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**SEVENTEENTH ANNUAL REPORT**  
**Financial Year: 2016 – 2017**



**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](mailto:cil.cs@theinfocity.net)

Website: [www.theinfocity.net](http://www.theinfocity.net)

**US OFFICE**

8895, North Military Trail, Suite –201E,  
Palm Beach Gardens, Florida, USA – 33410,  
Phone: +1 (561) 627 7988 Fax: +1 (561) 627 3218



## SEVENTEENTH ANNUAL REPORT (2016-2017)

### **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. Rashmikumar Barot, Director
6. Mr. Ravikumar Jain, Alternate Director to Mr. Snehal Desai
7. Mr. Premal Mehta, Independent Director
8. Mr. Sunil Chhabaria Independent 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

### **CHIEF FINANCIAL OFFICER:**

Mr. Ravikumar Jain

### **STATUTORY AUDITORS:**

**M/s. Deloitte Haskins & Sells, Chartered Accountants**

19<sup>th</sup> Floor, Shapath V, Near Karnavati Club, SG Highway, Ahmedabad – 380 015

### **INTERNAL AUDITORS:**

**M/s. Pankaj R Shah & Associates, Chartered Accountants**

7<sup>th</sup> Floor, Regency Plaza, Opp. Rahul Tower, Near Madhur Hall, Anandnagar Cross Road, Satellite, Ahmedabad- 380 015.

### **BANKERS:**

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

**NOTICE OF SEVENTEENTH ANNUAL GENERAL MEETING**

Notice is hereby given that the **SEVENTEENTH ANNUAL GENERAL MEETING** of the members of the Company will be held on **Saturday, the 30<sup>th</sup> day of September, 2017 at 10:00 A.M.** at Infocity Clubs & Resorts, Infocity Complex, 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 31<sup>st</sup> March, 2017, 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. Snehal Desai (DIN:01945066), Director, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. Suvas Barot (DIN: 02532094), Whole-time Director, who retires by rotation and being eligible, offers himself for reappointment.

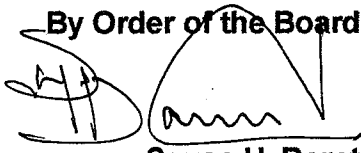
**4. Ratification of Appointment of Auditors:**

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 2017-2018, the appointment of whom was made at the 14<sup>th</sup> Annual General Meeting till the conclusion of the 19<sup>th</sup> 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."

Date: 8<sup>th</sup> September, 2017  
Place: GANDHINAGAR



By Order of the Board  
  
Suvas H. Barot  
Whole-time Director  
DIN:- 02532094



## NOTES:

1. 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.
2. 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.
3. 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.
4. 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.
5. 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.

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

**Date:** - 8<sup>th</sup> September, 2017  
**Place:** - Gandhinagar



By Order of the Board

**Suvas H. Barot**  
**Whole-time Director**  
**DIN: 02532094**



CIN: U45201GJ2000PLC038035

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

Website: [www.theinfocity.net](http://www.theinfocity.net) Email: [cil.cs@theinfocity.net](mailto: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 Seventeenth Annual General Meeting of the members of the Creative Infocity Limited held on Saturday, the 30<sup>th</sup> day of September, 2017 at 10.00 A.M. at Infocity Clubs & Resorts, Infocity Complex, 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

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Website: [www.theinfocity.net](http://www.theinfocity.net) Email: [cil.cs@theinfocity.net](mailto: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 Saturday, the 30<sup>th</sup> day of **September, 2017** at **10.00 A.M.** at Infocity Clubs & Resorts, Infocity Complex, 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 <b>Financial Year 2016-2017</b>			
2	Re-appointment of <b>Mr. Snehal Desai</b> as Director of the Company			
3	Re-appointment of <b>Mr. Suvas Barot</b> as Whole-time Director of the Company			
4	Ratification of appointment of <b>Deloitte Haskins &amp; Sells.</b>			



Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2017

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.**
2. A Proxy need not be a member of the Company.
3. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
4. 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.
5. # 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.
6. 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 Seventeenth Annual Report together with the Audited Statement of Accounts for the financial year ended on 31<sup>st</sup> March, 2017;

### **FINANCIAL RESULTS:**

Your Company's financial performance for the year ended March 31, 2017 is summarized below:

<b>YEAR ENDED ON MARCH 31</b>	<b>(Amount in Rs.)</b>	
	<b>CURRENT YEAR</b>	<b>PREVIOUS YEAR</b>
Total Income	217,338,027	192,329,662
Total Expenditure excluding Depreciation	110,098,868	137,251,513
<b>PROFIT FOR THE YEAR</b>	<b>107,239,159</b>	<b>55,078,149</b>
Less: Depreciation	4,275,227	4,694,013
Profit Before Exceptional Items and Tax	102,963,932	50,384,136
Add: Exceptional Items	NIL	NIL
<b>Profit Before Tax</b>	<b>102,963,932</b>	<b>50,384,136</b>
Less: Provision for Tax	(15,858,970)	10,931,226
<b>Profit After Tax</b>	<b>118,822,902</b>	<b>39,452,910</b>

### **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 13% as compared to that in the previous financial year.

Profit before tax was increased by 104% from **Rs. 50,384,136/-** for the last financial year to **Rs. 102,963,932/-** for the current financial year, whereas the profit after tax was increased by 201% over the previous year figure. Due to the same, the Earning per share was increased to **Rs. 3.02** per share during the current Financial Year as compared to **Rs. 1.00** per share during the previous financial year.

The Directors also state that the Arbitration Proceedings are in process and the last meeting of the Arbitrators was held on 27<sup>th</sup> April, 2017 as per which, hearing of the application of GIL for amendment of the Statement of Counter-Claim was to be initiated from 23<sup>rd</sup> June, 2017 but on account of non-availability of Arbitrators, the meeting was postponed and further date of meeting shall be advised in due course of time by the Arbitrators. The process of arbitration being a quasi-judicial process, would take its own time and your company may end-up spending a huge amount on account of legal expenses.

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



**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.

Three (3) Meetings of the CSR Committee were held during the year under review.

The Annual Report on Corporate Social Responsibility for the current financial year is annexed as "Annexure E"

**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:**

During the year under review, Mr. Snehal Desai and Mr. Suvas Barot are liable to retire by rotation. Both the directors offer themselves for reappointment. The Board recommends for the reappointment of Mr. Snehal Desai and Mr. Suvas Barot in the best interest of the Company.

**8. KEY MANAGERIAL PERSONNEL:**

During the year under Review, there has been no change in the Key Managerial Personnel of the Company.

**9. INDEPENDENT DIRECTORS DECLARATION:**

The Company has received the 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 20<sup>th</sup> December, 2016.

**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.

**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. Four (04) meetings of the Nomination and Remuneration Committee were held during the year under review.

#### 14. MEETINGS OF THE BOARD AND COMMITTEES:

Four (4) 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 - A**.

#### 15. AUDITORS:

At 14<sup>th</sup> 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 14<sup>th</sup> Annual General Meeting to the conclusion of 19<sup>th</sup> 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 31<sup>st</sup> March 2017 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 has drawn remuneration, exceeding Rs. 102 Lakhs Per annum 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. However, the Particulars of Top Ten Employees in terms of remuneration drawn is given in **Annexure B**.

#### 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:**

The Board of Directors has constituted an Internal Complaints Committee under the provisions of section 4 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. 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 – C** 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 201-E, 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 – D**.

**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, 2017, 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 1<sup>st</sup> 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**



**Suvas Barot**  
**Whole-time Director**  
**DIN:- 02532094**

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

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

**Date:- 8<sup>th</sup> September, 2017**  
**Place:- Gandhinagar**

**ANNEXURE – A****DETAILS OF MEETINGS AND ATTENDANCE****Board Meetings for the Financial Year 2016 – 17**

<b>Date of Board Meetings</b>	<b>No. of Directors</b>	<b>No. of Directors Present</b>
29.06.2016	10	7
23.08.2016	8	7
05.10.2016	8	6
02.02.2017	8	6

**Audit Committee Meetings for the Financial Year 2016 – 17**

<b>Date of Audit Committee Meetings</b>	<b>No. of Members</b>	<b>No. of Members Present</b>
29.06.2016	3	3
23.08.2016	3	3
05.10.2016	3	3
10.01.2017	3	3

**Nomination and Remuneration Committee Meeting for the Financial Year 2016 – 17**

<b>Date of Nomination and Remuneration Committee Meetings</b>	<b>No. of Members</b>	<b>No. of Members Present</b>
29.06.2016	3	3
25.08.2016	3	3
25.11.2016	3	3
02.02.2017	3	3

**Corporate Social Responsibility Committee for the Financial Year 2016 – 17**

<b>Date of Corporate Social Responsibility Committee Meetings</b>	<b>No. of Members</b>	<b>No. of Members Present</b>
13.07.2016	3	3
10.10.2016	3	3
02.02.2017	3	3



