



EIGHTEENTH ANNUAL REPORT

Financial Year: 2017 – 2018



CREATIVE INFOCITY LIMITED

[CIN: U45201GJ2000PLC038035]

REGISTERED OFFICE

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

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

Email: cil.cs@theinfocity.net

Website: www.theinfocity.net

US OFFICE

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

**EIGHTEENTH ANNUAL REPORT (2017-2018)****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

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

INTERNAL AUDITORS:

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

7th 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 EIGHTEENTH ANNUAL GENERAL MEETING

Notice is hereby given that the **EIGHTEENTH ANNUAL GENERAL MEETING** of the members of the Company will be held on **Monday, the 20th day of August, 2018 at 04:00 P.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 31st March, 2018, Statement of Profit and Loss for the year ended on that date, together with Auditors' and Directors' Report thereon.
2. To appoint a Director in place of Mr. Dilip Barot (DIN:01697056), Director, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. Yashpal Kakkar (DIN: 02516157), Director, who retires by rotation and being eligible, offers himself for reappointment.
4. **Modification to the resolution related to appointment of Statutory Auditors:**
To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the amendment to the section 139 of the Companies Act, 2013, effective from 7th May, 2018, the consent of the members of the Company be and is hereby accorded to delete the requirement, seeking ratification of appointment of Statutory Auditors M/s Deloitte Haskins & Sells, Chartered Accountants at every Annual General Meeting from the resolution passed at the 14th Annual General Meeting of the Company."

SPECIAL BUSINESS:

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

"RESOLVED THAT subject to the provisions of sections 2(94), 196, 197, 198 and 203 and other applicable provisions, if any, of the Companies Act, 2013, read with Schedule V to the Companies Act, 2013 and the Rules made there under (including any statutory modification or re-enactment thereof), and subject to approval of the members of the Company, the Board hereby accords its consent and approval to the re-appointment of Mr. Suvas H. Barot (DIN: 02532094) as Whole-time Director (KMP) of the Company for a period of Five (5) years from 3rd October, 2017 to 2nd October, 2022 on the terms and conditions including remuneration set out in the Appointment Letter as approved by the Board in this meeting setting out the terms and conditions of appointment including remuneration payable to the said Mr. Suvas H. Barot provided that the remuneration payable to the said Mr. Suvas H. Barot shall not exceed the maximum limits prescribed for payment of managerial remuneration specified under the Companies Act, 2013."



"RESOLVED FURTHER THAT in the event of any statutory amendment, modification or relaxation by the Central Government to the provisions of Schedule V to the new Act, the Board of Directors of the Company (hereinafter referred to as "the Board" which terms shall be deemed to include any committee which the Board may constitute to exercise its powers, including powers conferred by this resolution) be and is hereby authorised to alter and vary the terms and conditions of appointment including remuneration, if necessary, in such manner as may be agreed to by and between the Board and Mr. Suvas H. Barot, within such prescribed limit(s) or ceiling and the agreement between the Company and the Whole-time Director be suitably amended to give effect to such modification, relaxation or variation without any further reference to the members of the Company in General Meeting."

"RESOLVED FURTHER THAT Mr. Rashmikumar Barot (DIN: 00136801), Director of the Company be and is hereby authorized to complete the formalities in regards of filing of necessary e-forms, with Registrar of Companies, Ministry of Corporate Affairs."

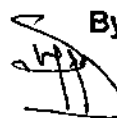
6. To approve Related Party Transaction with EGS Contact Center Solutions Private Limited and in this regard, to consider and if thought fit, to pass the following resolution as a Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 188 and all other applicable provisions, if any, of the Companies Act, 2013 read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, the approval of the members of the company be and is hereby accorded to the transaction between Company & M/s EGS Contact Center Solutions Private Limited entered into for licensing the Property of the Company."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and execute all deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all acts, deeds, matters and things that may be necessary, proper, expedient or incidental thereto for the purpose of giving effects to this Resolution."

Date: 28th July, 2018
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: - 28th July, 2018
Place: - Gandhinagar



By Order of the Board

Suvas H. Barot
Whole-time Director
DIN: 02532094



STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

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

Item No. – 5

The Board of Directors in their meeting held on 3rd October, 2017 have re-appointed Mr. Suvas H. Barot, as Whole-time Director for a further period of five (5) years upto 2nd October, 2022 pursuant to Clause 128 of Articles of Association of the Company and provisions of Sections 2(94), 196, 197, 198 and 203 and Schedule V of the Companies Act, 2013, read with Rules made thereunder (including any statutory modification or re-enactment thereof) subject to approval of members in General Meeting.

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

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

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

Item No. – 6

The Directors submit that a major portion of 3rd Floor, IT Tower-4 has remained vacant ever since its construction and despite best efforts due to various reasons. The Board thought it appropriate to give on leave & license basis the premises to a suitable vendor at a concessional rate. M/s. EGS Contact Center Solutions Private Limited has approached the Company for obtaining certain portion of the premises on leave & license basis. A copy of the leave & license agreement containing the terms and conditions of the license has been approved by the Board. However as an abundant caution the transaction is proposed to be approved by the members as Mr. Rashmikumar Barot, who is the Director of the Company is also a Director/Member in M/s EGS Contact Center Solutions Private Limited and the transaction comes under the category of a Related party transaction as defined under Section 188 of the Companies Act, 2013 read with Rule 15 of Companies (Meeting of Board and its Power) Rules, 2015. The disclosure of interest under section 184(2) has been received by Mr. Rashmikumar Barot in terms of this contract.

None of the Directors except Mr. Rashmikumar Barot, Director of the Company is deemed to be concerned or interested in the above transaction.

The Board recommends the Ordinary Resolution set out at Item No. 6 of the Notice for approval by the members.

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



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

ATTENDANCESLIP

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 Eighteenth Annual General Meeting of the members of the Creative Infocity Limited held on Monday, the 20th day of August, 2018 at 04.00 P.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

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

Website: www.theinfocity.net Email: gil.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 Monday, the **20th day of August, 2018** at **04.00 P.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 Financial Year 2017-2018			
2	Re-appointment of Mr. Dilip Barot as Director of the Company			
3	Re-appointment of Mr. Yashpal Kakkar as Director of the Company			
4	Deleting the requirement for ratification of appointment of Auditors			



5	Reappointment of Mr. Suvas H. Barot (DIN: 02532094) as a Whole Time Director of the Company			
6	Approval of Related Party Transaction with EGS Contact Center Solutions Private Limited			

Signed this _____ day of _____ 2018

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 Eighteenth Annual Report together with the Audited Statement of Accounts for the financial year ended on 31st March, 2018:

FINANCIAL RESULTS:

Your Company's financial performance for the year ended March 31, 2018 is summarized below:

(Amount in Rs.)

YEAR ENDED ON MARCH 31	CURRENT YEAR	PREVIOUS YEAR
Total Income	161,656,983	217,338,027
Total Expenditure excluding Depreciation	81,597,428	110,098,868
PROFIT FOR THE YEAR	80,059,555	107,239,159
Less: Depreciation	4,425,413	4,275,227
Profit Before Exceptional Items and Tax	75,634,142	102,963,932
Add: Exceptional Items	NIL	NIL
Profit Before Tax	75,634,142	102,963,932
Less: Provision for Tax	20,251,271	(15,858,970)
Profit After Tax	55,382,871	118,822,902

1. BUSINESS OPERATIONS:

The income of the Company has decreased by 26% as compared to that in the previous financial year.

Profit Before Tax has decreased by 27% from **Rs. 102,963,932/-** for the last financial year to **Rs. 75,634,142** for the current financial year, whereas the Profit After Tax was decreased by 53% over the previous year figure. Due to the same, the Earning per share was decreased to **Rs. 1.41** per share during the current Financial Year as compared to **Rs. 3.02** per share during the previous financial year.

The Directors also state that the Arbitration Proceedings are in process and meeting of Arbitral Tribunal was held on 23rd March, 2018 before which the Company (the Claimant) and Gujarat Informatics Limited (respondent) have made oral submissions regarding the Application of Amendment of Counter Claim submitted by Gujarat Informatics Limited (Respondent) before Hon'ble Arbitral Tribunal. After hearing both the parties Hon'ble Tribunal kept the matter for Order upon Application of Amendment of Counter Claim submitted by Gujarat Informatics Limited (Respondent). The 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.

Four (4) Meetings of the CSR Committee were held during the year under review.

During the year under review, the Company has spend Rs. 80,00,000/- towards CSR activities as compared to the 2% of average net profit for the past three financial years of Rs. 14,78,229/- mandated by section 135 of the Companies Act, 2013.

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. Dilip Barot and Mr. Yashpal Kakkar are liable to retire by rotation. Both the directors offer themselves for reappointment. The Board recommends for the reappointment of Mr. Dilip Barot and Mr. Yashpal Kakkar in the best interest of the Company.



Mr. Suvas Barot, Whole-time Director of the Company was re-appointed as Whole-time Director in the Board Meeting held on 3rd October, 2017 for a further period of five years subject to the approval of members. Your Directors recommend his appointment as Whole-time Director 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 20th December, 2017.

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. Two (02) meetings of the Nomination and Remuneration Committee were held during the year under review.

14. MEETINGS OF THE BOARD AND COMMITTEES:

Seven (7) 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 14th Annual General Meeting, M/s. Deloitte Haskins & Sells, Chartered Accountants (Registration Number 117365W), were reappointed as the Statutory Auditors of the Company to hold office from the conclusion of 14th Annual General Meeting to the conclusion of 19th Annual General Meeting of the Company subject to ratification of the appointment by the members at every Annual General Meeting.

The Ministry of Corporate Affairs vide Companies Amendment Act, 2017 omitted the requirement related to ratification of appointment of statutory auditors by members at every AGM w.e.f 7th May, 2018. Pursuant to the amendment, the Board hereby recommends to the shareholders for their approval that the requirement of seeking ratification of appointment of Statutory Auditors (Deloitte Haskins & Sells, Chartered Accountants) at every Annual General Meeting be deleted.

16. AUDITORS REPORT:

The Auditors' Report for the financial year ended on 31st March 2018 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 1st IT Metropolis. Your Directors wish to acknowledge the support and assistance received from the Promoters, viz. Creative IT Inc., USA and Gujarat Informatics Limited, Information Technology Department, Government of Gujarat and all the suppliers, contractors, consultants and Infocity clients, etc.



