

SIXTEENTH ANNUAL REPORT

Financial Year: 2015 – 2016



CREATIVE INFOCITY LIMITED

[CIN: U45201GJ2000PLC038035]

REGISTERED OFFICE

Ground Floor, IT Tower – 4, Infocity, Near Indroda Circle,
Airport Road, Gandhinagar – 382009, Gujarat, INDIA

Phone: +91 (79) 23213068/69/70 Fax: +91 (79) 23213050

Email: cil.cs@theinfocity.net

Website: www.theinfocity.net

US OFFICE

8895, North Military Trail, Suite –101B,
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SIXTEENTH ANNUAL REPORT (2015-2016)

BOARD OF DIRECTORS:

1. Mr. Dilip S. Barot, Director
2. Mr. Yashpal Kakkar, Director
3. Mr. Snehal Desai, Director
4. Mr. Suvas H. Barot, Whole Time Director
5. Mr. Ravikumar Jain, Alternate Director to Mr. Snehal Desai
6. Mr. Premal Mehta, Independent Director
7. Mr. Sunil Chhabaria Independent Director
8. Mr. Rashmikumar Barot, Additional Director

AUDIT COMMITTEE:

1. Mr. Rashmikumar Barot
2. Mr. Premal Mehta
3. Mr. Sunil Chhabaria

NOMINATION AND REMUNERATION COMMITTEE:

1. Mr. Yashpal Kakkar
2. Mr. Rashmikumar Barot
3. Mr. Premal Mehta
4. Mr. Sunil Chhabaria

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

1. Mr. Suvas H. Barot
2. Mr. Premal Mehta
3. Mr. Rashmikumar Barot

COMPANY SECRETARY:

Ms. Shradha Bhimani – Company Secretary

CHIEF FINANCIAL OFFICER:

Mr. Ravikumar Jain

STATUTORY AUDITORS:

M/s. Deloitte Haskins & Sells, Chartered Accountants

19th Floor, Shapath V, Near Karnavati Club, SG Highway, Ahmedabad – 380 015

INTERNAL AUDITORS:

M/s. Ashwin K. Yagnik & Co., Chartered Accountants

2nd Floor, Ambizone, Near Apollo Enclave, Mehsana Highway, Mehsana – 380 002

BANKERS:

1. Bank of India
2. Bank of Baroda
3. IDBI Bank Limited
4. IndusInd Bank
5. State Bank of India



NOTICE OF SIXTEENTH ANNUAL GENERAL MEETING

Notice is hereby given that the SIXTEENTH ANNUAL GENERAL MEETING of the members of the Company will be held on Friday, the 28th day of October, 2016 at 4:00 P.M. at Ground Floor, IT Tower-4, Infocity, Near Indroda Circle, Airport Road, Gandhinagar-382009 to transact the following businesses:

ORDINARY BUSINESS:

- 1. To receive, consider and adopt the Audited Balance sheet as on 31st March, 2016, Statement of Profit and Loss for the year ended on that date, together with Auditors' and Directors' Report thereon.**
- 2. To appoint a Director in place of Mr. Dilip Barot (DIN: 01697056), Director, who retires by rotation and being eligible, offers himself for reappointment.**
- 3. To appoint a Director in place of Mr. Yashpal Kakkar (DIN: 02516157), Director, who retires by rotation and being eligible, offers himself for reappointment.**
- 4. Ratification of Appointment of Auditors:**

To ratify the appointment of Statutory Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT in terms of the provisions of section 139(1) of the Companies Act, 2013, (including any statutory modification(s) or re-enactment thereof for the time being in force), the appointment of **M/s. Deloitte Haskins & Sells, Chartered Accountants** (Firm Registration No. 117365W) be and is hereby ratified as the Statutory Auditors of the Company for the financial year 2016-2017, the appointment of whom was made at the 14th Annual General Meeting till the conclusion of the 19th Annual General Meeting of the Company and the remuneration be decided by the Board of Directors of the Company as may be determined and recommended by the Audit Committee in consultation with the said Auditors."

SPECIAL BUSINESS:

- 5. To re-designate Mr. Suvas H. Barot (DIN: 02532094) as a Whole Time Director-Marketing and to consider and if thought fit to pass with or without modification the following resolution as an Ordinary resolution:**

"RESOLVED THAT subject to the provisions of sections 196 and 197 and other applicable provisions, if any, of the Companies Act, 2013, read with Schedule V to the Companies Act, 2013 and the Rules made thereunder (including any statutory modification or re-enactment thereof) consent of the Company be and is hereby accorded to re-designate Mr. Suvas H. Barot (DIN: 02532094) as Whole Time Director – Marketing for a period of One (01) year w.e.f 29th June, 2016 to 28th June, 2017 on the terms and conditions including remuneration set out in the Appointment Letter dated 29th June, 2016. issued to and accepted by Mr. Suvas H. Barot with specific authority to the Board of Directors to vary the terms and conditions of appointment including remuneration payable to Mr. Suvas H. Barot provided that the remuneration payable to

Mr. Suvas H. Barot shall not exceed the maximum limits prescribed for payment of managerial remuneration specified under the Companies Act, 2013.”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

6. To regularize Mr. Rashmikumar Barot as Director of the Company and to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** Mr. Rashmikumar Barot, who was appointed as an Additional Director with effect from 23rd August, 2016 on the Board of the Company in terms of Section 161 of the Companies Act, 2013 and as per Article of Association of the Company and who holds office up to the date of this Annual General Meeting be and is hereby appointed as a director of the company.”

“**RESOLVED FURTHER THAT** Ms. Shradha Bhimani, Company Secretary of the Company be and is hereby authorized to do necessary formalities including filing of e-Forms with Registrar of Companies, Gujarat.”

7. To re-appoint Mr. Premal Mehta as an Independent Director of the Company and to consider and if thought fit, to pass the following resolution as a Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Premal Mehta (DIN: 07136056), in respect of whom the Company has received, a notice in writing under Section 160 of the Companies Act, 2013 for the office of Independent Director, be and is hereby re-appointed as an Independent Director, not liable to retire by rotation for a period till the conclusion of 19th Annual General Meeting of the Company.

8. To re-appoint Mr. Sunil Chhabaria as an Independent Director of the Company and to consider and if thought fit, to pass the following resolution as a Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Sunil Chhabaria (DIN: 07162678), in respect of whom the Company has received, a notice in writing under Section 160 of the Companies Act, 2013 for the office of Independent Director, be and is hereby re-appointed as an Independent Director, not liable to retire by rotation for a period till the conclusion of 19th Annual General Meeting of the Company.”



By Order of the Board

Date: 5th October, 2016
Place: GANDHINAGAR

Sd/-
Suvas H. Barot
Whole-time Director
DIN:- 02532094

NOTES:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Business to be transacted at the Annual General Meeting in respect of ITEM NO. 5,6,7 and 8 is annexed hereto and forms part of notice.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act a Proxy on behalf of the members not exceeding fifty (50) and holding in aggregate, not more than ten percent of the total Share Capital of the Company and carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting.
3. Members/ proxies are requested to bring their copies of Annual Report along with duly filled and signed attendance sheets attached with it for attending the meeting.
4. Members desiring any information on the accounts at the Annual General Meeting are requested to write to the Company at least seven days in advance, so as to enable the Company to keep the information ready.
5. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.
6. Corporate members intending to send their Authorized Representatives to attend the meeting are requested to send a certified copy of the Board Resolution duly authorizing their representatives to attend and vote at the meeting.
7. The Company had applied for the Extension of time for the purpose of holding Annual General Meeting and had received the approval for Extension of time from Registrar of Companies, Gujarat for a period of 30 days u/s 96(1) of the Companies Act, 2013.



STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

The following Statements set out all material facts relating to the Special Business mentioned in the accompanying Notice:

Item No. - 5

Mr. Suvas H. Barot was re-appointed as a Managing Director of the Company in the last Annual General Meeting held on 21st September, 2015. Looking to his expertise in the field of marketing, the Board of Directors in their meeting held on 29th June, 2016 have re-designated him from Managing Director to Whole Time Director – Marketing for a period of One (01) year pursuant to Clause 128 of Articles of Association of the Company and provisions of Sections 196 and 197 and other applicable provisions, if any of the Companies Act, 2013 read with Schedule V of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification or re-enactment thereof) subject to approval of members in General Meeting.

Mr. Suvas H. Barot is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Whole-time Director. He holds 300 equity shares in the Company.

None of the directors, except Mr. Suvas H. Barot is concerned or deemed to be interested in the above appointment.

Your Directors recommend passing of the resolution set out at item No. 5 of the accompanying Notice.

Item No. 6

Mr. Rashmikumar Barot was appointed as an Additional Director w.e.f. 23rd August, 2016 in accordance with the provisions of Section 161 of the Companies Act, 2013 and Article of Association of the Company. Pursuant to Section 161 of the Companies Act, 2013 the above Director holds office up to the date of the ensuing Annual General Meeting. The Board feels that presence of Mr. Rashmikumar Barot on the Board is desirable and would be beneficial to the company and hence recommend resolution No. 6 for adoption.

None of the Directors, except Mr. Rashmikumar Barot Additional Director of the Company or their relatives are in any way concerned or interested, financially or otherwise, in the said resolution.

The Board recommends resolutions under Item No. 6 to be passed as an ordinary resolution.

Item No. 7

Mr. Premal Mehta was appointed as an Independent Director in the last Annual General meeting held on 21st September, 2015 for a period of One year that is upto 21st September, 2016. The Board of Directors in their meeting held on 23rd August, 2016 proposed to re-appoint him subject to approval of Shareholders in the ensuing Annual General Meeting by means of Special Resolution for a term till the conclusion of 19th Annual General Meeting.



The re-appointment of Mr. Premal Mehta shall be effective upon approval by the members in the Meeting.

The Company has received a notice in writing along with the deposit of requisite amount under Section 160 of the Act proposing his candidature for the office of Independent Director of the Company. Mr. Premal Mehta is not disqualified from being appointed as an Independent Director in terms of Section 164(2) of the Act and has given his consent to act as an Independent Director. He does not hold any shares of the Company in his name or in the name of any of his relatives. Save and except Mr. Premal Mehta and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors/ Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 7 of the Notice.

The Company has received a declaration from Mr. Premal Mehta that he meets the criteria of independence as prescribed under sub-section (6) of Section 149 of the Act. In the opinion of the Board, Mr. Premal Mehta fulfills the conditions for his appointment as an Independent Director as specified in the Companies Act, 2013 Act and rules made thereunder. Mr. Premal Mehta is Independent of the management. The Board considers that his association would be of immense benefit to the Company and it is desirable to avail the services of Mr. Premal Mehta as an Independent Director of the Company. Accordingly the Board recommends the Resolution set out at Item No. 7 of the Notice in relation to appointment of Mr. Premal Mehta as an Independent Director of the Company for your approval as a Special Resolution.

Item No. 8:

Mr. Sunil Chhabaria was appointed as an Independent Director in the last Annual General meeting held on 21st September, 2016 for a period of One year that is upto 21st September, 2017. The Board of Directors in their meeting held on 23rd August, 2016 proposed to re-appoint him subject to approval of Shareholders in the ensuing Annual General Meeting by means of Special Resolution for a term till the conclusion of 19th Annual General Meeting. The re-appointment of Mr. Sunil Chhabaria shall be effective upon approval by the members in the Meeting.

The Company has received a notice in writing along with the deposit of requisite amount under Section 160 of the Act proposing his candidature for the office of Independent Director of the Company. Mr. Sunil Chhabaria is not disqualified from being appointed as an Independent Director in terms of Section 164(2) of the Act and has given his consent to act as an Independent Director. He does not hold any shares of the Company in his name or in the name of any of his relatives. Save and except Mr. Sunil Chhabaria and his relatives, to the extent of their shareholding interest, if any, in the Company. None of the other Directors/ Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 8 of the Notice.

The Company has received a declaration from Mr. Sunil Chhabaria that he meets the criteria of independence as prescribed under sub-section (6) of Section 149 of the Act. In the opinion of the Board, Mr. Sunil Chhabaria fulfills the conditions for his appointment as an Independent Director as specified in the Companies Act, 2013 Act and rules made thereunder. Mr. Sunil Chhabaria is Independent of the management. The Board considers that his association would be of immense benefit to the Company and it is desirable to avail the services of Mr. Sunil Chhabaria as an Independent Director of the Company.



Accordingly the Board recommends the Resolution set out at Item No. 8 of the Notice in relation to appointment of Mr. Sunil Chhabaria as an Independent Director of the Company for your approval as a Special Resolution.

By Order of the Board

Sd/-

Suvas H. Barot
Whole-time Director
DIN: 02532094

Registered Office:
Ground Floor, IT Tower-4,
Infocity, Near Indroda Circle,
Gandhinagar- 382009

Date:- 5th October, 2016
Place:- Gandhinagar



CIN: U45201GJ2000PLC038035

Registered Office: Ground Floor, IT Tower 4, Infocity, Near Indroda Circle, Gandhinagar – 382009, Gujarat

Website: www.theinfocity.net **Email:** cil.cs@theinfocity.net **Tel:** 079 - 23213068/69/70

ATTENDANCE SLIP

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE MEETING.

Joint shareholders may obtain additional Slip at the venue of the meeting.

Folio No. _____ No. of Shares Held _____

Name of Member(s)/ Proxy _____

Address of Member(s)/ Proxy _____

Please tick whether Member Joint Holder Proxy

I hereby record my presence at the Sixteenth Annual General Meeting of the members of the Creative Infocity Limited held on Friday, the 28th day of October, 2016 at 4.00 P.M. at Ground Floor, IT Tower-4, Infocity, Near Indroda Circle, Airport Road, Gandhinagar-382009

Member's or Proxy's Signature: _____

Note:

- 1) Members/ Proxies must bring the admission slip duly completed and signed and handover the same at the entrance.
- 2) Admission is restricted strictly for members and valid proxy holders. Please bring the copy of the Annual Report.
- 3) Shareholders intending to obtain any information about accounts are requested to intimate their queries to the Company at least 10 days in advance so that the information may be collected/ compiled and be furnished at the meeting, if decided by the Chair.



CIN: U45201GJ2000PLC038035

Registered Office: Ground Floor, IT Tower 4, Infocity, Near Indorda Circle, Gandhinagar – 382009, Gujarat

Website: www.theinfocity.net **Email:** cil.cs@theinfocity.net **Tel:** 079 - 23213068/69/70

FORM OF PROXY

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member (s) : _____

Registered Address: _____

Email Id: _____ **No of shares held** _____

Folio No./ Client ID* _____

I/We, being the member(s) of _____ shares of the above named Company, hereby appoint

1. Name: _____

Address: _____

Email Id: _____

Signature: _____ . Or failing him

2. Name: _____

Address: _____

Email Id: _____

Signature: _____ .

as my/our proxy to attend and vote (on poll) for me/ us on my/ our behalf at the Sixteenth Annual General Meeting of Shareholders of the Company to be held on **Friday, the 28th day of October, 2016** at 4.00 P.M. at Ground Floor, IT Tower-4, Infocity, Near Indroda Circle, Airport Road, Gandhinagar-382009 and at any adjournment thereof in respect of such resolutions as are indicated below:

Agenda Item No.	Particulars	Vote [Please tick (✓) the relevant Box]		
		Favour (Yes)	Against (No)	Neutral (-)
1	Adoption of Accounts for the Financial Year 2015-2016			
2	Re-appointment of Mr. Dilip Barot as Director of the Company			
3	Re-appointment of Mr. Yashpal Kakkar as Director of the Company			



4	Ratification of appointment of Deloitte Haskins & Sells.			
5	To re-designate Mr. Suvas H. Barot as Whole Time Director -Marketing			
6	To regularize Mr. Rashmin Barot as Director of the Company			
7	To re-appoint Mr. Premal Mehta as an Independent Director.			
8	To re-appoint Mr. Sunil Chhabaria as an Independent Director.			

Signed this _____ day of _____ 2016

Revenue
Stamp of
to be
affixed

Signature of Member _____

Signature of Proxy holder(s)

Notes:

- 1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.**
- A Proxy need not be a member of the Company.
- Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
- In the case of joint-holders, the signature of any one holder will be sufficient, but names of all the joint-holders should be stated.
- # This is only optional. Please put a '✓' in the appropriate column against the resolutions indicated in the Box. If you leave the 'Favour' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- The form should be signed across the stamp by the member as per the specimen signature registered with the Company.