## ANNEXURE – B

SR. NO	NAME	DESIGNATION	AGE	DOJ	CURRENT CTC (RS.)	QUALIFICATION	PREVIOUS COMPANY	NATURE OF EMPLOYMENT	%OF EQUITY SHARES HELD IN THE COMPANY	RELATIVE OF DIRECTOR/MANAGER OF COMPANY
1	Mr. Suvas Barot	Whole Time Director	31	01.10.2007	1,47,812	MBA Finance	Creative Infocity Ltd.	Permanent	0.00075	No
2	Mr. Ravi Kumar Jain	CFO	59	16.11.2009	54500	Msc.	Bank of India	Permanent	NIL	No
3	Mr. Rakesh Shinde	Senior Business Co-ordinator	32	07.06.2013	54054	BBA PG Diploma Business Administration	Sevelle UK Ltd.	Permanent	NIL	No
4	Ms. Shradha Bhimani	Company Secretary	30	11.05.2015	46200	CS M.com LL.B	JP ISCON Ltd.	Permanent	NIL	No
5	Mr. Sourabh Saxena	Marketing Manager	29	18.06.2015	44000	BBA	Wipro Limited	Permanent	NIL	No
6	Mr. Vijendra Rawat	Facility Manager	37	22.10.2013	37306	M Com	Jones Lang LaSalle Property Consultants (India) Pvt. Ltd	Permanent	NIL	No
7	Mr. Mahendra Brahmhatt	Account Manager	67	01.05.2003	31416	B Com / LLB	Himadri Textile Mills	Permanent	NIL	No
8	Mr. Himanashu Shah	3D Graphics Designer	26	30.07.2013	27500	B Com	Creative Infocity Ltd.	Permanent	NIL	No
9	Mr. Sunil Barot	O&M Supervisor	50	15.01.2000	25179	B Com	Creative Infocity Ltd.	Permanent	NIL	No
10	Mr. Anil Suriyal	Account Officer	47	17.01.2007	23562	B Com	Vardhaman Consultants	Permanent	NIL	No





**ANNEXURE – C**

**Form No.MGT-9**

**EXTRACT OF ANNUAL RETURN**

**For the Financial Year ended on 31<sup>st</sup> March, 2017**

[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 <sup>th</sup> 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: <a href="mailto:shradha@theinfocity.net">shradha@theinfocity.net</a> Website: <a href="http://www.theinfocity.net">www.theinfocity.net</a>
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	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
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	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1):-</b>		<b>94,71,458</b>	<b>94,71,458</b>	<b>24.05784</b>		<b>94,71,458</b>	<b>94,71,458</b>	<b>24.05784</b>	
<b>(2) Foreign</b>									
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. . .	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)(2):-</b>									
<b>Total Shareholding of Promoter (A)=(A)(1)+(A)(2)</b>		<b>39369487</b>	<b>39369487</b>	<b>100</b>		<b>39369487</b>	<b>39369487</b>	<b>100</b>	
	-	-	-	-	-	-	-	-	-
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
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)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>									
	-	-	-	-	-	-	-	-	-
<b>2. Non-Institutions</b>									



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 Brahmhatt	100	0.00025	-	100	0.00025	-	-
2	Mr. Sunil Jamkhandi	100	0.00025	-	100	0.00025	-	-
3	Gujarat Informatics Limited	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 Brahmhatt	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
<b>Indebtedness at the beginning of the financial year</b>	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
<b>Change in Indebtedness during the financial year</b>	NIL	NIL	NIL	NIL
· Addition				
· Reduction				
Net Change	NIL	NIL	NIL	NIL
<b>Indebtedness at the end of the financial year</b>	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	Mr. Suvas Barot, Whole-time Director	Mr. Mukesh Ajbani Whole-time Director( till 25 <sup>th</sup> July, 2016)
1	Gross Salary		
	a) Salary as per provisions contained in Section 17(1) of IT Act, 1961	17.69252	3.27425
	b) Value of perquisites u/s 17(2) of Income Tax, 1961	NIL	NIL
2	Stock Option	NIL	NIL
3	Sweat Equity	NIL	NIL
4	Commission		
	- As % a profit	NIL	NIL
	- Other, Specify	NIL	NIL
5	Other, Please Specify	NIL	NIL
	Total (A)	17.69252	3.27425
	Ceiling as per the Act	-	-



## B. Remuneration to other Directors :

### (I) Independent & Non – Executive

SR NO.	Particulars of Remuneration	Mr. Premal Mehta, Director (Independent)	Mr. Sunil Chabbaria, Director (Independent)	Mr. Suryakant Mehta Alternate Director	Total Amount (In Rs.)
1	Fees for attending Board/ Committee meetings (Rs.)	60,000	60,000	NIL	1,20,000
2	Commission	NIL	NIL	NIL	NIL
3	Other, Please Specify	NIL	NIL	2,16,000	2,16,000
	Total (A)	60,000	60,000	2,16,000	3,36,000

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

SR NO.	Particulars of Remuneration	Ms. Shradha Bhimani – Company Secretary	Mr. Ravikumar Jain Chief Financial Officer	Total Amount
1	Gross Salary			
	a) Salary as per provisions contained in Section 17(1) of Income Tax Act,	5.16	3.05	8.21
	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)	5.16	3.05	8.21

## 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)
<b>A.COMPANY</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>B.DIRECTORS</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>C.OTHER OFFICERS IN DEFAULT</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

**ANNEXURE - D****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 Rs.)

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 <sup>st</sup> December, 2016
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 = Rs. 67.9547 As per RBI rate
4.	Share capital	82,71,610
5.	Reserves & surplus	(14,800)
6.	Total assets	47,296
7.	Total Liabilities	86,93,377
8.	Investments	NIL
9.	Turnover	NIL
10.	Net Loss	(7,04,197)
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*

**Suvas Barot**  
 Whole-time Director  
 DIN:- 02532094

**Rashmikumar Barot**  
 Director  
 DIN:- 00136801

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

**Date:- 8<sup>th</sup> September, 2017**  
**Place:- Gandhinagar**



**“Annexure-E”****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 Members comprising of :- **Three Members**

Names of CSR Committee Members:-

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

**3. Average net profit of the Company for last three financial years for the purpose of computation of CSR:**

CSR Financial Year 2016-2017	Net Profit for the Last Three Financial Years			
	2013-2014	2014-2015	2015-2016	Total
	13,02,41,454	6,83,86,293	5,03,84,136	24,90,11,883
<b>Average Net Profit</b>	8,30,03,961			
<b>Minimum mandatory CSR Expenditure to be done at 2% of Average Net Profit</b>				<b>Rs. 16,60,100</b>

**4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above):**  
Rs. 16,60,100/-**5. Details of CSR spent during the financial year:**

- a. Total amount to be spent for the financial year: Rs. 16,60,100/-
- b. Amount unspent: Rs. 6,60,100/-
- 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 covered	Projects/Programs in the area or other (1) Local 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 (in Rs.)	Amount spent: Direct or through implementing agency
1	Shri Bajrang Vyayamshala (Charitable Trust)	Promoting Health care including preventive Health Care	Mehsana	Rs. 10,00,000/-	Direct expenditure	10,00,000/-	Direct

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

In order to contribute towards CSR in most suitable and efficient manner, your Company has spent a considerable amount of Rs. 10 Lakhs. The amount of Rs. 6,60,100/- could not be spent towards CSR as the Company was in the process of evaluation of the projects and is in search of suitable CSR options but could not finalise the same. Therefore, your Company was not able to spend the amount of Rs. 6,60,100/- allocated for CSR activities.



For and on behalf of the Board

**Suvas Barot**  
Whole Time Director  
DIN:-02532094

**Rashmikumar Barot**  
Director  
DIN:- 00136801

**Date: 8<sup>th</sup> September, 2017**  
**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 31<sup>st</sup> March, 2017, 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 standalone 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.

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 standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone 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 standalone 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 standalone 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 31<sup>st</sup> March, 2017, 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 standalone 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 31<sup>st</sup> March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2017 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 standalone 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.
  - iv. The Company has provided requisite disclosures in the standalone financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8<sup>th</sup> November, 2016 of the Ministry of Finance, during the period from 8<sup>th</sup> November 2016 to 30<sup>th</sup> December 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of accounts maintained by the Company for the purpose of preparation of the standalone financial statements and as produced to us by the Management.
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: 8<sup>th</sup> September, 2017

## **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, 2017 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 standalone 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, 2017, 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: 8<sup>th</sup> September, 2017

## **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 alongwith buildings constructed thereon that have been taken on lease 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, 2017 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, 2017 on account of disputes are given below:

<b>Name of Statute</b>	<b>Nature of Dues</b>	<b>Forum where Dispute is Pending</b>	<b>Period to which the Amount Relates</b>	<b>Amount (Rs.)</b>
Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	Assessment year 2003-04 and 2004-05	7,061,078
Income Tax Act, 1961	Income Tax	Commissioner of Income-Tax (Appeal)	Assessment year 2006-07	41,773,010
Finance Act, 1994	Service Tax and Penalty	Custom Excise Service Tax Appellate Tribunal	September, 2006 and October, 2006	64,746
Finance Act, 1994	Service Tax and Penalty	Custom Excise Service Tax Appellate Tribunal	2005-06 to 2008-09	27,641,498
Finance Act, 1994	Service Tax and Penalty	Custom Excise Service Tax Appellate Tribunal	1st June, 2007 to 30th September, 2012	103,923,306
Finance Act, 1994	Service Tax and Penalty	Custom Excise Service Tax Appellate Tribunal	October, 2011 to March, 2013	4,525,479
Finance Act, 1994	Service Tax and Penalty	Custom Excise Service Tax Appellate Tribunal	2013-2014 and 2014-2015	436,884

- (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-IA 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: 8<sup>th</sup> September, 2017

