		1,342,551	1,271,408
<b>Balance with Banks</b>			
In Current Accounts			
With Scheduled & other banks		1,690,979,973	421,535,583
In Fixed Deposits Account			
With Scheduled Banks		204,442,878	91,019,064
(Given as security for bank guarantee)			
<b>Total</b>		1,896,765,402	513,826,055
<b>Total Current Assets</b>		8,252,568,978	5,503,352,221

forming part of the Consolidated Balance Sheet (Contd.)

(Amount in ₹)

	Schedule	As at 31 March 2011	As at 31 March 2010
<b>LOANS &amp; ADVANCES</b>	9		
( Unsecured, Considered Good unless otherwise stated )			
Share Application Money		224,000	160,000,000
Advances for Acquisition		1,762,314,928	-
Advance Recoverable in Cash or in Kind or for value to be received		1,700,816,305	1,074,666,230
Deposits		138,486,295	7,677,132
Balance with Service Tax / Sales Tax Authorities, etc.		84,306,215	55,543,503
<b>Total</b>		3,686,147,744	1,297,886,865

(Amount in ₹)

	Schedule	As at 31 March 2011	As at 31 March 2010
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>	10		
<b>A. Current Liabilities</b>			
Acceptances		767,718,338	72,092,000
Sundry Creditors :-			
- Micro, Small & Medium Enterprises (Ref Note No: Schedule )		-	-
-Others		26,024,952	308,420,114
Interest Accrued But Not Due		83,394,335	1,465,067
Unclaimed Dividend*		451,112	348,551
		877,588,737	382,325,733
<b>B. Provisions</b>			
Proposed Dividend		65,487,382	62,157,667
Dividend Tax		13,051,963	10,563,695
Gratuity & Leave Encashment		5,820,010	4,055,343
Income Tax & Wealth Tax (Net of Advance Tax)		480,181,312	421,748,011
<b>Total</b>		564,540,667	498,524,716
Current Liabilities and Provisions	Total	1,442,129,403	880,850,449

Note :

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

(Amount in ₹)

	Schedule	As at 31 March 2011	As at 31 March 2010
<b>MISCELLANEOUS EXPENDITURE</b>	11		
(To the extent not written off)			
Opening Balance as per last balance sheet		396,502	245,072
Add : Addition during the year		2,428,230	362,690
		2,824,732	607,762
Less : Written off During the Year		267,994	211,260
<b>Total</b>		2,556,738	396,502

# Schedules

forming part of the Consolidated Profit and Loss Account

(Amount in ₹)

	Schedule	2010-11	2009-10
<b>INCOME FROM OPERATIONS</b>	12		
<b>EOU Turnover</b>			
Software Development : Off-shore		1,777,056,363	1,569,512,464
Software Development : On -shore		3,357,688,805	2,189,008,658
<b>Non - EOU Turnover</b>			
Software Development & Services		5,777,543,517	4,711,287,300
<b>Total</b>		10,912,288,685	8,469,808,422
<b>OTHER INCOME</b>	13		
Interest Income (TDS ₹ 355,909/-, PY ₹ 2,680,699/-)		21,937,913	38,332,354
Exchange Gain (Net)		119,917,459	51,031,587
Miscellaneous Income		13,902,088	12,324
<b>Total</b>		155,757,460	89,376,266
<b>VARIATION IN INVENTORY</b>	14		
Inventory (at Close)			
Work in Process		1,465,602,496	1,021,163,720
Inventory (at Commencement)			
Work in Process		1,021,163,720	925,523,139
<b>Total</b>		444,438,776	95,640,581
<b>SOFTWARE DEVELOPMENT COST</b>	15		
Software Development		5,483,318,658	4,523,791,606
Salary, Bonus & Allowances		292,104,557	245,382,036
<b>Total</b>		5,775,423,215	4,769,173,642

(Amount in ₹)