DIRECTORS' REPORT

To
The Members
Creative Infocity Limited
GANDHINAGAR

Your Directors have pleasure in presenting the Sixteenth Annual Report together with the Audited Statement of Accounts for the financial year ended on 31st March, 2016;

FINANCIAL RESULTS:

Your Company's financial performance for the year ended March 31, 2016 is summarized below:

(Amount in ₹)

YEAR ENDED ON MARCH 31	CURRENT YEAR	PREVIOUS YEAR
Total Income	192,329,662	186,566,853
Total Expenditure excluding Depreciation	137,251,513	111,989,522
PROFIT FOR THE YEAR	55,078,149	74,577,331
Less: Depreciation	4,694,013	6,191,038
Profit Before Exceptional Items and Tax	50,384,136	68,386,293
Add: Exceptional Items	-	
Profit Before Tax	50,384,136	68,386,293
Less: Provision for Tax	10,931,226	15,204,350
Profit After Tax	39,452,910	53,181,943

1. BUSINESS OPERATIONS:

Your Directors feel pleasure in informing the members that despite all odds, the Company has managed to bring several new customers during the last financial year under review and as a result thereof, the income of the Company increased by 3.09% as compared to that in the previous financial year.

However, profit before tax was reduced by **26.32%** from ₹ **68,386,293/-** for the last financial year to ₹**50,384,136/-** for the current financial year, whereas the profit after tax was reduced by **25.82%** over the previous year figure. Due to the same, the Earning per share was reduced to ₹**1/-** per share during the current Financial Year as compared to ₹**1.35** per share during the previous financial year.

The Directors also state that the Arbitration Proceedings has already been started and the meeting of the Arbitrators was held on 9th July, 2016 as per which, the Company was required to submit its Reply to the Counter-claim and Rejoinder to the Reply filed by GIL to the statement of Claim of CIL before the Arbitrators on or before the 15th October, 2016. The process of arbitration being a quasi-judicial process, would take its own time and unless resolved amicably by the Parties sooner, your company may end-up spending a huge amount on account of legal expenses.

The Company has been vigorous in sorting out the issues with Gujarat Informatics Limited as soon as possible. Although your Directors are hopeful of resolution/ settlement, but it is difficult to predict for the time frame and its effect on profitability.



The Company is also exploring possibilities of expansion provided the issues with Gujarat Informatics Limited are resolved.

The Directors state that in order to protect its interests, the Company had resolved the Special Civil Application filed under Article 226 of the Constitution of India, being No.5376 of 2014 seeking cancellation of revocation of the approval as Industrial Park by the Ministry of Commerce and Industry, Government of India. The Directors further state that the management was pursuing the matter with the Government of Gujarat on one hand and the Ministry of Commerce and Industry, Government of India on the other to get the matter sorted out and to get the Approval restored, resulting to which the Ministry of Commerce & Industry, through the Empowered Committee Meeting held on 10th May, 2016 decided to withdraw the revocation of the approval of the Industrial Park Scheme, 1999 in favor of your Company paving way for appropriate notification to be issued by Central Board of Direct Taxes.

2. CAPITAL:

During the financial year, there is no change in the paid-up capital of the company.

3. DIVIDEND:

In view of various contingent liabilities, your Board has not recommended dividend for the year under review.

4. CORPORATE GOVERNANCE:

Although your Company is not required to comply with Corporate Governance as applicable to listed Companies, your Company has continued to adopt a good and robust corporate practices and approach. The management of your Company is committed to instill and imbibe ethical and transparent practices while recognizing the rights of all stakeholders. Your Company lays down a commendable degree of emphasis on good corporate practices and approaches in order to attain its larger objective to satiate the society at large.

5. CORPORATE SOCIAL RESPONSIBILITY:

Your Company has formulated the Corporate Social Responsibility Policy through which your Company is willing to do the CSR Activities. Your Company is willing to undertake its CSR activities through a registered trust or society or a Company under section 8 of the Companies Act, 2013. Your Company is also willing to give preference to the local area or areas around where it operates for spending the amount earmarked for CSR activities. In order to contribute towards CSR in most suitable and efficient manner, your Company is in planning of Long term substantial evaluation and is in search of suitable CSR options but could not finalise the same.

Two (2) Meetings of the CSR Committee were held during the year under review. The Board of Directors in the meeting held on 23rd August, 2016 has reconstituted the CSR Committee.

The Annual Report on Corporate Social Responsibility for the current financial year is annexed as “**Annexure G**”



6. INTERNAL FINANCIAL CONTROLS

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

7. DIRECTORS AND THE MANAGEMENT:

Pursuant to the provisions of sub-section (4) of Section 149 read with Section 160 of the Companies Act, 2013 and the Articles of Association of the Company, CA Premal Mehta, and Mr. Sunil Chhabaria were regularized as Independent Director in 15th Annual General meeting held on 21st September, 2015 for the period of One year that is upto 21st September, 2016. The Board of Directors in their meeting held on 23rd August, 2016 proposed to re-appoint them for a term till the conclusion of 19th Annual General Meeting subject to approval of Shareholders in ensuing Annual General Meeting by Special resolution. Your directors recommend their appointment as Independent Directors in the best interest of the Company.

Mr. Kumar Ranjan Thakur was the Alternate Director of Mr. Dilip Barot. On account of his resignation on 9th January, 2016, he ceased to be the Alternate Director. Thereafter, Ms. Shradha Bhimani who was appointed as an Alternate Director to Mr. Dilip Barot, on 5th February, 2016 ceased to be an Alternate Director w.e.f 28th April, 2016 on account of arrival of Mr. Dilip Barot in India on that date in terms of proviso to section 161(1) of the Companies Act, 2013. Furthermore, Mr. Suryakant Mehta who was appointed as an Alternate Director to Mr. Yashpal Kakkar, ceased to be an Alternate Director w.e.f 29th August, 2016 on account of arrival of Mr. Yashpal Kakkar in India.

Mr. Suvas H. Barot, Managing Director of the Company was re-designated as Whole Time Director - Marketing in the Board Meeting held on 29th June, 2016 subject to approval of Shareholders in the 16th Annual General Meeting for a further period of One (01) year that is upto and including 28th day of June, 2017. Your directors recommend his appointment as Whole-time Director-Marketing in the best interest of the Company.

In the Board Meeting held on 23rd August, 2016, the Board took note of the resignation tendered by Mr. Mukesh Ajbani w.e.f 25th July, 2016 and Mr. Roopwant Singh, IAS, Nominee Director w.e.f from 5th August, 2016.

Further, Mr. Rashmikumar Barot was appointed as Additional Director in the Board Meeting held on 23rd August, 2016 subject to the approval of Shareholders in the 16th Annual General Meeting. Your directors recommend his appointment as Director in the best interest of the Company.

During the year under review two directors, Mr. Dilip Barot and Mr. Yashpal Kakkar, having served the Company for the longest period, are liable to retire by rotation. Both the directors offer themselves for reappointment. The Board recommends for the reappointment of Mr. Dilip Barot and Mr. Yashpal Kakkar in the best interest of the Company.



8. KEY MANAGERIAL PERSONNEL:

During the year under Review, Mr. Kumar Ranjan Thakur, resigned from the post of Company Secretary and Compliance Officer of the Company. Ms. Shradha Bhimani was appointed as Company Secretary of the Company with effect from 5th February, 2016 under the category of Key Managerial Personnel.

9. INDEPENDENT DIRECTORS DECLARATION:

The Company has received the necessary declaration from the independent directors in accordance with Section 149(7) of the Companies Act, 2013 that they meet the criteria of independence as laid out in sub-section (6) of Section 149 of the Companies Act, 2013. During the year under review, the meeting of the Independent Directors was conducted by the Independent Directors on 19th December, 2015.

10. AUDIT COMMITTEE:

The Audit Committee in terms of Section 177 of the Companies Act, 2013, comprising of three directors, out of which two are Independent Directors and One Non-Executive Director. Four (04) meetings of the Audit Committee were held during the year under review. The Board of Directors in the meeting held on 23rd August, 2016 has reconstituted Audit Committee as under:-

1. Mr. Rashmikumar Barot
2. Mr. Premal Mehta
3. Mr. Sunil Chhabaria

11. EVALUATION OF BOARD, COMMITTEES AND DIRECTORS:

A detailed exercise for evaluation of the performance of the Board, its various committees, viz. Audit Committee, Nomination and Remuneration Committee, as also the performance of individual Directors was carried out by the Board. The performance of the Board and that of its Committees was evaluated on the basis of various parameters like adequacy of its composition, board culture, execution and performance of specific duties, obligations, and governance etc. Whereas the evaluation of individual directors was on various factors like their attendance, level of their engagement and contribution, independence of judgment, their contribution in safeguarding the assets and interest of the Company, etc., the Board recorded its satisfaction over the performance of its various Committees, its Directors individually as well as the collective efforts put in by the Board in enhancing and safeguarding the interest of the Company as a whole.

12. CODE OF CONDUCT AND ETHICS:

The Company has defined a code of conduct and ethics that govern how all employees in the Company operate. Compliance with these organisational policies, code of conduct, regulatory compliance requirements and other governance requirements, are key to protect the Company's brand and reputation.

The code of conduct and ethics covers the policy on bribery and anti-corruption and it includes all individuals working with it, and its subsidiaries at all levels and grades. This mechanism includes directors, senior executives, officers, employees (whether permanent, fixed-term or temporary), and third parties including consultants,



contractors or any other person associated with the Company. The well-defined policy lists tenets on ethical business conduct, definitions and the framework for reporting concerns. During year under review no material, financial and commercial transactions have been made which may have potential conflict with the interest of the Company.

13. NOMINATION AND REMUNERATION COMMITTEE:

Nomination and Remuneration Committee in terms of the provisions of Section 178 of the Companies Act, 2013, comprising of four directors out of which two are independent directors. The roles and responsibilities, Company's policy on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other related matters are in conformity with the requirements of the Companies Act, 2013. Three (03) meetings of the Nomination and Remuneration Committee were held during the year under review. The Board of Directors in the Board meeting held on 23rd August, 2016 has reconstituted Nomination and Remuneration Committee as under:-

1. Mr. Rashmikumar Barot
2. Mr. Yashpal Kakkar
3. Mr. Premal Mehta
4. Mr. Sunil Chhabaria

14. MEETINGS OF THE BOARD AND COMMITTEES:

Five (5) meetings of the Board of Directors were held during the year under review. The details of Board and Committee meetings and attendance of Directors thereat are given below as **Annexure - C**.

15. AUDITORS:

At 14th Annual General Meeting, M/s. Deloitte Haskins & Sells, Chartered Accountants (Registration Number 117365W), were reappointed as the Statutory Auditors of the Company to hold office from the conclusion of 14th Annual General Meeting to the conclusion of 19th Annual General Meeting of the Company subject to ratification of the appointment by the members at every Annual General Meeting. The Company has received a letter from them to the effect that their appointment, if ratified, would be within the prescribed limited under Section 139 of the Companies Act, 2013 and that they are not qualified for such appointment within the meaning of Section 141 of the Companies Act, 2013.

16. AUDITORS REPORT:

The Auditors' Report for the financial year ended on 31st March 2016 and notes forming part of the accounts referred to in the Auditors' Report are self explanatory in nature and give complete information. Furthermore, the audit report to the Shareholders of the Company does not contain any qualifications.

17. PARTICULARS OF EMPLOYEES:

During the period under report, none of the employees were drawing remuneration, which require disclosure under Section 197 of the Companies Act, 2013, read with



Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

18. DEPOSITS:

During the year, the Company has not accepted any deposits from public.

19. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO:

a) Conservation of Energy:

During the period under review, no efforts for conservation of energy were warranted.

b) Technology Absorption:

The Company has not imported any technology. However, the Company has engaged, as and when required, consultants/advisors of International repute to make available latest technology for Project implementation.

c) Foreign Exchange Earnings and Outgo:

During the year under review, there is no foreign exchange outgo.

20. DISCLOSURE ON SEXUAL HARASSMENT:

Entire staff in the Company is working in a most congenial manner and there are no occurrences of any incidents of sexual harassment or any attempt thereof during the year under review. Your Directors further state, that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

21. EXTRACT OF ANNUAL RETURN:

Extract of Annual Return in Form MGT 9 of the Company is annexed as **Annexure – D** to this Report.

22. VIGIL MECHANISM/ WHISTLEBLOWER POLICY:

Your Directors state that your Company is in the process of devising and adopting a suitable Vigil Mechanism/ Whistle Blower Policy in order to maintain transparency and integrity of all transactions taking place in the Company.

23. SUBSIDIARY COMPANY:

The Company has wholly owned subsidiary in the name of **Creative Infocity Inc**, located at 8895 N. military Trail, Suite 101-B, Palm Beach Gardens, Florida – 33410, United States of America. In compliance with the requirements of the provisions of Section 129(3) read with Rule 5 of the Company (Accounts) Rules, 2014, a Statement in Form AOC – 1 containing the salient features of financial statements in respect of Creative Infocity Inc, has been attached as **Annexure – E**.

24. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement under clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013, with respect to Directors' Responsibility Statement, your Directors hereby confirm that -



1. In the preparation of the annual accounts for the year ended March 31, 2016, the applicable accounting standards read with requirements set out under Schedule III to the Companies Act, 2013, have been followed and there are no material departures from the same;
2. The Directors 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 as at March 31, 2016 and of the profit of the Company for the year ended on that date;
3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. The Directors have prepared the annual accounts of the Company on a '**Going Concern**' basis;
5. The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
6. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

25. GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Details relating to deposits covered under Chapter V of the Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
4. None of the directors including the Managing Director and the Whole-time Directors of the Company receive any remuneration or commission from the subsidiary company.
5. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

ACKNOWLEDGEMENTS:

Your Directors place on record their deep appreciation to the team members for their continued support and dedicated performance in making Infocity, the Gujarat's 1st IT Metropolis. Your Directors wish to acknowledge the support and assistance received from the Promoters, viz. Creative IT Inc., USA and Gujarat Informatics Limited, Information Technology Department, Government of Gujarat and all the suppliers, contractors, consultants and Infocity clients, etc.



Your Directors also express their gratitude to the Banks and Financial Institutions for their valuable and continued support to the Company.

For and on behalf of Board

Sd/-
Suvas H. Barot
Whole Time Director
DIN – 02532094

For and on behalf of Board

Sd/-
Rashmikumar Barot
Director
DIN - 00136801

Registered Office:
Ground Floor, IT Tower-4,
Infocity, Near Indroda Circle,
Gandhinagar- 382009

Date:- 5th October, 2016
Place:- Gandhinagar

ANNEXURE – C

DETAILS OF MEETINGS AND ATTENDANCE

Attendance Sheet of Board Meeting for the Financial Year 2015 – 16

NAME OF ATTENDEES	30.06.2015	21.08.2015	19.12.2015	05.02.2016	30.03.2016
Mr. Rajesh Manjhu, IAS – Director	Y	N	N	N	N
Mr. Roopwant Singh, IAS Nominee Director	NA	NA	N	N	N
Mr. Suvas H. Barot – Managing Director	Y	Y	N	Y	Y
Mr. Mukesh K. Ajbani – Whole Time Director	Y	Y	N	N	Y
Mr. Dilip Barot – Director	NA*	N/A*	N/A*	N	N/A*
Mr. Snehal Desai - Director	NA*	NA*	NA*	NA*	NA*
Mr. Yashpal Kakkar- Director	N/A*	N/A*	N/A*	N/A*	N/A*
Mr. Ravikumar Jain – Alternate Director	Y	Y	Y	Y	Y
Mr. Suryakant Mehta – Alternate Director	Y	Y	Y	Y	Y
Mr. Premal Mehta – Independent Director	Y	Y	Y	Y	Y
Mr. Sunil Chhabaria – Independent Director	Y	Y	Y	Y	Y
Mr. Kumar Ranjan Thakur.- Alternate Director	Y	Y	Y	NA	NA
Ms. Shradha Bhimani- Alternate Director	N	N	N	N	Y

NA* - Attended by Alternate Director.