<b>CREATIVE INFOCITY LIMITED</b>				
<b>Balance sheet as at 31 March, 2017</b>				
Particulars		Note	As at 31 March, 2017	As at 31 March, 2016
			(Rupees)	(Rupees)
<b>A</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Shareholders' funds</b>			
	(a) Share capital	2	393,694,870	393,694,870
	(b) Reserves and surplus	3	822,327,018	703,504,116
			1,216,021,888	1,097,198,986
<b>2</b>	<b>Non-current liabilities</b>			
	(a) Deferred Tax Liabilities (Net)	28	4,746,015	3,940,185
	(b) Long-term Provisions		-	-
			4,746,015	3,940,185
<b>3</b>	<b>Current liabilities</b>			
	(a) Short-term borrowings	4	6,052,608	-
	(b) Trade payables	5		
	Trade Payable of Micro Enterprises and Small Enterprises (Refer note 25)		-	-
	Others		50,782,200	59,510,007
	(c) Other current liabilities	6	48,537,142	52,020,394
	(d) Short-term Provisions	7	38,029,658	20,000,000
			143,401,608	131,530,401
	<b>TOTAL</b>		<b>1,364,169,511</b>	<b>1,232,669,572</b>
<b>B</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-current assets</b>			
	(a) Fixed assets			
	Tangible assets	8	38,508,505	42,659,804
			38,508,505	42,659,804
	(b) Non-current investments	9	-	-
	(c) Long-term loans and advances	10	220,930,539	144,322,112
			259,439,044	186,981,916
<b>2</b>	<b>Current assets</b>			
	(a) Inventories	11	438,577,102	438,577,102
	(b) Trade receivables	12	5,236,007	5,053,885
	(c) Cash and Bank Balances	13	644,385,098	583,616,475
	(d) Short-term loans and advances	14	791,333	1,505,269
	(e) Other current assets	15	15,740,927	16,934,925
			1,104,730,467	1,045,687,656
	<b>TOTAL</b>		<b>1,364,169,511</b>	<b>1,232,669,572</b>
	See accompanying notes forming part of the financial statements			
<b>In terms of our report attached</b>		<b>For and on behalf of the Board of Directors</b>		
<b>For Deloitte Haskins and Sells</b>				
Chartered Accountants				
		Suvas Barot	Rashmin Barot	
		<b>Whole Time Director</b>	<b>Director</b>	
Gaurav J. Shah		Shradha Bhimani	Ravikumar Jain	
<b>Partner</b>		<b>Company Secretary</b>	<b>Chief Financial Officer</b>	
Place : Ahmedabad		Place : Gandhinagar		
Date : 08 September 2017		Date : 08 September 2017		

<b>CREATIVE INFOCITY LIMITED</b>				
<b>Statement of Profit and Loss for the year ended 31 March, 2017</b>				
<b>Particulars</b>		<b>Note</b>	<b>For the year ended 31 March, 2017</b>	<b>For the year ended 31 March, 2016</b>
			<b>(Rupees)</b>	<b>(Rupees)</b>
<b>1</b>	Revenue from operations	16	150,520,976	143,562,727
<b>2</b>	Other income	17	66,817,051	48,766,935
<b>3</b>	<b>Total revenue (1+2)</b>		<b>217,338,027</b>	<b>192,329,662</b>
<b>4</b>	<b>Expenses</b>			
	(a) Changes in inventories of finished goods and work-in-progress	18	-	-
	(b) Employee benefits expense	19	12,515,730	14,298,945
	(c) Finance costs	20	1,487,026	1,005,440
	(d) Depreciation and amortization expense	8	4,275,227	4,694,013
	(e) Other expenses	21	96,096,112	121,947,128
	<b>Total expenses</b>		<b>114,374,095</b>	<b>141,945,526</b>
<b>5</b>	<b>Profit before tax (3-4)</b>		<b>102,963,932</b>	<b>50,384,136</b>
<b>6</b>	<b>Tax expense:</b>			
	(a) Current tax expense		38,000,000	20,000,000
	(b) (Less): MAT Credit utilized		(15,396,218)	(7,799,257)
	(c) Short/(Excess) provision for tax relating to prior years		(39,268,582)	97,883
	Net current tax expense		(16,664,800)	12,298,626
	(d) Deferred tax		805,830	(1,367,400)
			<b>(15,858,970)</b>	<b>10,931,226</b>
<b>7</b>	<b>Profit for the year (5-6)</b>		<b>118,822,902</b>	<b>39,452,910</b>
<b>8</b>	<b>Earnings per share (of Rs. 10/- each):</b>			
	Basic and Diluted	22	3.02	1.00
	See accompanying notes forming part of the financial statements			
<b>In terms of our report attached For Deloitte Haskins and Sells Chartered Accountants</b>		<b>For and on behalf of the Board of Directors</b>		
Gaurav J. Shah Partner		Suvas Barot <b>Whole Time Director</b>	Rashmin Barot <b>Director</b>	
		Shradha Bhimani <b>Company Secretary</b>	Ravikumar Jain <b>Chief Financial Officer</b>	
Place : Ahmedabad Date : 08 September 2017		Place : Gandhinagar Date : 08 September 2017		

**CREATIVE INFOCITY LIMITED**  
**Cash flow statement for the year ended 31st March 2017**

Particulars	For the year ended 31 March 2017 (Rupees)	For the year ended 31 March 2016 (Rupees)
<b>(A) Cash flow from operating activities</b>		
Net profit before tax	102,963,932	50,384,136
<b>Adjustments for :</b>		
Depreciation & amortization	4,275,227	4,694,013
Finance cost	1,487,026	1,005,440
Interest income	(56,999,493)	(48,695,146)
Foreign exchange loss/(gain)	(262,997)	708,030
(Gain)/loss on sale of assets	(70,000)	257,279
Provision for dimunition of share investment	-	8,271,610
Provision for doubtful debts, advances and sundry balances written off	2,310,838	289,732
Sundry Balances written back	(9,196,136)	-
<b>Operating profit before working capital changes</b>	<b>44,508,397</b>	<b>16,915,094</b>
<b>Adjustments for working capital changes :</b>		
(Increase)/decrease in trade receivables	(182,122)	(393,112)
(Increase)/decrease in long-term loans and advances	(2,112,074)	523,728
(Increase)/decrease in other current assets	28,601	74,475
(Increase) / decrease in short-term loans and advances	713,936	(559,940)
Increase/(decrease) in trades payables	(2,212,761)	11,626,681
Increase/(decrease) in long-term provisions	29,658	-
Increase/(decrease) in other current liabilities	(539,164)	(510,218)
<b>Cash generated from operations</b>	<b>40,234,471</b>	<b>27,676,708</b>
Direct taxes paid	(29,565,086)	(37,926,532)
<b>Net cash flow from operating activities (A)</b>	<b>10,669,385</b>	<b>(10,249,824)</b>
<b>Cash flows from investing activities</b>		
Increase in fixed assets	(123,928)	(2,279,470)
Proceeds from sale of fixed assets	70,000	75,380
(Increase) / decrease in bank deposit balances not considered as cash and cash equivalents	(23,368,963)	(17,531,271)
Interest received	45,587,584	68,458,632
<b>Net cash flow from/(used in) investing activities (B)</b>	<b>22,164,693</b>	<b>48,723,271</b>
<b>Cash flows from financing activities</b>		
Increase/(Decrease) in short term borrowings	6,052,608	(59,170)
Finance costs	(1,487,026)	(1,005,440)
<b>Net cash from/(used in) financing activities (C)</b>	<b>4,565,582</b>	<b>(1,064,610)</b>
Net increase in cash and cash equivalents (A + B + C)	37,399,660	37,408,837
Cash and cash equivalents at the beginning of the year	231,975,955	194,567,118
<b>Cash and cash equivalents at the end of the year</b>	<b>269,375,615</b>	<b>231,975,955</b>

	For the year ended 31 March 2017 (Rupees)	For the year ended 31 March 2016 (Rupees)
<b>Note 1</b>		
<b>Components of cash and cash equivalents</b>		
a) Cash in hand	3,267	31,716
b) Balances with banks		
(i) In current accounts	6,729,745	15,109,463
(ii) In deposits accounts	262,642,603	216,834,776
Cash and cash equivalents as per note 13	<b>269,375,615</b>	<b>231,975,955</b>
<b>Note 2</b>		
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		
<b>In terms of our report attached For Deloitte Haskins and Sells Chartered Accountants</b>	<b>For and on behalf of the Board of Directors</b>	
	Suvas Barot <b>Whole Time Director</b>	Rashmin Barot <b>Director</b>
Gaurav J. Shah Partner	Shradha Bhimani <b>Company Secretary</b>	Ravikumar Jain <b>Chief Financial Officer</b>
Place : Ahmedabad Date : 08 September 2017	Place : Gandhinagar Date : 08 September 2017	

## 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, 2017 (Rupees)	As at 31 March, 2016 (Rupees)
<b>Authorized :</b>		
9,00,00,000 Equity Shares of Rs.10/- each	900,000,000	900,000,000
<b>TOTAL</b>	900,000,000	900,000,000
Issued, Subscribed & Paid up		
3,93,69,487 Equity Shares of Rs.10/- each (31 March, 2016: 3,93,69,487 Equity shares of Rs.10 each)	393,694,870	393,694,870
<b>TOTAL</b>	<b>393,694,870</b>	<b>393,694,870</b>

(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, 2017	As at 31st March, 2016
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, 2017	As at 31st March, 2016
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, 2017 (Rupees)	As at 31 March, 2016 (Rupees)
<b>Capital Reserve</b> (Capital Subsidy received from Government of Gujarat)		
Balance as per last Balance Sheet	25,000,000	25,000,000
<b>Surplus in statement of Profit and Loss</b>		
Opening Balance	678,504,116	639,051,206
Add:-Profit for the year	118,822,902	39,452,910
Closing Balance	797,327,018	678,504,116
<b>TOTAL</b>	<b>822,327,018</b>	<b>703,504,116</b>

CREATIVE INFOCITY LIMITED  
Notes forming part of the financial statements

4 Short Term Borrowings

PARTICULARS	As at 31 March, 2017 (Rupees)	As at 31 March, 2016 (Rupees)
Loan repayable on demand From Banks (Secured against Fixed Deposits)	6,052,608	-
<b>TOTAL</b>	<b>6,052,608</b>	<b>-</b>

5 Trade Payables

PARTICULARS	As at 31 March, 2017 (Rupees)	As at 31 March, 2016 (Rupees)
Trade Payable of Micro Enterprises and Small Enterprises (refer note 25)	-	-
Trade Payable -Other than Acceptance For Goods and Services	22,522,452	34,085,333
GIL Revenue sharing payable (refer note 24)	28,259,748	25,424,674
<b>TOTAL</b>	<b>50,782,200</b>	<b>59,510,007</b>