	Schedule	2010-11	2009-10
<b>ESTABLISHMENT &amp; OTHER EXPENSES</b>	16		
<b>Establishment Expenses</b>			
Insurance Charges		65,808,539	53,964,035
Rent, Rates and Taxes		176,752,401	95,154,658
Repairs & Maintenance		9,349,493	4,087,683
Travelling Expenses		109,056,842	69,288,280
Audit Fees		4,516,238	9,623,191
Professional Charges		326,323,867	154,634,572
Electricity Charges		8,975,614	7,104,144
Office Expenses		12,993,955	29,619,211
Stationery & Printing		4,927,342	3,755,610
Postage, Telegram & Telecommunications expenses		5,902,938	2,044,886
Internet and Web Site Maintenance		1,931,885	1,401,929
Conveyance and Vehicle Expenses		1,932,245	2,327,454
ROC, Listing Fees		4,326,519	373,949
Other Expenses		94,247,752	50,494,161

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

(Amount in ₹)

	Schedule	2010-11	2009-10
<b>ESTABLISHMENT &amp; OTHER EXPENSES (Contd.)</b>	16		
Computer Software & Hardware Maintenance		2,933,744	2,677,025
Telephone Expenses		76,083,887	57,898,467
Membership & Subscription		6,612,232	10,757,663
Sundry Balances written off		41587806	3,883,608
Donation		4,985,007	171,300
Tender Fees		187,426	168,308
		959,435,732	559,430,134
<b>Payments to &amp; Provisions for Employees (Including Managerial Remuneration)</b>			
Salary, Bonus & Allowances		538,109,473	329,008,728
Contribution to Provident Fund, Gratuity Fund, ESIC etc.		5,503,171	3,033,005
Director Remuneration		47,093,563	13,800,000
Gratuity		1,054,654	319,251
Employee Welfare & Other Amenities		10,344,578	7,935,292
Directors' Sitting Fees		1,230,000	1,190,000
Recruiting Expenses		695,850	359,268
Provision for Unpaid Leave		1,827,107	252,515
		605,858,396	355,898,058
<b>Sales &amp; Distribution Expenses</b>			
Sales Promotions & Advertisement Expenses		77,886,149	51,028,409
Commission		2,063,559	13,229,970
		79,949,707	64,258,379
<b>Total</b>		1,645,243,836	979,586,571
<b>INTEREST &amp; FINANCE CHARGES</b>	17		
Interest		740,532,425	251,393,923
Bank Charges		17,816,733	112,151,996
Processing Fees		28,171,259	44,924,035
Others		447,225	8,757,500
<b>Total</b>		786,967,643	417,027,454

## 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 it's 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 Dec
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 Dec
3.	CORE Education Infratech Limited	India	100%	31Mar
4.	CORE Projects & Technologies (FZC) [Formerly known as CORE Projects & Technologies (FZE)]	UAE	100%	31 Dec
5.	Aarman Software Private Limited	India	100%	31 Mar
6.	CORE K-12 Schools Pvt. Ltd.(From 31 March 2011)	India	76%	31 Mar
7.	CORE Higher Education Pvt. Ltd.( From 31 March 2011)	India	76%	31 Mar
8.	CORE Skill Developments Pvt. Ltd. (From 31 March 2011)	India	76%	31 Mar
9.	CORE Careers & Skill Developments Limited	India	100%	31 Mar
10.	CORE Education & Consulting Solutions – ISLE of Man (With its Wholly-owned subsidiaries, viz CORE Education & Technologies Inc. (USA) & Technical Systems Integration Inc, USA wholly owned subsidiaries of CORE Education & Technologies Inc)	ISLE of Man	100%	31 Dec

### 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 unrealized gain/loss, in accordance with Accounting Standard (AS-21) "Consolidated Financial Statements"

- The consolidated financial statements are presented, to the extent possible, in the same format as that adopted by the Parents for its standalone financial statements;
- The consolidated financial statements are prepared using uniform accounting policies across the Group;
- The financial statements of the subsidiaries used in the preparation of consolidated financial statements have been drawn up to 31 March 2011, .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 recognized in the financial statements as goodwill and in the case where equity exceeds the cost; the same is being adjusted in the said goodwill. 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.

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

(i) **Use of Estimates :**

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

(ii) **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.

(iii) **Intangible Assets**

Intellectual Property Rights (IPR) and Software Licenses which have been separately paid for and put to use are shown under ' Fixed Assets' in the Balance sheet.

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

(iv) **Depreciation**

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

(v) **Impairment of Assets**

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

(vi) **Leases**

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

## (vii) Foreign Currency Transactions

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

## (viii) Investments

Current investments are carried at the lower of the cost and fair market value.