NA – Not Applicable

Attendance Sheet of Audit Committee Meeting for the Financial Year 2015 – 16

NAME OF ATTENDEES	15.04.2015	30.06.2015	21.08.2015	16.11.2015
Mr. Mukesh K. Ajbani	Y	Y	Y	N
Mr. Premal Mehta	Y	Y	Y	Y
Mr. Sunil Chhabaria	Y	Y	Y	Y
CS Kumar Ranjan Thakur - Secretary to the Committee	Y	Y	Y	Y

Attendance Sheet of Remuneration Committee Meeting for the Financial Year 2015 – 16

NAME OF ATTENDEES	15.04.2015	21.08.2015	05.02.2016
Mr. Ravikumar D. Jain	Y	Y	Y
Mr. Premal Mehta	Y	Y	Y
Mr. Sunil Chhabaria	Y	Y	Y
Mr. Suryakant Mehta	Y	Y	Y
CS Kumar Ranjan Thakur.- Secretary to the Committee	Y	Y	N

Attendance Sheet of Corporate Responsibility Committee for the Financial Year 2015 – 16

NAME OF ATTENDEES	19.12.2015	30.03.2016
Mr. Suvas Barot,	Y	Y
Mr. Ravikumar D. Jain	Y	Y
Mr. Premal Mehta	Y	Y

ANNEXURE – D

Form No.MGT-9

EXTRACT OF ANNUAL RETURN

For the Financial Year ended on 31st March, 2016

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN:	U45201GJ2000PLC038035
ii)	Registration Date:	19 th day of May, 2000
iii)	Name of the Company:	Creative Infocity Limited
iv)	Category/ Sub-Category of the Company:	Limited by shares
v)	Address of the registered office and contact details:	Ground Floor, IT Tower-4, Infocity Complex, Near Indroda Circle, Airport Road, Gandhinagar – 382 009, Gujarat, India Phone: (079) 23213068-70, FAX: (079) 23213050 Email: shradha@theinfocity.net Website: www.theinfocity.net
vi)	Whether listed:	No
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any:	NOT Applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

Sl. No.	Name and Description of main Products/ Services	NIC Code of the Product/ service	% total turnover of the company
1	Construction of IT Towers for leasing out of Space to IT Clients	99531223	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1.	Creative Infocity Inc.	NA	SUBSIDIARY	100	2(87)

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding -

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	-	700	700	0.00175	-	700	700	0.00175	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	94,70,758	94,70,758	24.05609	-	94,70,758	94,70,758	24.05609	-
e) Banks/ FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-		94,71,458	94,71,458	24.05784		94,71,458	94,71,458	24.05784	
(2) Foreign									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	2,98,98,029	2,98,98,029	75.94216	-	2,98,98,029	2,98,98,029	75.94216	-
d) Bank/FI	-	-	-	-	-	-	-	-	-
e) Any	-	-	-	-	-	-	-	-	-
Other . . .	-	-	-	-	-	-	-	-	-
Sub-total (A)(2):-									
Total Shareholding of Promoter (A)=(A)(1)+(A)(2)		39369487	39369487	100		39369487	39369487	100	
	-	-	-	-	-	-	-	-	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/ FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-									
	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
	-	-	-	-	-	-	-	-	-



a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	3,93,69,487	3,93,69,487	100.00	-	3,93,69,487	3,93,69,487	100.00	-

(ii) Shareholding of Promoters-

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	%of total Shares of the company	%of Shares Pledged/encumbered to total shares	No. of Shares	%of total Shares of the company	%of Shares Pledged/encumbered to total shares	% change in share holding during the year
1	MR. ROHITBHAI	100	0.00025	-	100	0.00025	-	-
2	MR. SUNIL JAMKHANDI	100	0.00025	-	100	0.00025	-	-
3	GUJARAT INFORMATICS	94,70,758	24.05609	-	94,70,758	24.05609	-	-
4	CREATIVE IT INC., USA	2,98,98,029	75.94216	-	2,98,98,029	75.94216	-	-
5	MRS. DIVYA H. BAROT	100	0.00025	-	100	0.00025	-	-
6	MRS. GEETABEN	100	0.00025	-	100	0.00025	-	-
7	MR. SUVAS H. BAROT	300	0.00075	-	300	0.00075	-	-

(iii) Change in Promoters' Shareholding (please specify, if there is no change)- No Change in promoters shareholding during the year

SN		Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year				
2	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):	NO CHANGE	NO CHANGE	NO CHANGE	NO CHANGE
3	At the end of the year				

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, promoters and Holders of GDRs and ADRs):- NA

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	NA	NA	NA	NA
2	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):	NA	NA	NA	NA
3	At the end of the year(or on the date of separation, if separated during the year)	NA	NA	NA	NA

(v) Shareholding of Directors and Key Managerial Personnel: -

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	300	0.00075	300	0.00075
2	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):	Nil	Nil	Nil	Nil
3	At the end of the year	300	0.00075	300	0.00075

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/ accrued but not due for payment

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	NIL	NIL	NIL	NIL
i) Principal Amount				
ii) Interest due but not paid iii) Interest accrued but not due				
Total (i+ii)	NIL	NIL	NIL	NIL
Change in Indebtedness during the financial year	NIL	NIL	NIL	NIL
· Addition				
· Reduction				
Net Change	NIL	NIL	NIL	NIL
Indebtedness at the end of the financial year	NIL	NIL	NIL	NIL
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	NIL	NIL	NIL	NIL

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole Time Director (Rs. In lakhs)

SR NO.	Particulars of Remuneration SR NO.	Mr. Suvas Barot, Managing Director		Mr. Mukesh K. Ajbani, Whole Time Director		Total Amount	
							NIL
1	Gross Salary						
	a) Salary as per provisions contained in Section 17(1) of IT Act, 1961	14.30		8.18		22.48	
	b) Value of perquisites u/s 17(2) of Income Tax, 1961	NIL		NIL		NIL	
2	Stock Option	NIL		NIL		NIL	
3	Sweat Equity	NIL		NIL		NIL	
4	Commission						
	- As % a profit	NIL		NIL		NIL	
	- Other, Specify	NIL		NIL		NIL	
5	Other, Please Specify	NIL		NIL		NIL	
	Total (A)	14.30		8.18		22.48	
	Ceiling as per the Act	Rs.50.38 (@ 10% of profit calculated as per Section 198 of the Companies Act, 2013)					

B. Remuneration to other Directors :

(I) Independent & Non – Executive

SR NO.	Particulars of Remuneration SR NO.	Mr. Premal Mehta, Director (Independent)	Mr. Sunil Chhabria, Director (Independent)	Mr. Suryakant Mehta Alternate Director NIL	Total Amount (In Rs.)
1	Fees for attending Board/ Committee meetings (Rs.)	1,42,250	1,42,250	NIL	2,84,500
2	Commission	NIL	NIL	NIL	NIL
3	Other, Please Specify	NIL	NIL	2,16,000	2,16,000
	Total (A)	1,42,250	1,42,250	2,16,000	5,00,500

Note: Independent Directors were appointed with effect from 30th March, 2015

C. Remuneration to Key Managerial Personnel other than MD/ WTD (Rs. In Lakhs)

SR NO.	Particulars of Remuneration	CS Kumar Ranjan Thakur Company Secretary and Compliance Officer	CS Shradha Bhimani – Company Secretary*	Mr. Ravin Kumar Jain Chief Financial Officer NIL	Total Amount
1	Gross Salary				
	a) Salary as per provisions contained in Section 17(1) of Income Tax Act,	6.45	0.72	3.00	10.17
	b) Value of perquisites u/s 17(2) of Income Tax, 1961	NIL	NIL	NIL	NIL
2	Stock Option	NIL	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL	NIL
4	Commission				
	- As % a profit	NIL	NIL	NIL	NIL
	- Other, Specify	NIL	NIL	NIL	NIL
5	Other, Please Specify	NIL	NIL	NIL	NIL
	Total (A)	6.45	0.72	3.00	10.17

• Appointed as Company Secretary of the Company w.e.f.05th February, 2016.

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES: N/A

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/COU RT]	Appeal made, if any (give details)
A.COMPANY					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
B.DIRECTORS					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
C.OTHER OFFICERS IN DEFAULT					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

ANNEXURE – E

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part “A”: Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹)

Sl. No.	Particulars	Details
1.	Name of the subsidiary	Creative Infocity Inc.
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31 st December, 2015
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	US Dollar 1 USD = ₹66.326 As per RBI rate
4.	Share capital	82,71,610
5.	Reserves & surplus	(2,17,38,778)
6.	Total assets	1,03,867
7.	Total Liabilities	78,46,299
8.	Investments	NIL
9.	Turnover	NIL
10.	Net Loss	(9,59,390)
11.	Provision for taxation	NIL
12.	Profit after taxation	NIL
13.	Proposed Dividend	NIL
14.	% of shareholding	100

Notes: The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations- NIL
- Names of subsidiaries which have been liquidated or sold during the year.- NIL

Part “B”: Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of associates/Joint Ventures	NOT APPLICABLE		
1. Latest audited Balance Sheet Date	NOT APPLICABLE		
2. Shares of Associate/Joint Ventures held by the company on the year end	/		
No.			
Amount of Investment in Associates/Joint Venture			
Extent of Holding%			
3. Description of how there is significant influence			
4. Reason why the associate/joint venture is not consolidated			
5. Net worth attributable to shareholding as per latest audited Balance Sheet			
6. Profit/Loss for the year			
i. Considered in Consolidation			
ii. Not Considered in Consolidation			

1. Names of associates or joint ventures which are yet to commence operations.
2. Names of associates or joint ventures which have been liquidated or sold during the year.

Note: This Form is to be certified in the same manner in which the Balance Sheet is to be certified.

For and on behalf of Board

For and on behalf of Board

Sd/-
Suvas H. Barot
Whole Time Director
DIN:- 02532094

Sd/-
Rashmikumar Barot
Director
DIN:- 00136801

Date: - 5th October, 2016
Place: Gandhinagar

FORM NO. AOC.2

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto
(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)**

1. Details of Contracts or arrangement or transactions not at Arm Length Basis	
a) Name(s) of the related party	Infocity Clubs and Resorts Private Limited
b) Nature of relationship	Whole Time Director is Shareholder/Member in the Related Party
c) Nature of contracts / arrangements / transactions	(i) Use of office premises on Lease transactions (ii) Availing facilities and amenities
(d) Date of Agreement	From 22 nd September, 2015.
e) Salient terms of the contracts or arrangement	(i) Use of office premises admeasuring FF/111 to 116 - 2,195 sq. ft. (carpet area) at 1 st Floor, SF/219 to 238 – 15,065 sq. ft. and 3,340 sq. ft. (carpet area) at 2 nd Floor - totaling 18,405 sq. ft.
Date(s) of approval by the Board, if any:	21 st August, 2015.
(g) Amount paid as advances, if any: Nil	NIL

For and on behalf of Board

For and on behalf of Board

**Sd/-
Suvas H. Barot
Whole Time Director
DIN:- 02532094**

**Sd/-
Rashmikumar Barot
Director
DIN:- 00136801**

**Date: 5th October, 2016
Place: Gandhinagar**

2. The Contracts or arrangements are at Arm's Length Price.

Particulars	Details
Name (s) of the related party & nature of relationship	NIL
Nature of contracts/arrangements/transaction	NIL
Duration of the contracts/arrangements/transaction	NIL
Salient terms of the contracts or arrangements or transaction including the value, if any	NIL
Date of approval by the Board	NIL
Amount paid as advances, if any	NIL

For and on behalf of Board
For CREATIVE INFOCITY LIMITED

Sd/-
Suvas H. Barot
Whole Time Director
DIN:- 02532094

For and on behalf of Board
For CREATIVE INFOCITY LIMITED

Sd/-
Rashmikumar Barot
Director
DIN:- 00136801

Date: 5th October, 2016
Place: Gandhinagar

“Annexure-G”

ANNUAL REPORT ON CSR ACTIVITIES

1. A brief outline of the Company’s CSR Policy:

The CSR activities to be undertaken by the Company shall always be as per the CSR Policy formulated by the Company. CSR Policy of your Company includes the list of CSR Projects which your Company plans to undertake falling within the purview of the Schedule VII of the Act, specifying modalities of execution of project or programs and implementation schedules for the same. The CSR Policy includes the Monitoring process of the Projects or Programs excluding the activities undertaken in pursuance of normal course of business of your Company. The CSR Policy specifies that surplus arising out of CSR activities shall not form part of the business profit of the Company.

2. The composition of the CSR committee:-

The Company has a CSR committee of directors comprising of :- **Three Directors**

Names of CSR Committee Members:-

1. Mr. Suvas H. Barot
2. Mr. Premal Mehta
3. Mr. Rashmikumar Barot

3. Average net profit of the Company for last three financial years for the purpose of computation of CSR: Rs. 13,85,34,061/-

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): Rs. 27,70,681/-

5. Details of CSR spent during the financial year:

- a. Total amount to be spent for the financial year: Rs. 27,70,681/-
- b. Amount unspent: Rs. 27,70,681/-
- c. Manner in which the amount spent during the financial year are as under:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR Project/ Activity identified	Sector in which the Project is covered	Projects/Programs (1) Local area or other (2) Specify the state and district where project/program was undertaken	Amount Outlay(budget) Project/ Program wise	Amount spent on the projects or programs Sub-heads (1) Direct expenditure on projects or programs (2) Overheads:	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
1	NIL	NIL	NIL	NIL	NIL	NIL	NIL
2	NIL	NIL	NIL	NIL	NIL	NIL	NIL
3	NIL	NIL	NIL	NIL	NIL	NIL	NIL

6. Reasons for not spending amount allocated for CSR activities:

In order to contribute towards CSR in most suitable and efficient manner, your Company is in planning of Long term substantial evaluation and is in search of suitable CSR options but could not finalise the same. Therefore, your Company was not able to spend the requisite amount allocated for CSR activities.

For and on behalf of the Board,

Sd/-
Suvas Barot
Whole Time Director
DIN:-02532094

Sd/-
Ravikumar Jain
Alternate Director
DIN:- 02951296

Sd/-
Rashmikumar Barot
Additional Director
DIN:- 00136801

Date : 5th October, 2016

Place:Gandhinagar

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF CREATIVE INFOCITY LIMITED
Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of **CREATIVE INFOCITY LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under section 143 (11) of the Act.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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



accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit and its cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note 24 to the financial statements regarding pending resolution of issues raised by Gujarat Informatics Limited and consequential effects thereof, if any, pending to be given in the books of account of the Company, as stated in the note.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

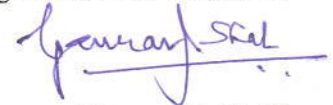
1. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance



with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Notes 23 and 24 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 117365W)



(Gaurav J. Shah)
(Partner)
(Membership No. 35701)

Place: Ahmedabad

Date: 5th October, 2016

**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' of
our report of even date)**

**Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-
section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Creative Infocity Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

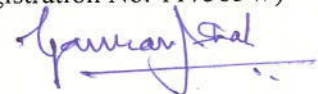
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **DELOITTE HASKINS & SELLS**

Chartered Accountants
(Firm's Registration No. 117365W)



(Gaurav J. Shah)
(Partner)
(Membership No. 35701)

Place: Ahmedabad

Date: 5th October, 2016

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Some of the fixed assets were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us in respect of immovable properties of land that have been taken on lease alongwith buildings constructed thereon and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company.
- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2014, as amended, would apply. Accordingly reporting under clause (v) of CARO 2016 is not applicable.
- (vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities.



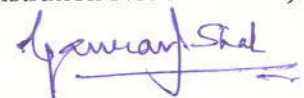
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.
- (c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, and Value Added Tax which have not been deposited as on March 31, 2016 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount (Rs.)
Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	Assessment years 2003-04, 2004-05, 2005-06, 2006-07, 2007-08, 2008-09, 2010-11, 2011-12	252,028,295
Income Tax Act, 1961	Income Tax	Commissioner of Income-Tax (Appeal)	Assessment years 2006-07 and 2013-14	89,158,497
Finance Act, 1994	Service Tax and Penalty	Custom Excise Service Tax Appellate Tribunal	1st April, 2004 to 30th September, 2009	27,641,498
Finance Act, 1994	Service Tax and Penalty	Custom Excise Service Tax Appellate Tribunal	1st June, 2007 to 30th September, 2012	103,923,506
Finance Act, 1994	Service Tax and Penalty	Commissioner of Central Excise (Appeals)	1st October, 2011 to 31st March, 2013	4,525,479

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks / financial institutions. The Company has not taken any loans or borrowings from government and has not issued any debentures.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 Order is not applicable.

- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 117365W)



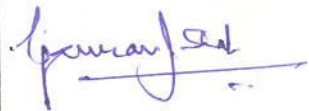
(Gaurav J. Shah)
(Partner)
(Membership No. 35701)

Place: Ahmedabad

Date: 5th October, 2016

CREATIVE INFOCITY LIMITED			
Balance sheet as at 31 March, 2016			
Particulars	Note	As at 31 March, 2016	As at 31 March, 2015
		(Rupees)	(Rupees)
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	2	393,694,870	393,694,870
(b) Reserves and surplus	3	703,504,116	664,051,206
		1,097,198,986	1,057,746,076
2 Non-current liabilities			
(a) Deferred Tax Liabilities (Net)	29	3,940,185	5,307,585
(b) Long-term Provisions		-	-
		3,940,185	5,307,585
3 Current liabilities			
(a) Short-term borrowings	4	-	59,170
(b) Trade payables	5	-	-
Trade Payable of Micro Enterprises and Small Enterprises (Refer note 25)		-	-
Others		59,510,007	47,175,296
(c) Other current liabilities	6	52,020,394	52,530,612
(d) Short-term Provisions	7	20,000,000	23,372,411
		131,530,401	123,137,489
TOTAL		1,232,669,572	1,186,191,150
B ASSETS			
1 Non-current assets			
(a) Fixed assets			
Tangible assets	8	42,659,804	45,407,006
		42,659,804	45,407,006
(b) Non-current investments	9	-	8,271,610
(c) Long-term loans and advances	10	144,322,112	122,779,245
		186,981,916	176,457,861
2 Current assets			
(a) Inventories	11	438,577,102	438,577,102
(b) Trade receivables	12	5,053,885	4,761,605
(c) Cash and Bank Balances	13	583,616,475	528,676,367
(d) Short-term loans and advances	14	1,505,269	945,329
(e) Other current assets	15	16,934,925	36,772,886
		1,045,687,656	1,009,733,289
TOTAL		1,232,669,572	1,186,191,150
See accompanying notes forming part of the financial statements			

In terms of our report attached
For Deloitte Haskins and Sells
Chartered Accountants



(Gaurav J. Shah)
Partner

Place : Ahmedabad
Date : 5th October, 2016

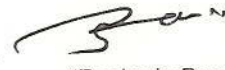
For and on behalf of the Board of Directors



(Suvas Barot)
Whole Time Director



(Shradha Bhimani)
Company Secretary



(Rashmin Barot)
Director



(Ravikumar Jain)
Chief Financial Officer

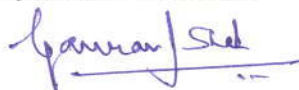
Place : Gandhinagar
Date : 5th October, 2016

CREATIVE INFOCITY LIMITED

Statement of Profit and Loss for the year ended 31 March, 2016

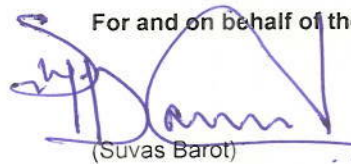
Particulars	Note	For the year ended 31 March, 2016	For the year ended 31 March, 2015
		(Rupees)	(Rupees)
1 Revenue from operations	16	143,562,727	141,268,215
2 Other income	17	48,766,935	45,298,638
3 Total revenue (1+2)		192,329,662	186,566,853
4 Expenses			
(a) Changes in inventories of finished goods and work-in-progress	18	-	95,239
(b) Employee benefits expense	19	14,298,945	13,345,641
(c) Finance costs	20	1,005,440	2,184,197
(d) Depreciation and amortization expense	8	4,694,013	6,191,038
(e) Other expenses	21	121,947,128	96,364,445
Total expenses		141,945,526	118,180,560
5 Profit before tax (3-4)		50,384,136	68,386,293
6 Tax expense:			
(a) Current tax expense		20,000,000	23,372,411
(b) (Less): MAT Credit utilized		(7,799,257)	(10,906,532)
(c) Short provision for tax relating to prior years		97,883	3,663,671
Net current tax expense		12,298,626	16,129,550
(d) Deferred tax		(1,367,400)	(925,200)
		10,931,226	15,204,350
7 Profit for the year (5-6)		39,452,910	53,181,943
8 Earnings per share (of Rs. 10/- each):			
Basic and Diluted	22	1.00	1.35
See accompanying notes forming part of the financial statements			

In terms of our report attached
For Deloitte Haskins and Sells
Chartered Accountants



(Gaurav J. Shah)
Partner

For and on behalf of the Board of Directors




(Suvas Barot)

Whole Time Director



(Rashmin Barot)
Director



(Shradha Bhimani)
Company Secretary



(Ravikumar Jain)
Chief Financial Officer

Place : Ahmedabad
Date : 5th October, 2016

Place : Gandhinagar
Date : 5th October, 2016

CREATIVE INFOCITY LIMITED
Cash flow statement for the year ended 31st March 2016

Particulars	For the year ended 31 March 2016 (Rupees)	For the year ended 31 March 2015 (Rupees)
(A) Cash flow from operating activities		
Net Profit before tax	50,384,136	68,386,293
Adjustments for :		
Depreciation & Amortization	4,694,013	6,191,038
Finance cost	1,005,440	2,184,197
Interest income	(48,695,146)	(45,236,353)
Foreign exchange loss	708,030	388,960
Loss on Sale of Assets	257,279	-
Provision for Diminution of Share Investment	8,271,610	-
Provision for Doubtful Debts, Advances and Sundry Balances written off	289,732	2,376,623
Operating Profit Before Working Capital Changes	16,915,094	34,290,758
Adjustments for working capital changes :		
Increase/ (decrease) in trade Receivables	(393,112)	(2,903,885)
(Decrease)/Increase in inventories	-	95,239
(Decrease) / Increase in long-term loans and advances	523,728	(234,668)
(Increase)/Decrease in Other current assets	74,475	(103,076)
(Increase) / decrease in short-term loans and advances	(559,940)	83,344
(Increase)/Decrease in trades payables	11,626,681	464,726
(Increase)/Decrease in long-term provisions	-	(584,876)
(increase)/Decrease in other current liabilities	(510,218)	1,552,459
Cash generated from operations	27,676,708	32,660,021
Direct taxes paid	(37,926,532)	(29,350,952)
Net cash flow from operating activities (A)	(10,249,824)	3,309,069
Cash flows from investing activities		
Increase in fixed assets	(2,279,470)	(793,340)
Increase in Investments	-	(1,494,160)
Proceeds from sale of fixed assets	75,380	-
(Increase / Decrease) in bank deposit balances not considered as cash and cash equivalents	(17,531,271)	60,378,537
Interest Received	68,458,632	28,949,032
Net Cash flow from/(used in) Investing Activities (B)	48,723,271	87,040,069
Cash flows from financing activities		
Repayment of short-term borrowings	(59,170)	(1,328,006)
Finance costs	(1,005,440)	(2,184,197)
Net cash from/(used in) Financing activities (C)	(1,064,610)	(3,512,203)
Net increase in cash and cash equivalents (A + B + C)	37,408,837	86,836,935
Cash and cash equivalents at the beginning of the year	194,567,118	107,730,183
Cash and cash equivalents at the end of the year	231,975,955	194,567,118



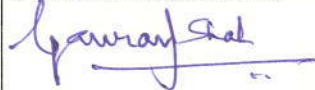
	For the year ended 31 March 2016 (Rupees)	For the year ended 31 March 2015 (Rupees)
Note 1		
Components of cash and cash equivalents		
a) Cash in Hand	31,716	77,375
b) Balances with Banks		
(i) In Current Accounts	15,109,463	7,707,442
(ii) In Deposits Accounts	216,834,776	186,782,301
Cash and cash equivalents as per note 13	231,975,955	194,567,118

Note 2

The above cashflow statement has been prepared under the "Indirect method" as set out in the Accounting Standard - 3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.


See accompanying notes forming part of the financial statements

In terms of our report attached
For Deloitte Haskins and Sells
Chartered Accountants




(Gaurav J. Shah)
Partner

For and on behalf of the Board of Directors



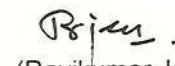
(Suvas Barot)
Whole Time Director



(Rashmin Barot)
Director



(Shradha Bhimani)
Company Secretary



(Ravikumar Jain)
Chief Financial Officer

Place : Ahmedabad
Date : 5th October, 2016

Place : Gandhinagar
Date : 5th October, 2016

CREATIVE INFOCITY LIMITED

Notes forming part of the Standalone financial statements

1 SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

b) Use of Estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

c) Fixed Assets

Fixed assets are stated at cost of acquisition or construction less accumulated depreciation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use and other incidental expenses attributable to acquisition of fixed assets. Leasehold land pertaining to premises meant for long-term lease is not capitalized and forms part of inventory. Leasehold land on which corporate office is constructed is capitalized.

d) Borrowing Cost

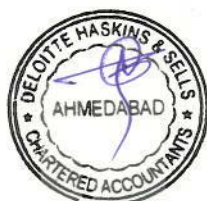
Interest and other costs in connection with the borrowing of the funds to the extent related/attributed to the acquisition/construction of qualifying fixed assets are capitalised up-to the date when such fixed assets are ready for its intended use and other borrowing costs are charged to the Statement of Profit and Loss.

e) Depreciation and Amortisation:

- i) Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.
- ii) Leasehold land is amortised on straight line basis over the lease period.

f) Impairment

Fixed Assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is then recognized for the amount by which the carrying amount of the assets exceeds its recoverable amount, which is the higher of an asset's net selling price and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.



CREATIVE INFOCITY LIMITED

Notes forming part of the Standalone financial statements

g) Investments

Current investments are carried at lower of cost or fair value. Long-term investments are carried at cost. Provision is made to recognize a decline, other than temporary, in the carrying amount of long-term investments.

h) Inventories:

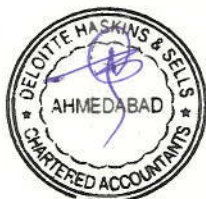
- i) Inventories are valued at lower of cost or net realizable value.
- ii) Lease hold land pertaining to premises meant for long-term lease is valued at cost of acquisition.
- iii) Finished and unfinished structures are valued at construction cost which includes material cost, labour charges and other incidental expenses incurred up to the date of valuation.
- iv) Inventory is made up of premises held for giving on long term/short term lease. Premises given on lease on short term basis are part of inventory and are not recognized as fixed assets of the Company as the intention of the Company is to hold such premises for giving on long term lease and are given on short term lease to utilize available business opportunity.

i) Revenue recognition

- i) Revenue from long term lease of premises is recognized when risk and rewards are transferred to the lessee.
- ii) Revenue from short term lease and operation and maintenance service is recognized on accrual basis.
- iii) Interest on deposits is recognized on time proportion basis.

j) Employees Benefits:

- i) For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.
- ii) The Company's contribution in case of defined contribution plans (Provident Fund, Superannuation benefit, and other fund) is charged to Statement of Profit and Loss as and when incurred, as Employee Costs.



CREATIVE INFOCITY LIMITED

Notes forming part of the Standalone financial statements

k) Foreign Currency Transactions

- i) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or which closely approximates the rate at the date of the transaction.
- ii) Monetary items denominated in foreign currencies at the year end are restated at year end rates.
- iii) Non monetary foreign currency items are carried at historical cost.
- iv) Any income or expense on account of exchange difference either on settlement or on translation is recognized in the Statement of profit and loss.

l) Taxation

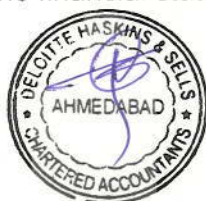
Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

m) Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.



CREATIVE INFOCITY LIMITED
Notes forming part of the financial statements

2 Share Capital

PARTICULARS	As at 31 March, 2016 (Rupees)	As at 31 March, 2015 (Rupees)
Authorized :		
9,00,00,000 Equity Shares of Rs.10/- each	900,000,000	900,000,000
TOTAL	900,000,000	900,000,000
Issued, Subscribed & Paid up		
3,93,69,487 Equity Shares of Rs.10/- each (31 March, 2015: 3,93,69,487 Equity shares of Rs.10 each)	393,694,870	393,694,870
TOTAL	393,694,870	393,694,870

(i) Reconciliation of the number of Equity Shares outstanding at the beginning and at the end of the year :
(In Nos.)

	As at 31st March, 2016	As at 31st March, 2015
At the Beginning of the year	39,369,487	39,369,487
Issued during the year	-	-
Outstanding at the end of year	39,369,487	39,369,487

(ii) Terms/Rights of Equity Shares

The Company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held.

In the event of liquidation, the equity share holders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(iii) Details of Shareholders holding more than 5 percent of Equity Shares:

		As at 31st March, 2016	As at 31st March, 2015
M/s. Creative IT Inc.	Nos.	29,898,029	29,898,029
	% Holding	75.94	75.94
M/s. Gujarat Informatics Ltd.	Nos.	9,470,758	9,470,758
	% Holding	24.06	24.06

3 Reserves & Surplus

PARTICULARS	As at 31 March, 2016 (Rupees)	As at 31 March, 2015 (Rupees)
Capital Reserve (Capital Subsidy received from Government of Gujarat)		
Balance as per last Balance Sheet	25,000,000	25,000,000
Surplus in statement of Profit and Loss		
Opening Balance	639,051,206	587,080,113
Less: Depreciation on Transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with NIL remaining useful life (net of Deferred tax)	-	1,210,850
Add:-Profit for the year	39,452,910	53,181,943
Closing Balance	678,504,116	639,051,206
TOTAL	703,504,116	664,051,206



CREATIVE INFOCITY LIMITED
Notes forming part of the financial statements

4 Short Term Borrowings

PARTICULARS	As at 31 March, 2016 (Rupees)	As at 31 March, 2015 (Rupees)
Loan repayable on demand		
From Banks (Secured against Fixed Deposits)	-	59,170
TOTAL	-	59,170

5 Trade Payables

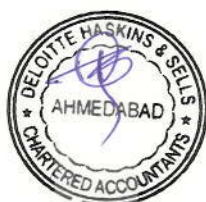
PARTICULARS	As at 31 March, 2016 (Rupees)	As at 31 March, 2015 (Rupees)
Trade Payable of Micro Enterprises and Small Enterprises (refer note 25)	-	-
Trade Payable -Other than Acceptance		
For Goods and Services	34,085,333	24,442,655
GIL Revenue sharing payable (refer note 24)	25,424,674	22,732,641
TOTAL	59,510,007	47,175,296

6 Other Current Liabilities

PARTICULARS	As at 31 March, 2016 (Rupees)	As at 31 March, 2015 (Rupees)
Other Payables		
(i) Statutory Remittances (contributions to PF and ESIC, Tax deducted at source, Service Tax, etc.)	595,784	1,090,642
(ii) Advances from customers	3,770,265	3,259,074
(iii) Security Deposit Received	47,654,345	48,180,896
TOTAL	52,020,394	52,530,612

7 Short Term Provisions

PARTICULARS	As at 31 March, 2016 (Rupees)	As at 31 March, 2015 (Rupees)
Provision for Income-tax	20,000,000	23,372,411
TOTAL	20,000,000	23,372,411



CREATIVE INFOCITY LIMITED
Notes forming part of the financial statements
Note 8

PARTICULARS	GROSS BLOCK (AT COST)			DEPRECIATION - AMORTISATION				NET BLOCK		
	AS AT APRIL 01, 2015	ADDITIONS	DEDUCTIONS	AS AT MARCH 31, 2016	UPTO APRIL 01, 2015	FOR THE YEAR	TRANSITION ADJUSTMENT RECORDED AGAINST SURPLUS BALANCE IN STATEMENT OF PROFIT AND LOSS (REFER NOTE BELOW)	DEDUCTIONS	AS AT MARCH 31, 2016	AS AT MARCH 31, 2015
FIXED ASSETS										
LAND (LEASE HOLD)	136,172	-	-	136,172	56,350	4,696	-	-	61,046	79,822
BUILDING	52,580,995	-	-	52,580,995	14,373,843	1,711,074	-	-	16,084,917	38,207,152
FURNITURE & FIXTURE	3,849,554	-	-	3,849,554	2,451,516	265,893	-	-	2,717,409	1,398,038
OFFICE EQUIPMENTS	7,602,071	1,622,527	-	9,224,598	4,813,959	1,246,052	-	-	6,060,011	2,788,112
COMPUTERS & PERIPHERAL	3,089,142	656,943	-	3,746,085	2,643,553	277,007	-	-	2,920,560	445,589
VEHICLES	5,139,290	-	332,659	4,806,631	3,134,697	949,414	-	-	4,084,111	2,004,593
ASSETS FOR CALL CENTRE	9,360,942	-	-	9,360,942	8,877,242	239,877	-	-	9,117,119	483,700
GRAND TOTAL	81,758,166	2,279,470	332,659	83,704,977	36,351,160	4,694,013	1,792,391	-	41,045,173	45,407,006
PREVIOUS YEAR	80,964,826	793,340	-	81,758,166	28,367,731	6,191,038	-	-	36,351,160	-

NOTE :

During the previous year, pursuant to the notification of Schedule II to the Companies Act, 2013 ("the Act), with effect from 1st April, 2014, the Company had adopted the useful lives of fixed assets as specified in Schedule II of the Act, w.e.f. 1st April, 2014. Accordingly, the unamortised carrying value of the assets as on that date was being depreciated over their revised remaining useful lives. Pursuant to the transition provisions prescribed in Schedule II to the Act, the Company had fully depreciated the carrying value of assets, net of residual value, where the remaining useful life of the asset was determined to be Nil as on 1st April, 2014, and had adjusted an amount of Rs. 1,210,850 (net of deferred tax of Rs. 581,541) against the opening balance of Surplus in the Statement of Profit and Loss under Reserves and Surplus.