6 Other Current Liabilities

PARTICULARS	As at 31 March, 2017 (Rupees)	As at 31 March, 2016 (Rupees)
<b>Other Payables</b>		
(i) Statutory Remittances (contributions to PF and ESIC, Tax deducted at source, Service Tax, etc.)	700,340	595,784
(ii) Advances from customers	504,373	3,770,265
(iii) Security Deposit Received	47,332,429	47,654,345
<b>TOTAL</b>	<b>48,537,142</b>	<b>52,020,394</b>

7 Short Term Provisions

PARTICULARS	As at 31 March, 2017 (Rupees)	As at 31 March, 2016 (Rupees)
Provision for Income-tax	38,000,000	20,000,000
Provision for Gratuity	29,658	-
<b>TOTAL</b>	<b>38,029,658</b>	<b>20,000,000</b>

CREATIVE INFOCITY LIMITED  
Notes forming part of the financial statements

Note 8

PARTICULARS	GROSS BLOCK (AT COST)			DEPRECIATION-AMORTISATION				NET BLOCK	
	AS AT 01 APRIL, 2016	ADDITIONS	DEDUCTIONS	AS AT 31 MARCH, 2017	AS AT 01 APRIL, 2016	FOR THE YEAR	DEDUCTIONS	AS AT 31 MARCH, 2017	AS AT 31 MARCH, 2016
<b>TANGIBLE ASSETS</b>									
LAND (LEASE HOLD)	136,172	-	-	136,172	61,046	4,696	-	70,430	75,126
BUILDING	52,580,995	-	-	52,580,995	16,084,917	1,711,316	-	34,784,762	36,496,078
FURNITURE & FIXTURE	3,849,554	-	-	3,849,554	2,717,409	252,634	-	879,511	1,132,145
OFFICE EQUIPMENTS	9,224,598	55,202	-	9,279,800	6,060,011	1,255,294	-	1,964,495	3,164,587
COMPUTERS & PERIPHERAL	3,746,085	68,726	-	3,814,811	2,920,560	386,417	-	507,834	825,525
VEHICLES	4,806,631	-	408,743	4,397,888	4,084,111	577,987	408,743	144,533	722,520
ASSETS FOR CALL CENTRE	9,360,942	-	-	9,360,942	9,117,119	86,883	-	156,940	243,823
<b>GRAND TOTAL</b>	<b>83,704,977</b>	<b>123,928</b>	<b>408,743</b>	<b>83,420,162</b>	<b>41,045,173</b>	<b>4,275,227</b>	<b>408,743</b>	<b>38,508,505</b>	<b>42,659,804</b>
<b>PREVIOUS YEAR</b>	<b>81,758,166</b>	<b>2,279,470</b>	<b>332,659</b>	<b>83,704,977</b>	<b>36,351,160</b>	<b>4,694,013</b>	<b>-</b>	<b>41,045,173</b>	<b>-</b>

(Rupees)

**CREATIVE INFOCITY LIMITED**  
Notes forming part of the financial statements

**9 Non Current Investment**

PARTICULARS	As at 31 March, 2017 (Rupees)	As at 31 March, 2016 (Rupees)
<b>INVESTMENTS (AT COST) :</b>		
<b>Trade - Unquoted :</b>		
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
<b>Less:</b> Provision for permanent diminution in the value of Investment	(12,865,610)	(12,865,610)
<b>Total</b>	-	-

**10 Long-term Loans & advances**

PARTICULARS	As at 31 March, 2017 (Rupees)	As at 31 March, 2016 (Rupees)
<b>Unsecured, Considered good</b>		
a) Security Deposits*	4,651,969	4,939,035
b) Advance Income tax	199,882,942	130,348,699
c) MAT Credit Receivable	15,079,050	7,806,102
d) Others-Service tax**	1,316,578	1,228,276
<b>TOTAL</b>	<b>220,930,539</b>	<b>144,322,112</b>

\*exclude doubtful advances, against which full provision made – Rs.1,489,192 (Previous year: Rs. 1,181,626).

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

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

PARTICULARS	As at 31 March, 2017 (Rupees)	As at 31 March, 2016 (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
<b>TOTAL</b>	<b>438,577,102</b>	<b>438,577,102</b>

**12 Trade Receivables**

PARTICULARS	As at 31 March, 2017 (Rupees)	As at 31 March, 2016 (Rupees)
Trade receivables outstanding for a period exceeding six months from the date they were due for payment :		
a) Unsecured, considered good	515,657	1,374,902
b) Unsecured, considered doubtful	2,955,807	952,535
	3,471,464	2,327,437
Less : Provision for Doubtful Debts	2,955,807	952,535
	515,657	1,374,902
Other Trade receivables:		
a) Unsecured, considered good	4,720,350	3,678,983
<b>TOTAL</b>	<b>5,236,007</b>	<b>5,053,885</b>

**CREATIVE INFOCITY LIMITED**  
Notes forming part of the financial statements

**13 Cash and Bank Balances**

PARTICULARS	As at 31 March, 2017 (Rupees)	As at 31 March, 2016 (Rupees)
A) Cash and Cash Equivalents		
a) Cash in Hand	3,267	31,716
b) Balances with Banks		
(i) In Current Accounts	6,729,745	15,109,463
(ii) In Deposits Accounts	262,642,603	216,834,776
B) Other Bank Balances		
(i) In Deposits Accounts (refer note (i) and (ii) below)	345,371,001	324,743,927
(ii) In Margin Money Accounts	12,500,000	12,500,000
(iii) In Escrow Account (refer note 24)	17,138,482	14,396,593
<b>TOTAL</b>	<b>644,385,098</b>	<b>583,616,475</b>

**Note:**

(i) Other Bank Balances include deposits amounting to Rs. 32,106,496 (As at 31st March 2016 Rs.40,000,000) pledged with banks against overdraft facilities.

(ii) Other Bank Balances with banks include deposits of Rs. 313,264,505 (As at 31st March 2016 Rs.284,743,927) under lien to bank.

(iii) Cash and Bank Balances include deposits of Rs.58,464,380 (As at 31st March 2016 Rs.61,401,738) with a maturity of more than 12 months.

**14 Short-term Loans and Advances**

PARTICULARS	As at 31 March, 2017 (Rupees)	As at 31 March, 2016 (Rupees)
Unsecured, considered good		
(a) Advances recoverable in cash or in kind or for value to be received	516,663	530,503
(b) Prepaid Expenses - Unsecured, considered good	274,670	974,766
<b>TOTAL</b>	<b>791,333</b>	<b>1,505,269</b>

**15 Other Current Assets**

PARTICULARS	As at 31 March, 2017 (Rupees)	As at 31 March, 2016 (Rupees)
Interest accrued on Fixed Deposits	15,740,927	16,906,324
Advance to Gratuity fund	-	28,601
<b>TOTAL</b>	<b>15,740,927</b>	<b>16,934,925</b>

CREATIVE INFOCITY LIMITED  
Notes forming part of the financial statements

16 Revenue from Operations

PARTICULARS	For the year ended 31 March, 2017 (Rupees)	For the year ended 31 March, 2016 (Rupees)
Licence Fees and Maintenance charges	150,520,976	143,307,329
Revenue from Real Estate Schemes	-	255,398
<b>Total</b>	<b>150,520,976</b>	<b>143,562,727</b>

17 Other Income

PARTICULARS	For the year ended 31 March, 2017 (Rupees)	For the year ended 31 March, 2016 (Rupees)
Interest Income :		
On Fixed Deposits	44,422,187	48,695,146
On Income tax refund	12,577,306	-
Net gain on foreign currency transactions and translations	262,997	-
Gain on sale of fixed assets	70,000	-
Sundry Balances Written Back	9,196,136	-
Miscellaneous income	288,425	71,789
<b>TOTAL</b>	<b>66,817,051</b>	<b>48,766,935</b>

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

PARTICULARS	For the year ended 31 March, 2017 (Rupees)	For the year ended 31 March, 2016 (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
<b>Total</b>	<b>438,577,102</b>	<b>438,577,102</b>
<u>Inventories at the beginning 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
<b>Total</b>	<b>438,577,102</b>	<b>438,577,102</b>
<b>Change in Inventories</b>	<b>-</b>	<b>-</b>

CREATIVE INFOCITY LIMITED  
Notes forming part of the financial statements

19 Employee Benefits Expense

PARTICULARS	For the year ended 31 March, 2017 (Rupees)	For the year ended 31 March, 2016 (Rupees)
Salaries and wages	10,010,944	11,225,240
Contributions to provident and other funds	1,112,159	1,247,978
Staff welfare expenses	1,392,627	1,825,727
<b>TOTAL</b>	<b>12,515,730</b>	<b>14,298,945</b>

20 Finance Costs

PARTICULARS	For the year ended 31 March, 2017 (Rupees)	For the year ended 31 March, 2016 (Rupees)
Interest Expenses	102,007	365,846
Other Borrowing cost	1,385,019	639,594
<b>TOTAL</b>	<b>1,487,026</b>	<b>1,005,440</b>