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

## (ix) Inventories

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

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

## (x) Revenue Recognition

Revenue from Software Development and services contracts are recognized 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.

## (xi) Employee Benefits

- a) Short-term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered
- b) In respect of Indian operations of the Company, post-employment and other long-term employee benefits are recognized as an expense in the profit and loss account for the year in which the employee has

rendered services. The expense is recognized at the present value of the amount payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the profit and loss account.

- c) In respect of employee stock options, the intrinsic value of the options, i.e. the excess of market price of the underlying share on the date of the grant over the exercise price of the option is accounted as deferred employee compensation cost to be amortized over the vesting period.

(xii) **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.

(xiii) **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.

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

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

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

## 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:

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

### 2.4 Foreign Currency Convertible Bonds :

During the financial year 2010-11, Balance portion of zero coupon FCCB of USD 10 Million were converted into equity shares at the conversion price of ₹ 82.86 comprising face value of ₹ 2/- and premium of ₹ 80.86 per equity share. With these, FCCB of USD 80 million in aggregate, issued in the year 2007-08 stands, fully converted into equity shares as on 31 March 2011.

Pursuant to the approval received from the Members at the 24th AGM held on 24 September 2009 the Company had launched and priced the issue of USD 60 Million 7% Foreign Currency Convertible Bonds with an upside option of USD 15 million, convertible into equity shares of the Company. The issue was fully subscribed and closed on 6 May 2010 with an aggregate issue of USD 75 million. The Bonds

are issued for 5 years and 1 day and will mature on 7th May 2015. The initial conversion price of the said bonds, was fixed at 10% premium over the reference share price of ₹ 247.09 calculated in accordance with the applicable rule and regulations governing the issue, issued by the Reserve Bank of India and the SEBI in this regard and, which works out to ₹ 271.80. The fixed exchange rate for the issue was USD 1 = ₹ 44.43.

During the year ended 31.03.2011 FCCB of USD 0.217 million were converted into 35472 equity shares at the conversion price of ₹ 271.80 comprising face value of ₹ 2/- and premium of ₹ 269.80 for each equity share. As on 31 March 2011 USD 74.783 million bonds are outstanding for conversion.

### 2.5 Secured Redeemable Non Convertible Debentures (NCD's)

The Company had allotted 640 (Six Hundred Forty Only) Secured Redeemable Non Convertible Debentures (NCDs) of ₹ 10.00 Lakhs each (₹ Ten Lakhs only) in the form of Separately Transferable Redeemable Principal Parts of (STRPPS) having the face value of ₹ 1.00 Lakh ( ₹ One Lakh Only) each aggregating to ₹ 64.00 Crores (₹ Sixty Four Crores only) having a coupon rate of 11.75% payable annually. The Debentures are redeemable in three instalments viz 30% at the end of 3rd year, 30% at the end of 4th year and 40% at the 5th year from the date of allotment i.e. 30th March 2011.

### 2.6 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.

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

Schedule

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**2. NOTES TO ACCOUNTS (Contd.)****2.7 Managerial Remuneration Paid/Payable**

Particulars	(Amount in ₹)	
	2010 – 11	2009 – 10
Salaries	1,81,50,003	13,800,000
Contribution to Provident Fund	6,88,800	660,000
Commissions	2,89,43,560	-
<b>TOTAL</b>	<b>4,77,82,363</b>	<b>14,460,000</b>

**2.8 The Deferred Tax Liability comprise of the following :**

	(Amount in ₹)	
	As at 31 March 2011	As at 31 March 2010
(a) Deferred Tax Liability		
- Fixed Assets (Depreciation)	64,765,150	43,414,591
(b) Deferred Tax Assets		
- Employee Benefits	(9,46,909)	(762,774)
- Deferred Tax Liability (Net)	63,818,241	42,651,818

**2.9 (a) Earnings Per Share (EPS) Basic and Diluted**

Particulars	(Amount in ₹)	
	2010 – 11	2009 – 10
Net Profit after Tax as per P&L a/c attributable to Equity Shareholders	2,250,108,145	1,722,238,920
Weighted average number of Equity Shares (Basic)	103,239,844	92,067,372
Weighted average number of Equity Shares (Diluted)	115,464,306	96,993,752
Basic Earning Per Share (EPS)	21.79	18.71
Diluted Earning Per Share (EPS)	21.54	17.76
Face Value per Equity Shares	2/-	2/-

