

# **NINETEENTH ANNUAL REPORT**

## **Financial Year: 2018 – 2019**



## **CREATIVE INFOCITY LIMITED**

[CIN: U45201GJ2000PLC038035]

### **REGISTERED OFFICE**

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

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

Email: [cil.cs@theinfocity.net](mailto:cil.cs@theinfocity.net)

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

### **US OFFICE**

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

**NINETEENTH ANNUAL REPORT (2018-2019)****BOARD OF DIRECTORS:**

Mr. Dilip S. Barot, Director  
Mr. Abhishekkumar Sinha, Additional Director  
Mr. Yashpal Kakkar, Director  
Mr. Snehal Desai, Director  
Mr. Suvas H. Barot, Whole Time Director  
Mr. Rashmikumar Barot, Director  
Mr. Ravikumar Jain, Alternate Director to Mr. Snehal Desai  
Mr. Premal Mehta, Independent Director  
Mr. Sunil Chhabaria, Independent Director  
Mr. Asharam D. Patel, Alternate Director to Mr. Dilip Barot  
Mr. Mahendra Brahmabhatt, Alternate Director to Mr. Yashpal Kakkar

**AUDIT COMMITTEE:**

Mr. Rashmikumar Barot  
Mr. Premal Mehta  
Mr. Sunil Chhabaria

**NOMINATION AND REMUNERATION COMMITTEE:**

Mr. Yashpal Kakkar  
Mr. Rashmikumar Barot  
Mr. Premal Mehta  
Mr. Sunil Chhabaria

**CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:**

Mr. Suvas H. Barot  
Mr. Premal Mehta  
Mr. Rashmikumar Barot

**COMPANY SECRETARY:**

Ms. Shradha Sharma

**CHIEF FINANCIAL OFFICER:**

Mr. Ravikumar Jain

**STATUTORY AUDITORS:**

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

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

**INTERNAL AUDITORS:**

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

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

**BANKERS:**

Bank of India, Infocity Branch  
Bank of Baroda, Infocity Branch  
IDBI Bank Limited, Infocity Branch  
State Bank of India, Infocity Branch



## **NOTICE OF NINETEENTH ANNUAL GENERAL MEETING**

Notice is hereby given that the **NINETEENTH ANNUAL GENERAL MEETING** of the Members of the Company will be held on **Monday, the 30<sup>th</sup> day of September, 2019 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 31<sup>st</sup> March, 2019, Statement of Profit and Loss for the year ended on that date, together with Auditors' and Directors' Report thereon.
2. To appoint a Director in place of Mr. Snehal Desai (DIN: 01945066), Director, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. Rashmikumar Barot (DIN: 00136801), Director, who retires by rotation and being eligible, offers himself for reappointment.

4. **Appointment of Statutory Auditors of the Company :**

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, K C Mehta & Co., Chartered Accountants (Firm Registration No. 106237W), be and is hereby appointed as Statutory Auditors of the Company in place of the retiring auditors Deloitte Haskins and Sells LLP, Chartered Accountants (Firm Registration No. 117366W), to hold office from the conclusion of this Annual General Meeting till the conclusion of the Twenty Fourth Annual General Meeting to be held in the year 2024 at such remuneration, as may be decided by the Board of Directors of the Company in consultation with the said Auditors.

**SPECIAL BUSINESS:**

5. To consider and if thought fit to pass with or without modification the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** in terms of Article 130 of the Articles of Association of the Company and Clause 4.1 of the Shareholders Agreement and pursuant to Section 161 of the Companies Act, 2013 and rules framed thereunder as amended Mr. Abhishekkumar Sinha (DIN: 08348523), Director-Institutional Finance, Government of Gujarat having consented be and is hereby appointed as Additional Director of the Company and to hold office upto the ensuing Annual General Meeting, representing Gujarat Informatics Limited, a Shareholder of the Company."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all acts, deeds and things to give effect to the said resolution"

Date: 6<sup>th</sup> September, 2019

Place: GANDHINAGAR



By Order of the Board



Suvas H. Barot

Whole-time Director

DIN:- 02532094

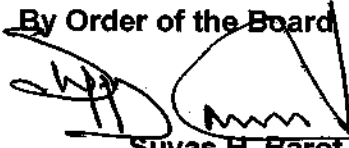
**NOTES:**

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.
6. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, pertaining to Item No. 5 is annexed.