21 Other Expenses

PARTICULARS	For the year ended 31 March, 2017 (Rupees)	For the year ended 31 March, 2016 (Rupees)
Power and Fuel	1,045,716	2,036,875
Insurance	617,047	325,426
Building Repairs	66,114,469	76,310,955
Others Repairs	141,573	541,141
Lease Rent	11,716	11,716
Revenue Sharing	2,835,074	2,668,600
Rates and Taxes	1,413,697	1,585,229
Travelling and Conveyance	2,968,536	7,425,760
Stationery, Printing, Postage and Telephone	444,052	492,964
Advertisement Expenses	90,380	2,152,913
Legal and Professional Fees	10,042,339	9,990,217
Commission & Brokerage	1,327,725	588,000
Sales Promotion Expenses	1,392,595	5,799,695
Loss on sale of fixed assets	-	257,279
Payment to Auditors (Refer note (i) below)	1,053,114	841,735
General Charges	2,732,241	1,138,251
Sundry Debit Balances Written off	-	100,832
Provision for Doubtful Debts	2,003,272	-
Provision for Doubtful Advances	307,566	188,900
Provision for Diminution of Share Investment	-	8,271,610
Corporate Social Responsibility Expenditure (Refer note (ii) below)	1,000,000	500,000
Donation	555,000	11,000
Net loss on foreign currency transactions and translations	-	708,030
<b>TOTAL</b>	<b>96,096,112</b>	<b>121,947,128</b>

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

As Auditors - Statutory Audit	900,000	700,000
For Taxation Matters	150,000	140,000
Reimbursement of expenses	3,114	1,735
<b>TOTAL</b>	<b>1,053,114</b>	<b>841,735</b>

(ii) Corporate Social Responsibility Expenditure

(a) Gross amount required to be spent by the Company	16,60,079	27,70,681
(b) Amount Spent	10,00,000	500,000

22 Earnings Per Share

PARTICULARS	For the year ended 31 March, 2017 (Rupees)	For the year ended 31 March, 2016 (Rupees)
<u>Basic and Diluted</u>		
Net profit for the year attributable to the equity shareholders	118,822,902	39,452,910
Weighted average number of equity shares	39,369,487	39,369,487
Face value per share	10	10
Earnings per share - Basic and Diluted	3.02	1.00



**CREATIVE INFOCITY LIMITED****Notes forming part of the Standalone financial statements****23 Contingent Liabilities not provided for in respect of:**

	<b>Particulars</b>	<b>As at 31<sup>st</sup> March, 2017 (Rupees)</b>	<b>As at 31<sup>st</sup> March, 2016 (Rupees)</b>
I)	Guarantees issued by Banks	311,998,000	277,215,007
II)	Disputed demand of Income Tax for which an appeal has been preferred	48,834,088	410,403,584
III)	Disputed demand of Service Tax for which an appeal has been preferred	136,591,913	136,090,483

**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 19<sup>th</sup> 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 1<sup>st</sup> 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,

## CREATIVE INFOCITY LIMITED

### Notes forming part of the Standalone financial statements

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, 2017 balance in escrow account is Rs. 1,71,38,482/- (As at March 31, 2016 : Rs.14,396,593 /-) 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. 55,126,045/- (Previous Year Rs. 53,203,869/-) 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 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.112,652,935/- (P.Y. Rs.106,726,430/-)

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**

**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:

Particulars	2016-17 (Rupees)	2015-16 (Rupees)
<b>a) Reconciliation of opening and closing balance of the present value defined benefit obligation</b>		
Obligation at the beginning of the year	1,915,708	1,574,881
Current Service Cost	338,495	275,517
Interest Cost	154,598	125,046
Actuarial (Gain) / Loss	2,450	194,400
Benefits Paid	(426,923)	(254,136)
<b>Obligation at the end of the year</b>	<b>1,984,328</b>	<b>1,915,708</b>
<b>b) Reconciliation of opening and closing balances of fair value of plan assets</b>		
Plan assets at the beginning of the year, as fair value	1,944,309	1,677,957
Expected return on plan assets	156,906	133,230
Actuarial Gain / (Loss) on plan Assets	(28,521)	41,986
Contribution	308,899	345,272
Benefits Paid	(426,923)	(254,136)
<b>Plan Assets at the end of the year at fair value</b>	<b>1,954,670</b>	<b>1,944,309</b>
<b>c) Net Asset / (Liability) recognised in Balance Sheet</b>		
Obligation at the end of the year	(1,984,328)	(1,915,708)
Less : Plan assets at the end of the year at fair value	1,954,670	1,944,309
<b>(Liability) / Asset recognised in Balance Sheet as at year end</b>	<b>(29,658)</b>	<b>28,601</b>
<b>d) Components of employer expenses for the year</b>		
Current service cost	338,495	275,517
Interest cost	154,598	125,046
Expected return on plan assets	(156,906)	(133,230)
Net Actuarial (gain) / loss	30,971	152,414

**CREATIVE INFOCITY LIMITED**
**Notes forming part of the Standalone financial statements**

<b>Net Cost/(Gain)</b>	<b>367,158</b>	<b>419,747</b>
<b>e) Assumptions</b>		
Discount Rate (p.a.)	7.57%	8.07%
Expected rate of return on opening plan assets (p.a.)	7.57%	8.07%
Expected rate of increase in compensation levels (p.a.)	7.57%	7.00%
Mortality rate during the Employment	Indian assured Lives Mortality (2006-08)	

**f) Defined Contribution Plan**

<b>Particulars</b>	<b>2016-17 (Rupees)</b>	<b>2015-16 (Rupees)</b>
Amount recognized as an expenses and included in Note 19 of statement of Profit & Loss	793,773	920,778

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)				
<b>Gratuity</b>	<b>2015-16</b>	<b>2014-15</b>	<b>2013-14</b>	<b>2012-13</b>	<b>2011-12</b>
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:

<b>Particulars</b>	<b>As at 31<sup>st</sup> March, 2017 (Rupees)</b>	<b>As at 31<sup>st</sup> March, 2016 (Rupees)</b>
<b>DEFERRED TAX LIABILITY</b>		
In respect of difference between Book and Tax Depreciation	4,746,015	3,940,185
<b>NET DEFERRED TAX LIABILITIES</b>	<b>4,746,015</b>	<b>3,940,185</b>

**CREATIVE INFOCITY LIMITED**  
Notes forming part of the Standalone financial statements

**29 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	Key Management Personnel
3	Rashmikumar Barot(from 23-08-2016)	
4	Mukesh Ajbani (up to 22-07-2016)	
5	Suryakant Mehta	
6	Shradha Bhimani	
7	Kumar Ranjan Thakur(up to 09-01-2016)	
8	Ravikumar D. Jain	
9	Mahendra Brahmhatt	Relative of Key Management Personnel
10	Gujarat Informatics Limited	Other Related Party
11	Suhan Reality Private Limited	
12	Faith Hospitalities Private Limited	
13	Infocity Clubs & Resorts Private Limited	
14	Impro Synergies Private Limited	
15	Impro Real Estate Private Limited	
16	First Hand Smart Education Foundation	
17	Global Youths Opportunities and Synergies Foundation	

**b). Transaction with Related Parties for the year 2016-17**

(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, 2017	For the year ended 31 March, 2016	For the year ended 31 March, 2017	For the year ended 31 March, 2016	For the year ended 31 March, 2017	For the year ended 31 March, 2016	For the year ended 31 March, 2017	For the year ended 31 March, 2016
<b>A</b>	<b>Volume of Transactions:</b>								
<b>1</b>	<b>Expenses:</b>								
	<b>Revenue sharing</b>								
	Gujarat Informatics Limited	-	-	-	-	-	-	2,835,074	2,668,600
	<b>Lease rent</b>								
	Gujarat Informatics Limited	-	-	-	-	-	-	11,716	11,716
	<b>Professional fees</b>								
	Suryakant Mehta	-	-	216,000	216,000	-	-	-	-
	<b>Sales Promotion Expenses</b>								
	Infocity Club & Resorts Pvt. Ltd.							-	3,011,734
	Faith Hospitalities Pvt. Ltd.							11,622	166,675
<b>2</b>	<b>Revenue</b>								
	<b>License fees and O &amp; M Charges</b>								
	Suhan Reality Pvt Ltd.							192,783	55,357
	Infocity Club & Resorts Pvt. Ltd.							3,953,644	924,540



**CREATIVE INFOCITY LIMITED**  
**Notes forming part of the Standalone financial statements**

- 30 Details of Specified Bank Notes ('SBN') held and transacted during the period 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016 as per the notification issued by the Ministry of Corporate Affairs (MCA) dated 30<sup>th</sup> March, 2017 are as Provided below.

particulars	SBNS	Other denomination notes	Total
Closing Cash in hand as on November 8, 2016	47,500	83,835	131,335
(+) Permitted receipts	-	137,400	137,400
(-) Permitted payments	-	139,507	139,507
(-) Amount deposited in Banks	47,500	-	47,500
Closing cash in hand as on December 30, 2016	-	81,728	81,728

Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of finance, Department of Economic Affairs number S.O.3407 (E), dated 8th November, 2016.

- 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: 08 September 2017

**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, 2017, 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 consolidated 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, and based on consideration of reports of the other auditor on the separate financial statements of the subsidiary referred to in the Other Matters paragraph below, 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, 2017, 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. 47,296 as at 31st March, 2017, total revenues of Rs. Nil and net cash flows amounting to Rs. 59,121 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**

As required by Section 143(3) of the Act, based on our audit 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, 2017 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, 2017 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, as amended, 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.
  - 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.

- iv. The Holding Company has provided requisite disclosures in the consolidated financial statements as regards the holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November, 2016 to 30th December, 2016 of the Group entities as applicable. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of accounts maintained by those entities for the purpose of preparation of the consolidated financial statements and as produced to us and other auditors by the Management of the respective Group entities.

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

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

Place: Ahmedabad  
Date: 8th September, 2017

**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”)**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31<sup>st</sup> March, 2017 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 that date.

**Management’s Responsibility for Internal Financial Controls**

The Board of Directors of the Holding company being the only Company incorporated in India, is 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 Act.