CREATIVE INFOCITY LIMITED
Notes forming part of the financial statements

9 Non Current Investment

PARTICULARS	As at 31 March, 2016 (Rupees)	As at 31 March, 2015 (Rupees)
INVESTMENTS (AT COST) :		
Trade - Unquoted :		
Wholly owned subsidiary Company 2,35,000 (Previous Year 2,35,000) Equity Shares of USD 1 each fully paid up Creative Infocity Inc. (Wholly owned subsidiary Company)	12,865,610	12,865,610
Less:		
Provision for permanent diminution in the value of Investment	(12,865,610)	(4,594,000)
Total	-	8,271,610

10 Long-term Loans & advances

PARTICULARS	As at 31 March, 2016 (Rupees)	As at 31 March, 2015 (Rupees)
Unsecured, Considered good		
a) Security Deposits*	4,939,035	5,025,035
b) Advance Income tax	130,348,699	106,618,664
c) MAT Credit Receivable	7,806,102	9,280,642
d) Others-Service tax**	1,228,276	1,854,904
TOTAL	144,322,112	122,779,245

*exclude doubtful advances, against which full provision made – Rs.1,181,626(Previous year: Rs. 992,726).

** Includes Rs.1,225,775 service tax paid under protest(Previous Year:Rs.1,000,000)

11 Inventories (Cost or Net Realisable value whichever is lower)

PARTICULARS	As at 31 March, 2016 (Rupees)	As at 31 March, 2015 (Rupees)
a) Lease Hold Land	22,418,808	22,418,808
b) Finished Structures	413,500,800	413,500,800
c) Work in progress	2,657,494	2,657,494
TOTAL	438,577,102	438,577,102

12 Trade Receivables

PARTICULARS	As at 31 March, 2016 (Rupees)	As at 31 March, 2015 (Rupees)
Trade receivables outstanding for a period exceeding six months from the date they were due for payment :		
a) Unsecured, considered good	1,374,902	136,724
b) Unsecured, considered doubtful	952,535	952,535
	2,327,437	1,089,259
Less : Provision for Doubtful Debts	952,535	952,535
	1,374,902	136,724
Other Trade receivables:		
a) Unsecured, considered good	3,678,983	4,624,881
TOTAL	5,053,885	4,761,605



CREATIVE INFOCITY LIMITED
Notes forming part of the financial statements

13 Cash and Bank Balances

PARTICULARS	As at 31 March, 2016 (Rupees)	As at 31 March, 2015 (Rupees)
A) Cash and Cash Equivalents		
a) Cash in Hand	31,716	77,375
b) Balances with Banks		
(i) In Current Accounts	15,109,463	7,707,442
(ii) In Deposits Accounts	216,834,776	186,782,301
B) Other Bank Balances		
(i) In Deposits Accounts (refer note (i),(ii) and (iii) below)	324,743,927	309,881,464
(ii) In Margin Money Accounts	12,500,000	12,500,000
(iii) In Escrow Account (refer note 24)	14,396,593	11,727,785
TOTAL	583,616,475	528,676,367

Note:

(i) Balances with banks include deposits amounting to Rs. 40,000,000/- (As at 31st March 2015 Rs.40,000,000/-) pledged with banks against overdraft facilities.

(ii) Other Bank Balances with banks include deposits of Rs. 277,215,007/- (As at 31st March 2015 Rs.259,881,464) under lien to bank.

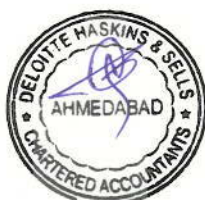
(iii) Balances with banks include deposits of Rs.61,401,738/- (As at 31st March 2015 Rs 10,000,000/-) with a maturity of more than 12 months.

14 Short-term Loans and Advances

PARTICULARS	As at 31 March, 2016 (Rupees)	As at 31 March, 2015 (Rupees)
Unsecured, considered good		
(a) Advances recoverable in cash or in kind or for value to be received	530,503	301,273
(b) Prepaid Expenses - Unsecured, considered good	974,766	644,056
TOTAL	1,505,269	945,329

15 Other Current Assets

PARTICULARS	As at 31 March, 2016 (Rupees)	As at 31 March, 2015 (Rupees)
Interest accrued on Fixed Deposits	16,906,324	36,669,810
Advance to Gratuity fund	28,601	103,076
TOTAL	16,934,925	36,772,886



CREATIVE INFOCITY LIMITED
Notes forming part of the financial statements

16 Revenue from Operations

PARTICULARS	For the year ended 31 March, 2016 (Rupees)	For the year ended 31 March, 2015 (Rupees)
Licence Fees and Maintenance charges	143,307,329	140,465,715
Revenue from Real Estate Schemes	255,398	802,500
Total	143,562,727	141,268,215

17 Other Income

PARTICULARS	For the year ended 31 March, 2016 (Rupees)	For the year ended 31 March, 2015 (Rupees)
Interest Income - From Bank on Fixed Deposits	48,695,146	45,236,353
Misc. income	71,789	62,285
TOTAL	48,766,935	45,298,638

18 Changes in inventories of finished goods and work-in-progress

PARTICULARS	For the year ended 31 March, 2016 (Rupees)	For the year ended 31 March, 2015 (Rupees)
<u>Inventories at the end of the year:</u>		
Lease Hold Land	22,418,808	22,418,808
Finished Structures	413,500,800	413,500,800
Work in progress	2,657,494	2,657,494
Total	438,577,102	438,577,102
<u>Inventories at the beginning of the year:</u>		
Lease Hold Land	22,418,808	22,428,020
Finished Structures	413,500,800	353,186,616
Work in progress	2,657,494	63,057,705
Total	438,577,102	438,672,341
Change in Inventories	-	95,239



CREATIVE INFOCITY LIMITED
Notes forming part of the financial statements

19 Employee Benefits Expense

PARTICULARS	For the year ended 31 March, 2016 (Rupees)	For the year ended 31 March, 2015 (Rupees)
Salaries and wages	11,225,240	9,475,680
Contributions to provident and other funds	1,247,978	1,651,809
Staff welfare expenses	1,825,727	2,218,152
TOTAL	14,298,945	13,345,641

20 Finance Costs

PARTICULARS	For the year ended 31 March, 2016 (Rupees)	For the year ended 31 March, 2015 (Rupees)
Interest Expenses	365,846	14,961
Other Borrowing cost	639,594	2,169,236
TOTAL	1,005,440	2,184,197

21 Other Expenses

PARTICULARS	For the year ended 31 March, 2016 (Rupees)	For the year ended 31 March, 2015 (Rupees)
Power and Fuel	2,036,875	1,517,140
Insurance	325,426	423,634
Building Repairs	76,310,955	63,552,172
Others Repairs	541,141	409,871
Lease Rent	11,716	11,716
Revenue Sharing	2,668,600	2,514,313
Rates and Taxes	1,585,229	771,990
Travelling and Conveyance	7,425,760	5,263,342
Stationery, Printing, Postage and Telephone	492,964	436,102
Advertisement Expenses	2,152,913	3,660,928
Legal and Professional Fees	9,990,217	8,001,649
Commission & Brokerage	588,000	92,872
Sales Promotion Expenses	5,799,695	4,373,857
Loss on Vehicle sold	257,279	-
Payment to Auditors (Refer note (i) below)	841,735	840,000
General Charges	1,138,251	1,682,276
Sundry Debit Balances Written off	100,832	431,362
Provision for Doubtful Debts	-	952,535
Provision for Doubtful Advances	188,900	992,726
Provision for Diminution of Share Investment	8,271,610	-
Corporate Social responsibilities Expenses	500,000	-
Donation	11,000	47,000
Net loss on foreign currency transactions and translations	708,030	388,960
TOTAL	121,947,128	96,364,445

(i) Payments to the auditors comprises (net of service tax input credit):

As Auditors - Statutory Audit	700,000	700,000
For Taxation Matters	140,000	140,000
Reimbursement of expenses	1,735	-
TOTAL	841,735	840,000

22 Earnings Per Share

PARTICULARS	For the year ended 31 March, 2016 (Rupees)	For the year ended 31 March, 2015 (Rupees)
Basic and Diluted - Continuing		
Net profit for the year attributable to the equity shareholders	39,452,910	53,181,943
Weighted average number of equity shares	39,369,487	39,369,487
Par value per share	10	10
Earnings per share - Basic and Diluted	1.00	1.35



CREATIVE INFOCITY LIMITED

Notes forming part of the Standalone financial statements

23 Contingent Liabilities not provided for in respect of:

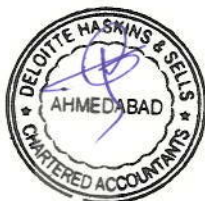
	Particulars	As at 31 st March, 2016 (Rupees)	As at 31 st March, 2015 (Rupees)
I)	Guarantees issued by Banks	277,215,007	307,881,464
II)	Disputed demand of Income Tax for which an appeal has been preferred	410,403,584	360,960,044
III)	Disputed demand of Service Tax for which an appeal has been preferred	136,090,483	51,956,653

24

- i) The Government of Gujarat promulgated the Gujarat Infrastructure Development Act, 1999 in order to create a legal framework for private sector participation in infrastructure projects. Under the Information Technology policy of the Government of Gujarat, in order to make Gujarat on the Global IT map, the Government of Gujarat incorporated GUJARAT INFORMATICS LIMITED (GIL) as its wholly owned undertaking to act as a Nodal Agency with the task of promoting information technology and providing the incentive to develop the Infocity project at Gandhinagar in association with a private participant.

In furtherance of the said Act, the said Gujarat Informatics Limited invited pre-qualification bids and on evaluation of the said bids a Letter of Intent dated 15/3/2000 was issued in favor of CREATIVE IT INC, an incorporated body registered and existing under the laws of Florida, USA, for development of Infocity Project. Thus, Creative Infocity was incorporated by the said Creative IT Inc., as a joint venture Company with the said GIL on 19th May 2000 as a Limited Liability Company as per the provisions of the Companies Act, 1956 with main objects as to Design, Finance, Build, Market, Lease, Operate, Maintain and Transfer the Infocity project at Gandhinagar, the capital city of the state of Gujarat. For this purpose, a Concession Agreement for Design, Finance, Build, Market, Lease, Operate and Transfer the Infocity Project was entered into on 1st August, 2000 between GIL and the Company. The Shareholding of the Company as on date consists of 75.94% shares held by Creative IT Inc., being the largest shareholder and rest 24.06% by the said GIL in line with the Shareholders' Agreement by and between the said Creative IT Inc. and the Gujarat Informatics Limited dated 21st October 2000. For leasing of land admeasuring approximately 150 acres for the development of the Infocity project, an Indenture of Master Lease (IML) was entered into on 26th February, 2001 between GIL and the Company with Creative IT Inc, USA as the confirming party. Accordingly, the Company started its work on the Infocity Project on the land leased to it by GIL.

The Company had entered into Master Lease Agreement (MLA) with Gujarat Informatics Limited (GIL). According to the terms of agreement, GIL has allotted leasehold land for development of IT Infrastructure, for which the Company pays lease rent and a share in license fees/ lease rent received from sub-lessees to GIL. GIL, raised certain issues and has unilaterally terminated MLA with the Company w.e.f. September 04, 2008. The issues between the Company and GIL are being resolved and the matter is before the arbitration proceedings as per the provisions of the Arbitration and Conciliation Act, 1996, proceedings of which are pending. Both, the Company and Gujarat Informatics Limited (GIL), have appointed Arbitrators from their side while the Honourable



CREATIVE INFOCITY LIMITED

Notes forming part of the Standalone financial statements

High Court of Gujarat vide its order dated 20th March, 2015 has appointed the presiding arbitrator. Accordingly, the process of arbitration has started; however, the possibilities of amicable settlement are still open and being explored by both the parties to arbitration.

Pending the resolution of the matters, no effect, if any, has been given in the books of account of the Company. Under the facts and circumstances of the matter, the management is not able to ascertain accounting effects, if any. On final outcome and resolution of the matter, the accounting effects, if any, will be given in the books of account in the financial year in which the disputes are finally resolved. Since then GIL has refused to accept rent and share of revenue as per the said agreement. The Company has opened an escrow account in Bank of India. As on March 31, 2016 balance in escrow account is Rs.14,396,593 /- (As at March 31, 2015 : Rs. 11,727,785 /-) has been shown under Cash and Cash Equivalents under note no. 13 of the notes forming parts of the financial statements.

- ii) On the unilateral termination of above agreement by GIL and notice of the same being served to Tata Consultancy Services Limited (TCS), TCS had stopped paying lease rent/license fees payable as per agreement, to the Company. The matter being disputed in the court of law, the Company had not recognized the amount of lease rent/license fees due as revenue in the books of account till 31st March, 2012. However, during the year 2012-13, both the parties mutually agreed that TCS shall resume paying lease rent/license fees, on the condition that the Company shall provide Bank Guarantee to TCS of an amount equivalent to the arrears of lease rent paid as aforesaid. Accordingly, The Company has provided bank guarantee in favour of TCS for which the Company has kept a fixed deposit of the said amount with Bank of India under lien. Such revenue of Rs.144,469,499/- recognized in the financial statements for the year 2012-13 for earlier financial years up-to 2011-12 had been shown as exceptional item.

During the year, the amount of license fees/ lease rent of Rs. 53,203,869/- (Previous Year Rs. 52,479,326/-) has been recognized as revenue in the Statement of Profit and Loss under the item of license fees and maintenance charges under Revenue from operations (Note no. 16).

- 25 There are no Micro, small and Medium Enterprise, to whom the company owes dues, which are outstanding as at the Balance Sheet date. The above information has been determined to the extent such parties have been identified on the basis of information available with the company. This has been relied upon by the auditors.
- 26 Expenditure in foreign currency –Nil (P.Y. Foreign Travelling Expenses Rs. 443,527/-).
- 27 The Company has given finished structures on short term cancellable leases. Total lease rent recognized as income in Statement of Profit and Loss, in respect of the same, for the year aggregates to Rs. 106,726,430/- (P.Y. Rs. 104,313,239/-).

Disclosures required by paragraphs 46 (b), (d) and (e) of AS-19 – 'Leases', are not applicable to the Company since the Company has given finished structures on short term cancellable leases.