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

**Date: - 6<sup>th</sup> September, 2019**  
**Place: - Gandhinagar**



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



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**STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

In conformity with the provisions of Section 102 (2) of the Companies Act, 2013, the following Explanatory Statement set out all material facts relating to the Special Business mentioned in the accompanying Notice and forms a part of the Notice calling Annual General Meeting for the Financial Year 2018-2019:

**ITEM NO 5:**

The Company is in receipt of a letter from the Finance Department, Government of Gujarat dated 26<sup>th</sup> December, 2018, for appointing Mr. Abhishekkumar Sinha, Director Institutional Finance, Government of Gujarat, as Director on the Board of the Company. Mr. Abhishekkumar Sinha is not disqualified from being appointed as a Director in terms of Section 164(2) of the Act and has given his consent to act as a Director.

Save and except Mr. Abhishekkumar Sinha, none of the other Directors/ Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

Accordingly the Board recommends the Resolution set out at Item No. 5 of the Notice in relation to appointment of Mr. Abhishekkumar Sinha as a Director of the Company representing Gujarat Informatics Limited, the Shareholder of the Company for your approval as a Ordinary Resolution.



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## **ATTENDANCE SLIP**

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

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

Folio No. \_\_\_\_\_

No. of Shares Held: \_\_\_\_\_

Name of Member(s)/ Proxy: \_\_\_\_\_

Address of Member(s)/ Proxy \_\_\_\_\_  
\_\_\_\_\_Please tick whether      Member ☐ Joint Holder ☐ Proxy ☐

*I hereby record my presence at the 19<sup>th</sup> Annual General Meeting of the members of the Creative Infocity Limited held on Monday, the 30<sup>th</sup> day of September, 2019 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](http://www.theinfocity.net) Email: [cl.cs@theinfocity.net](mailto:cl.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 Nineteenth Annual General Meeting of Shareholders of the Company to be held on **Monday, the 30<sup>th</sup> day of September, 2019 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 (-)
	<b>Ordinary Resolution</b>			
1	Adoption of Accounts for the Financial Year 2018-2019			
2	Re-appointment of Mr. Snehal Desai as Director of the Company			
3	Re-appointment of Mr. Rashmikumar Barot as Director of the Company			



# CREATIVE INFOCITY LTD.

(A joint venture with Govt. of Gujarat Undertaking - GIL.)



4	Appointment of Auditors			
5	Regularisation of Mr. Abhishekkumar Sinha, representative of Gujarat Informatics Limited as Director of the Company			

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2019

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 members 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 Nineteenth Annual Report together with the Audited Statement of Accounts for the financial year ended on 31<sup>st</sup> March, 2019:

### **FINANCIAL RESULTS:**

Your Company's financial performance for the year ended March 31, 2019 is summarized below:

(Amount in Rs.)

<b>YEAR ENDED ON MARCH 31</b>	<b>CURRENT YEAR</b>	<b>PREVIOUS YEAR</b>
Total Income	15,42,52,174	16,16,56,983
Total Expenditure excluding Depreciation	13,13,45,467	8,15,97,428
<b>PROFIT FOR THE YEAR</b>	<b>2,29,06,707</b>	<b>8,00,59,555</b>
Less: Depreciation	39,95,576	44,25,413
Profit Before Exceptional Items and Tax	2,29,06,707	7,56,34,142
Add: Exceptional Items	NIL	NIL
<b>Profit Before Tax</b>	<b>2,29,06,707</b>	<b>7,56,34,142</b>
Less: Provision for Tax	45,69,442	2,02,51,271
<b>Profit After Tax</b>	<b>1,83,37,265</b>	<b>5,53,82,871</b>

### **1. BUSINESS OPERATIONS:**

The income of the Company has decreased by 5% as compared to that in the previous financial year.

Profit Before Tax has decreased by 70% from **Rs. 7,56,34,142/-** for the last financial year to **Rs. 2,29,06,707/-** for the current financial year, whereas the Profit After Tax was decreased by 67% over the previous year figure. Due to the same, the Earning per share was decreased to **Rs. 0.47** per share during the current Financial Year as compared to **Rs. 1.41** per share during the previous financial year.

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. 16,05,000/- towards CSR activities as 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 D”

**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:**

Mr. Snehal Desai and Mr. Rashmikumar Barot, Directors of the Company are liable to retire by rotation. Both the directors offer themselves for reappointment. The Board, recommends the reappointment of Mr. Snehal Desai, Director of the Company and Mr. Rashmikumar Barot, Director of the Company.