**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 Act, 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, 2017, 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: 8<sup>th</sup> September, 2017

<b>CREATIVE INFOCITY LIMITED</b>			
<b>Consolidated Balance sheet as at 31 March, 2017</b>			
Particulars	Note	As at 31 March, 2017	As at 31 March, 2016
		(Rupees)	(Rupees)
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	2	393,694,870	393,694,870
(b) Reserves and surplus	3	813,680,937	695,761,682
		1,207,375,807	1,089,456,552
<b>2 Non-current liabilities</b>			
(a) Deferred Tax Liabilities (Net)	27	4,746,015	3,940,185
(b) Long-term Provisions		-	-
		4,746,015	3,940,185
<b>3 Current liabilities</b>			
(a) Short-term borrowings	4	6,052,608	-
(b) Trade payables	5		
Trade Payable of Micro Enterprises and Small Enterprises (Refer note 24)		-	-
Others		59,475,577	67,356,308
(c) Other current liabilities	6	48,537,142	52,020,394
(d) Short-term Provisions	7	38,029,658	20,000,000
		152,094,985	139,376,702
<b>TOTAL</b>		<b>1,364,216,807</b>	<b>1,232,773,439</b>
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets			
Tangible assets	8	38,508,505	42,659,804
		38,508,505	42,659,804
(b) Long-term loans and advances	9	220,930,539	144,322,112
		259,439,044	186,981,916
<b>2 Current assets</b>			
(a) Inventories	10	438,577,102	438,577,102
(b) Trade receivables	11	5,236,007	5,053,885
(c) Cash and Bank Balances	12	644,432,394	583,720,342
(d) Short-term loans and advances	13	791,333	1,505,269
(e) Other current assets	14	15,740,927	16,934,925
		1,104,777,763	1,045,791,523
<b>TOTAL</b>		<b>1,364,216,807</b>	<b>1,232,773,439</b>
See accompanying notes forming part of the financial statements			
<b>In terms of our report attached For Deloitte Haskins and Sells Chartered Accountants</b>		<b>For and on behalf of the Board of Directors</b>	
Gaurav J. Shah Partner		Suvas Barot Whole Time Director	Rashmin Barot Director
Place : Ahmedabad Date : 08 September 2017		Shradha Bhimani Company Secretary	Ravikumar Jain Chief Financial Officer
Place : Gandhinagar Date : 08 September 2017			

<b>CREATIVE INFOCITY LIMITED</b>				
<b>Consolidated Statement of Profit and Loss for the year ended 31 March, 2017</b>				
<b>Particulars</b>		<b>Note</b>	<b>For the year ended</b>	<b>For the year ended</b>
			<b>31 March, 2017</b>	<b>31 March, 2016</b>
			<b>(Rupees)</b>	<b>(Rupees)</b>
<b>1</b>	Revenue from operations	15	150,520,976	143,562,727
<b>2</b>	Other income	16	66,817,051	48,766,935
<b>3</b>	<b>Total revenue (1+2)</b>		<b>217,338,027</b>	<b>192,329,662</b>
<b>4</b>	<b>Expenses</b>			
	(a) Changes in inventories of finished goods and work-in-progress	17	-	-
	(b) Employee benefits expense	18	12,515,730	14,298,945
	(c) Finance costs	19	1,487,026	1,005,440
	(d) Depreciation and amortization expense	8	4,275,227	4,694,013
	(e) Other expenses	20	96,800,309	114,634,908
	<b>Total expenses</b>		<b>115,078,292</b>	<b>134,633,306</b>
<b>5</b>	<b>Profit before tax (3-4)</b>		<b>102,259,735</b>	<b>57,696,356</b>
<b>6</b>	<b>Tax expense:</b>			
	(a) Current tax expense		38,000,000	20,000,000
	(b) (Less): MAT Credit utilized		(15,396,218)	(7,799,257)
	(c) Short/(Excess) provision for tax relating to prior years		(39,268,582)	97,883
	Net current tax expense		(16,664,800)	12,298,626
	(d) Deferred tax		805,830	(1,367,400)
			<b>(15,858,970)</b>	<b>10,931,226</b>
<b>7</b>	<b>Profit for the year (5-6)</b>		<b>118,118,705</b>	<b>46,765,130</b>
<b>8</b>	<b>Earnings per share (of Rs. 10/- each):</b>			
	Basic and Diluted	21	3.00	1.19
	See accompanying notes forming part of the financial statements			
<b>In terms of our report attached For Deloitte Haskins and Sells Chartered Accountants</b>		<b>For and on behalf of the Board of Directors</b>		
Gaurav J. Shah Partner		Suvas Barot <b>Whole Time Director</b>	Rashmin Barot <b>Director</b>	
		Shradha Bhimani <b>Company Secretary</b>	Ravikumar Jain <b>Chief Financial Officer</b>	
Place : Ahmedabad Date : 08 September 2017		Place : Gandhinagar Date : 08 September 2017		

**CREATIVE INFOCITY LIMITED**  
**Consolidated Cash flow statement for the year ended 31st March 2017**

Particulars	For the year ended 31 March 2017 (Rupees)	For the year ended 31 March 2016 (Rupees)
<b>(A) Cash flow from operating activities</b>		
Net profit before tax	102,259,735	57,696,356
<b>Adjustments for :</b>		
Depreciation & amortization	4,275,227	4,694,013
Finance cost	1,487,026	1,005,440
Interest income	(56,999,493)	(48,695,146)
Foreign exchange loss/(gain)	(262,997)	708,030
(Gain)/loss on sale of assets	(70,000)	257,279
Provision for doubtful debts, advances and sundry balances written off	2,310,838	289,732
Sundry Balances written back	(9,196,136)	-
<b>Operating profit before working capital changes</b>	<b>43,804,200</b>	<b>15,955,704</b>
<b>Adjustments for working capital changes :</b>		
(Increase)/decrease in trade receivables	(182,122)	(393,112)
(Increase)/decrease in long-term loans and advances	(2,112,074)	523,728
(Increase)/decrease in other current assets	28,601	74,475
(Increase) / decrease in short-term loans and advances	713,936	(559,940)
Increase/(decrease) in trades payables	(1,565,135)	12,590,356
Increase/(decrease) in long-term provisions	29,658	-
Increase/(decrease) in other current liabilities	(539,164)	(510,218)
<b>Cash generated from operations</b>	<b>40,177,900</b>	<b>27,680,993</b>
Direct taxes paid	(29,565,086)	(37,926,532)
<b>Net cash flow from operating activities (A)</b>	<b>10,612,814</b>	<b>(10,245,539)</b>
<b>Cash flows from investing activities</b>		
Increase in fixed assets	(123,928)	(2,279,470)
Proceeds from sale of fixed assets	70,000	75,380
(Increase) / decrease in bank deposit balances not considered as cash and cash equivalents	(23,368,963)	(17,531,271)
Interest received	45,587,584	68,458,632
<b>Net cash flow from/(used in) investing activities (B)</b>	<b>22,164,693</b>	<b>48,723,271</b>
<b>Cash flows from financing activities</b>		
Increase/(Decrease) in short term borrowings	6,052,608	(59,170)
Finance costs	(1,487,026)	(1,005,440)
<b>Net cash from/(used in) financing activities (C)</b>	<b>4,565,582</b>	<b>(1,064,610)</b>
Net increase in cash and cash equivalents (A + B + C)	37,343,089	37,413,122
Cash and cash equivalents at the beginning of the year	232,079,822	194,666,700
<b>Cash and cash equivalents at the end of the year</b>	<b>269,422,911</b>	<b>232,079,822</b>



	For the year ended 31 March 2017 (Rupees)	For the year ended 31 March 2016 (Rupees)
<b>Note 1</b>		
<b>Components of cash and cash equivalents</b>		
a) Cash in Hand	3,267	31,716
b) Balances with Banks		
(i) In Current Accounts	6,777,041	15,213,330
(ii) In Deposits Accounts	262,642,603	216,834,776
Cash and cash equivalents as per note 12	<b>269,422,911</b>	<b>232,079,822</b>
<b>Note 2</b>		
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		
<b>In terms of our report attached For Deloitte Haskins and Sells Chartered Accountants</b>	<b>For and on behalf of the Board of Directors</b>	
	Suvas Barot <b>Whole Time Director</b>	Rashmin Barot <b>Director</b>
Gaurav J. Shah Partner	Shradha Bhimani <b>Company Secretary</b>	Ravikumar Jain <b>Chief Financial Officer</b>
Place : Ahmedabad Date : 08 September 2017	Place : Gandhinagar Date : 08 September 2017	

**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 Holding Company with its subsidiary 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 Holding 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, "Consolidated Financial Statements". The amounts shown in respect of reserves comprise the amount of the relevant reserves as per the Balance Sheet of the Holding 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 Holding 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, 2017, 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 31<sup>st</sup> December, 2016. 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, 2017	31 March, 2016
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/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.