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



For and on behalf of Board

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:- 28th July, 2018
Place:- Gandhinagar

ANNEXURE – A**DETAILS OF MEETINGS AND ATTENDANCE****Board Meetings for the Financial Year 2017-18**

Date of Board Meetings	No. of Directors	No. of Directors Present
19.04.2017	8	8
31.05.2017	8	8
08.09.2017	8	6
03.10.2017	8	6
20.12.2017	8	6
16.02.2018	8	6
26.03.2018	8	6

Audit Committee Meetings for the Financial Year 2017 – 18

Date of Audit Committee Meetings	No. of Members	No. of Members Present
01.02.2017	3	3
10.04.2017	3	3
19.06.2017	3	3
08.09.2017	3	3

Nomination and Remuneration Committee Meeting for the Financial Year 2017 – 18

Date of Nomination and Remuneration Committee Meetings	No. of Members	No. of Members Present
02.02.2017	4	3
03.10.2017	4	3

Corporate Social Responsibility Committee for the Financial Year 2017 – 18

Date of Corporate Social Responsibility Committee Meetings	No. of Members	No. of Members Present
25.04.2017	3	3
12.10.2017	3	3
02.12.2017	3	3
16.02.2018	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	32	01.10.2007	17,64,756	MBA Finance	Creative Infocity Ltd.	Permanent	0.00075	No
2	Mr. Rakesh Shinde	Senior Business Co-coordinator	33	07.06.2013	7,24,532	BBA PG Diploma Business Administration	Sevelle UK Ltd.	Permanent	NIL	No
3	Mr. Sourabh Saxena	Marketing Manager	30	18.06.2015	7,02,958	BBA	Wipro Limited	Permanent	NIL	No
4	Mr. Ravi Kumar Jain	CFO	60	16.11.2009	6,06,000	Msc.	Bank of India	Permanent	NIL	No
5	Mr. Ajinkya Pardeshi	Marketing	36	03.10.2017	5,80,645	Bachelor of Laws	India Infoline Limited	Permanent	NIL	No
6	Ms. Shradha Bhimani	Company Secretary	31	11.05.2015	5,61,400	CS, M.com LLB	JP ISCON Ltd.	Permanent	NIL	No
7	Mr. Vijendra Rawat	Facility Manager	38	22.10.2013	5,06,380	M Com	Jones Lang LaSalle Property Consultants (India) Pvt Ltd	Permanent	NIL	No
8	Ms. Bhavina Trivedi	Marketing	40	22.05.2017	4,21,228	BCA, MCA	ICICI Bank	Permanent	NIL	No
9	Mr. Mahendra Brahmhatt	Account Manager	68	01.05.2003	3,76,992	B Com / LLB	Himadri Textile Mills	Permanent	NIL	No
10	Mr. Himanashu Shah	3D Graphics Designer	27	30.07.2013	2,96,330	B Com	Creative Infocity Ltd.	Permanent	NIL	No

**ANNEXURE – C****Form No.MGT-9****EXTRACT OF ANNUAL RETURN****For the Financial Year ended on 31st March, 2018**

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

I. REGISTRATION AND OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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



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

i) Category-wise Share Holding -

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



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

(ii) Shareholding of Promoters-

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	%of total Shares of the company	%of Shares Pledged/ encumbered to total shares	No. of Shares	%of total Shares of the company	%of Shares Pledged/ encumbered to total shares	% change in share holding during the year
1	Mr. Rohitbhai Brahmabhatt	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 Brahmabhatt	100	0.00025	-	100	0.00025	-	-
7	Mr. Suvas H. Barot	300	0.00075	-	300	0.00075	-	-

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

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

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

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

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

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

V. INDEBTEDNESS

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

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**A. Remuneration to Whole Time Director (Rs. In lakhs)**

Sr. No	Particulars of Remuneration	Mr. Suvas Barot-Whole-time Director (Rs. In Lakhs)
1	Gross Salary	
	a) Salary as per provisions contained in Section 17(1) of Income Tax Act, 1961	17.64
	b) Value of perquisites u/s 17(2) of Income Tax Act, 1961	NIL
2	Stock Option	NIL
3	Sweat Equity	NIL
4	Commission	NIL
	- As % of profit	NIL
	- Others, specify	NIL
5	Other, Please specify	NIL
	Total	17.64
	Ceiling as per the Act	-



B. Remuneration to other Directors :

(i) Independent & Non – Executive

Sr. No	Particulars of Remuneration	Mr. Premal Mehta-Independent Director (Amount in Rs.)	Mr. Sunil Chhabaria-Independent Director (Amount in Rs.)	Total (Amount in Rs.)
1.	Fees for attending Board/Committee Meetings	1,12,500	1,12,500	2,25,000
2.	Commission	NIL	NIL	NIL
3.	Other, Please Specify	NIL	NIL	NIL
	Total	1,12,500	1,12,500	2,25,000

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 (Rs. in Lakhs)
1	Gross Salary			
	a) Salary as per provisions contained in Section 17(1) of Income Tax Act, 1961	5.61	6.06	11.67
	b) Value of perquisites u/s 17(2) of Income Tax Act, 1961	NIL	NIL	NIL
2	Stock Option	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL
4	Commission	NIL	NIL	NIL
	- As % of profit	NIL	NIL	NIL
	- Others, specify	NIL	NIL	NIL
5	Other, Please specify	NIL	NIL	NIL
	Total	5.61	6.06	11.67

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

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

**ANNEXURE – 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 st December, 2017
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. 63.9273 As per RBI rate
4.	Share capital	82,71,610
5.	Reserves & surplus	(217,31,559)
6.	Total assets	33945
7.	Total Liabilities	88,99,895
8.	Investments	NIL
9.	Turnover	NIL
10.	Net Loss	(7,55,354)
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			

- Names of associates or joint ventures which are yet to commence operations.
- 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:- 28th July, 2018
Place:- Gandhinagar

**FORM NO. AOC.2**

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1. Details of Contracts or arrangement or transactions not at Arm Length Basis	
a) Name(s) of the related party	EGS Contact Center Solutions Private Limited
b) Nature of relationship	Director is Shareholder/Member in the Related Party
c) Nature of contracts / arrangements / transactions	Entered into Leave & License Agreement for licensing the premises
(d) Date of Agreement	From 31 st October, 2017.
e) Salient terms of the contracts or arrangement	Licensed Premises Admeasuring 22,000 sq.ft located at 3 rd Floor, Info-Tower-4, Infocity, Gandhinagar.
Date(s) of approval by the Board, if any:	20 th December, 2017
(g) Amount paid as advances, if any: Nil	NIL

For and on behalf of Board

Suvas H. Barot
Whole Time Director
DIN:- 02532094



For and on behalf of Board



Rashmikumar Barot
Director
DIN:- 00136801

Date: 28th July, 2018.

Place: Gandhinagar

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

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

For and on behalf of Board
Suvas H. Barot
Whole Time Director
DIN:- 02532094**For and on behalf of Board**
Rashmikumar Barot
Director
DIN:- 00136801**Date: 28th July, 2018**
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 2017-2018	Net Profit for the Last Three Financial Years			
	2016-2017	2015-2016	2014-2015	Total
Amt in Rs.	10,29,63,932	5,03,84,136	6,83,86,293	22,17,34,361/-
Average Net Profit	7,39,11,454/-			
Minimum mandatory CSR Expenditure to be done at 2% of Average Net Profit				Rs. 14,78,229/-

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above):
Rs. 14,78,229/-**5. Details of CSR spent during the financial year:**

- a. Total amount to be spent for the financial year: Rs. 14,78,229/-
- b. Amount unspent: NIL
- c. Manner in which the amount spent during the financial year are as under:

(1) Sr. No.	(2) CSR Project/ Activity identified	(3) Sector in which the Project covered	(4) Projects/Programs in the area (1) Local area or other (2) Specify the state and district where project/program was undertaken	(5) Amount Outlay(budget) Project/ Program wise	(6) Amount spent on the projects or programs Sub-heads (1) Direct expenditure on projects or programs (2) Overheads:	(7) Cumulative expenditure upto the reporting period (in Rs.)	(8) Amount spent: Direct or through implementing agency
1	Schedule VII (ii) promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly and the differently abled and livelihood enhancement projects	Education Sector	Ahmedabad/ Gandhinagar	Rs. 80,00,000/-	Direct expenditure	80,00,000/-	Implementing Agency

7. Reasons for not spending amount allocated for CSR activities: Not Applicable

Note:- The Company has spent Rs. 80,00,000/- towards CSR Expenditure of cumulative of past years of 2014-2015, 2015-2016, 2016-2017 and 2017-2018 amounting to Rs. 76,41,022/- against the minimum mandatory expenditure for the year 2017-2018 and has made excess expenditure of Rs. 3,58,978/- for the same.



For and on behalf of the Board



Suvas Barot
Whole Time Director
DIN:-02532094



Rashmikumar Barot
Director
DIN:- 00136801

Date: 28th July, 2018
Place: Gandhinagar

**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, 2018, 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 Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006, as amended ("Accounting Standards"), and other accounting principles generally accepted in India. 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. In conducting 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 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



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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 the consideration of report of the other auditor on 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 Standards and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2018, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note 24 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. 33,945 as at 31st March, 2018, total revenues of Rs. NIL and net cash flows amounting to Rs. 13,343 for the year ended on that date, as considered in the consolidated financial statements. These 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, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the report of the other auditor.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter 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 and on the consideration of the report of the other auditor on separate financial statements of the subsidiary, referred in the Other Matters paragraph above we report, to the extent applicable, that:

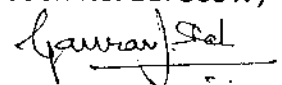
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.



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- (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, 2018 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company, being the only Company incorporated in India in the Group to which requirements of section 164(2) of the Act are applicable, is disqualified as on 31st March, 2018 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 separate Report in "Annexure A", which is based on the auditors' report of the Holding company, being the only Company incorporated in India in the Group. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting 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 incorporated in India in the Group to which such requirements are applicable.