Mr. Asharam D. Patel and Mr. Mahendra Brahambhatt have been appointed as Alternate Directors of the Company for Mr. Dilip Barot and Mr. Yashpal Kakkar, Directors of the Company respectively.

Mr. Abhishekkumar Sinha was appointed as Additional Director of the Company to represent Gujarat Informatics Limited and he holds office upto ensuing Annual General Meeting. You are requested to consider the resolution for his appointment as a Director 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 12<sup>th</sup> December, 2018.

**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 organizational 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:**

Six (6) meetings of the Board of Directors were held during the year under review.

**15. AUDITORS:**

At 14<sup>th</sup> Annual General Meeting, M/s. Deloitte Haskins & Sells, Chartered Accountants (Registration Number 117365W), were reappointed as the Statutory Auditors of the Company at the 14<sup>th</sup> Annual General Meeting to hold office from the conclusion of 14<sup>th</sup> Annual General Meeting to the conclusion of 19<sup>th</sup> Annual General Meeting of the Company.

The Board of Directors at its Meeting held on 6<sup>th</sup> September, 2019 has recommended K.C. Mehta & Co., Chartered Accountants having Firm Registration Number 106237W for the appointment as Statutory Auditors of the Company for a period of 5 years. You are requested to consider the resolution for the appointment.

**16. AUDITORS REPORT:**

The Auditors' Report for the financial year ended on 31<sup>st</sup> March 2019 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 A**.

**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 earning or 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 - B** 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 a wholly owned subsidiary in the name of **Creative Infocity Inc.**, in USA. 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 - C**.

**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, 2019, 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, 2019 and of the profit of the Company for the year ended on that date;
3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. The Directors have prepared the annual accounts of the Company on a 'Going Concern' basis;
5. The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
6. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**25. GENERAL**

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

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

**ACKNOWLEDGEMENTS:**


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



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



*For and on behalf of Board*

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

  
**Asharam D. Patel**  
Director  
DIN:- 07141587

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

**Date:- 6<sup>th</sup> September, 2019**  
**Place:- Gandhinagar**



**ANNEXURE – A**

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	33	01.10.2007	19.61	MBA Finance	Creative Infocity Ltd.	Permanent	0.00075	No
2	Mr. Asharam Patel	Manager-Operations	69		9,30,000	M.sc Agriculture	Union Bank of India	Permanent	NIL	No
3	Mr. Rakesh Shinde	Senior Business Co-ordinator	34	07.06.2013	7,59,123	BBA PG Diploma Business Administration	Sevelle UK Ltd.	Permanent	NIL	No
4	Mr. Ravikumar Jain	CFO	61	16.11.2009	6,54,000	M.sc	Bank of India	Permanent	NIL	No
5	Ms. Shradha Bhimani	Company Secretary	32	11.05.2015	6,31,566	CS, M.com/LLB	JP Iscon Limited	Permanent	NIL	No
5	Mr. Sourabh Saxena	Business Development Head	31	18.06.2015	5,58,374	BBA	Wipro Limited	Permanent	NIL	No
6	Ms. Deepika Trivedi	Business Development Head	30	12.04.2018	4,47,618	MBA	Solution Global Incorporation	Permanent	NIL	No
6	Mr. Mahendra Brahmbhatt	Account Manager	68	01.05.2003	4,05,492	B Com / LLB	Himadri Textile Mills	Permanent	NIL	No
7	Mr. Himanashu Shah	3D Graphics Designer	27	30.07.2013	3,81,	B Com	Creative Infocity Ltd.	Permanent	NIL	No
8	Mr. Sunil Barot	Operation & Maintenance-Supervisor	51	15.01.2000	3,53,868	B.com	Somany Pilkinsten Limited	Permanent	NIL	No

**ANNEXURE – B****Form No.MGT-9****EXTRACT OF ANNUAL RETURN****For the Financial Year ended on 31<sup>st</sup> 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 <sup>th</sup> day of May, 2000
iii)	Name of the Company:	Creative Infocity Limited
iv)	Category/ Sub-Category of the Company:	Limited by shares
v)	Address of the registered office and contact details:	Ground Floor, IT Tower-4, Infocity Complex, Near Indroda Circle, Airport Road, Gandhinagar – 382 009, Gujarat, India Phone: (079) 23213068-70, FAX: (079) 23213050 Email: <a href="mailto:shraddha@theinfocity.net">shraddha@theinfocity.net</a> Website: <a href="http://www.theinfocity.net">www.theinfocity.net</a>
vi)	Whether listed:	No
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any:	NOT Applicable