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

Particulars	2010 – 11	2009 – 10
Number of shares considered as basic weighted average shares outstanding	103,239,844	92,067,372
Add : Effect of dilutive issues of FCCB	12,224,462	4,926,380
Number of shares considered as weighted average shares and potential share outstanding	115,464,306	96,993,752

## 2. NOTES TO ACCOUNTS (Contd.)

### 2.10 Financial and Derivative Instruments

Foreign currency exposure that are not hedged as on 31 March 2011 amount to ₹ 3,659,836,115/- (Previous Year ₹ 1,231,438,600/-) on account of

Particulars	(Amount in ₹)	
	2010 – 11	2009 – 10
Debtors	320,727,405	553,045,926
Borrowings	3,339,108,710	678,392,674
	3,659,836,115	1,231,438,600

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

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

Sr. No.	Name of the Related Party	Relationship
1	Wisdom Global Enterprises Limited	Promoter/ Associate / Group Company
2	CORE Steel Industries Pvt. Ltd.	
3	San-Neel Industries Ltd.	
4	CORE Steel & Power Ltd.	
5	CORE Wellness Ltd.	
6	CORE Higher Learning Ltd.	
7	CORE Infrapower Ltd.	
8	CORE Learning Panaroma Ltd.	
9	Soham Health Awarness Pvt. Ltd.	
10	Soham Spa Pvt. Ltd.	
11	Mrs. Neelam Mansotra	Relatives of Key Managerial Personnel
12	Mr. Sanjeev Mansotra (Chairman & Managing Director)	Key Managerial Personnel
13	Mr. Naresh Sharma (Wholetime Director)	
14	Mr. Nikhil Morsawala ( Finance Director)	
15	Mr. Prakash Gupta (CEO)	

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

Schedule

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

(b) Transaction during the year with related parties.

					(Amount in ₹)
Sr. No.	Nature of Transaction (Excluding reimbursements)	Associates	Key Managerial Personal	Others	Total
1.	Purchase/Subscription of Investments	160,000,000	-	-	160,000,000
		-	-	-	-
2.	Payment to Key Managerial Person	-	58,256,063	-	58,256,063
		-	<i>25,653,000</i>	-	<i>25,653,000</i>
3.	Rent	150,000	-	3,600,000	3,750,000
		<i>1,800,000</i>	-	<i>3,600,000</i>	<i>5,400,000</i>
	<b>Balance as at 31 March 2011</b>				
4.	Investments	160,000,000	-	-	160,000,000
		-	-	-	-
5.	Sundry Debtors	-	-	-	-
		<i>98,800,000</i>	-	-	<i>98,800,000</i>
6.	Sundry Creditors	-	-	270,000	270,000
		-	-	-	-

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

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

- Purchase/ Subscription of Investments includes CORE Learning Panaroma Ltd., ₹ 1,600 Lacs (Previous year ₹ Nil)
- In Payment to Key Management Personnel includes ₹ 409.43 Lacs to Mr. Sanjeev Mansotra (Previous year ₹ 120.00 Lacs), ₹ 24.00 Lacs Salary to Naresh Sharma (Previous year ₹ 18.00 Lacs), ₹ 37.50 Lacs to Nikhil Morsawala ( Previous year ₹ Nil) and ₹ 111.63 to Mr. Prakash Gupta (Previous year ₹ 118.53 Lakhs).
- Rent paid to Mrs. Neelam Mansotra amounts to ₹ 36 lacs (Previous year ₹ 36 lacs)