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



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

Place: Ahmedabad
Date: 28th July, 2018

**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section 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 31st March, 2018, we have audited the internal financial controls over financial reporting of Creative Infocity Limited (hereinafter referred to as "the Holding Company"), as of that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Holding company, 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 ("the 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 Holding 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.

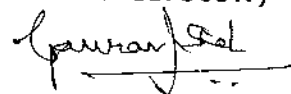
Inherent Limitations of Internal Financial Controls Over Financial Reporting

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 31st March, 2018, 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: 28th July, 2018

CREATIVE INFOCITY LIMITED			
Consolidated Balance sheet as at 31 March, 2018			
Particulars	Note	As at 31 March, 2018	As at 31 March, 2017
		(Rupees)	(Rupees)
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	2	393,694,870	393,694,870
(b) Reserves and surplus	3	868,843,937	813,680,937
		1,262,538,807	1,207,375,807
2 Non-current liabilities			
(a) Deferred Tax Liabilities (Net)	29	3,994,353	4,746,015
		3,994,353	4,746,015
3 Current liabilities			
(a) Short-term borrowings	4	6,774	6,052,608
(b) Trade payables	5	-	-
Trade Payable of Micro Enterprises and Small Enterprises (Refer note 25)		-	-
Others		64,004,810	59,475,577
(c) Other current liabilities	6	32,090,508	48,537,142
(d) Short-term Provisions	7	68,280	29,658
		96,170,372	114,094,985
TOTAL		1,362,703,532	1,326,216,807
B ASSETS			
1 Non-current assets			
(a) Fixed assets			
Tangible assets	8	52,003,459	38,508,505
(b) Non-current investments	9	-	-
(c) Long-term loans and advances	10	176,820,048	182,930,539
		228,823,507	221,439,044
2 Current assets			
(a) Inventories	11	443,950,174	438,577,102
(b) Trade receivables	12	9,803,317	5,236,007
(c) Cash and Bank Balances	13	666,226,804	644,432,394
(d) Short-term loans and advances	14	3,418,321	791,333
(e) Other current assets	15	10,481,409	15,740,927
		1,133,880,025	1,104,777,763
TOTAL		1,362,703,532	1,326,216,807
See accompanying notes forming part of the financial statements			

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

Gaurav J. Shah

Gaurav J. Shah
Partner



Place : Ahmedabad
Date : 28th July, 2018

For and on behalf of the Board of Directors

Suvas Barot

Suvas Barot
Whole Time Director

Rashmikumar Barot
Director

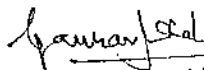
Shradha Bhimani
Shradha Bhimani
Company Secretary

Ravikumar Jain
Ravikumar Jain
Chief Financial Officer

Place : Gandhinagar
Date : 28th July, 2018

CREATIVE INFOCITY LIMITED				
Consolidated Statement of Profit and Loss for the year ended 31 March, 2018				
Particulars		Note	For the year ended 31 March, 2018	For the year ended 31 March, 2017
			(Rupees)	(Rupees)
1	Revenue from operations	16	119,748,198	150,520,976
2	Other income	17	41,908,784	66,817,051
3	Total revenue (1+2)		161,656,982	217,338,027
4	Expenses			
	(a) Changes in inventories of finished goods and work-in-progress	18	(5,373,072)	-
	(b) Employee benefits expense	19	18,072,639	16,830,296
	(c) Finance costs	20	3,273,398	1,487,026
	(d) Depreciation and amortization expense	8	4,425,413	4,275,227
	(e) Other expenses	21	66,379,818	92,485,743
	Total expenses		86,778,196	115,078,292
5	Profit before tax (3-4)		74,878,786	102,259,735
6	Tax expense:			
	(a) Current tax expense		21,871,691	38,000,000
	(b) (Less): MAT Credit utilized		-	(15,396,218)
	(c) Short provision for tax relating to prior years		(868,758)	(39,268,582)
	Net current tax expense		21,002,933	(16,664,800)
	(d) Deferred tax		(751,662)	805,830
			20,251,271	(15,858,970)
7	Profit for the year (5-6)		54,627,515	118,118,705
8	Earnings per share (of Rs. 10/- each):			
	Basic and Diluted	22	1.39	3.00
	See accompanying notes forming part of the financial statements			

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

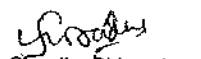

Gaurav J. Shah
Partner



Place : Ahmedabad
Date : 28th July, 2018

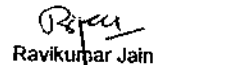
For and on behalf of the Board of Directors


Suvas Barot
Whole Time Director


Shradha Bhimani
Company Secretary

Place : Gandhinagar
Date : 28th July, 2018


Rashmikumar Barot
Director


Ravikumar Jain
Chief Financial Officer

CREATIVE INFOCITY LIMITED		
Consolidated Cash flow statement for the year ended 31 March 2018		
Particulars	For the year ended 31 March 2018 (Rupees)	For the year ended 31 March 2017 (Rupees)
(A) Cash flow from operating activities		
Net Profit before tax	74,878,786	102,259,735
Adjustments for :		
Depreciation & Amortization	4,425,413	4,275,227
Finance cost	3,273,398	1,487,026
Interest income	(40,661,309)	(56,999,493)
Foreign exchange loss	41,536	(262,997)
Foreign Currency Translation Reserve	535,485	-
(Gain)/Loss on Sale of Assets	(324,257)	(70,000)
Sundry balance written back	(919,978)	(9,196,136)
Provision for Doubtful Debts, Advances and Sundry Balances written off	-	2,310,838
Operating Profit Before Working Capital Changes	41,249,074	43,804,200
Adjustments for working capital changes :		
(Increase)/decrease in Inventories	(5,373,072)	-
(Increase)/decrease in trade Receivables	(4,538,866)	(182,122)
(Increase)/decrease in long-term loans and advances	62,344	(2,112,074)
(Increase)/Decrease in Other current assets	-	28,601
(Increase) / decrease in short-term loans and advances	(2,626,988)	713,936
Increase/(Decrease) in trades payables	5,336,253	(1,565,135)
Increase/(Decrease) in short-term provisions	38,622	29,658
Increase/(Decrease) in other current liabilities	(16,403,655)	(539,164)
Cash generated from operations	17,743,712	40,177,900
Direct taxes paid	(14,589,935)	(29,565,086)
Net cash flow from operating activities (A)	3,153,777	10,612,814
Cash flows from investing activities		
Increase in fixed assets	(17,796,110)	(123,928)
Proceeds from sale of fixed assets	200,000	70,000
(Increase) / Decrease in bank deposit balances not considered as cash and cash equivalents	(8,664,597)	(23,368,963)
Interest Received	45,555,975	45,587,584
Net Cash flow from/(used in) Investing Activities (B)	19,295,268	22,164,693
Cash flows from financing activities		
Repayment of short-term borrowings	(6,045,834)	6,052,608
Finance costs	(3,273,398)	(1,487,026)
Net cash from/(used in) Financing activities (C)	(9,319,232)	4,565,582
Net increase in cash and cash equivalents (A + B + C)	13,129,813	37,343,089
Cash and cash equivalents at the beginning of the year	269,422,911	232,079,822
Cash and cash equivalents at the end of the year	282,552,724	269,422,911



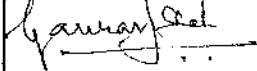
	For the year ended 31 March 2018 (Rupees)	For the year ended 31 March 2017 (Rupees)
Note 1		
Components of cash and cash equivalents		
a) Cash in Hand	14,430	3,267
b) Balances with Banks		
(i) In Current Accounts	1,806,678	6,777,041
(ii) In Deposits Accounts	280,731,616	262,642,603
Cash and cash equivalents as per note 13	282,552,724	269,422,911

Note 2

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

See accompanying notes forming part of the financial statements

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




Gaurav J. Shah
Partner

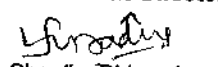


Place : Ahmedabad
Date : 28th July, 2018

For and on behalf of the Board of Directors



Suvas Barot
Whole Time Director


Shradha Bhimani
Company Secretary
Place : Gandhinagar
Date : 28th July, 2018



Rashmikumar Barot
Director


Ravikumar Jain
Chief Financial Officer

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 unrealized 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, 2018, 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 December, 2017. No significant transactions or other events have occurred between 31 December, 2017 and 31 March 2018 in respect of the subsidiary having financial year ended on 31 December, 2017.
- 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, 2018	31 March, 2017
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 their 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 assets ready for their intended use and other incidental expenses attributable to acquisition of fixed assets. Leasehold land pertaining to premises meant for long-term lease is not capitalized and forms part of inventory. Leasehold land on which corporate office is constructed is capitalized.

e) Borrowing Cost

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

f) Depreciation and Amortization:

- 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 amortized 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 their 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

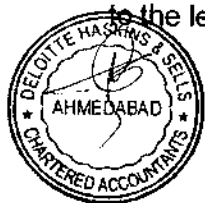
Current investments are carried at lower of cost or fair value. Long-term investments are carried at cost. Provision is made to recognize a decline, other than temporary, in the carrying amount of long-term investments.

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.

i) Revenue recognition

- i) Revenue from long term lease of premises is recognized when risk and rewards are transferred to the lessee.



CREATIVE INFOCITY LIMITED

Notes forming part of the Consolidated Financial Statements

- 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.