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

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

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

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

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

**i) Category-wise Share Holding -**

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



	-	-	-	-	-	-	-	-	-
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 Brahmbhatt	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 Brahmbhatt	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

#### IV. INDEBTEDNESS

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

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

#### V. 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	19.28
	b) Value of perquisites u/s 17(2) of Income Tax Act, 1961	0.32
2	Stock Option	NIL
3	Sweat Equity	NIL
4	Commission	NIL
	- As % of profit	NIL
	- Others, specify	NIL
5	Other, Please specify	NIL
	Total	19.61
	Ceiling as per the Act	27.69

**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	1,22,500	1,22,500	2,45,000
2.	Commission	NIL	NIL	NIL
3.	Other, Please Specify	NIL	NIL	NIL
	Total	1,22,500	1,22,500	2,45,000

**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	6.27	6.54	12.81
	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	6.27	6.54	12.81

**VI. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: N/A**

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

<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil



**ANNEXURE – C**

**Form AOC-1**

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

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

**Part “A”: Subsidiaries**

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

Sl. No.	Particulars	Details
1.	Name of the subsidiary	Creative Infocity Inc.
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31 <sup>st</sup> December, 2018
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.69.7923 As per RBI rate
4.	Share capital	82,71,610
5.	Reserves & surplus	(2,39,87,275)
6.	Total assets	24,497
7.	Total Liabilities	24,497
8.	Investments	NIL
9.	Turnover	NIL
10.	Net Loss	(7,88,945)
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

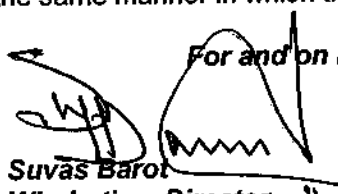
**Part "B": Associates and Joint Ventures**

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

  
**Asharam D. Patel**  
Director  
DIN:- 07141587

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



**Date:- 6<sup>th</sup> September, 2019**  
**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- NIL	
a) Name of the related Party	NIL
b) Nature of Relationship	NIL
c) Nature of contracts/arrangements/ transactions	NIL
d) Date of Agreement	NIL
e) Salient terms of the Contracts or Arrangement	NIL
f) Date of approval by the Board, if any:	NIL
g) Amount paid as advances, if any:	NIL

*For and on behalf of Board*

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

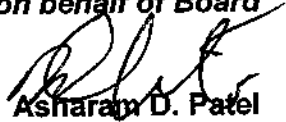


*For and on behalf of Board*

  
**Asharam D. Patel**  
**Director**  
**DIN:07141587**

**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. Baret****Whole Time Director  
DIN:- 02532094****Date: 6<sup>th</sup> September, 2019****Place: Gandhinagar****For and on behalf of Board**  
**Asharam D. Patel  
Director  
DIN:- 07141587**

**"Annexure- D"****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 2018-2019	Net Profit for the Last Three Financial Years			
	2017-2018	2016-2017	2015-2016	Total
Amt in Rs.	75,670,838	105,969,244	58,857,849	22,17,34,361/-
Average Net Profit	80165977			
Minimum mandatory CSR Expenditure to be done at 2% of Average Net Profit				1603320

**4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above):**  
Rs.16,03,320/-**5. Details of CSR spent during the financial year:**

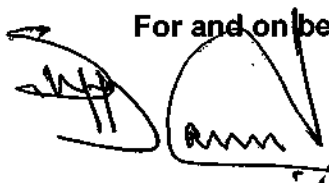
- a. Total amount to be spent for the financial year: Rs. 16,03,320/-
- b. Amount unspent: NIL
- c. Manner in which the amount spent during the financial year are as under:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR Project/ Activity identified	Sector in which the Project is covered	Projects/Programs (1) Local area or other (2) Specify the state and district where project/program was undertaken	Amount Outlay(budget) Project/ Program wise	Amount spent on the projects or programs Sub-heads (1) Direct expenditure on projects or programs (2) Overheads:	Cumulative expenditure upto the reporting period (in Rs.)	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	Rs.16,03,320/-	Rs. 16,05,000/-	Rs. 16,05,000/-	Through Nirmal Educational & Health (Public) Charitable Trust  Having Trust Registration Number:- E/19933/Ahmedabad

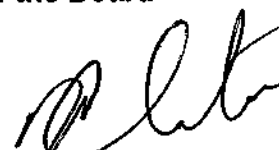
## 7. Reasons for not spending amount allocated for CSR activities: Not Applicable



For and on behalf of the Board



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



**Asharam D. Patel**  
Director  
DIN:- 07141587

**Date: 6<sup>th</sup> September, 2019**  
**Place: Gandhinagar**

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

**Opinion**

We have audited the accompanying standalone financial statements of Creative Infocity Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2019, 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.