**2.12 Segment Reporting :**

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

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

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

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

Particulars	Local Software Development		EOU Software Development				Unallocable		Total	
	31 March 2010		Off-Shore Development		On-Shore Development		31 March 2010		31 March 2010	
	31 March 2011	31 March 2010	31 March 2011	31 March 2010	31 March 2011	31 March 2010	31 March 2011	31 March 2010	31 March 2011	
<b>1. Segment Revenue</b>										
External Sales	5,777,543,517	4,711,287,300	1,777,056,363	1,569,512,464	3,357,688,805	2,189,008,658	-	-	10,912,288,685	
(Net of Int. Seg Sales)*										
Inter Segment sales	1,262,000,863	964,797,764	-	-	-	-	-	-	-	
	7,039,544,380	5,676,085,064	-	-	-	-	-	-	-	
Gross / Net Turnover	5,777,543,517	4,711,287,300	1,777,056,363	1,569,512,464	3,357,688,805	2,189,008,658	-	-	10,912,288,685	
<b>2. Segment Results</b>										
before interest and	1,294,353,361	852,135,897	965,910,975	1,250,291,508	922,560,863	493,575,487	300,825,473	(141,306,690)	3,483,650,672	
Taxes										
Less : Interest Expenses	-	-	-	-	448,118,251	-	338,849,392	417,027,454	786,967,643	
Add : Interest Income	-	-	-	-	-	-	21,937,913	38,332,354	21,937,913	
Profit before Tax	1,294,353,361	852,135,897	965,910,975	1,250,291,508	474,442,612	493,575,487	(16,086,006)	(520,001,790)	2,718,620,942	
Current Tax	-	-	-	-	-	-	447,346,374	332,266,810	447,346,374	
Deferred Tax	-	-	-	-	-	-	21,166,423	21,495,373	21,166,423	
Profit After Tax	1,294,353,361	852,135,897	965,910,975	1,250,291,508	474,442,612	493,575,487	(48,4598,803)	(873,763,973)	2,250,108,145	
<b>3. Other Information</b>										
Segment Assets	5,145,918,272	2,607,424,072	2,604,845,231	1,191,666,654	2,441,803,326	1,483,610,000	11,581,536,397	4,530,332,895	21,774,103,226	
Segment Liabilities	208,715,379	870,763,556	330,782,410	13,039,381	665,883,849	962,140,648	236,747,766	(965,093,136)	1,442,129,403	
Capital Expenditure	-	-	-	-	-	-	-	-	3,502,181,917	
Depreciation	-	-	-	-	-	-	586,229,285	412,825,238	586,229,285	
Non Cash Expenses other than Depreciation	-	-	-	-	-	-	40,830,014	4,510,402	40,830,014	

\* Total Gross Turnover is after elimination of Inter Segment Turnover of ₹1,262,000,863/- ( Previous Year ₹ 964,797,764/-)



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

Schedule

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

## 2. Secondary Segment Information

Particulars	As at 31 March 2011	As at 31 March 2010
<b>1. Segment Revenue:</b>		
Within India	1,798,232,853	421,000,680
Outside India	9,114,055,832	8,048,807,742
<b>Total Revenue</b>	<b>10,912,288,685</b>	<b>8,469,808,422</b>
<b>2. Segment Assets:</b>		
Within India	4,082,751,418	1,987,790,947
Outside India	17,691,351,808	7,825,242,674
<b>Total Assets</b>	<b>21,774,103,226</b>	<b>9,813,033,621</b>
<b>3. Segment Liabilities:</b>		
Within India	539,497,789	13,155,841
Outside India	902,731,615	867,694,608
<b>Total Liabilities</b>	<b>1,442,229,404</b>	<b>880,850,449</b>
<b>4. Capital Expenditure:</b>		
Within India	1,422,830,714	1,363,304,207
Outside India	2,079,351,203	1,330,880,293
<b>Total Expenditure</b>	<b>35,021,81,917</b>	<b>2694,184,500</b>

2.13 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

Payable	As at 31 March 2011	As at 31 March 2010
Not later than one year	4,717,200	5,100,000
Later than one year but not later than five years	10,717,100	1,800,000
Later than five year	-	-

2.14 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.