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



CREATIVE INFOCITY LIMITED

Notes forming part of the Consolidated Financial Statements

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, 2018 (Rupees)	As at 31 March, 2017 (Rupees)
Authorized :		
9,00,00,000 Equity Shares of Rs.10/- each	900,000,000	900,000,000
TOTAL	900,000,000	900,000,000
Issued, Subscribed & Paid up		
39,369,487 Equity Shares of Rs.10/- each	393,694,870	393,694,870
(31 March, 2017: 39,369,487 Equity shares of Rs.10/- each)		
TOTAL	393,694,870	393,694,870
(i) Reconciliation of the number of Equity Shares outstanding at the beginning and at the end of the year :		
	As at 31 March, 2018	As at 31 March, 2017
At the Beginning of the year	393,694,870	39,369,487
Issued during the year		
Outstanding at the end of year	393,694,870	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 31 March, 2018	As at 31 March, 2017
Creative IT Inc.	Nos. 29,898,029	29,898,029
	% Holding 75.94	75.94
Gujarat Informatics Ltd.	Nos. 9,470,758	9,470,758
	% Holding 24.06	24.06

3 Reserves & Surplus

PARTICULARS	As at 31 March, 2018	As at 31 March, 2017 (Rupees)
Capital Reserve (Capital Subsidy received from Government of Gujarat)		
Balance as per last Balance Sheet	250000000	25,000,000
Foreign Currency Translation Reserve	1,466,770	931,285
Surplus in statement of Profit and Loss		
Opening Balance	787,749,652	669,630,947
Add:-Profit for the year	54,627,515	118,118,705
Closing Balance	842,377,167	787,749,652
TOTAL	868,843,937	813,680,937



4 Short Term Borrowings

PARTICULARS	As at 31 March, 2018	As at 31 March, 2017 (Rupees)
Loan repayable on demand From Banks (Secured against Fixed Deposits)	6,774	6,052,608
TOTAL	6,774	6,052,608

5 Trade Payables

PARTICULARS	As at 31 March, 2018	As at 31 March, 2017 (Rupees)
Trade Payable of Micro Enterprises and Small Enterprises (refer note 25)		-
Trade Payable -Other than Acceptance For Goods and Services	31,860,872	31,215,831
GIL Revenue sharing payable (refer note 24)	32,143,938	28,259,746
TOTAL	64,004,810	59,475,577

6 Other Current Liabilities

PARTICULARS	As at 31 March, 2018	As at 31 March, 2017 (Rupees)
Other Payables		
(i) Statutory Remittances (contributions to PF, ESIC, Tax deducted at source, GST etc.)	480,787	700,340
(ii) Advances from customers	312,187	504,373
(iii) Security Deposit Received	31,297,534	47,332,429
TOTAL	32,090,508	48,537,142

7 Short Term Provisions

PARTICULARS	As at 31 March, 2018 (Rupees)	As at 31 March, 2017 (Rupees)
Provision for Gratuity	68,280	29,658
TOTAL	68,280	29,658



Financial Year 2017-18

NOTE NO. 8

FIXED ASSETS AND DEPRECIATION & AMORTIZATION

No.	Particulars	GROSS BLOCK				DEPRECIATION FUND				NET BLOCK	
		As on 01.04.2017	Addition During the Year	Deduction During the Year	As on 31.03.2018	Upto 01.04.2017	During the Year	Sales/Adjustment during the Year	As on 31.03.2018	As on 31.03.2017	As on 31.03.2017
	Tangible Assets										
1	Land (Lease hold)	136,172	-	-	136,172	65,742	4,696	-	70,438	70,430	70,430
2	Building	52,580,995	-	-	52,580,995	17,798,233	1,709,529	-	19,505,762	34,784,762	34,784,762
3	Furniture & Fixture	3,849,554	11,804,390	-	15,653,944	2,970,043	920,279	-	3,890,322	879,511	879,511
4	Office Equipment	14,436,851	5,991,719	-	20,428,570	12,374,196	1,468,310	-	13,842,506	2,062,855	2,062,855
5	Computers & Peripherals	8,018,702	-	-	8,018,702	7,452,088	290,500	-	7,742,588	566,614	566,614
6	Vehicle	4,397,888	-	-	4,397,888	4,253,355	32,099	(124,258)	4,161,196	144,533	144,533
	Grand Total	83,420,162	17,796,109	-	101,216,271	44,911,657	4,425,413	(124,258)	49,212,812	52,003,459	38,508,505



9 Non Current Investment

PARTICULARS	As at 31 March, 2018 (Rupees)	As at 31 March, 2017 (Rupees)
INVESTMENTS (AT COST) :		
Trade - Unquoted :		
Wholly owned subsidiary Company		
2,35,000 (Previous Year 2,35,000) Equity Shares of USD		
1 each fully paid up		
Creative Infocity Inc. (Wholly owned subsidiary Company)	12,865,610	12,865,610
Less:		
Provision for permanent diminution in the value of		
Investment	(12,865,610)	(12,865,610)
Total	-	-

10 Long-term Loans & advances

PARTICULARS	As at 31 March, 2018 (Rupees)	As at 31 March, 2017 (Rupees)
Unsecured, Considered good		
a) Security Deposits*	4,651,969	4,651,969
b) Advance Income tax (net of provision)	162,312,665	161,882,942
c) MAT Credit Receivable	8,601,179	15,079,050
d) Others-Service tax **	1,254,235	1,316,578
TOTAL	176,820,048	182,930,539

*exclude doubtful advances, against which full provision made – Rs.1,489,192 (Previous year: Rs. 1,489,192).
** Includes Rs. 1,254,235 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, 2018 (Rupees)	As at 31 March, 2017 (Rupees)
a) Lease Hold Land	22,418,808	22,418,808
b) Finished Structures	418,873,872	413,500,800
c) Work in progress	2,657,494	2,657,494
TOTAL	443,950,174	438,577,102

12 Trade Receivables

PARTICULARS	As at 31 March, 2018 (Rupees)	As at 31 March, 2017 (Rupees)
Trade receivables outstanding for a period exceeding six months from the date they were due for payment :		
a) Unsecured, considered good		515,657
b) Unsecured, considered doubtful	2,955,807	2,955,807
Less : Provision for Doubtful Debts	2,955,807	3,471,464
	2,955,807	2,955,807
Other Trade receivables:		515,657
a) Unsecured, considered good	9,803,317	4,720,350
TOTAL	9,803,317	5,236,007



13 Cash and Bank Balances

PARTICULARS	As at 31 March, 2018 (Rupees)	As at 31 March, 2017 (Rupees)
A) Cash and Cash Equivalents		
a) Cash in Hand	14,430	3,267
b) Balances with Banks		
(i) In Current Accounts	1,806,678	6,777,041
(ii) In Deposits Accounts	280,731,616	262,642,603
B) Other Bank Balances		
(i) In Deposits Accounts (refer note (i),(ii) and (iii) below)	350,905,932	345,371,001
(ii) In Margin Money Accounts	12,500,000	12,500,000
(iii) In Escrow Account (refer note 24)	20,268,148	17,138,482
TOTAL	666,226,804	644,432,394

Note:

(i) Other Bank Balances include deposits amounting to Rs. 32,933,553 (As at 31 March 2017 Rs.20,000,000) pledged with banks against overdraft facilities.

(ii) Other Bank Balances with banks include deposits of Rs. 334,482,666 (As at 31 March 2017 Rs.284,743,927) under lien to bank.

(iii)Cash and Bank Balances include deposits of Rs. Nil (As at 31 March 2017 Rs.61,401,738) with a maturity of more than 12 months.

14 Short-term Loans and Advances

PARTICULARS	As at 31 March, 2018 (Rupees)	As at 31 March, 2017 (Rupees)
Unsecured, considered good		
(a) Advances recoverable in cash or in kind or for value to be received	595,230	516,663
(b) Prepaid Expenses - Unsecured, considered good	541,733	274,670
(c) Balances with Government Authorities	2,281,358	0
TOTAL	3,418,321	791,333

15 Other Current Assets

PARTICULARS	As at 31 March, 2018 (Rupees)	As at 31 March, 2017 (Rupees)
Interest accrued on Fixed Deposits	10,481,409	15,740,927
TOTAL	10,481,409	15,740,927



CREATIVE INFOCITY LIMITED
Notes forming part of the Consolidated financial statements

16 Revenue from Operations

PARTICULARS	For the year ended 31 March, 2018 (Rupees)	For the year ended 31 March, 2017 (Rupees)
Licence Fees and Maintenance charges	119,748,198	150,520,976
Total	119,748,198	150,520,976

17 Other Income

PARTICULARS	For the year ended 31 March, 2018 (Rupees)	For the year ended 31 March, 2017 (Rupees)
Interest Income:		
On Fixed Deposits	40,296,458	44,422,187
On Income tax refund	364,851	12,577,306
Net gain on foreign currency transactions and translations	-	262,997
Gain on sale of fixed assets	324,257	70,000
Sundry balance written back	919,978	9,196,136
Misc. income	3,240	288,425
TOTAL	41,908,784	66,817,051

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

PARTICULARS	For the year ended 31 March, 2018 (Rupees)	For the year ended 31 March, 2017 (Rupees)
<u>Inventories at the end of the year:</u>		
Lease Hold Land	22,418,808	22,418,808
Finished Structures	418,873,872	413,500,800
Work in progress	2,657,494	2,657,494
Total	443,950,174	438,577,102
<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
Total	438,577,102	438,577,102
Change in Inventories	(5,373,072)	-



CREATIVE INFOCITY LIMITED
Notes forming part of the Consolidated financial statements

19 Employee Benefits Expense

PARTICULARS	For the year ended 31 March, 2018 (Rupees)	For the year ended 31 March, 2017 (Rupees)
Salaries and wages	16,363,135	14,325,510
Contributions to provident and other funds	1,207,341	1,112,159
Staff welfare expenses	502,163	1,392,627
TOTAL	18,072,639	16,830,296

20 Finance Costs

PARTICULARS	For the year ended 31 March, 2018 (Rupees)	For the year ended 31 March, 2017 (Rupees)
Interest Expenses	465,163	102,007
Other Borrowing cost	2,808,235	1,385,019
TOTAL	3,273,398	1,487,026

21 Other Expenses

PARTICULARS	For the year ended 31 March, 2018 (Rupees)	For the year ended 31 March, 2017 (Rupees)
Power and Fuel	6,854,515	9,416,275
Building material and labour charges	5,373,073	
Insurance	518,706	617,047
Building Repairs	19,925,538	53,429,344
Others Repairs	-	141,573
Lease Rent	239,212	212,915
Revenue Sharing	3,872,474	2,835,074
Rates and Taxes	1,873,259	1,413,697
Travelling and Conveyance	1,447,968	3,195,220
Stationery, Printing, Postage and Telephone	610,771	444,052
Advertisement Expenses	15,680	90,380
Legal and Professional Fees	11,020,641	10,132,879
Commission & Brokerage	1,828,725	1,327,725
Sales Promotion Expenses	1,534,188	1,392,595
Loss on Vehicle sold	-	-
Payment to Auditors (Refer note (i) below)	1,455,397	1,053,114
General Charges	1,768,135	2,918,015
Sundry Debit Balances Written off	0	-
Provision for Doubtful Debts	0	2,003,272
Provision for Doubtful Advances	0	307,566
Provision for Diminution of Share Investment	0	-
Corporate Social responsibilities Expenses	8,000,000	1,000,000
Donation	0	555,000
Net loss on foreign currency transactions and translations	41,536	-
TOTAL	66,379,818	92,485,743