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity 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, of the state of affairs of the Company as at 31<sup>st</sup> March 2019, and its profit and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. 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.

**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.

**Information Other than the Standalone Financial Statements and Auditor's Report Thereon**

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Report, but does not include the standalone financial statements and our auditor's report thereon.



## **Deloitte Haskins & Sells**

- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **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 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 in accordance with 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibility for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate





to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143 (3) of the Act, based on our audit, 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.

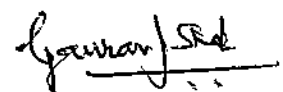


- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Company as on 31<sup>st</sup> March, 2019, taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) 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)  
(UDIN: 19035701AAAAEB2326)

**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 31<sup>st</sup> March, 2019 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 ("the Guidance Note"). 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 respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note 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.

**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.

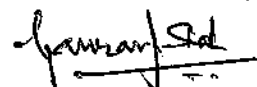
**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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 31<sup>st</sup> March, 2019, 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.

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



Gaurav J. Shah  
(Partner)  
(Membership No. 35701)  
(UDIN: 19035701AAAAEB2326)

Place: Ahmedabad  
Date: 6<sup>th</sup> September, 2019

**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, Goods and Services Tax, cess and other material statutory dues applicable to it to the appropriate authorities.
  - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Services Tax, cess and other material statutory dues in arrears as at 31st March, 2019 for a period of more than six months from the date they became payable.



- (c) Details of dues of Income-tax and Service Tax which have not been deposited as on 31st March, 2019 on account of disputes are given below:

<b>Name of Statute</b>	<b>Nature of Dues</b>	<b>Forum where Dispute is Pending</b>	<b>Period to which the Amount Relates</b>	<b>Amount (Rs.)</b>
Income Tax Act, 1961	Income Tax	Supreme Court / Income Tax Appellate Tribunal	Assessment year 2003-04 and 2004-05	5,61,60,000
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

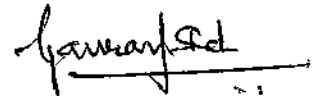
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company has not taken any loans or borrowings from financial institutions and government or has not issued any debentures.
- (ix)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



**Deloitte  
Haskins & Sells**

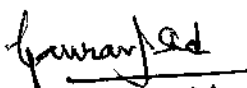



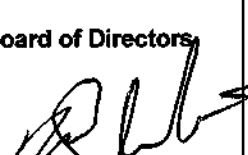

- (xiii) - In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial 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 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)  
(UDIN: 19035701AAAAEB2326)

Place: Ahmedabad  
Date: 6<sup>th</sup> September, 2019

CREATIVE INFOCITY LIMITED			
Standalone Balance sheet as at 31 March, 2019			
Particulars	Note	As at 31 March, 2019	As at 31 March, 2018
		(Rupees)	(Rupees)
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	2	393,694,870	393,694,870
(b) Reserves and surplus	3	896,047,154	877,709,889
		1,289,742,024	1,271,404,759
<b>2 Non-current liabilities</b>			
(a) Deferred Tax Liabilities (Net)	29	2,765,923	3,994,353
		2,765,923	3,994,353
<b>3 Current liabilities</b>			
(a) Short-term borrowings	4	-	6,774
(b) Trade payables	5		
(i) Trade Payable of Micro Enterprises and Small Enterprises		22,272	-
(ii) Others		62,926,329	55,104,914
(c) Other current liabilities	6	43,384,065	32,090,508
(d) Short-term Provisions	7	158,961	68,280
		106,491,627	87,270,476
<b>TOTAL</b>		<b>1,398,999,574</b>	<b>1,362,669,588</b>
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Property Plant and Equipments Tangible assets	8	52,807,316	52,003,459
(b) Non-current investments	9	-	-
(c) Long-term loans and advances	10	24,490,008	176,820,048
		77,297,324	228,823,507
<b>2 Current assets</b>			
(a) Inventories	11	443,950,174	443,950,174
(b) Trade receivables	12	13,975,165	9,803,317
(c) Cash and Bank Balances	13	684,112,334	666,192,858
(d) Short-term loans and advances	14	161,434,815	3,418,321
(e) Other current assets	15	18,229,762	10,481,411
		1,321,702,250	1,133,846,081
<b>TOTAL</b>		<b>1,398,999,574</b>	<b>1,362,669,588</b>
See accompanying Notes forming part of the standalone financial statements			
<b>In terms of our report attached</b> <b>For Deloitte Haskins and Sells</b> Chartered Accountants Firm's Registration No. 117365W  <b>Gaurav J. Shah</b> Partner  Membership No. 35701 Place : Ahmedabad Date : 06/09/2019		<b>For and on behalf of the Board of Directors</b>  <b>Suvas Barot</b> Whole Time Director  <b>Shradha Bhimani</b> Company Secretary  <b>Asharam D Patel</b> Director  <b>Ravikumar Jain</b> Chief Financial Officer Place : Gandhinagar Date : 06/09/2019	