## 2. NOTES TO ACCOUNTS (Contd.)

		(Amount in ₹)	
Sr. No.	Particulars	As at 31 March 2011	As at 31 March 2010
(a)	<b>Estimated Amount of Contracts remaining to be executed on capital account and not provided for</b>	1,558,693,216	67,715,733
(b)	<b>Contingent Liabilities</b>		
	1. Bank Guarantees	462,197,839	74,287,300
	2. There is an SBLC (Stand by Letter of Credit) for GBP 191,000	-	15,756,300
	3. Corporate Guarantee given on behalf of CORE Education & Consulting Inc. USA, a wholly owned subsidiary Company	1,138,575,000	1,190,340,000
(c)	<b>Expenditure in Foreign Currency</b>		
	Travelling, Hotel & Lodging	9,925,103	3,380,618
	FCCB Issue Expenses (Including professional fees)	237,808,845	-
	Professional Fees	10,217,020	1,537,792
	Listing Fees on Singapore Stock Exchange	14,614	815,500
(d)	<b>Earnings in Foreign Currency</b>		
	Export of Software on FOB Basis	1,777,056,363	1,569,512,464
	<b>Total</b>	<b>1,777,056,363</b>	<b>1,569,512,464</b>

### 2.15 Remittance in foreign currency on account of Dividend

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

	2010-11	2009-10
a) Number of Non Resident Shareholders	264	253
b) Number of Equity Shares held by them	145,787	15,438,927
c) i) Amount of Dividend Paid (Gross)	87,472	9,263,356
ii) Tax Deducted at Source	-	-
iii) Year to Which dividend relates	2009-10	2008-09

2.16 Balance in current accounts include cheque on hands ₹ 3,480.00 Lacs subject to realisation

2.17 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.

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

As per our report of even date	For and on behalf of the Board	
For <b>Chaturvedi &amp; Shah</b> Chartered Accountants Firm Registration No. 101720W  <b>Jignesh Mehta</b> Partner  Membership No. 102749  Place : Mumbai Date : 26 May 2011	For <b>Asit Mehta &amp; Associates</b> Chartered Accountants Firm Registration No. 100733W  <b>Sanjay Rane</b> Partner  Membership No.100374	<b>Sanjeev Mansotra</b> Chairman 10 June 2011  <b>Nikhil Morsawala</b> Director- Finance  <b>Naresh Sharma</b> Whole-time Director  <b>Ganesh Umashankar</b> Company Secretary

# Consolidated Cash Flow Statement

Cash Flow Statement

for the year ended March 31 2011

(Amount in ₹)

Particulars	2010-11		2009-10	
	₹	₹	₹	₹
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	A			
Net Profit before Tax	2,718,620,942		2,076,001,103	
Add: Depreciation	586,229,285		412,825,238	
Foreign Currency Translation Loss	(372,279,374)		(491,779,942)	
Interest Income	(21,937,913)		(38,344,679)	
Interest Expense	786,967,643		392,854,862	
Provision for Unpaid Leave	462,253		369,292	
Sundry Balances written off (Net)	41,587,806		3,883,608	
Shares issue expenses written off	-		211,260	
<b>Operating Profit before working</b>		3,739,650,642		2,356,020,742
Capital changes				
Changes in:				
Trade & Other receivables	(949,365,217)		(919,817,549)	
Inventories	(444,438,776)		(95,640,581)	
Trade Payables	492,212,611		(12,987,235)	
Loans & Advances	(785,721,950)		(13,751,605)	
Tax paid / (Refund)	(388,913,072)	(2,076,326,405)	(205,820,479)	(1,248,017,448)
<b>Net cash from operating activities</b>		1,663,324,237		1,108,003,294
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>	B			
Investment in Fixed Assets	(3,524,242,020)		(3,054,759,605)	
Sale of fixed assets	(3,314,530)		19,032	
Purchases of Investments & Share	(1,766,120,080)		(485,667,000)	
Application Money Given				
Sale on Investment	-		30,000,000	
Interest Received	21,937,913		48,234,886	
Misc Income Received	-	(5,271,738,717)	12,324	(3,462,160,362)

# Consolidated Cash Flow Statement

for the year ended March 31 2011 (Contd.)