(i) Payments to the auditors comprises :

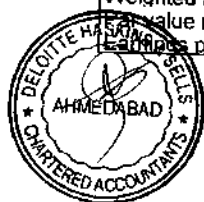
As Auditors - Statutory Audit	1,100,000	900,000
As Auditors - Tax Audit	150,000	150,000
Other Matters	90,000	-
Reimbursement of expenses	-	3,114
Audit Fees for Creative Infocity Inc	115,397	-
TOTAL	1,455,397	1,053,114

(ii) Corporate Social Responsibility Expenditure

(a) Gross amount required to be spent by the Company	1,478,229	16,60,079
(b) Amount Spent	8,000,000	10,00,000

22 Earnings Per Share

PARTICULARS	For the year ended 31 March, 2018 (Rupees)	For the year ended 31 March, 2017 (Rupees)
Basic and Diluted - Continuing		
Net profit for the year attributable to the equity shareholders	54,627,515	118,118,705
Weighted average number of equity shares	39,369,487	39,369,487
Value per share	10	10
Earnings per share - Basic and Diluted	1.39	3.00



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

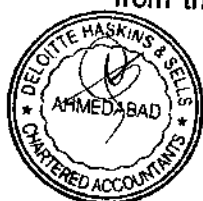
	Particulars	As at 31 March, 2018 (Rupees)	As at 31 March, 2017 (Rupees)
I)	Guarantees issued by Banks	342,104,376	311,998,000
II)	Disputed demand of Income Tax for which an appeal has been preferred	105,568,798	48,834,088
III)	Disputed demand of Service Tax for which an appeal has been preferred	136,591,913	136,591,913

24

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

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

The Company had entered into Master Lease Agreement (MLA) with Gujarat Informatics Limited (GIL). According to the terms of agreement, GIL has allotted leasehold land for development of IT Infrastructure, for which the Company pays lease rent and a share in license fees/ lease rent received from sub-lessees to GIL. GIL, raised certain issues and has unilaterally terminated MLA with the Company w.e.f. September 04, 2008. The issues between the Company and GIL are being resolved and the matter is before the arbitration proceedings as per the provisions of the Arbitration and Conciliation Act, 1996, proceedings of which are pending. Both, the Company and Gujarat Informatics Limited (GIL), have appointed Arbitrators from their side while the Honourable 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, 2018 balance in escrow account is Rs. 20,268,148 /- (As at March 31, 2017 : Rs. 17,138,482/-) 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. 17,591,635/- (Previous Year Rs. 55,126,045/-) 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.89,038,525/- (P.Y. Rs. 112,652,935/-).

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****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	2017-18 (Rupees)	2016-17 (Rupees)
a) Reconciliation of opening and closing balance of the present value defined benefit obligation		
Obligation at the beginning of the year	1,984,328	1,915,708
Current Service Cost	296,663	338,495
Past Service Cost – Vested Benefit Incurred During the Period	52,720	-
Interest Cost	150,214	154,598
Actuarial (Gain) / Loss	(76,265)	2,450
Benefits Paid	-	(426,923)
Obligation at the end of the year	2,407,660	1,984,328
b) Reconciliation of opening and closing balances of fair value of plan assets		
Plan assets at the beginning of the year, as fair value	1,954,670	1,944,309
Expected return on plan assets	147,969	156,906
Actuarial Gain / (Loss) on plan Assets	(7,257)	(28,521)
Contribution	243,998	308,899
Benefits Paid	-	(426,923)
Plan Assets at the end of the year at fair value	2,339,380	1,954,670
c) Net Asset / (Liability) recognised in Balance Sheet		
Obligation at the end of the year	(2,407,660)	(1,984,328)
Less : Plan assets at the end of the year at fair value	2,339,380	1,954,670
(Liability) / Asset recognised in Balance Sheet as at year end	(68,280)	(29,658)
d) Components of employer expenses for the year		
Current service cost	296,663	338,495
Interest cost	150,214	154,598
Expected return on plan assets	(147,969)	(156,906)



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

Net Actuarial (gain) / loss	(69,008)	30,971
Net Cost/(Gain)	282,620	367,158
e) Assumptions		
Discount Rate (p.a.)	7.87%	7.57%
Expected rate of return on opening plan assets (p.a.)	7.87%	7.57%
Expected rate of increase in compensation levels (p.a.)	7.00%	7.00%
Mortality rate during the Employment	Indian assured Lives Mortality (2006-08)	Indian assured Lives Mortality (2006-08)

f) Defined Contribution Plan

Particulars	2017-18 (Rupees)	2016-17 (Rupees)
Amount recognized as an expenses and included in Note 19 of statement of Profit & Loss	817,988	793,773

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:

Gratuity	2017-18	2016-17	2015-16	2014-15	(Rupees) 2013-14
Present value of defined benefit Obligation	2,407,660	1,984,328	1,915,708	1,574,881	1,240,257
Fair Value of Plan assets	2,339,380	1,954,670	1,944,309	1,677,957	655,381
Funded status surplus/(deficit)	(68,280)	(29,658)	28,601	103,076	(584,876)
Experience gain/(loss) adjustments on plan liabilities	29,143	(137,831)	(230,416)	88,213	-
Experience gain/(loss) adjustments on plan assets	(7,257)	(28,521)	41,986	51,334	-



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	
3	Suryakant Mehta	
4	Shradha Bhimani	
5	Ravikumar D. Jain	
6	Mahendra Brahmhatt	Relative of Key Management Personnel
7	Gujarat Informatics Limited	Other Related Party
8	Suhan Reality Private Limited	
9	Faith Hospitalities Private Limited	
10	Infocity Clubs & Resorts Private Limited	
11	Impro Synergies Private Limited	
12	Impro Real Estate Private Limited	
13	First Hand Smart Education Foundation	
14	EGS Contact Center Solutions Pvt.Ltd.	

b). Transaction with Related Parties for the year 2017-18

Sr. No.	Nature of Transaction	(Rupees)							
		Subsidiary Company		Key Management Personnel		Relative of Key Management Personnel		Other Related Party	
		For the year ended 31 March, 2018	For the year ended 31 March, 2017	For the year ended 31 March, 2018	For the year ended 31 March, 2017	For the year ended 31 March, 2018	For the year ended 31 March, 2017	For the year ended 31 March, 2018	For the year ended 31 March, 2017
A	Volume of Transactions:								
1	Expenses:								
	Revenue sharing Gujarat Informatics Limited	-	-	-	-	-	-	3,872,474	2,835,074
	Lease rent Gujarat Informatics Limited	-	-	-	-	-	-	11,716	11,716
	Professional fees Suryakant Mehta	-	-	216,000	216,000	-	-	-	-
	Sales Promotion Expenses Infocity Club & Resorts Pvt. Ltd. Faith Hospitalities Pvt. Ltd.	-	-	-	-	-	-	-	11,622
2	Revenue								
	License fees and O & M Charges Suhan Reality Pvt Ltd. Infocity Club & Resorts Pvt. Ltd. EGS Contact Center Solutions Pvt.Ltd.							206,561 3,438,234 5,538,600	192,783 3,953,644 -



3	Employee Benefits Expenses								
	Suvas Barot	-	-	1,757,556	1,769,252	-	-	-	-
	Shradha Bhimani	-	-	539,800	515,850	-	-	-	-
	Ravikumar D. Jain	-	-	583,200	304,500	-	-	-	-
	Mahendra Brahmhatt	-	-	-	-	352,992	368,640	-	-
B	Balances at the end of the year:								
1	Long Term Loans & Advances								
	Deposit-Gujarat Informatics Limited	-	-	-	-	-	-	2,000,000	2,000,000
2	Trade Payable								
	Suryakant Mehta	-	-	15,900	16,200	-	-	-	-
	Suvas Barot	-	-	136,263	74,456	-	-	-	-
	Mukesh Ajbani	-	-	-	53,393	-	-	-	-
	Shradha Bhimani	-	-	46,000	39,800	-	-	-	-
	Ravikumar D. Jain	-	-	49,300	24,800	-	-	-	-
	Mahendra Brahmhatt	-	-	-	-	28,436	25,700	-	-
	Gujarat Informatics Limited	-	-	-	-	-	-	32,143,937	28,259,747
	Faith Hospitalities Pvt. Ltd.	-	-	-	-	-	-	5,473	9,035
3	Trade Receivable								
	Infocity Club & Resorts Pvt Ltd.							337,043	214,558
	EGS Contact Center Solutions Pvt.Ltd.							802,800	-
4	Other Current Liability								
	Infocity Club & Resorts Pvt Ltd.							670,680	670,680
	EGS Contact Center Solutions Pvt.Ltd.							1,350,000	-
5	Due from								
	Creative Infocity Inc (Investment)	-	-	-	-	-	-	-	-



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

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

Particulars	As at 31 March, 2018 (Rupees)	As at 31 March, 2017 (Rupees)
Deferred Tax Liability		
In respect of difference between Book and Tax Depreciation	4,154,986	4,746,015
Deferred Tax Assets		
In respect of provision for retirement benefits and bonus payable	160,633	-
Net Deferred Tax Liabilities	3,994,353	4,746,015

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

A handwritten signature in black ink, appearing to be "Suvas Barot".

Suvas Barot
Whole Time Director

A handwritten signature in black ink, appearing to be "Rashmikumar Barot".

Rashmikumar Barot
Director

A handwritten signature in black ink, appearing to be "Shradha Bhimani".

Shradha Bhimani
Company Secretary

A handwritten signature in black ink, appearing to be "Ravi Kumar Jain".

Ravi Kumar Jain
Chief Financial Officer

Place: Gandhinagar
Date: 28th July, 2018

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

We have audited the accompanying standalone financial statements of CREATIVE INFOCITY LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, 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 Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006, as amended ("Accounting Standards"), and other accounting principles generally accepted in India.