CREATIVE INFOCITY LIMITED				
Statement of Profit and Loss for the year ended 31 March, 2019				
Particulars		Note	For the year ended 31 March, 2019	For the year ended 31 March, 2018
			(Rupees)	(Rupees)
1	Revenue from operations	16	111,920,364	119,748,198
2	Other income	17	42,331,810	41,908,785
3	<b>Total revenue (1+2)</b>		<b>154,252,174</b>	<b>161,656,983</b>
4	<b>Expenses</b>			
	(a) Changes in inventories of finished goods and work-in-progress	18	-	(5,373,072)
	(b) Employee benefits expense	19	21,393,871	18,072,639
	(c) Finance costs	20	1,352,839	3,273,398
	(d) Depreciation and amortization expense	8	3,995,576	4,425,413
	(e) Other expenses	21	104,603,181	65,624,463
	<b>Total expenses</b>		<b>131,345,467</b>	<b>86,022,841</b>
5	<b>Profit before tax (3-4)</b>		<b>22,906,707</b>	<b>75,634,142</b>
6	<b>Tax expense:</b>			
	(a) Current tax expense		7,015,231	21,871,691
	(b) (Less): MAT Credit utilized		(1,400,644)	-
	(c) Short/(Excess) provision for tax relating to prior years		183,285	(868,758)
	Net current tax expense		5,797,872	21,002,933
	(d) Deferred tax		(1,228,430)	(751,662)
			<b>4,569,442</b>	<b>20,251,271</b>
7	<b>Profit for the year (5-6)</b>		<b>18,337,265</b>	<b>55,382,871</b>
8	<b>Earnings per share (of Rs. 10/- each):</b>			
	Basic and Diluted	22	0.47	1.41

See accompanying Notes forming part of the standalone financial statements

In terms of our report attached  
For Deloitte Haskins and Sells  
Chartered Accountants  
Firm's Registration No. 117365W