CREATIVE INFOCITY LIMITED

Notes forming part of the Standalone financial statements

28 Employee Benefits:

The Company has defined benefit plans for gratuity to eligible employees for which provision is Made. The details of this defined benefit plans recognised in the financial statements are as under:

Particulars	2015-16 (Rupees)	2014-15 (Rupees)
a) Reconciliation of opening and closing balance of the present value defined benefit obligation		
Obligation at the beginning of the year	1,574,881	1,240,257
Current Service Cost	275,517	309,851
Interest Cost	125,046	99,221
Actuarial (Gain) / Loss	194,400	(74,448)
Benefits Paid	(254,136)	NIL
Obligation at the end of the year	1,915,708	1,574,881
b) Reconciliation of opening and closing balances of fair value of plan assets		
Plan assets at the beginning of the year, as fair value	1,677,957	655,381
Expected return on plan assets	133,230	57,018
Actuarial Gain / (Loss) on plan Assets	41,986	51,334
Contribution	345,272	914,224
Benefits Paid	(254,136)	NIL
Plan Assets at the end of the year at fair value	1,944,309	1,677,957
c) Net Asset / (Liability) recognised in Balance Sheet		
Obligation at the end of the year	(1,915,708)	1,574,881
Less : Plan assets at the end of the year at fair value	1,944,309	1,677,957
(Liability) / Asset recognised in Balance Sheet as at year end	28,601	103,076
d) Components of employer expenses for the year		
Current service cost	275,517	309,851
Interest cost	125,046	99,221
Expected return on plan assets	(133,230)	(57,018)
Net Actuarial (gain) / loss	152,414	(125,782)



CREATIVE INFOCITY LIMITED

Notes forming part of the Standalone financial statements

Net Cost/(Gain)	419,747	226,272
e) Assumptions		
Discount Rate (p.a.)	8.07%	7.94%
Expected rate of return on opening plan assets (p.a.)	8.07%	7.94%
Expected rate of increase in compensation levels (p.a.)	7.00%	7.00%
Mortality rate during the Employment	Indian assured Lives Mortality (2006-08)	

f) Defined Contribution Plan

Particulars	2015-16 (Rupees)	2014-15 (Rupees)
Amount recognized as an expenses and included in Note 19 of statement of Profit & Loss	920,778	1,008,371

g) The estimates of future salary increases considered in the actuarial valuation take account of inflation, promotion and other relevant factors, such as supply and demand in the employment market.

h) Experience Adjustment:

	(Rupees)				
Gratuity	2015-16	2014-15	2013-14	2012-13	2011-12
Present value of defined benefit Obligation	1,915,708	1,574,881	1,240,257	1,462,874	1,236,945
Fair Value of Plan assets	1,944,309	1,677,957	655,381	1,426,630	1,416,119
Funded status surplus/(deficit)	28,601	103,076	(584,876)	(36,244)	1,79,274
Experience gain/(loss) adjustments on plan liabilities	(230,416)	88,213	-	-	-
Experience gain/(loss) adjustments on plan assets	41,986	51,334	-	-	-

29 The components of the deferred tax arising on account of timing differences are:

Particulars	As at 31st March, 2016 (Rupees)	As at 31st March, 2015 (Rupees)
DEFERRED TAX LIABILITY		
In respect of difference between Book and Tax Depreciation	3,940,185	5,307,585
NET DEFERRED TAX LIABILITIES	3,940,185	5,307,585



30 Related Party Transactions:

a). Names of related parties and description of relationship:

Sr. No.	Name of Related Party	Relationship
1	Creative Infocity Inc	Subsidiary Company
2	Suvas Barot	
3	Mukesh Ajbani	
4	Suryakant Mehta	
5	Kumar Ranjan Thakur (up to 09-01-2016)	Key Management Personnel
6	Shradha Bhimani (from 05-02-2016)	
7	Ravikumar D. Jain	
8	Mahendra Brahmhatt	Relative of Key Management Personnel
9	Gujarat Informatics Limited	
10	Suhan Reality Private Limited	
11	Faith Hospitalities Private Limited	
12	Infocity Club & Resorts Private Lim	Other Related Party
13	Impro Synergies Private Limited	
14	Impro Real Estate Private Limited	
15	Arminus Enterprises Pvt. Ltd.	

b). Transaction with Related Parties for the year 2015-16

(Rupees)

Sr. No.	Nature of Transaction	Subsidiary Company		Key Management Personnel		Relative of Key Management Personnel		Other Related Party	
		For the year ended 31 March, 2016	For the year ended 31 March, 2015	For the year ended 31 March, 2016	For the year ended 31 March, 2015	For the year ended 31 March, 2016	For the year ended 31 March, 2015	For the year ended 31 March, 2016	For the year ended 31 March, 2015
A	Volume of Transactions:								
1	Expenses:								
	Revenue sharing Gujarat Informatics Limited	-	-	-	-	-	-	2,668,600	2,514,313
	Lease rent Gujarat Informatics Limited	-	-	-	-	-	-	11,716	11,716
	Professional fees Suryakant Mehta	-	-	216,000	194,400	-	-	-	-
	Sales Promotion Expenses Infocity Club & Resorts Pvt. Ltd. Faith Hospitalities Pvt. Ltd.							3,011,734 166,675	2,621,438 41,075
2	Revenue								
	License fees and O & M Charges Suhan Reality Pvt Ltd. Infocity Club & Resorts Pvt. Ltd.							55,357 924,540	- 67,410



Sr. No.	Nature of Transaction	Subsidiary Company		Key Management Personnel		Relative of Key Management Personnel		Other Related Party	
		For the year ended 31 March, 2016	For the year ended 31 March, 2015	For the year ended 31 March, 2016	For the year ended 31 March, 2015	For the year ended 31 March, 2016	For the year ended 31 March, 2015	For the year ended 31 March, 2016	For the year ended 31 March, 2015
3	Employee Benefits Expenses								
	Suvas Barot	-	-	1,788,478	1,467,392	-	-	-	-
	Mukesh Ajbani	-	-	1,004,356	1,035,094	-	-	-	-
	Kumar Ranjan Thakur	-	-	818,235	954,200	-	-	-	-
	Shradha Bhimani	-	-	84,000	-	-	-	-	-
	Ravikumar D. Jain	-	-	424,904	299,904	-	-	-	-
	Mahendra Brahmhatt	-	-	-	-	356,800	826,400	-	-
4	Investment in wholly owned Subsidiary Company :								
	Creative Infocity Inc	-	1,494,160	-	-	-	-	-	-
B	Balances at the end of the year:								
1	Long Term Loans & Advances								
	Deposit-Gujarat Informatics Limited	-	-	-	-	-	-	2,000,000	2,000,000
2	Trade Payable								
	Suryakant Mehta	-	-	16,200	16,200	-	-	-	-
	Suvas Barot	-	-	74,456	51,560	-	-	-	-
	Mukesh Ajbani	-	-	53,393	43,060	-	-	-	-
	Kumar Ranjan Thakur	-	-	-	58,700	-	-	-	-
	Shradha Bhimani	-	-	39,800	-	-	-	-	-
	Ravikumar D. Jain	-	-	24,800	19,800	-	-	-	-
	Mahendra Brahmhatt	-	-	-	-	25,700	17,960	-	-
	Gujarat Informatics Limited	-	-	-	-	-	-	25,424,673	22,732,641
	Faith Hospitalities Pvt. Ltd.	-	-	-	-	-	-	9,035	10,861
3	Trade Receivable								
	Infocity Club & Resorts Pvt Ltd.	-	-	-	-	-	-	885,238	198,587
4	Due from								
	Creative Infocity Inc (Investment)	-	8,271,610	-	-	-	-	-	-



CREATIVE INFOCITY LIMITED

Notes forming part of the Standalone financial statements

- 31 Previous year's figures have been regrouped / reclassified to conform to the current year's classification.

For and on behalf of the Board of Directors



(Suvas Barot)
Whole Time Director

(Rashmin Barot)
Director

(Shradha Bhimani)
Company Secretary

(Ravi Kumar Jain)
Chief Financial Officer

Place: Gandhinagar
Date: 5th October, 2016

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CREATIVE INFOCITY LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **CREATIVE INFOCITY LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and



perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note 23 to the consolidated financial statements regarding pending resolution of issues raised by Gujarat Informatics Limited and consequential effects thereof, if any pending to be given in the books of account of the Holding Company, as stated in the note.

Our opinion is not modified in respect of this matter.

Other Matters

We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets of Rs. 103,867 as at 31st March, 2016, total revenues of Rs. Nil and net cash flows amounting to Rs. 4,285 for the year ended on that date, as considered in the consolidated financial statements. This financial statements have been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the report of the other auditor.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditor.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company being the only Company in the Group to which requirements of section 164(2) of the Act are applicable, is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our Report in "Annexure A", which is based on the auditors' report of the Holding Company being the only Company in the Group incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Notes 22 and 23 to the consolidated financial statements.



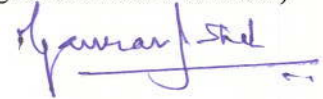
Deloitte Haskins & Sells

Chartered Accountants
19th Floor, Shapath-V
S. G. Highway
Ahmedabad - 380 015
Gujarat, India

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Fax: +91 (079) 6682 7400

- ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company being the only Company in the Group to which such requirements is applicable.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 117365W)



(Gaurav J. Shah)
(Partner)
(Membership No. 35701)

Place: Ahmedabad
Date: 5th October, 2016

**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT OF CREATIVE
INFOCITY LIMITED**

**(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' of
our report of even date)**

**Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-
section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **CREATIVE INFOCITY LIMITED** (hereinafter referred to as "the Holding Company") being the only Company in the Group incorporated in India, as of March 31, 2016 in conjunction with our audit of the consolidated financial statements of the Holding Company as of and for the year then ended.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Holding company being the only Company incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system over financial reporting.



Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

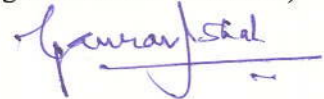
Opinion

In our opinion to the best of our information and according to the explanations given to us, the Holding Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **DELOITTE HASKINS & SELLS**

Chartered Accountants

(Firm's Registration No. 117365W)



(**Gaurav J. Shah**)

(Partner)

(Membership No. 35701)

Place: Ahmedabad
Date: 5th October, 2016

CREATIVE INFOCITY LIMITED			
Consolidated Balance sheet as at 31 March, 2016			
Particulars	Note	As at 31 March, 2016	As at 31 March, 2015
		(Rupees)	(Rupees)
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	2	393,694,870	393,694,870
(b) Reserves and surplus	3	695,761,682	649,297,666
		1,089,456,552	1,042,992,536
2 Non-current liabilities			
(a) Deferred Tax Liabilities (Net)	28	3,940,185	5,307,585
(b) Long-term Provisions		-	-
		3,940,185	5,307,585
3 Current liabilities			
(a) Short-term borrowings	4	-	59,170
(b) Trade payables	5		
Trade Payable of Micro Enterprises and Small Enterprises (Refer note 24)		-	-
Others		67,356,308	53,756,808
(c) Other current liabilities	6	52,020,394	52,530,612
(d) Short-term Provisions	7	20,000,000	23,372,411
		139,376,702	129,719,001
TOTAL		1,232,773,439	1,178,019,122
B ASSETS			
1 Non-current assets			
(a) Fixed assets			
Tangible assets	8	42,659,804	45,407,006
		42,659,804	45,407,006
(c) Long-term loans and advances	9	144,322,112	122,779,245
		186,981,916	168,186,251
2 Current assets			
(a) Inventories	10	438,577,102	438,577,102
(b) Trade receivables	11	5,053,885	4,761,605
(c) Cash and Bank Balances	12	583,720,342	528,775,949
(d) Short-term loans and advances	13	1,505,269	945,329
(e) Other current assets	14	16,934,925	36,772,886
		1,045,791,523	1,009,832,871
TOTAL		1,232,773,439	1,178,019,122
See accompanying notes forming part of the financial statements			

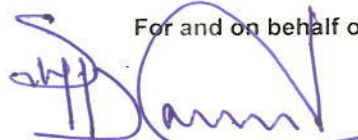
In terms of our report attached
For Deloitte Haskins and Sells
Chartered Accountants




(Gaurav J. Shah)
Partner

Place : Ahmedabad
Date : 5th October, 2016

For and on behalf of the Board of Directors


(Suvas Barot)
Whole Time Director


(Shradha Bhimani)
Company Secretary


(Rashmin Barot)
Director


(Ravikumar Jain)
Chief Financial Officer

Place : Gandhinagar
Date : 5th October, 2016

CREATIVE INFOCITY LIMITED

Consolidated Statement of Profit and Loss for the year ended 31 March, 2016

Particulars		Note	For the year ended	For the year ended
			31 March, 2016	31 March, 2015
			(Rupees)	(Rupees)
1	Revenue from operations	15	143,562,727	141,268,215
2	Other income	16	48,766,935	45,298,638
3	Total revenue (1+2)		192,329,662	186,566,853
4	Expenses			
	(a) Changes in inventories of finished goods and work-in-progress	17	-	95,239
	(b) Employee benefits expense	18	14,298,945	13,345,641
	(c) Finance costs	19	1,005,440	2,184,197
	(d) Depreciation and amortization expense	8	4,694,013	6,191,038
	(e) Other expenses	20	114,634,908	98,642,895
	Total expenses		134,633,306	120,459,010
5	Profit before tax (3-4)		57,696,356	66,107,843
6	Tax expense:			
	(a) Current tax expense		20,000,000	23,372,411
	(b) (Less): MAT Credit utilized		(7,799,257)	(10,906,532)
	(c) Short provision for tax relating to prior years		97,883	3,663,671
	Net current tax expense		12,298,626	16,129,550
	(d) Deferred tax		(1,367,400)	(925,200)
			10,931,226	15,204,350
7	Profit for the year (5-6)		46,765,130	50,903,493
8	Earnings per share (of Rs. 10/- each):			
	Basic and Diluted	21	1.19	1.29
	See accompanying notes forming part of the financial statements			


In terms of our report attached
For Deloitte Haskins and Sells
Chartered Accountants



(Gaurav J. Shah)
Partner


Place : Ahmedabad
Date : 5th October, 2016

For and on behalf of the Board of Directors



(Suvas Barot)
Whole Time Director

(Shradha Bhimani)
Company Secretary



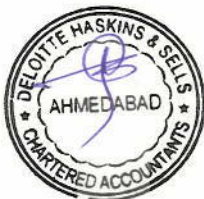
(Rashmin Barot)
Director

(Ravikumar Jain)
Chief Financial

Place : Gandhinagar
Date : 5th October, 2016

CREATIVE INFOCITY LIMITED
Cash flow statement for the year ended 31st March 2016

Particulars	For the year ended 31 March 2016 (Rupees)	For the year ended 31 March 2015 (Rupees)
(A) Cash flow from operating activities		
Net Profit before tax	57,696,356	66,107,843
Adjustments for :		
Depreciation & Amortization	4,694,013	6,191,038
Finance cost	1,005,440	2,184,197
Interest income	(48,695,146)	(45,236,353)
Foreign exchange loss	708,030	388,960
Loss on Sale of Assets	257,279	-
Provision for Doubtful Debts, Advances and Sundry Balances written off	289,732	2,376,623
Operating Profit Before Working Capital Changes	15,955,704	32,012,308
Adjustments for working capital changes :		
(Increase)/ Decrease in trade Receivables	(393,112)	(2,903,885)
(Increase)/ Decrease in inventories	-	95,239
(Increase)/ Decrease in long-term loans and advances	523,728	(234,668)
(Increase)/Decrease in Other current assets	74,475	(103,076)
(Increase)/Decrease in short-term loans and advances	(559,940)	83,344
Increase/(Decrease) in trades payables	12,590,356	918,030
Increase/(Decrease) in long-term provisions	-	(584,876)
Increase/(Decrease) in other current liabilities	(510,218)	1,552,459
Cash generated from operations	27,680,993	30,834,875
Direct taxes paid	(37,926,532)	(29,350,952)
Net cash flow from operating activities (A)	(10,245,539)	1,483,923
Cash flows from investing activities		
Increase in fixed assets	(2,279,470)	(793,340)
Proceeds from sale of fixed assets	75,380	-
(Increase)/ Decrease in bank deposit balances not considered as cash and cash equivalents	(17,531,271)	60,378,537
Interest Received	68,458,632	28,949,032
Net Cash flow from/(used in) Investing Activities (B)	48,723,271	88,534,229
Cash flows from financing activities		
Repayment of short-term borrowings	(59,170)	(1,328,006)
Finance costs	(1,005,440)	(2,184,197)
Net cash from/(used in) Financing activities (C)	(1,064,610)	(3,512,203)
Net increase in cash and cash equivalents (A + B + C)	37,413,122	86,505,949
Cash and cash equivalents at the beginning of the year	194,666,700	108,160,751
Cash and cash equivalents at the end of the year	232,079,822	194,666,700



Note 1 Components of cash and cash equivalents	For the year ended 31 March 2016 (Rupees)	For the year ended 31 March 2015 (Rupees)
A) Cash and Cash Equivalents		
a) Cash in Hand	31,716	77,375
b) Balances with Banks		
(i) In Current Accounts	15,213,330	7,807,024
(ii) In Deposits Accounts	216,834,776	186,782,301
Cash and cash equivalents as per note 12	232,079,822	194,666,700

Note 2

The above cashflow statement has been prepared under the "Indirect method" as set out in the

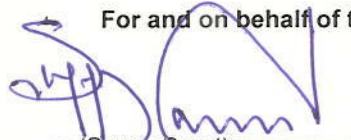
In terms of our report attached
For Deloitte Haskins and Sells
Chartered Accountants



(Gaurav J. Shah)
Partner

Place : Ahmedabad
Date : 5th October, 2016

For and on behalf of the Board of Directors


 (Suvas Barot)
Whole Time Director

 (Rashmin Barot)
Director

 (Shradha Bhimani)
Company Secretary

 (Ravikumar Jain)
Chief Financial Officer

Place : Gandhinagar
Date : 5th October, 2016

CREATIVE INFOCITY LIMITED
Notes forming part of the Consolidated Financial Statements

1 SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation of Financial Statements

The consolidated financial statements are prepared on historical cost basis and based on accrual method of accounting and applicable Accounting Standards by consolidating the accounts of Parent Company with its subsidiaries in accordance with generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, ("the Act"). The consolidated financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the previous year.

b) Principles of Consolidation

i) The financial statements of the Parent Company and its Subsidiary have been consolidated on a line-by-line basis by adding together the book values of the like items of assets, liabilities, income and expenses, after eliminating intra-group balances and the unrealised profits/losses on intra-group transactions in accordance with Accounting Standard (AS) 21, "Consolidate Financial Statements". The amounts shown in respect of reserves comprise the amount of the relevant reserves as per the Balance Sheet of the parent company and its share in the post-acquisition increase in the relevant reserves of the consolidated entities. The consolidated financial statements are presented, to the extent possible, in the same format as that adopted by the parent company for its separate financial statements.

ii) The financial statements of the subsidiary company used in the consolidation are not drawn up to the same reporting date as that of the Company i.e., 31 March, 2016, as mentioned in (iii) below for which financial statements as on reporting date are not available. These have been consolidated based on latest available financial statements as at 31st December, 2015. Necessary adjustments have been made, for the effects of significant transactions and other events between the reporting dates of such financial statements and these consolidated financial statements.

iii) Following subsidiary company has been considered in the preparation of the consolidated financial statements:

Name of the entity	Relationship	Country of Incorporation	Ownership held by	% of Holding	
				31 March, 2016	31 March, 2015
Creative Infocity Inc.	Wholly Owned Subsidiary	United States of America	Creative Infocity Limited	100%	100%

c) Use of Estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.