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.

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

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



Deloitte Haskins & Sells

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 obtained by us 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 Standards and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018, 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:

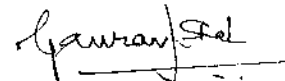
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of 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 of the Company as on 31st March, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.



Deloitte Haskins & Sells

- 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, as amended, 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.
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: 28th July, 2018

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section 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 31st March, 2018 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 Act.

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 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 Company's internal financial controls system over financial reporting.



Deloitte Haskins & Sells

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.

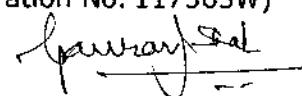
Inherent Limitations of Internal Financial Controls Over Financial Reporting

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 31st March, 2018, based on the criteria for internal financial control over financial reporting 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: 28th July, 2018

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 along with 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 Act.
- (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 Act 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 the Order is not applicable.
- (vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Act.
- (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, Service Tax, Customs Duty, Goods and Services Tax, cess and other material statutory dues applicable to it to the appropriate authorities.



Deloitte Haskins & Sells

- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Service Tax, Customs Duty, Goods and Services Tax, cess and other material statutory dues in arrears as at 31st March, 2018 for a period of more than six months from the date they became payable.
- (c) Details of dues of Income-tax, Service Tax, Customs Duty and Goods and Services Tax which have not been deposited as on 31st March, 2018 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount (Rs.)
Income Tax Act, 1961	Income Tax	Supreme Court / Income Tax Appellate Tribunal	Assessment year 2003-04 and 2004-05	63,221,078
Income Tax Act, 1961	Income Tax	Commissioner of Income-Tax (Appeal)	Assessment year 2006-07	41,773,010
Income Tax Act, 1961	Income Tax	Commissioner of Income-Tax (Appeal)	Assessment year 2015-16	574,710
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

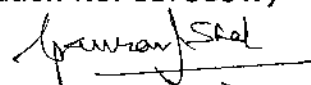
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company has not taken any loans or borrowings from financial institutions and government or has not issued any debentures.
- (ix) 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 Order is not applicable.



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- (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 Act.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the 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 Act, 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 the Order 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 Act 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: 28th July, 2018

CREATIVE INFOCITY LIMITED			
Standalone Balance sheet as at 31 March, 2018			
Particulars	Note	As at 31 March, 2018	As at 31 March, 2017
		(Rupees)	(Rupees)
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	2	393,694,870	393,694,870
(b) Reserves and surplus	3	877,709,889	822,327,018
		1,271,404,759	1,216,021,888
2 Non-current liabilities			
(a) Deferred Tax Liabilities (Net)	29	3,994,353	4,746,015
		3,994,353	4,746,015
3 Current liabilities			
(a) Short-term borrowings	4	6,774	6,052,608
(b) Trade payables	5	-	-
Trade Payable of Micro Enterprises and Small Enterprises (Refer note 25)		-	-
Others		55,104,914	50,782,200
(c) Other current liabilities	6	32,090,508	48,537,142
(d) Short-term Provisions	7	68,280	29,658
		87,270,476	105,401,608
TOTAL		1,362,669,588	1,326,169,511
B ASSETS			
1 Non-current assets			
(a) Fixed assets			
Tangible assets	8	52,003,459	38,508,505
(b) Non-current investments	9	-	-
(b) Long-term loans and advances	10	176,820,048	182,930,539
		228,823,507	221,439,044
2 Current assets			
(a) Inventories	11	443,950,174	438,577,102
(b) Trade receivables	12	9,803,317	5,236,007
(c) Cash and Bank Balances	13	666,192,858	644,385,098
(d) Short-term loans and advances	14	3,418,321	791,333
(e) Other current assets	15	10,481,411	15,740,927
		1,133,846,081	1,104,730,467
TOTAL		1,362,669,588	1,326,169,511
See accompanying Notes forming part of the standalone financial statements			

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

Gaurav J. Shah

Gaurav J. Shah
Partner



For and on behalf of the Board of Directors

Suvas Barot

Suvas Barot
Whole Time Director

Shradha Bhimani
Shradha Bhimani
Company Secretary

Rashmikumar Barot
Director

Ravikumar Jain
Ravikumar Jain
Chief Financial Officer

Place : Ahmedabad
Date : 28th July, 2018

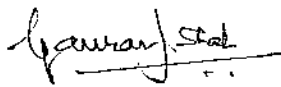
Place : Gandhinagar
Date : 28th July, 2018

CREATIVE INFOCITY LIMITED

Statement of Profit and Loss for the year ended 31 March, 2018

Particulars		Note	For the year ended 31 March, 2018	For the year ended 31 March, 2017
			(Rupees)	(Rupees)
1	Revenue from operations	16	119,748,198	150,520,976
2	Other income	17	41,908,785	66,817,051
3	Total revenue (1+2)		161,656,983	217,338,027
4	Expenses			
	(a) Changes in inventories of finished goods and work-in-progress	18	(5,373,072)	-
	(b) Employee benefits expense	19	18,072,639	16,830,296
	(c) Finance costs	20	3,273,398	1,487,026
	(d) Depreciation and amortization expense	8	4,425,413	4,275,227
	(e) Other expenses	21	65,624,463	91,781,546
	Total expenses		86,022,841	114,374,095
5	Profit before tax (3-4)		75,634,142	102,963,932
6	Tax expense:			
	(a) Current tax expense		21,871,691	38,000,000
	(b) (Less): MAT Credit utilized		-	(15,396,218)
	(c) Short/(Excess) provision for tax relating to prior years		(868,758)	(39,268,582)
	Net current tax expense		21,002,933	(16,664,800)
	(d) Deferred tax		(751,662)	805,830
			20,251,271	(15,858,970)
7	Profit for the year (5-6)		55,382,871	118,822,902
8	Earnings per share (of Rs. 10/- each):			
	Basic and Diluted	22	1.41	3.02
	See accompanying Notes forming part of the standalone financial statements			

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



Gaurav J. Shah
Partner



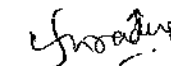
Place : Ahmedabad
Date : 28th July, 2018

For and on behalf of the Board of Directors

Suvas Barot
Whole Time Director

Rashmikumar Barot
Director


Shradha Bhimani
Company Secretary


Ravikumar Jain
Chief Financial Officer

Place : Gandhinagar
Date : 28th July, 2018

CREATIVE INFOCITY LIMITED
Cash flow statement for the year ended 31 March 2018

Particulars	For the year ended 31 March 2018 (Rupees)	For the year ended 31 March 2017 (Rupees)
(A) Cash flow from operating activities		
Net profit before tax	75,634,142	102,963,932
Adjustments for :		
Depreciation & amortization	4,425,413	4,275,227
Finance cost	3,273,398	1,487,026
Interest income	(40,661,309)	(56,999,493)
Foreign exchange loss/(gain)	41,536	(262,997)
(Gain)/loss on sale of assets	(324,258)	(70,000)
Provision for doubtful debts, advances and sundry balances written off	-	2,310,838
Sundry Balances written back	(919,978)	(9,196,136)
Operating profit before working capital changes	41,468,944	44,508,397
Adjustments for working capital changes :		
(Increase)/decrease in inventories	(5,373,072)	-
(Increase)/decrease in trade receivables	(4,538,866)	(182,122)
(Increase)/decrease in long-term loans and advances	62,344	(2,112,074)
(Increase)/decrease in other current assets	-	28,601
(Increase) / decrease in short-term loans and advances	(2,626,988)	713,936
Increase/(decrease) in trades payables	5,129,733	(2,212,761)
Increase/(decrease) in short-term provisions	38,622	29,658
Increase/(decrease) in other current liabilities	(16,403,655)	(539,164)
Cash generated from operations	17,757,062	40,234,471
Direct taxes paid	(14,589,935)	(29,565,086)
Net cash flow from operating activities (A)	3,167,127	10,669,385
Cash flows from investing activities		
Increase in fixed assets	(17,796,109)	(123,928)
Proceeds from sale of fixed assets	200,000	70,000
(Increase) / decrease in bank deposit balances not considered as cash and cash equivalents	(8,664,597)	(23,368,963)
Interest received	45,555,974	45,587,584
Net cash flow from/(used in) investing activities (B)	19,295,268	22,164,693
Cash flows from financing activities		
Increase/(Decrease) in short term borrowings	(6,045,834)	6,052,608
Finance costs	(3,273,398)	(1,487,026)
Net cash from/(used in) financing activities (C)	(9,319,232)	4,565,582
Net increase in cash and cash equivalents (A + B + C)	13,143,163	37,399,660
Cash and cash equivalents at the beginning of the year	269,375,615	231,975,955
Cash and cash equivalents at the end of the year	282,518,778	269,375,615



	For the year ended 31 March 2018 (Rupees)	For the year ended 31 March 2017 (Rupees)
Note 1		
Components of cash and cash equivalents		
a) Cash in hand	14,430	3,267
b) Balances with banks		
(i) In current accounts	1,772,732	6,729,745
(ii) In deposits accounts	280,731,616	262,642,603
Cash and cash equivalents as per note 13	282,518,778	269,375,615

Note 2

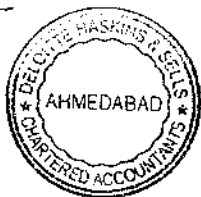
The above cashflow statement has been prepared under the "Indirect method" as set out in the Accounting Standard - 3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.

See accompanying Notes forming part of the standalone financial statements

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

Gaurav J. Shah

Gaurav J. Shah
Partner



Place : Ahmedabad
Date : 28th July, 2018

For and on behalf of the Board of Directors

Suvas Barot

Suvas Barot
Whole Time Director

Shradha Bhimani
Shradha Bhimani
Company Secretary

Place : Gandhinagar
Date : 28th July, 2018

Rashmikumar Barot

Rashmikumar Barot
Director

Ravikumar Jain
Ravikumar Jain
Chief Financial Officer

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 are prepared 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 financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the standalone 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 their 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 assets ready for their 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 capitalized up-to the date when such fixed assets are ready for their intended use and other borrowing costs are charged to the Statement of Profit and Loss.

e) Depreciation and Amortization:

- 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 amortized 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 their 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

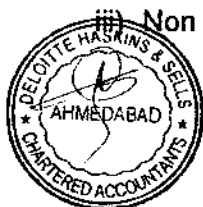
- i) Revenue from long term lease of premises is recognized when risk and rewards are transferred to the lessee.
- ii) Revenue from short term lease and operation and maintenance service is recognized on accrual basis.
- iii) Interest on deposits is recognized on time proportion basis.