Gaurav J. Shah  
Partner  
Membership No. 35701



Place : Ahmedabad  
Date : 06/09/2019

For and on behalf of the Board of Directors

Suvas Barot  
Whole Time Director

Shradha Bhimani  
Company Secretary

Asharam D. Patel  
Director

Ravikumar Jain  
Chief Financial Officer

Place : Gandhinagar  
Date : 06/09/2019

CREATIVE INFOCITY LIMITED			
Standalone Cash flow statement for the year ended 31 March, 2019			
Particulars	For the year ended March 31, 2019 (Rupees)	For the year ended March 31, 2018 (Rupees)	
<b>A. Cash flow from operating activities</b>			
Profit before tax	22,906,707	75,634,142	
Adjustments for :			
Depreciation and amortisation expense	3,995,576	4,425,413	
Loss/Profit on fixed assets sold/written off	(450,000)	(324,258)	
Finance costs	1,352,839	3,273,398	
Foreign exchange loss/(gain)	720,831	41,536	
Sundry Balances written back	-	(919,978)	
Interest Income	(41,441,974)	(40,661,309)	
Bad debt provision	2,340,169	-	
<b>Operating profit before working capital changes</b>	<b>(10,575,852)</b>	<b>41,468,944</b>	
<b>Changes in working capital:</b>			
<b>Adjustments for (increase) / decrease in operating assets:</b>			
Trade receivables	(6,512,017)	(4,538,866)	
Inventories	-	(5,373,072)	
Other Asset	-	-	
Short Term Loans and Advances	(158,016,494)	(2,626,988)	
Long Term Loans and Advances	158,709,775	62,344	
<b>Adjustments for increase / (decrease) in operating liabilities:</b>			
Trade Payables	7,122,856	5,129,733	
Provisions	90,681	38,622	
Other Liabilities	11,293,557	(16,403,655)	
<b>Cash generated from operations</b>	<b>2,112,506</b>	<b>17,757,062</b>	
Net income tax paid	(12,177,607)	(14,589,935)	
<b>Net cash flow from/(used in) operating activities (A)</b>	<b>(10,065,101)</b>	<b>3,167,127</b>	
<b>B. Cash flow from investing activities</b>			
Purchase of property, plant and equipment (including other intangible assets)	(4,799,433)	(17,796,109)	
Proceeds from sale of fixed assets	450,000	200,000	
Increase / (decrease) in bank deposit balances not considered as cash and cash equivalents	(38,920,184)	(8,664,597)	
Interest income	33,693,623	45,555,974	
Business combinations and acquisition expense	-	-	
<b>Net cash flow/ (used in) investing activities (B)</b>	<b>(9,575,994)</b>	<b>19,295,268</b>	
<b>C. Cash flow from financing activities</b>			
Repayment of short-term borrowings	(6,774)	(6,045,834)	
Finance costs	(1,352,839)	(3,273,398)	
<b>Net cash used in financing activities (C)</b>	<b>(1,359,613)</b>	<b>(9,319,232)</b>	
<b>Net increase/(decrease) in cash and cash equivalents (A + B + C)</b>	<b>(21,000,708)</b>	<b>13,143,163</b>	
Cash and cash equivalents at the beginning of the year	282,518,778	269,375,615	
<b>Cash and cash equivalents at the end of the year</b>	<b>261,518,070</b>	<b>282,518,778</b>	
<b>Note 1</b>			
<b>Components of Cash and Cash equivalents</b>			
a) Cash in Hand	56,826	14,430	
b) Balances with Banks			
(i) In Current Accounts	5,831,708	1,772,732	
(ii) In Deposits Accounts	255,629,536	280,731,616	
<b>Cash and cash equivalents as per note 13</b>	<b>261,518,070</b>	<b>282,518,778</b>	

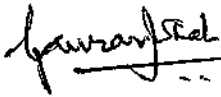


**Note : 2**

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

**In terms of our report attached**

**For Deloitte Haskins and Sells**  
Chartered Accountants  
Firm's Registration No. 117365W



Gaurav J. Shah  
Partner  
Membership No. 35701  
Place : Ahmedabad  
Date : 06/09/2019



**For and on behalf of the Board of Directors**



Suvas Barot  
Whole Time Director

Asharam D. Patel  
Director



Shradha Bhimani  
Company Secretary



Ravikumar Jain  
Chief Financial Officer

Place : Gandhinagar  
Date : 06/09/2019

## **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 consolidated 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 recognized in the periods in which the results are known / materialize.

##### **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 asset ready for its intended use and other incidental expenses attributable to acquisition of fixed assets. Leasehold land pertaining to premises meant for long-term lease is not capitalized and forms part of inventory. Leasehold land on which corporate office is constructed is capitalized.

##### **d) Borrowing Cost**

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

##### **e) Depreciation and 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**

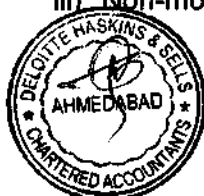
- i) Revenue from long term lease of premises is recognized when risk and rewards are transferred to the lessee.
- ii) Revenue from short term lease and operation and maintenance service is recognized on accrual basis.
- iii) Interest on deposits is recognized on time proportion basis.

#### **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 amortized 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 unrecognized 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, 2019 (Rupees)	As at 31 March, 2018 (Rupees)
<b>Authorized :</b> 9,00,00,000 Equity Shares of Rs.10/- each	900,000,000	900,000,000
<b>TOTAL</b>	900,000,000	900,000,000
Issued, Subscribed & Paid up 39,369,487 Equity Shares of Rs.10/- each (31 March, 2018: 39,369,487 Equity shares of Rs.10/- each)	393,694,870	393,694,870
<b>TOTAL</b>	<b>393,694,870</b>	<b>393,694,870</b>
(i) Reconciliation of the number of Equity Shares outstanding at the beginning and at the end of the year :		
	As at 31 March, 2019	As at 31 March, 2018
At the Beginning of the year	39,369,487	39,369,487
Issued during the year	-	-
Outstanding at the end of year	39,369,487	39,369,487
(ii) Terms/Rights of Equity Shares The Company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity share holders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.		
(iii) Details of Shareholders holding more than 5 percent of Equity Shares:		
	As at 31 March, 2019	As at 31 March, 2018
Creative IT Inc. Nos. % Holding	29,898,029 75.94	29,898,029 75.94
Gujarat Informatics Ltd. Nos. % Holding	9,470,758 24.06	9,470,758 24.06