CREATIVE INFOCITY LIMITED

Notes forming part of the Consolidated Financial Statements

d) Fixed Assets

Fixed assets are stated at cost of acquisition or construction less accumulated depreciation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use and other incidental expenses attributable to acquisition of fixed assets. Leasehold land pertaining to premises meant for long-term lease is not capitalized and forms part of inventory. Leasehold land on which corporate office is constructed is capitalized.

e) Borrowing Cost

Interest and other costs in connection with the borrowing of the funds to the extent related/attribution to the acquisition/construction of qualifying fixed assets are capitalised up-to the date when such fixed assets are ready for its intended use and other borrowing costs are charged to the Statement of Profit and Loss.

f) Depreciation and Amortisation:

- i) Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.
- ii) Leasehold land is amortised on straight line basis over the lease period.

f) Impairment

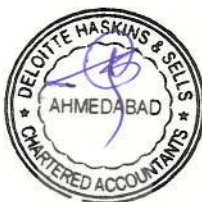
Fixed Assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is then recognized for the amount by which the carrying amount of the assets exceeds its recoverable amount, which is the higher of an asset's net selling price and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

g) Investments

Current investments are carried at lower of cost or fair value. Long-term investments are carried at cost. Provision is made to recognize a decline, other than temporary, in the carrying amount of long-term investments.

h) Inventories:

- i) Inventories are valued at lower of cost or net realizable value.
- ii) Lease hold land pertaining to premises meant for long-term lease is valued at cost of acquisition.
- iii) Finished and unfinished structures are valued at construction cost which includes material cost, labour charges and other incidental expenses incurred up to the date of valuation.
- iv) Inventory is made up of premises held for giving on long term/short term lease. Premises given on lease on short term basis are part of inventory and are not recognized as fixed assets of the Company as the intention of the Company is to hold such premises for giving on long term lease and are given on short term lease to utilize available business opportunity.



CREATIVE INFOCITY LIMITED

Notes forming part of the Consolidated Financial Statements

i) Revenue recognition

- i) Revenue from long term lease of premises is recognized when risk and rewards are transferred to the lessee.
- ii) Revenue from short term lease and operation and maintenance service is recognized on accrual basis.
- iii) Interest on deposits is recognized on time proportion basis.

j) Employees Benefits:

- i) For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.
- ii) The Company's contribution in case of defined contribution plans (Provident Fund, Superannuation benefit, and other fund) is charged to Statement of Profit and Loss as and when incurred, as Employee Costs.

k) Foreign Currency Transactions

- i) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or which closely approximates the rate at the date of the transaction.
- ii) Monetary items denominated in foreign currencies at the year end are restated at year end rates.
- iii) Non monetary foreign currency items are carried at historical cost.
- iv) Any income or expense on account of exchange difference either on settlement or on translation is recognized in the Statement of profit and loss.
- v) In respect of non-integral foreign operations, all transactions are translated at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction. All assets and liabilities are translated at the year-end rates.

The exchange differences on translation of balances relating to non-integral foreign operations are accumulated in a "Foreign currency translation reserve" until disposal of the operation, in which case the accumulated balance in "Foreign currency translation reserve" is recognised as income / expense in the same period in which the gain or loss on disposal is recognised.



CREATIVE INFOCITY LIMITED

Notes forming part of the Consolidated Financial Statements

l) Taxation

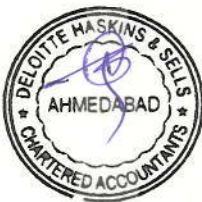
Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

m) Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.



CREATIVE INFOCITY LIMITED

Notes forming part of the Consolidated financial statements

2 Share Capital

PARTICULARS	As at 31 March, 2016 (Rupees)	As at 31 March, 2015 (Rupees)
Authorized :		
9,00,00,000 Equity Shares of Rs.10/- each	900,000,000	900,000,000
TOTAL	900,000,000	900,000,000
Issued, Subscribed & Paid up		
3,93,69,487 Equity Shares of Rs.10/- each (31 March, 2015: 3,93,69,487 Equity shares of Rs.10 each)	393,694,870	393,694,870
TOTAL	393,694,870	393,694,870

(i) Reconciliation of the number of Equity Shares outstanding at the beginning and at the end of the year :

(In Nos.)

	As at 31st March, 2016	As at 31st March, 2015
At the Beginning of the year	39,369,487	39,369,487
Issued during the year	-	-
Outstanding at the end of year	39,369,487	39,369,487

(ii) Terms/Rights of Equity Shares

The Company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held.

In the event of liquidation, the equity share holders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(iii) Details of Shareholders holding more than 5 percent of Equity Shares:

		As at 31st March, 2016	As at 31st March, 2015
M/s. Creative IT Inc.	Nos.	29,898,029	29,898,029
	% Holding	75.94	75.94
M/s. Gujarat Informatics Ltd.	Nos.	9,470,758	9,470,758
	% Holding	24.06	24.06

3 Reserves & Surplus

PARTICULARS	As at 31 March, 2016 (Rupees)	As at 31 March, 2015 (Rupees)
Capital Reserve (Capital Subsidy received from Government of Gujarat)		
Balance as per last Balance Sheet	25,000,000	25,000,000
Foreign Currency Translation Reserve	1,130,735	1,431,849
Surplus in statement of Profit and Loss		
Opening Balance	622,865,817	573,173,174
Less: Depreciation on Transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with NIL remaining useful life (net of Deferred tax)		1,210,850
Add:-Profit for the year	46,765,130	50,903,493
Closing Balance	669,630,947	622,865,817
TOTAL	695,761,682	649,297,666



CREATIVE INFOCITY LIMITED
Notes forming part of the Consolidated financial statements

4 Short Term Borrowings

PARTICULARS	As at 31 March, 2016 (Rupees)	As at 31 March, 2015 (Rupees)
Loan repayable on demand From Banks (Secured against Fixed Deposits)	-	59,170
TOTAL	-	59,170

5 Trade Payables

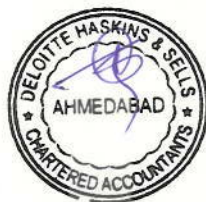
PARTICULARS	As at 31 March, 2016 (Rupees)	As at 31 March, 2015 (Rupees)
Trade Payable of Micro Enterprises and Small Enterprises (refer note 24)	-	-
Trade Payable -Other than Acceptance For Goods and Services	41,931,634	31,024,167
GIL Revenue sharing payable (refer note 23)	25,424,674	22,732,641
TOTAL	67,356,308	53,756,808

6 Other Current Liabilities

PARTICULARS	As at 31 March, 2016 (Rupees)	As at 31 March, 2015 (Rupees)
Other Payables		
(i) Statutory Remittances (contributions to PF and ESIC, Tax deducted at source, Service Tax, etc.)	595,784	1,090,642
(ii) Advances from customers	3,770,265	3,259,074
(iii) Security Deposit Received	47,654,345	48,180,896
TOTAL	52,020,394	52,530,612

7 Short Term Provisions

PARTICULARS	As at 31 March, 2016 (Rupees)	As at 31 March, 2015 (Rupees)
Provision for Income-tax	20,000,000	23,372,411
TOTAL	20,000,000	23,372,411



CREATIVE INFOCITY LIMITED
Notes forming part of the consolidated financial statements
Note 8

PARTICULARS	GROSS BLOCK (AT COST)			DEPRECIATION - AMORTISATION				NET BLOCK		
	AS AT APRIL 01, 2015	ADDITIONS	DEDUCTIONS	AS AT MARCH 31, 2015	UPTO APRIL 01, 2015	FOR THE YEAR	TRANSITION ADJUSTMENT RECORDED AGAINST SURPLUS BALANCE IN STATEMENT OF PROFIT AND LOSS (REFER NOTE BELOW)	DEDUCTIONS	AS AT MARCH 31, 2016	AS AT MARCH 31, 2015
TANGIBLE ASSETS										
LAND (LEASE HOLD)	136,172	-	-	136,172	56,350	4,696	-	-	61,046	79,822
BUILDING	52,580,995	-	-	52,580,995	14,373,843	1,711,074	-	-	16,084,917	38,207,152
FURNITURE & FIXTURE	3,849,554	-	-	3,849,554	2,451,516	265,893	-	-	2,717,409	1,398,038
OFFICE EQUIPMENTS	7,602,071	1,622,527	-	9,224,598	4,813,959	1,246,052	-	-	6,060,011	2,788,112
COMPUTERS & PERIPHERALS	3,089,142	656,343	-	3,745,085	2,643,553	277,007	-	-	2,920,560	445,589
VEHICLES	5,139,290	-	332,659	4,806,631	3,134,697	949,414	-	-	4,084,111	2,004,593
ASSETS FOR CALL CENTRE	9,360,942	-	-	9,360,942	8,877,242	239,877	-	-	9,117,119	483,700
GRAND TOTAL	81,758,166	2,279,470	332,659	83,704,977	36,351,160	4,694,013	-	-	41,045,173	45,407,006
PREVIOUS YEAR	80,964,826	793,340	-	81,758,166	28,367,731	6,191,038	1,792,391	-	36,351,160	45,407,006

NOTE :

During the previous year, pursuant to the notification of Schedule II to the Companies Act, 2013 ("the Act), with effect from 1st April, 2014, the Company had adopted the useful lives of fixed assets as specified in Schedule II of the Act, w.e.f. 1st April, 2014. Accordingly, the unamortised carrying value of the assets as on that date was being depreciated over their revised remaining useful lives. Pursuant to the transition provisions prescribed in Schedule II to the Act, the Company had fully depreciated the carrying value of assets, net of residual value, where the remaining useful life of the asset was determined to be Nil as on 1st April, 2014, and had adjusted an amount of Rs. 1,210,850 (net of deferred tax of Rs. 581,541) against the opening balance of Surplus in the Statement of Profit and Loss under Reserves and Surplus.



CREATIVE INFOCITY LIMITED
Notes forming part of the Consolidated financial statements

9 Long-term Loans & advances

PARTICULARS	As at 31 March, 2016 (Rupees)	As at 31 March, 2015 (Rupees)
Unsecured, Considered good		
a) Security Deposits*	4,939,035	5,025,035
b) Advance Income tax	130,348,699	106,618,664
c) MAT Credit Receivable	7,806,102	9,280,642
d) Others-Service tax**	1,228,276	1,854,904
TOTAL	144,322,112	122,779,245

*exclude doubtful advances, against which full provision made – Rs.1,181,626(Previous year: Rs. 992,726).

** Includes Rs.1,225,775 service tax paid under protest(Previous Year:Rs.1,000,000)

10 Inventories (Cost or Market value whichever is lower)

PARTICULARS	As at 31 March, 2016 (Rupees)	As at 31 March, 2015 (Rupees)
a) Lease Hold Land	22,418,808	22,418,808
b) Finished Structures	413,500,800	413,500,800
c) Work in progress	2,657,494	2,657,494
TOTAL	438,577,102	438,577,102

11 Trade Receivables

PARTICULARS	As at 31 March, 2016 (Rupees)	As at 31 March, 2015 (Rupees)
Trade receivables outstanding for a period exceeding six months from the date they were due for payment :		
a) Unsecured, considered good	1,374,902	136,724
b) Unsecured, considered doubtful	952,535	952,535
	2,327,437	1,089,259
Less: Provision for Doubtful Debts	952,535	952,535
	1,374,902	136,724
Other Trade receivables:		
a) Unsecured, considered good	3,678,983	4,624,881
TOTAL	5,053,885	4,761,605



CREATIVE INFOCITY LIMITED
Notes forming part of the Consolidated financial statements

12 Cash and Bank Balances

PARTICULARS	As at 31 March, 2016 (Rupees)	As at 31 March, 2015 (Rupees)
A) Cash and Cash Equivalents		
a) Cash in Hand	31,716	77,375
b) Balances with Banks		
(i) In Current Accounts	15,213,330	7,807,024
(ii) In Deposits Accounts	216,834,776	186,782,301
B) Other Bank Balances		
(i) In Deposits Accounts (refer note (i), (ii) and (iii) below)	324,743,927	309,881,464
(ii) In Margin Money Accounts	12,500,000	12,500,000
(iii) In Escrow Account (refer note 23)	14,396,593	11,727,785
TOTAL	583,720,342	528,775,949

Note:

(i) Balances with banks include deposits amounting to Rs. 40,000,000/- (As at 31st March 2015 Rs.40,000,000/-) pledged with banks against overdraft facilities.

(ii) Balances with banks include deposits of Rs. 277,215,007/- (As at 31st March 2015 Rs.259,881,464) under lien to bank.

(iii) Balances with banks include deposits of Rs.61,401,738/- (As at 31st March 2015 Rs.10,000,000/-) with a maturity of more than 12 months.

13 Short-term Loans and Advances

PARTICULARS	As at 31 March, 2016 (Rupees)	As at 31 March, 2015 (Rupees)
Unsecured, considered good		
(a) Advances recoverable in cash or in kind or for value to be received	530,503	301,273
(b) Prepaid Expenses - Unsecured, considered good	974,766	644,056
TOTAL	1,505,269	945,329

14 Other Current Assets

PARTICULARS	As at 31 March, 2016 (Rupees)	As at 31 March, 2015 (Rupees)
Interest accrued on Fixed Deposits	16,906,324	36,669,810
Advance to Gratuity fund	28,601	103,076
TOTAL	16,934,925	36,772,886



CREATIVE INFOCITY LIMITED
Notes forming part of the Consolidated financial statements

15 Revenue from Operations

PARTICULARS	For the year ended 31 March, 2016 (Rupees)	For the year ended 31 March, 2015 (Rupees)
Licence Fees and Maintenance charges	143,307,329	140,465,715
Revenue from Real Estate Schemes	255,398	802,500
Total	143,562,727	141,268,215

16 Other Income

PARTICULARS	For the year ended 31 March, 2016 (Rupees)	For the year ended 31 March, 2015 (Rupees)
Interest Income - From Bank on Fixed Deposits	48,695,146	45,236,353
Misc. income	71,789	62,283
TOTAL	48,766,935	45,298,638

17 Changes in inventories of finished goods and work-in-progress

PARTICULARS	For the year ended 31 March, 2016 (Rupees)	For the year ended 31 March, 2015 (Rupees)
Inventories at the end of the year:		
Lease Hold Land	22,418,808	22,418,808
Finished Structures	413,500,803	413,500,803
Work in progress	2,657,491	2,657,491
Total	438,577,102	438,577,102
Inventories at the beginning of the year:		
Lease Hold Land	22,418,808	22,428,020
Finished Structures	413,500,803	353,186,616
Work in progress	2,657,491	63,057,705
Total	438,577,102	438,672,341
Change in Inventories	-	95,239



CREATIVE INFOCITY LIMITED
Notes forming part of the consolidated financial statements

18 Employee Benefits Expense

PARTICULARS	For the year ended 31 March, 2016 (Rupees)	For the year ended 31 March, 2015 (Rupees)
Salaries and wages	11,225,240	9,475,680
Contributions to provident and other funds	1,247,978	1,651,809
Staff welfare expenses	1,825,727	2,218,152
TOTAL	14,298,945	13,345,641

19 Finance Costs

PARTICULARS	For the year ended 31 March, 2016 (Rupees)	For the year ended 31 March, 2015 (Rupees)
Interest Expenses	365,846	14,961
Other Borrowing cost	639,594	2,169,236
TOTAL	1,005,440	2,184,197