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.

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.



CREATIVE INFOCITY LIMITED

Notes forming part of the Standalone Financial Statements

- 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 standalone financial statements

2 Share Capital

PARTICULARS	As at 31 March, 2018 (Rupees)	As at 31 March, 2017 (Rupees)
Authorized : 9,00,00,000 Equity Shares of Rs.10/- each	900,000,000	900,000,000
TOTAL Issued, Subscribed & Paid up	900,000,000	900,000,000
39,369,487 Equity Shares of Rs.10/- each (31 March, 2017: 39,369,487 Equity shares of Rs.10/- each)	393,694,870	393,694,870
TOTAL	393,694,870	393,694,870
(i) Reconciliation of the number of Equity Shares outstanding at the beginning and at the end of the year :		
	As at 31 March, 2018	As at 31 March, 2017
At the Beginning of the year	393,694,870	39,369,487
Issued during the year	-	-
Outstanding at the end of year	393,694,870	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 31 March, 2018	As at 31 March, 2017
Creative IT Inc. Nos.	29,898,029	29,898,029
% Holding	75.94	75.94
Gujarat Informatics Ltd. Nos.	9,470,758	9,470,758
% Holding	24.06	24.06

3 Reserves & Surplus

PARTICULARS	As at 31 March, 2018 (Rupees)	As at 31 March, 2017 (Rupees)
Capital Reserve (Capital Subsidy received from Government of Gujarat)		
Balance as per last Balance Sheet	25,000,000	25,000,000
Surplus in statement of Profit and Loss		
Opening Balance	797,327,018	678,504,116
Add:-Profit for the year	55,382,871	118,822,902
Closing Balance	852,709,889	797,327,018
TOTAL	877,709,889	822,327,018



CREATIVE INFOCITY LIMITED
Notes forming part of the standalone financial statements

4 Short Term Borrowings

PARTICULARS	As at 31 March, 2018 (Rupees)	As at 31 March, 2017 (Rupees)
Loan repayable on demand From Banks (Secured against Fixed Deposits)	6,774	6,052,608
TOTAL	6,774	6,052,608

5 Trade Payables

PARTICULARS	As at 31 March, 2018 (Rupees)	As at 31 March, 2017 (Rupees)
Trade Payable of Micro Enterprises and Small Enterprises (refer note 25)		
Trade Payable -Other than Acceptance For Goods and Services	22,960,976	22,522,452
GIL Revenue sharing payable (refer note 24)	32,143,938	28,259,748
TOTAL	55,104,914	50,782,200

6 Other Current Liabilities

PARTICULARS	As at 31 March, 2018 (Rupees)	As at 31 March, 2017 (Rupees)
Other Payables		
(i) Statutory Remittances (contributions to PF, ESIC and Tax deducted at source)	480,787	700,340
(ii) Advances from customers	312,187	504,373
(iii) Security Deposit Received	31,297,534	47,332,429
TOTAL	32,090,508	48,537,142

7 Short Term Provisions

PARTICULARS	As at 31 March, 2018 (Rupees)	As at 31 March, 2017 (Rupees)
Provision for Gratuity	68,280	29,658
TOTAL	68,280	29,658



Financial Year 2017-18 NOTE NO. 8 FIXED ASSETS AND DEPRECIATION & AMORTIZATION										
No.	Particulars	GROSS BLOCK			DEPRECIATION FUND				NET BLOCK	
		As on 01.04.2017	Addition During the Year	Deduction During the Year	As on 31.03.2018	Upto 01.04.2017	During the Year	Sales/ Adjustment during the Year	As on 31.03.2018	As on 31.03.2017
	Tangible Assets									
1	Land (Lease hold)	136,172	-	-	136,172	65,742	4,696	-	70,438	70,430
2	Building	52,580,995	-	-	52,580,995	17,796,233	1,709,529	-	33,075,233	34,784,762
3	Furniture & Fixture	3,849,554	11,804,390	-	15,653,944	2,970,043	920,279	-	11,763,622	879,511
4	Office Equipment	14,436,851	5,991,719	-	20,428,570	12,374,196	1,468,310	-	6,586,064	2,062,655
5	Computers & Peripherals	8,018,702	-	-	8,018,702	7,452,088	290,500	-	276,114	566,614
6	Vehicle	4,397,888	-	-	4,397,888	4,253,355	32,099	(124,258)	236,692	144,533
	Grand Total	83,420,162	17,796,109	-	101,216,271	44,911,657	4,425,413	(124,258)	52,003,459	38,508,505



9 Non Current Investment

PARTICULARS	As at 31 March, 2018 (Rupees)	As at 31 March, 2017 (Rupees)
INVESTMENTS (AT COST) :		
Trade - Unquoted :		
Wholly owned subsidiary Company		
2,35,000 (Previous Year 2,35,000) Equity Shares of USD		
1 each fully paid up	12,865,610	12,865,610
Creative Infocity Inc. (Wholly owned subsidiary Company)		
Less:		
Provision for permanent diminution in the value of	(12,865,610)	(12,865,610)
Investment		
Total	-	-

10 Long-term Loans & advances

PARTICULARS	As at 31 March, 2018 (Rupees)	As at 31 March, 2017 (Rupees)
Unsecured, Considered good		
a) Security Deposits*	4,651,969	4,651,969
b) Advance Income tax (net of provision)	162,312,665	161,882,942
c) MAT Credit Receivable	8,601,179	15,079,050
d) Others-Service tax **	1,254,235	1,316,578
TOTAL	176,820,048	182,930,539

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

** Includes Rs. 1,254,235 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, 2018 (Rupees)	As at 31 March, 2017 (Rupees)
a) Lease Hold Land	22,418,808	22,418,808
b) Finished Structures	418,873,872	413,500,800
c) Work in progress	2,657,494	2,657,494
TOTAL	443,950,174	438,577,102

12 Trade Receivables

PARTICULARS	As at 31 March, 2018 (Rupees)	As at 31 March, 2017 (Rupees)
Trade receivables outstanding for a period exceeding six months from the date they were due for payment :		
a) Unsecured, considered good	-	515,657
b) Unsecured, considered doubtful	2,955,807	2,955,807
	2,955,807	3,471,464
Less : Provision for Doubtful Debts	2,955,807	2,955,807
	-	515,657
Other Trade receivables:		
a) Unsecured, considered good	9,803,317	4,720,350
TOTAL	9,803,317	5,236,007



13 Cash and Bank Balances

PARTICULARS	As at 31 March, 2018 (Rupees)	As at 31 March, 2017 (Rupees)
A) Cash and Cash Equivalents		
a) Cash in Hand	14,430	3,267
b) Balances with Banks		
(i) In Current Accounts	1,772,732	6,729,745
(ii) In Deposits Accounts	280,731,616	262,642,603
B) Other Bank Balances		
(i) In Deposits Accounts (refer note (i) and (ii) below)	350,905,932	345,371,001
(ii) In Margin Money Accounts	12,500,000	12,500,000
(iii) In Escrow Account (refer note 24)	20,268,148	17,138,482
TOTAL	666,192,858	644,385,098

Note:

(i) Other Bank Balances include deposits amounting to Rs. 32,933,553 (As at 31 March 2017 Rs.20,000,000) pledged with banks against overdraft facilities.

(ii) Other Bank Balances with banks include deposits of Rs. 334,482,666 (As at 31 March 2017 Rs.284,743,927) under lien to bank.

(iii) Cash and Bank Balances include deposits of Rs. Nil (As at 31 March 2017 Rs.61,401,738) with a maturity of more than 12 months.

14 Short-term Loans and Advances

PARTICULARS	As at 31 March, 2018 (Rupees)	As at 31 March, 2017 (Rupees)
(a) Advances for goods and services	595,230	516,663
(b) Prepaid Expenses - Unsecured, considered good	541,733	274,670
(c) Balances with Government Authorities	2,281,358	-
TOTAL	3,418,321	791,333

15 Other Current Assets

PARTICULARS	As at 31 March, 2018 (Rupees)	As at 31 March, 2017 (Rupees)
Interest accrued on Fixed Deposits	10,481,411	15,740,927
TOTAL	10,481,411	15,740,927



16 Revenue from Operations

PARTICULARS	For the year ended 31 March, 2018 (Rupees)	For the year ended 31 March, 2017 (Rupees)
Licence Fees and Maintenance charges	119,748,198	150,520,976
Total	119,748,198	150,520,976

17 Other Income

PARTICULARS	For the year ended 31 March, 2018 (Rupees)	For the year ended 31 March, 2017 (Rupees)
Interest Income :		
On Fixed Deposits	40,296,458	44,422,187
On Income tax refund	364,851	12,577,306
Net gain on foreign currency transactions and translations	-	262,997
Gain on sale of fixed assets	324,258	70,000
Sundry Balances Written Back	919,978	9,196,136
Miscellaneous income	3,240	288,425
TOTAL	41,908,785	66,817,051

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

PARTICULARS	For the year ended 31 March, 2018 (Rupees)	For the year ended 31 March, 2017 (Rupees)
<u>Inventories at the end of the year:</u>		
Lease Hold Land	22,418,808	22,418,808
Finished Structures	418,873,872	413,500,800
Work in progress	2,657,494	2,657,494
Total	443,950,174	438,577,102
<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
Total	438,577,102	438,577,102
Change in Inventories	(5,373,072)	-



19 Employee Benefits Expense

PARTICULARS	For the year ended 31 March, 2018 (Rupees)	For the year ended 31 March, 2017 (Rupees)
Salaries and wages	16,363,135	14,325,510
Contributions to provident and other funds	1,207,341	1,112,159
Staff welfare expenses	502,163	1,392,627
TOTAL	18,072,639	16,830,296

20 Finance Costs

PARTICULARS	For the year ended 31 March, 2018 (Rupees)	For the year ended 31 March, 2017 (Rupees)
Interest Expenses	465,163	102,007
Other Borrowing cost	2,808,235	1,385,019
TOTAL	3,273,398	1,487,026