**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, 2017 (Rupees)	As at 31 March, 2016 (Rupees)
<b>Authorized :</b>		
9,00,00,000 Equity Shares of Rs.10/- each	900,000,000	900,000,000
<b>TOTAL</b>	900,000,000	900,000,000
<b>Issued, Subscribed &amp; Paid up</b>		
3,93,69,487 Equity Shares of Rs.10/- each (31 March, 2016: 3,93,69,487 Equity shares of Rs.10 each)	393,694,870	393,694,870
<b>TOTAL</b>	<b>393,694,870</b>	<b>393,694,870</b>

(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, 2017	As at 31st March, 2016
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, 2017	As at 31st March, 2016
M/s. Creative IT Inc.	Nos. % Holding	29,898,029 75.94	29,898,029 75.94
M/s. Gujarat Informatics Ltd.	Nos. % Holding	9,470,758 24.06	9,470,758 24.06

**3 Reserves & Surplus**

PARTICULARS	As at 31 March, 2017 (Rupees)	As at 31 March, 2016 (Rupees)
<b>Capital Reserve</b> (Capital Subsidy received from Government of Gujarat)		
Balance as per last Balance Sheet	25,000,000	25,000,000
Foreign Currency Translation Reserve	931,285	1,130,735
<b>Surplus in statement of Profit and Loss</b>		
Opening Balance	669,630,947	622,865,817
Add:-Profit for the year	118,118,705	46,765,130
Closing Balance	787,749,652	669,630,947
<b>TOTAL</b>	<b>813,680,937</b>	<b>695,761,682</b>

**CREATIVE INFOCITY LIMITED**  
Notes forming part of the Consolidated financial statements

**4 Short Term Borrowings**

PARTICULARS	As at 31 March, 2017 (Rupees)	As at 31 March, 2016 (Rupees)
Loan repayable on demand From Banks (Secured against Fixed Deposits)	6,052,608	-
<b>TOTAL</b>	<b>6,052,608</b>	<b>-</b>

**5 Trade Payables**

PARTICULARS	As at 31 March, 2017 (Rupees)	As at 31 March, 2016 (Rupees)
Trade Payable of Micro Enterprises and Small Enterprises (refer note 24)	-	-
Trade Payable -Other than Acceptance For Goods and Services	31,215,831	41,931,634
GIL Revenue sharing payable (refer note 23)	28,259,746	25,424,674
<b>TOTAL</b>	<b>59,475,577</b>	<b>67,356,308</b>

**6 Other Current Liabilities**

PARTICULARS	As at 31 March, 2017 (Rupees)	As at 31 March, 2016 (Rupees)
<b>Other Payables</b>		
(i) Statutory Remittances (contributions to PF and ESIC, Tax deducted at source, Service Tax, etc.)	700,340	595,784
(ii) Advances from customers	504,373	3,770,265
(iii) Security Deposit Received	47,332,429	47,654,345
<b>TOTAL</b>	<b>48,537,142</b>	<b>52,020,394</b>

**7 Short Term Provisions**

PARTICULARS	As at 31 March, 2017 (Rupees)	As at 31 March, 2016 (Rupees)
Provision for Income-tax	38,000,000	20,000,000
Provision for Gratuity	29,658	-
<b>TOTAL</b>	<b>38,029,658</b>	<b>20,000,000</b>

CREATIVE INFOCITY LIMITED  
Notes forming part of the Consolidated financial statements

Note 8

PARTICULARS	GROSS BLOCK (AT COST)				DEPRECIATION - AMORTISATION				NET BLOCK	
	AS AT 01 APRIL, 2016	ADDITIONS	DEDUCTIONS	AS AT 31 MARCH, 2017	AS AT 01 APRIL, 2016	FOR THE YEAR	DEDUCTIONS	AS AT 31 MARCH, 2017	AS AT 31 MARCH, 2017	AS AT 31 MARCH, 2016
<b>TANGIBLE ASSETS</b>										
LAND (LEASE HOLD)	136,172	-	-	136,172	61,046	4,696	-	65,742	70,430	75,126
BUILDING	52,580,995	-	-	52,580,995	16,084,917	1,711,316	-	17,796,233	34,784,762	36,496,078
FURNITURE & FIXTURE	3,849,554	-	-	3,849,554	2,717,409	252,634	-	2,970,043	879,511	1,132,145
OFFICE EQUIPMENTS	9,224,598	55,202	-	9,279,800	6,060,011	1,255,294	-	7,315,305	1,964,495	3,164,587
COMPUTERS & PERIPHERAL	3,746,085	68,726	-	3,814,811	2,920,560	386,417	-	3,306,977	507,834	825,525
VEHICLES	4,806,631	-	408,743	4,397,888	4,084,111	577,987	408,743	4,253,355	144,533	722,520
ASSETS FOR CALL CENTRE	9,360,942	-	-	9,360,942	9,117,119	86,883	-	9,204,002	156,940	243,823
<b>GRAND TOTAL</b>	<b>83,704,977</b>	<b>123,928</b>	<b>408,743</b>	<b>83,420,162</b>	<b>41,045,173</b>	<b>4,275,227</b>	<b>408,743</b>	<b>44,911,657</b>	<b>38,508,505</b>	<b>42,659,804</b>
<b>PREVIOUS YEAR</b>	<b>81,758,166</b>	<b>2,279,470</b>	<b>332,659</b>	<b>83,704,977</b>	<b>36,351,160</b>	<b>4,694,013</b>	<b>-</b>	<b>41,045,173</b>	<b>42,659,804</b>	<b>-</b>

(Rupees)



**CREATIVE INFOCITY LIMITED**  
Notes forming part of the Consolidated financial statements

**9 Long-term Loans & advances**

<b>PARTICULARS</b>	<b>As at 31 March, 2017 (Rupees)</b>	<b>As at 31 March, 2016 (Rupees)</b>
<b>Unsecured, Considered good</b>		
a) Security Deposits*	4,651,969	4,939,035
b) Advance Income tax	199,882,942	130,348,699
c) MAT Credit Receivable	15,079,050	7,806,102
d) Others-Service tax**	1,316,578	1,228,276
<b>TOTAL</b>	<b>220,930,539</b>	<b>144,322,112</b>

\*exclude doubtful advances, against which full provision made – Rs.1,489,192(Previous year: Rs. 1,181,626).

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

**10 Inventories (Cost or Net Realisable value whichever is lower)**

<b>PARTICULARS</b>	<b>As at 31 March, 2017 (Rupees)</b>	<b>As at 31 March, 2016 (Rupees)</b>
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
<b>TOTAL</b>	<b>438,577,102</b>	<b>438,577,102</b>

**11 Trade Receivables**

<b>PARTICULARS</b>	<b>As at 31 March, 2017 (Rupees)</b>	<b>As at 31 March, 2016 (Rupees)</b>
Trade receivables outstanding for a period exceeding six months from the date they were due for payment :		
a) Unsecured, considered good	515,657	1,374,902
b) Unsecured, considered doubtful	2,955,807	952,535
	3,471,464	2,327,437
Less : Provision for Doubtful Debts	2,955,807	952,535
	515,657	1,374,902
Other Trade receivables:		
a) Unsecured, considered good	4,720,350	3,678,983
<b>TOTAL</b>	<b>5,236,007</b>	<b>5,053,885</b>

**CREATIVE INFOCITY LIMITED**  
Notes forming part of the Consolidated financial statements

**12 Cash and Bank Balances**

PARTICULARS	As at 31 March, 2017 (Rupees)	As at 31 March, 2016 (Rupees)
A) Cash and Cash Equivalents		
a) Cash in Hand	3,267	31,716
b) Balances with Banks		
(i) In Current Accounts	6,777,041	15,213,330
(ii) In Deposits Accounts	262,642,603	216,834,776
B) Other Bank Balances		
(i) In Deposits Accounts (refer note (i) and (ii) Below	345,371,001	324,743,927
(ii) In Margin Money Accounts	12,500,000	12,500,000
(iii) In Escrow Account (refer note 23)	17,138,482	14,396,593
<b>TOTAL</b>	<b>644,432,394</b>	<b>583,720,342</b>

**Note:**

(i) Other Balances with banks include deposits amounting to Rs. 32,106,496 (As at 31st March 2016 Rs.40,000,000/-) pledged with banks against overdraft facilities.

(ii) Other Bank Balances with banks include deposits of Rs.313,264,505 (As at 31st March 2016 Rs.2,84,743,927) under lien to bank.

(iii) Cash and Bank Balances include deposits of Rs.58,464,380 (As at 31st March 2016 Rs.61,401,738/-) with a maturity of more than 12 months.

**13 Short-term Loans and Advances**

PARTICULARS	As at 31 March, 2017 (Rupees)	As at 31 March, 2016 (Rupees)
<b>Unsecured, considered good</b>		
(a) Advances recoverable in cash or in kind or for value to be received	516,663	530,503
(b) Prepaid Expenses - Unsecured, considered good	274,670	974,766
<b>TOTAL</b>	<b>791,333</b>	<b>1,505,269</b>

**14 Other Current Assets**

PARTICULARS	As at 31 March, 2017 (Rupees)	As at 31 March, 2016 (Rupees)
Interest accrued on Fixed Deposits	15,740.927	16,906.324 28.601
<b>TOTAL</b>	<b>15,740,927</b>	<b>16,934,925</b>

**CREATIVE INFOCITY LIMITED**  
Notes forming part of the Consolidated financial statements

**15 Revenue from Operations**

PARTICULARS	For the year ended 31 March, 2017 (Rupees)	For the year ended 31 March, 2016 (Rupees)
Licence Fees and Maintenance charges	150,520,976	143,307,329
Revenue from Real Estate Schemes	-	255,398
<b>Total</b>	<b>150,520,976</b>	<b>143,562,727</b>

**16 Other Income**

PARTICULARS	For the year ended 31 March, 2017 (Rupees)	For the year ended 31 March, 2016 (Rupees)
Interest Income:		
On Fixed Deposits	44,422,187	48,695,146
On Income tax refund	12,577,306	-
Net gain on foreign currency transactions and translations	262,997	-
Gain on sale of fixed aseets	70,000	
Sundry Balances Written Back	9,196,136	
Misc. income	288,425	71,789
<b>TOTAL</b>	<b>66,817,051</b>	<b>48,766,935</b>

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

PARTICULARS	For the year ended 31 March, 2017 (Rupees)	For the year ended 31 March, 2016 (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
<b>Total</b>	<b>438,577,102</b>	<b>438,577,102</b>
<u>Inventories at the beginning 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
<b>Total</b>	<b>438,577,102</b>	<b>438,577,102</b>
<b>Change in Inventories</b>	<b>-</b>	<b>-</b>