20 Other Expenses

PARTICULARS	For the year ended 31 March, 2016 (Rupees)	For the year ended 31 March, 2015 (Rupees)
Power and Fuel	2,036,875	1,517,140
Insurance	325,426	423,634
Building Repairs	76,310,955	63,552,172
Others Repairs	541,141	409,871
Lease Rent	245,081	230,792
Revenue Sharing	2,668,600	2,514,313
Rates and Taxes	1,585,229	771,990
Travelling and Conveyance	7,798,496	5,611,368
Stationery, Printing, Postage and Telephone	492,964	436,102
Advertisement Expenses	2,152,913	3,660,928
Legal and Professional Fees	10,077,729	9,343,428
Commission & Brokerage	588,000	92,872
Sales Promotion Expenses	5,799,695	4,373,857
Loss on Vehicle sold	257,279	-
Payment to Auditors (Refer note (i) below)	841,735	840,000
General Charges	1,404,028	2,051,845
Sundry Debit Balances Written off	100,832	431,362
Provision for Doubtful Debts	-	952,535
Provision for Doubtful Advances	188,900	992,726
Corporate Social responsibilities Expenses	500,000	-
Donation	11,000	47,000
Net loss on foreign currency transactions and translations	708,030	388,960
TOTAL	114,634,908	98,642,895

(i) Payments to the auditors comprises (net of service tax input credit):

As Auditors - Statutory Audit	700,000	700,000
For Taxation Matters	140,000	140,000
Reimbursement of expenses	1,735	-
TOTAL	841,735	840,000

21 Earnings Per Share

PARTICULARS	For the year ended 31 March, 2016 (Rupees)	For the year ended 31 March, 2015 (Rupees)
<u>Basic and Diluted - Continuing</u>		
Net profit for the year attributable to the equity shareholders	46,765,130	50,903,493
Weighted average number of equity shares	39,369,487	39,369,487
Par value per share	10	10
Earnings per share - Basic and Diluted	1.19	1.29



CREATIVE INFOCITY LIMITED
Notes forming part of the Consolidated financial statements

22 Contingent Liabilities not provided for in respect of:

	Particulars	As at 31 st March, 2016 (Rupees)	As at 31 st March, 2015 (Rupees)
I)	Guarantees issued by Banks	277,215,007	307,881,464
II)	Disputed demand of Income Tax for which an appeal has been preferred	410,403,584	360,960,044
III)	Disputed demand of Service Tax for which an appeal has been preferred	136,090,483	51,956,653

- 23 i) The Government of Gujarat promulgated the Gujarat Infrastructure Development Act, 1999 in order to create a legal framework for private sector participation in infrastructure projects. Under the Information Technology policy of the Government of Gujarat, in order to make Gujarat on the Global IT map, the Government of Gujarat incorporated GUJARAT INFORMATICS LIMITED (GIL) as its wholly owned undertaking to act as a Nodal Agency with the task of promoting information technology and providing the incentive to develop the Infocity project at Gandhinagar in association with a private participant.

In furtherance of the said Act, the said Gujarat Informatics Limited invited pre-qualification bids and on evaluation of the said bids a Letter of Intent dated 15/3/2000 was issued in favor of CREATIVE IT INC, an incorporated body registered and existing under the laws of Florida, USA, for development of Infocity Project. Thus, Creative Infocity was incorporated by the said Creative IT Inc., as a joint venture Company with the said GIL on 19th May 2000 as a Limited Liability Company as per the provisions of the Companies Act, 1956 with main objects as to Design, Finance, Build, Market, Lease, Operate, Maintain and Transfer the Infocity project at Gandhinagar, the capital city of the state of Gujarat. For this purpose, a Concession Agreement for Design, Finance, Build, Market, Lease, Operate and Transfer the Infocity Project was entered into on 1st August, 2000 between GIL and the Company. The Shareholding of the Company as on date consists of 75.94% shares held by Creative IT Inc., being the largest shareholder and rest 24.06% by the said GIL in line with the Shareholders' Agreement by and between the said Creative IT Inc. and the Gujarat Informatics Limited dated 21st October 2000. For leasing of land admeasuring approximately 150 acres for the development of the Infocity project, an Indenture of Master Lease (IML) was entered into on 26th February, 2001 between GIL and the Company with Creative IT Inc, USA as the confirming party. Accordingly, the Company started its work on the Infocity Project on the land leased to it by GIL.

The Company had entered into Master Lease Agreement (MLA) with Gujarat Informatics Limited (GIL). According to the terms of agreement, GIL has allotted leasehold land for development of IT Infrastructure, for which the Company pays lease rent and a share in license fees/ lease rent received from sub-lessees to GIL. GIL, raised certain issues and has unilaterally terminated MLA with the Company w.e.f. September 04, 2008. The issues between the Company and GIL are being resolved and the matter is before the arbitration proceedings as per the provisions of the Arbitration and Conciliation Act, 1996, proceedings of which are pending. Both, the Company and Gujarat Informatics Limited (GIL), have appointed Arbitrators from their side while the Honourable High Court of Gujarat vide its order dated 20th March, 2015 has appointed the presiding arbitrator. Accordingly, the process of arbitration has started; however, the possibilities of amicable settlement are still open and being explored by both the parties to arbitration.



CREATIVE INFOCITY LIMITED
Notes forming part of the Consolidated financial statements

Pending the resolution of the matters, no effect, if any, has been given in the books of account of the Company. Under the facts and circumstances of the matter, the management is not able to ascertain accounting effects, if any. On final outcome and resolution of the matter, the accounting effects, if any, will be given in the books of account in the financial year in which the disputes are finally resolved. Since then GIL has refused to accept rent and share of revenue as per the said agreement. The Company has opened an escrow account in Bank of India. As on March 31, 2016 balance in escrow account is Rs.14,396,593 /- (As at March 31, 2015 :Rs. 11,727,785 /-) has been shown under Cash and Cash Equivalents under note no. 12 of the notes forming parts of the financial statements.

- ii) On the unilateral termination of above agreement by GIL and notice of the same being served to Tata Consultancy Services Limited (TCS), TCS had stopped paying lease rent/license fees payable as per agreement, to the Company. The matter being disputed in the court of law, the Company had not recognized the amount of lease rent/license fees due as revenue in the books of account till 31st March, 2012. However, during the year 2012-13, both the parties mutually agreed that TCS shall resume paying lease rent/license fees, on the condition that the Company shall provide Bank Guarantee to TCS of an amount equivalent to the arrears of lease rent paid as aforesaid. Accordingly, The Company has provided bank guarantee in favour of TCS for which the Company has kept a fixed deposit of the said amount with Bank of India under lien. Such revenue of Rs.144,469,499/- recognized in the financial statements for the year 2012-13 for earlier financial years up-to 2011-12 has been shown as exceptional item. During the year, the amount of license fees/ lease rent of Rs. 53,203,869/- (Previous Year Rs. 52,479,326/-) has been recognized as revenue in the Statement of Profit and Loss under the item of license fees and maintenance charges under Revenue from operations (Note no. 15).
24. There are no Micro, small and Medium Enterprise, to whom the company owes dues, which are outstanding as at the Balance Sheet date. The above information has been determined to the extent such parties have been identified on the basis of information available with the company. This has been relied upon by the auditors.
25. Expenditure in foreign currency –Nil (P.Y. Foreign Travelling Expenses Rs. 443,527/-).
26. The Company has given finished structures on short term cancellable leases. Total lease rent recognized as income in Statement of Profit and Loss, in respect of the same, for the year aggregates to Rs. 106,726,430/- (P.Y. Rs. 104,313,239/-).

Disclosures required by paragraphs 46 (b), (d) and (e) of AS-19 – ‘Leases’, are not applicable to the Company. The Subsidiary Company takes the office space on leases under a non-cancelable operating lease for the three years expiring on 31st December 2015. Rent expense for the year amounts to Rs. 233,365/-.

27 Employee Benefits:

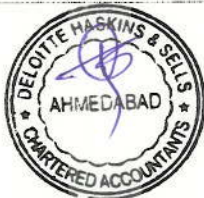
The Company has defined benefit plans for gratuity to eligible employees for which provision is made. The details of this defined benefit plans recognised in the financial statements are as under:



CREATIVE INFOCITY LIMITED

Notes forming part of the Consolidated financial statements

Particulars	2015-16 (Rupees)	2014-15 (Rupees)
a) Reconciliation of opening and closing balance of the present value defined benefit obligation		
Obligation at the beginning of the year	1,574,881	1,240,257
Current Service Cost	275,517	309,851
Interest Cost	125,046	99,221
Actuarial (Gain) / Loss	194,400	(74,448)
Benefits Paid	(254,136)	NIL
Obligation at the end of the year	1,915,708	1,574,881
b) Reconciliation of opening and closing balances of fair value of plan assets		
Plan assets at the beginning of the year, as fair value	1,677,957	655,381
Expected return on plan assets	133,230	57,018
Actuarial Gain / (Loss) on plan Assets	41,986	51,334
Contribution	345,272	914,224
Benefits Paid	(254,136)	NIL
Plan Assets at the end of the year at fair value	1,944,309	1,677,957
c) Net Asset / (Liability) recognised in Balance Sheet		
Obligation at the end of the year	(1,915,708)	1,574,881
Less : Plan assets at the end of the year at fair value	1,944,309	1,677,957
(Liability) / Asset recognised in Balance Sheet as at year end	28,601	103,076
d) Components of employer expenses for the year		
Current service cost	275,517	309,851
Interest cost	125,046	99,221
Expected return on plan assets	(133,230)	(57,018)
Net Actuarial (gain) / loss	152,414	(125,782)
Net Cost/(Gain)	419,747	226,272
e) Assumptions		
Discount Rate (p.a.)	8.07%	7.94%
Expected rate of return on opening plan assets (p.a.)	8.07%	7.94%
Expected rate of increase in compensation levels (p.a.)	7.00%	7.00%
Mortality rate during the Employment	Indian assured Lives Mortality (2006-08)	



CREATIVE INFOCITY LIMITED
Notes forming part of the Consolidated financial statements

f) Defined Contribution Plan

Particulars	2015-16 (Rupees)	2014-15 (Rupees)
Amount recognized as an expenses and included in Note 18 of statement of Profit & Loss	920,778	1,008,371

g) The estimates of future salary increases considered in the actuarial valuation take account of inflation, promotion and other relevant factors, such as supply and demand in the employment market.

h) Experience Adjustment:

(Rupees)

Gratuity	2015-16	2014-15	2013-14	2012-13	2011-12
Present value of defined benefit Obligation	1,915,708	1,574,881	1,240,257	1,462,874	1,236,845
Fair Value of Plan assets	1,944,309	1,677,957	655,381	1,426,630	1,416,119
Funded status surplus/(deficit)	28,601	103,076	(584,876)	(36,244)	1,79,274
Experience gain/(loss) adjustments on plan liabilities	(230,416)	88,213	-	-	-
Experience gain/(loss) adjustments on plan assets	41,986	51,334	-	-	-

28 The components of the deferred tax arising on account of timing differences are:(Rupees)

Particulars	As at 31 st March, 2016 (Rupees)	As at 31 st March, 2015 (Rupees)
DEFERRED TAX LIABILITIES / (ASSETS)		
In respect of difference between Book and Tax Depreciation	3,940,185	5,307,585
Allowance in respect of Gratuity	-	-
NET DEFERRED TAX LIABILITIES	3,940,185	5,307,585



CREATIVE INFOCITY LIMITED

Notes forming part of the Consolidated financial statements

29 Related Party Transactions:

a). Names of related parties and description of relationship:

Sr. No.	Name of Related Party	Relationship
1	Suvas Barot	Key Management Personnel
2	Mukesh Ajbani	
3	Suryakant Mehta	
4	Kumar Ranjan Thakur (up to 09-01-2016)	
5	Shradha Bhimani (from 05-02-2016)	
6	Ravikumar D. Jain	
7	Mahendra Brahmhatt	Relative of Key Management Personnel
8	Gujarat Informatics Limited	Other Related Party
9	Suhan Reality Private Limited	
10	Faith Hospitalities Private Limited	
11	Infocity Club & Resorts Private Lim	
12	Impro Synergies Private Limited	
13	Impro Real Estate Private Limited	
14	Arminus Enterprises Pvt. Ltd.	

b). Transaction with Related Parties for the year 2015-16

(Rupees)

Sr. No.	Nature of Transaction	Subsidiary Company		Key Management Personnel		Relative of Key Management Personnel		Other Related Party	
		For the year ended 31 March, 2016	For the year ended 31 March, 2015	For the year ended 31 March, 2016	For the year ended 31 March, 2015	For the year ended 31 March, 2016	For the year ended 31 March, 2015	For the year ended 31 March, 2016	For the year ended 31 March, 2015
A	Volume of Transactions:								
1	Expenses:								
	Revenue sharing Gujarat Informatics Limited	-	-	-	-	-	-	2,668,600	2,514,313
	Lease rent Gujarat Informatics Limited	-	-	-	-	-	-	11,716	11,716
	Professional fees Suryakant Mehta	-	-	216,000	194,400	-	-	-	-
	Sales Promotion Expenses Infocity Club & Resorts Pvt. Ltd. Faith Hospitalities Pvt. Ltd.							3,011,734 166,675	2,621,438 41,075
2	Revenue								
	License fees and O & M Charges Suhan Reality Pvt Ltd. infocity Club & Resorts Pvt. Ltd.							55,357 924,540	- 67,410



Sr. No.	Nature of Transaction	Subsidiary Company		Key Management Personnel		Relative of Key Management Personnel		Other Related Party	
		For the year ended 31 March, 2016	For the year ended 31 March, 2015	For the year ended 31 March, 2016	For the year ended 31 March, 2015	For the year ended 31 March, 2016	For the year ended 31 March, 2015	For the year ended 31 March, 2016	For the year ended 31 March, 2015
3	Employee Benefits Expenses								
	Suvas Barot	-	-	1,788,478	1,467,392	-	-	-	-
	Mukesh Ajbani	-	-	1,004,356	1,035,094	-	-	-	-
	Kumar Ranjan Thakur	-	-	818,235	954,200	-	-	-	-
	Shradha Bhimani	-	-	84,000	-	-	-	-	-
	Ravikumar D. Jain	-	-	424,904	299,904	-	-	-	-
	Mahendra Brahmhatt	-	-	-	-	356,800	826,400	-	-
B	Balances at the end of the year:								
1	Long Term Loans & Advances								
	Deposit-Gujarat Informatics Limited	-	-	-	-	-	-	2,000,000	2,000,000
2	Trade Payable								
	Suryakant Mehta	-	-	16,200	16,200	-	-	-	-
	Suvas Barot	-	-	74,456	51,560	-	-	-	-
	Mukesh Ajbani	-	-	53,393	43,060	-	-	-	-
	Kumar Ranjan Thakur	-	-	-	58,700	-	-	-	-
	Shradha Bhimani	-	-	39,800	-	-	-	-	-
	Ravikumar D. Jain	-	-	24,800	19,800	-	-	-	-
	Mahendra Brahmhatt	-	-	-	-	25,700	17,960	-	-
	Gujarat Informatics Limited	-	-	-	-	-	-	25,424,673	22,732,641
	Faith Hospitalities Pvt. Ltd.	-	-	-	-	-	-	9,035	10,861
3	Trade Receivable								
	Infocity Club & Resorts Pvt Ltd	-	-	-	-	-	-	885,238	198,587

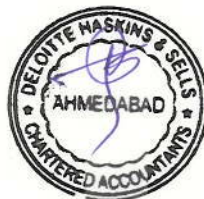


CREATIVE INFOCITY LIMITED
Notes forming part of the Consolidated financial statements

30 Additional information as required by Paragraph 2 of the General Instructions for Preparation Of Consolidated Financial Statements to Schedule III to the Companies Act, 2013:

Name of the entity in the	Net assets/ (liabilities), i.e., total assets minus total liabilities		Share of profit or loss	
	As % of consolidated net assets	Amount Rs.	As % of consolidated profit or loss	Amount Rs.
Parent :				
Creative Infocity Limited	100.71%	1,097,198,986	102.05%	47,724,520
Foreign Subsidiary :				
Creative Infocity, Inc	(0.71%)	(7,742,434)	(2.05%)	(959,390)
Total	100.00%	1,089,456,552	100.00%	46,765,130

31 Previous year's figures have been regrouped/reclassified to conform to the current year's Classification.



For and on behalf of the Board of Directors

(Suvas Barot)
Whole Time Director

(Rashmin Barot)
Director

(Shradha Bhimani)
Company Secretary

(Ravi Kumar Jain)
Chief Financial Officer

Place: Gandhinagar
 Date: 5th October, 2016