21 Other Expenses

PARTICULARS	For the year ended 31 March, 2018 (Rupees)	For the year ended 31 March, 2017 (Rupees)
Power and Fuel	6,854,515	9,416,275
Building material and labour charges	5,373,073	-
Insurance	518,706	617,047
Building Repairs	19,925,538	53,429,344
Others Repairs	-	141,573
Lease Rent	11,716	11,716
Revenue Sharing	3,872,474	2,835,074
Rates and Taxes	1,873,259	1,413,697
Travelling and Conveyance	1,238,605	2,968,536
Stationery, Printing, Postage and Telephone	575,822	444,052
Advertisement Expenses	15,680	90,380
Legal and Professional Fees	11,020,641	10,042,339
Commission & Brokerage	1,828,725	1,327,725
Sales Promotion Expenses	1,534,188	1,392,595
Payment to Auditors (Refer note (i) below)	1,340,000	1,053,114
General Charges	1,599,985	2,732,241
Provision for Doubtful Debts	-	2,003,272
Provision for Doubtful Advances	-	307,566
Corporate Social Responsibility Expenditure (Refer note (ii) below)	8,000,000	1,000,000
Donation	-	555,000
Net loss on foreign currency transactions and translations	41,536	-
TOTAL	65,624,463	91,781,546

(i) Payments to the auditors comprises :

As Auditors - Statutory Audit	1,100,000	900,000
As Auditors - Tax Audit	150,000	150,000
Other Matters	90,000	-
Reimbursement of expenses	-	3,114
TOTAL	1,340,000	1,053,114

(ii) Corporate Social Responsibility Expenditure

(a) Gross amount required to be spent by the Company	1,478,229	16,60,079
(b) Amount Spent	8,000,000	10,00,000

22 Earnings Per Share

PARTICULARS	For the year ended 31 March, 2018 (Rupees)	For the year ended 31 March, 2017 (Rupees)
<u>Basic and Diluted</u>		
Net profit for the year attributable to the equity shareholders	55,382,871	118,822,902
Weighted average number of equity shares	39,369,487	39,369,487
Face value per share	10	10
Earnings per share - Basic and Diluted	1.41	3.02



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

	Particulars	As at 31 March, 2018 (Rupees)	As at 31 March, 2017 (Rupees)
I)	Guarantees issued by Banks	342,104,376	311,998,000
II)	Disputed demand of Income Tax for which an appeal has been preferred	105,568,798	48,834,088
III)	Disputed demand of Service Tax for which an appeal has been preferred	136,591,913	136,591,913

24

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

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

The Company had entered into Master Lease Agreement (MLA) with Gujarat Informatics Limited (GIL). According to the terms of agreement, GIL has allotted leasehold land for development of IT Infrastructure, for which the Company pays lease rent and a share in license fees/ lease rent received from sub-lessees to GIL. GIL, raised certain issues and has unilaterally terminated MLA with the Company w.e.f. September 04, 2008. The issues between the Company and GIL are being resolved and the matter is before the arbitration proceedings as per the provisions of the Arbitration and Conciliation Act, 1996, proceedings of which are pending. Both, the Company and Gujarat Informatics Limited (GIL), have appointed Arbitrators from their side while the Honourable 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, 2018 balance in escrow account is Rs. 20,268,148 /- (As at March 31, 2017 : Rs. 17,138,482/-) 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. 17,591,635/- (Previous Year Rs. 55,126,045/-) 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.89,038,525/- (P.Y. Rs. 112,652,935/-).

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	2017-18 (Rupees)	2016-17 (Rupees)
a) Reconciliation of opening and closing balance of the present value defined benefit obligation		
Obligation at the beginning of the year	1,984,328	1,915,708
Current Service Cost	296,663	338,495
Past Service Cost – Vested Benefit Incurred During the Period	52,720	-
Interest Cost	150,214	154,598
Actuarial (Gain) / Loss	(76,265)	2,450
Benefits Paid	-	(426,923)
Obligation at the end of the year	2,407,660	1,984,328
b) Reconciliation of opening and closing balances of fair value of plan assets		
Plan assets at the beginning of the year, as fair value	1,954,670	1,944,309
Expected return on plan assets	147,969	156,906
Actuarial Gain / (Loss) on plan Assets	(7,257)	(28,521)
Contribution	243,998	308,899
Benefits Paid	-	(426,923)
Plan Assets at the end of the year at fair value	2,339,380	1,954,670
c) Net Asset / (Liability) recognised in Balance Sheet		
Obligation at the end of the year	(2,407,660)	(1,984,328)
Less : Plan assets at the end of the year at fair value	2,339,380	1,954,670
(Liability) / Asset recognised in Balance Sheet as at year end	(68,280)	(29,658)
d) Components of employer expenses for the year		
Current service cost	296,663	338,495
Interest cost	150,214	154,598
Expected return on plan assets	(147,969)	(156,906)



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

Net Actuarial (gain) / loss	(69,008)	30,971
Net Cost/(Gain)	282,620	367,158
e) Assumptions		
Discount Rate (p.a.)	7.87%	7.57%
Expected rate of return on opening plan assets (p.a.)	7.87%	7.57%
Expected rate of increase in compensation levels (p.a.)	7.00%	7.00%
Mortality rate during the Employment	Indian assured Lives Mortality (2006-08)	Indian assured Lives Mortality (2006-08)

f) Defined Contribution Plan

Particulars	2017-18 (Rupees)	2016-17 (Rupees)
Amount recognized as an expenses and included in Note 19 of statement of Profit & Loss	817,988	793,773

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:

Gratuity	2017-18	2016-17	2015-16	2014-15	(Rupees) 2013-14
Present value of defined benefit Obligation	2,407,660	1,984,328	1,915,708	1,574,881	1,240,257
Fair Value of Plan assets	2,339,380	1,954,670	1,944,309	1,677,957	655,381
Funded status surplus/(deficit)	(68,280)	(29,658)	28,601	103,076	(584,876)
Experience gain/(loss) adjustments on plan liabilities	29,143	(137,831)	(230,416)	88,213	-
Experience gain/(loss) adjustments on plan assets	(7,257)	(28,521)	41,986	51,334	-



28 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	
4	Suryakant Mehta	
5	Shradha Bhimani	
6	Ravikumar D. Jain	
7	Mahendra Brahmhatt	Relative of Key Management Personnel
8	Gujarat Informatics Limited	Other Related Party
9	Suhan Reality Private Limited	
10	Faith Hospitalities Private Limited	
11	Infocity Clubs & Resorts Private Limited	
12	Impro Synergies Private Limited	
13	Impro Real Estate Private Limited	
14	First Hand Smart Education Foundation	
15	EGS Contact Center Solutions Pvt.Ltd.	

b). Transaction with Related Parties for the year 2017-18

Sr. No.	Nature of Transaction	(Rupees)							
		Subsidiary Company		Key Management Personnel		Relative of Key Management Personnel		Other Related Party	
		For the year ended 31 March, 2018	For the year ended 31 March, 2017	For the year ended 31 March, 2018	For the year ended 31 March, 2017	For the year ended 31 March, 2018	For the year ended 31 March, 2017	For the year ended 31 March, 2018	For the year ended 31 March, 2017
A	Volume of Transactions:								
1	Expenses:								
	Revenue sharing Gujarat Informatics Limited	-	-	-	-	-	-	3,872,474	2,835,074
	Lease rent Gujarat Informatics Limited	-	-	-	-	-	-	11,716	11,716
	Professional fees Suryakant Mehta	-	-	216,000	216,000	-	-	-	-
	Sales Promotion Expenses Infocity Club & Resorts Pvt. Ltd. Faith Hospitalities Pvt. Ltd.							-	-
								-	11,622
2	Revenue								
	License fees and O & M Charges Suhan Reality Pvt Ltd. Infocity Club & Resorts Pvt. Ltd. EGS Contact Center Solutions Pvt.Ltd.							206,561 3,438,234 5,538,600	192,783 3,953,644 -



3	Employee Benefits Expenses								
	Suvas Barot	-	-	1,757,556	1,769,252	-	-	-	-
	Shradha Bhimani	-	-	539,800	515,850	-	-	-	-
	Ravikumar D. Jain	-	-	583,200	304,500	-	-	-	-
	Mahendra Brahmhatt	-	-	-	-	352,992	368,640	-	-
B	Balances at the end of the year:								
1	Long Term Loans & Advances	-	-	-	-	-	-	2,000,000	2,000,000
	Deposit-Gujarat Informatics Limited								
2	Trade Payable								
	Suryakant Mehta	-	-	15,900	16,200	-	-	-	-
	Suvas Barot	-	-	136,263	74,456	-	-	-	-
	Shradha Bhimani	-	-	46,000	39,800	-	-	-	-
	Ravikumar D. Jain	-	-	49,300	24,800	-	-	-	-
	Mahendra Brahmhatt	-	-	-	-	28,436	25,700	-	-
	Gujarat Informatics Limited	-	-	-	-	-	-	32,143,937	28,259,747
	Faith Hospitalities Pvt. Ltd.	-	-	-	-	-	-	5,473	9,035
3	Trade Receivable								
	Infocity Club & Resorts Pvt Ltd.							337,043	214,558
	EGS Contact Center Solutions Pvt.Ltd.							802,800	-
4	Other Current Liability								
	Infocity Club & Resorts Pvt Ltd.							670,680	670,680
	EGS Contact Center Solutions Pvt.Ltd.							1,350,000	-
5	Due from								
	Creative Infocity Inc (Investment)	-	-	-	-	-	-	-	-



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

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

Particulars	As at 31 March, 2018 (Rupees)	As at 31 March, 2017 (Rupees)
Deferred Tax Liability		
In respect of difference between Book and Tax Depreciation	4,154,986	4,746,015
Deferred Tax Assets		
In respect of provision for retirement benefits and bonus payable	160,633	-
Net Deferred Tax Liabilities	3,994,353	4,746,015

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

Rashmikumar Barot
Director

Shradha Bhimani
Company Secretary

Ravi Kumar Jain
Chief Financial Officer

Place: Gandhinagar
Date: 28th July, 2018