**CREATIVE INFOCITY LIMITED**  
Notes forming part of the Consolidated financial statements

**18 Employee Benefits Expense**

PARTICULARS	For the year ended 31 March, 2017 (Rupees)	For the year ended 31 March, 2016 (Rupees)
Salaries and wages	10,010,944	11,225,240
Contributions to provident and other funds	1,112,159	1,247,978
Staff welfare expenses	1,392,627	1,825,727
<b>TOTAL</b>	<b>12,515,730</b>	<b>14,298,945</b>

**19 Finance Costs**

PARTICULARS	For the year ended 31 March, 2017 (Rupees)	For the year ended 31 March, 2016 (Rupees)
Interest Expenses	102,007	365,846
Other Borrowing cost	1,385,019	639,594
<b>TOTAL</b>	<b>1,487,026</b>	<b>1,005,440</b>

**20 Other Expenses**

PARTICULARS	For the year ended 31 March, 2017 (Rupees)	For the year ended 31 March, 2016 (Rupees)
Power and Fuel	1,045,716	2,036,875
Insurance	617,047	325,426
Building Repairs	66,114,469	76,310,955
Others Repairs	141,573	541,141
Lease Rent	212,915	245,081
Revenue Sharing	2,835,074	2,668,600
Rates and Taxes	1,413,697	1,585,229
Travelling and Conveyance	3,195,220	7,798,496
Stationery, Printing, Postage and Telephone	444,052	492,964
Advertisement Expenses	90,380	2,152,913
Legal and Professional Fees	10,132,879	10,077,729
Commission & Brokerage	1,327,725	588,000
Sales Promotion Expenses	1,392,595	5,799,695
Loss on Vehicle sold	-	257,279
Payment to Auditors (Refer note (i) below)	1,053,114	841,735
General Charges	2,918,015	1,404,028
Sundry Debit Balances Written off	-	100,832
Provision for Doubtful Debts	2,003,272	-
Provision for Doubtful Advances	307,566	188,900
Corporate Social Responsibility Expenditure (Refer note (ii) below)	1,000,000	500,000
Donation	555,000	11,000
Net loss on foreign currency transactions and translations	-	708,030
<b>TOTAL</b>	<b>96,800,309</b>	<b>114,634,908</b>

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

As Auditors - Statutory Audit	900,000	700,000
For Taxation Matters	150,000	140,000
Reimbursement of expenses	3,114	1,735
<b>TOTAL</b>	<b>1,053,114</b>	<b>841,735</b>

**(ii) Corporate Social Responsibility Expenditure**

(a) Gross amount required to be spent by the Company	16,60,079	2,770,681
(b) Amount Spent	10,00,000	500,000

**21 Earnings Per Share**

PARTICULARS	For the year ended 31 March, 2017 (Rupees)	For the year ended 31 March, 2016 (Rupees)
<u>Basic and Diluted</u>		
Net profit for the year attributable to the equity shareholders	118,118,705	46,765,130
Weighted average number of equity shares	39,369,487	39,369,487
Face value per share	10	10
Earnings per share - Basic and Diluted	3.00	1.19

**CREATIVE INFOCITY LIMITED**  
**Notes forming part of the Consolidated financial statements**

**22** Contingent Liabilities not provided for in respect of:

	Particulars	As at 31 <sup>st</sup> March, 2017 (Rupees)	As at 31 <sup>st</sup> March, 2016 (Rupees)
I)	Guarantees issued by Banks	311,998,000	277,215,007
II)	Disputed demand of Income Tax for which an appeal has been preferred	48,834,088	410,403,584
III)	Disputed demand of Service Tax for which an appeal has been preferred	136,591,913	136,090,483

**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 19<sup>th</sup> 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 1<sup>st</sup> 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,

**CREATIVE INFOCITY LIMITED**  
**Notes forming part of the Consolidated financial statements**

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, 2017 balance in escrow account is Rs. 1,71,38,482/- (As at March 31, 2016 : Rs.14,396,593 /-) 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 had been shown as exceptional item.

During the year, the amount of license fees/ lease rent of Rs. 55,126,045/- (Previous Year Rs. 53,203,869/-) 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).

- 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 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.112,652,935/- (P.Y. Rs.106,726,430/-)

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 Consolidated financial statements**

**26 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	2016-17 (Rupees)	2015-16 (Rupees)
<b>a) Reconciliation of opening and closing balance of the present value defined benefit obligation</b>		
Obligation at the beginning of the year	1,915,708	1,574,881
Current Service Cost	338,495	275,517
Interest Cost	154,598	125,046
Actuarial (Gain) / Loss	2,450	194,400
Benefits Paid	(426,923)	(254,136)
<b>Obligation at the end of the year</b>	<b>1,984,328</b>	<b>1,915,708</b>
<b>b) Reconciliation of opening and closing balances of fair value of plan assets</b>		
Plan assets at the beginning of the year, as fair value	1,944,309	1,677,957
Expected return on plan assets	156,906	133,230
Actuarial Gain / (Loss) on plan Assets	(28,521)	41,986
Contribution	308,899	345,272
Benefits Paid	(426,923)	(254,136)
<b>Plan Assets at the end of the year at fair value</b>	<b>1,954,670</b>	<b>1,944,309</b>
<b>c) Net Asset / (Liability) recognised in Balance Sheet</b>		
Obligation at the end of the year	(1,984,328)	(1,915,708)
Less : Plan assets at the end of the year at fair value	1,954,670	1,944,309
<b>(Liability) / Asset recognised in Balance Sheet as at year end</b>	<b>(29,658)</b>	<b>28,601</b>
<b>d) Components of employer expenses for the year</b>		
Current service cost	338,495	275,517
Interest cost	154,598	125,046
Expected return on plan assets	(156,906)	(133,230)
Net Actuarial (gain) / loss	30,971	152,414

**CREATIVE INFOCITY LIMITED**  
**Notes forming part of the Consolidated financial statements**

<b>Net Cost/(Gain)</b>	<b>367,158</b>	<b>419,747</b>
<b>e) Assumptions</b>		
Discount Rate (p.a.)	7.57%	8.07%
Expected rate of return on opening plan assets (p.a.)	7.57%	8.07%
Expected rate of increase in compensation levels (p.a.)	7.57%	7.00%
Mortality rate during the Employment	Indian assured Lives Mortality (2006-08)	

**f) Defined Contribution Plan**

<b>Particulars</b>	<b>2016-17 (Rupees)</b>	<b>2015-16 (Rupees)</b>
Amount recognized as an expenses and included in Note 18 of statement of Profit & Loss	793,773	920,778

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)				
<b>Gratuity</b>	<b>2015-16</b>	<b>2014-15</b>	<b>2013-14</b>	<b>2012-13</b>	<b>2011-12</b>
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	-	-	-

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

<b>Particulars</b>	<b>As at 31<sup>st</sup> March, 2017 (Rupees)</b>	<b>As at 31<sup>st</sup> March, 2016 (Rupees)</b>
<b>DEFERRED TAX LIABILITY</b>		
In respect of difference between Book and Tax Depreciation	4,746,015	3,940,185
<b>NET DEFERRED TAX LIABILITIES</b>	<b>4,746,015</b>	<b>3,940,185</b>



**CREATIVE INFOCITY LIMITED**  
Notes forming part of the Consolidated financial statements

**28 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	Rashmikumar Barot(from 23-08-2016)	
3	Mukesh Ajbani (up to 22-07-2016)	
4	Suryakant Mehta	
5	Shradha Bhimani	
6	Kumar Ranjan Thakur(up to 09-01-2016)	
7	Ravikumar D. Jain	
8	Mahendra Brahmabhatt	Relative of Key Management Personnel
9	Gujarat Informatics Limited	Other Related Party
10	Suhan Reality Private Limited	
11	Faith Hospitalities Private Limited	
12	Infocity Clubs & Resorts Private Limited	
13	Impro Synergies Private Limited	
14	Impro Real Estate Private Limited	
15	First Hand Smart Education Foundation	
16	Global Youths Opportunities and Synergies Foundation	

**b). Transaction with Related Parties for the year 2016-17**

(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, 2017	For the year ended 31 March, 2016	For the year ended 31 March, 2017	For the year ended 31 March, 2016	For the year ended 31 March, 2017	For the year ended 31 March, 2016	For the year ended 31 March, 2017	For the year ended 31 March, 2016
<b>A</b>	<b>Volume of Transactions:</b>								
<b>1</b>	<b>Expenses:</b>								
	<b>Revenue sharing</b>								
	Gujarat Informatics Limited	-	-	-	-	-	-	2,835,074	2,668,600
	<b>Lease rent</b>								
	Gujarat Informatics Limited	-	-	-	-	-	-	11,716	11,716
	<b>Professional fees</b>								
	Suryakant Mehta	-	-	216,000	216,000	-	-	-	-
	<b>Sales Promotion Expenses</b>								
	Infocity Club & Resorts Pvt. Ltd.							-	3,011,734
	Faith Hospitalities Pvt. Ltd.							11,622	166,675
<b>2</b>	<b>Revenue</b>								
	<b>License fees and O &amp; M Charges</b>								
	Suhan Reality Pvt Ltd.							192,783	55,357
	Infocity Club & Resorts Pvt. Ltd.							3,953,644	924,540



**CREATIVE INFOCITY LIMITED**  
**Notes forming part of the Consolidated financial statements**

29 Details of Specified Bank Notes ('SBN') held and transacted during the period 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016 as per the notification issued by the Ministry of Corporate Affairs (MCA) dated 30<sup>th</sup> March, 2017 are as Provided below.

particulars	SBNS	Other denomination notes	Total
Closing Cash in hand as on November 8, 2016	47,500	83,835	131,335
(+) Permitted receipts	-	137,400	137,400
(-) Permitted payments	-	139,507	139,507
(-) Amount deposited in Banks	47,500	-	47,500
Closing cash in hand as on December 30, 2016	-	81,728	81,728

Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of finance, Department of Economic Affairs number S.O.3407 (E), dated 8th November, 2016.

30 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: 08 September 2017.