(Amount in ₹)

Particulars	2010-11		2009-10	
	₹	₹	₹	₹
<b>CASH FLOW FROM FINANCING ACTIVITIES (CONTD.)</b>				
Increase/Decrease in unsecured Loans	118,997,580		449,998,027	
Increase/Decrease in Secured Loans	1,625,346,306		688,125,040	
Issue of FCCB	3,418,500,000		-	
Issue of shares and warrants	782,099,774		1,134,228,500	
Issue of subsidiary shares to minority	46,618,554		-	
Payment of Dividends	(72,618,801)		(65,153,850)	
Interest Paid	(782,242,320)		(392,854,862)	
Share /FCCB Issue Expenses	(145,347,266)	4,991,353,829	(1,876,883)	1,812,465,972
<b>Net Changes in cash &amp; cash equivalents (A+B+C)</b>		1,382,939,348		(541,691,096)
Cash & Cash Equivalents Opening Balance		513,826,055		1,055,517,151
Cash & Cash Equivalents Closing Balance		1,896,765,402		513,826,055

Note :

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

As per our report of even date

For and on behalf of the Board

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

**Jignesh Mehta**  
Partner

Membership No. 102749

Place : Mumbai  
Date : 26 May 2011

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

**Sanjay Rane**  
Partner

Membership No.100374

**Sanjeev Mansotra**  
Chairman  
10 June 2011

**Nikhil Morsawala**  
Director- Finance

**Naresh Sharma**  
Whole-time Director

**Ganesh Umashankar**  
Company Secretary

## Mr. Sanjeev Mansotra

Chairman

## Prof. Arun Nigavekar\*\*

Executive Director

## Ms. Maya Sinha\*\*\*\*

Executive Director

## Mr. Nikhil Morsawala

Director - Finance

## Mr. Naresh Sharma

Whole time Director

## Mr. Awinash Arondekar

Independent Director

## Mr. Sunder Shyam Dua

Independent Director

## Mr. M. N. Nambiar

Independent Director

## Mr. K. C. Ganjwal\*\*\*

Independent Director

## Mr. Harihar Iyer

Non Executive Director

\*\* (Appointed as Executive Director w.e.f. 26 May 2011)

\*\*\* (Appointed w.e.f. 26 June 2011)

\*\*\*\* (Appointed as Executive Director w.e.f. 10 June 2011)

## Bankers / Financial Institutions

State Bank of India

Union Bank of India

Punjab National Bank

Standard Chartered Bank

Barclays Bank Plc

ICICI Bank Ltd

Life Insurance Corporation of India

ING Vysya Bank

Indian Overseas Bank

Dhanlaxmi Bank Ltd

Oriental Bank of Commerce

## Company Secretary

Mr. Ganesh Umashankar

## Statutory Auditors

### M/s. Chaturvedi & Shah

Chartered Accountants

714-715, Tulsiani Chambers,

212, Nariman Point,

Mumbai – 400 021.

### M/s. Asit Mehta & Associates

Chartered Accountants

501-4, Midas Chambers,

Near Fun Republic Multiplex,

off Andheri Link Road,

Andheri (West), Mumbai - 400 053.

## Registrar & Transfer Agent

### Adroit Corporate Services Private Limited

19/20, Jaferbhoy Industrial Estate,

Makwana Road, Marol Naka,

Andheri (West), Mumbai - 400 059.

## Registered Office

Unit No.1-4, Building No.4,

Sector III, Millennium Business Park,

Mahape, Navi Mumbai 400 710.

Tel: +91 22 3991 4800

Fax: +91 22 3991 4880

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

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

## Corporate Office

Lotus Business Park, 10th Floor, Dalia Industrial Estate,  
Off Andheri Link Road, Andheri (W), Mumbai-400053.

Tel: +91 22 3306 6800

Fax: + 91 22 3306 6880

## Global Delivery Centre

Unit No. 403, 4th Floor, Multistoried Building,

SEEPZ – SEZ, Andheri (E),

Mumbai – 400 093.

# Corporate Information

## OTHER OFFICES IN INDIA

### Delhi

Level O - Office Floor,  
The Surya New Delhi, New Friend Colony,  
New Delhi – 110 025.

### Hyderabad

2nd floor IC, Lanco Hills Technology Parks Pvt. Ltd,  
IT/ITES SEZ, Manikonda, Hyderabad - 500 089.

### Kolkata

AG – 17, Ground Floor,  
Sector - I, Salt Lake City,  
Kolkata - 700 091.

### Ahmedabad

15, Ground Floor, Infocity Tower - 1, Airport Road,  
Gandhinagar – 382 009.

### Haryana

SCO 348, II Floor,  
Main Showroom Market, Sector - 9, Panchkula, 134 109.

## CORE EDUCATION & CONSULTING SOLUTIONS INC. USA

### K12 Division

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

### Solutions Division

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

### Consulting & Staffing Division

69 Cascade Drive, Suite 303,  
Rochester, NY 14614.

### ITES Division

5, Independence Way, Suite 160,  
Princeton, NJ 08540.

### ERP Division

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

## CORE EDUCATION & CONSULTING SOLUTIONS (UK) LTD. AND ITN MARK EDUCATION LTD. – UK

### Registered Address

37 Warren Street,  
London,  
England,  
W1T 6AD.

### LONDON CITY

3rd Floor,  
146/148 Clerkenwell Road,  
LONDON,  
EC1R 5DG.

### Manchester Peter House

Oxford Street,  
Manchester,  
M1 5AN.

### Brough Business Centre

Skillings Lane,  
Brough,  
East Yorkshire,  
England HU15 1EN.

### 5 Oriel Court

Omega Business Park,  
Alton,  
Hampshire,  
England,  
GU34 2YT.

### U.A.E.

#### CORE Projects & Technologies FZC

Z, 3/70, SAIF Zone,  
P.O.Box 120175,  
Sharjah, U.A.E.

### Singapore

CORE Education & Consulting Solutions Pte. Ltd.  
1 Raffles Place,  
#28-02,  
One Raffles Place,  
Singapore (048616).

### Hong Kong

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

# Key Managerial Personnel

## Chief Executive Officer

Prakash Gupta

## Corporate Secretarial

Ganesh Umashankar - Company Secretary

## India

### Operations

Vijay Malik - Director Education

Anshul Sonak - President

### Sales & Marketing

Atul Jaiswal - VP - Sales

Sanjiv Datta - AVP - Sales

Sukhendu Ghosh - AVP-Business Development

### Vocational Education

Rajeev Pandey - Business Head (Vocational Education)

Sucheta Phadke - Sr. VP - Content & New Initiatives

Praveen Kumar Mahendra - Sr. VP- Private Vocation

Business

### School Management

Dr. D P N Prasad - Director - School Management

Suchitra Pareekh - Functional Head - School Management

### Higher Education

Dr. N.M. Kondap – President Higher Education

### Technology

Mukund Sathe - VP Technology

Dipen Vadodaria - AVP Delivery

Varinder Sharma - Delivery Head

### Finance & Accounts

Nikhil Pandya - Head Banking & Treasury

Francis Vidhayathil - VP Finance

Sanjay Chandoskar - AVP Finance

Trilok Suthar - VP Accounts & Taxation

Shubhanan Ajgaonkar – AVP Accounts & Project Costing

### Human Resources & Administration

Loly Vadassery - VP Human Resources

Sandesh Pednekar – Manager Administration

## USA

Shekhar Iyer - CEO - US Operations

Kevin Howell - President CORE K12

William Wallet – President – Advance Technologies Group

Brian Keenan President – Consulting & Solutions

Bob Wilson - Sr. VP Technology & Marketing Advance

Technologies Group

James Ashby- VP & Chief of Psychometrics R&D

Allison Keenan - VP – Corporate Finance & Accounting

Pankaj Sampat- VP - Corporate Compliance & Audit

Paul Trotti - VP – Human Resources

Adarsh Char - CTO & VP of Client Services CORE K12

Phillip Thompson - VP – Marketing CORE K12

James Luthi - VP of National Sales CORE K12

Melody Kiella - Legal Counsel

## UK

### CORE Education & Consulting Solutions UK Ltd.

Prakash Gupta – President

Mike Jones - Divisional Director

Peter Foley - Solutions Director

Yadunath Tekale - Senior VP Europe

Audrey Oram - Operations Manager

Kim Bird - Sales Manager

Kevin Badland - Development Manager

Stuart Brown - Software Manager

Lee Smith - Financial Controller

### ITN Mark Education Ltd. Group

Eddie Austin - Managing Director

Roger Marsh - Operations Director

Ian Light - Strategy Director

Hetal Panchal - Finance Director

Fiona Palmer - Consultancy Services Director

Sharon Bullock - Commercial Director

### Middle East & Africa

Sudhama Swamy – President Middle East & Africa