**3 Reserves & Surplus**

PARTICULARS	As at 31 March, 2019 (Rupees)	As at 31 March, 2018 (Rupees)
<b>Capital Reserve</b> (Capital Subsidy received from Government of Gujarat)		
Balance as per last Balance Sheet	25,000,000	25,000,000
<b>Surplus In statement of Profit and Loss</b>		
Opening Balance	852,709,889	797,327,018
Add:-Profit for the year	18,337,265	55,382,871
Closing Balance	871,047,154	852,709,889
<b>TOTAL</b>	<b>896,047,154</b>	<b>877,709,889</b>



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

**4 Short Term Borrowings**

PARTICULARS	As at 31 March, 2019 (Rupees)	As at 31 March, 2018 (Rupees)
Loan repayable on demand From Banks (Secured against Fixed Deposits)	-	6,774
<b>TOTAL</b>	<b>-</b>	<b>6,774</b>

**5 Trade Payables**

PARTICULARS	As at 31 March, 2019 (Rupees)	As at 31 March, 2018 (Rupees)
Trade Payable of Micro Enterprises and Small Enterprises (refer note 25)	22,272	-
	<b>22,272</b>	<b>-</b>
Trade Payable -Others		
For Goods and Services	26,584,817	22,960,976
GIL Revenue sharing payable (refer note 24)	36,341,512	32,143,938
<b>TOTAL</b>	<b>62,926,329</b>	<b>55,104,914</b>

**6 Other Current Liabilities**

PARTICULARS	As at 31 March, 2019 (Rupees)	As at 31 March, 2018 (Rupees)
Other Payables		
(i) Statutory Remittances (contributions to PF, ESIC and Tax deducted at source)	1,333,138	480,787
(ii) Advances from customers	138,290	312,187
(iii) Security Deposit Received	41,654,501	31,297,534
(iv) Other Payable	258,136	-
<b>TOTAL</b>	<b>43,384,065</b>	<b>32,090,508</b>

**7 Short Term Provisions**

PARTICULARS	As at 31 March, 2019 (Rupees)	As at 31 March, 2018 (Rupees)
Provision for Gratuity (Refer Note 27)	158,961	68,280
<b>TOTAL</b>	<b>158,961</b>	<b>68,280</b>





Financial Year 2018-19

NOTE NO. 8

PROPERTY PLANT AND EQUIPMENTS AND DEPRECIATION & AMORTIZATION

No.	Particulars	GROSS BLOCK			DEPRECIATION FUND			NET BLOCK		(In Rupees)
		As on 01.04.2018	Addition During the Year	Deduction During the Year	As on 31.03.2019	Upto 01.04.2018	During the Year	Sales/ Adjustment during the Year	As on 31.03.2019	
	<b>Tangible Assets</b>									
1	Land (Lease hold)	136,172	-	-	136,172	70,438	4,696	-	61,038	65,734
2	Building	52,580,995	-	-	52,580,995	19,505,762	1,666,818	-	31,408,415	33,075,233
3	Furniture & Fixture	15,653,944	4,335,743	-	19,989,687	3,890,322	1,901,886	-	14,197,479	11,763,622
4	Office Equipment	20,428,570	10,300	-	20,438,870	13,842,506	247,485	-	6,348,879	6,586,064
5	Computers & Peripherals	8,018,702	453,390	-	8,472,092	7,742,588	112,647	-	616,857	276,114
6	Vehicle	4,397,888	-	(3,875,628)	522,260	4,161,196	62,044	(3,875,628)	174,648	236,692
	<b>Grand Total</b>	<b>101,216,271</b>	<b>4,799,433</b>	<b>(3,875,628)</b>	<b>102,140,076</b>	<b>49,212,812</b>	<b>3,995,576</b>	<b>(3,875,628)</b>	<b>52,807,316</b>	<b>52,003,459</b>
	<b>P.Y.</b>	<b>83,420,162</b>	<b>17,796,109</b>		<b>101,216,271</b>	<b>44,911,657</b>	<b>4,426,413</b>	<b>(124,268)</b>	<b>52,003,459</b>	<b>38,508,605</b>



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

**9 Non Current Investment**

PARTICULARS	As at 31 March, 2019 (Rupees)	As at 31 March, 2018 (Rupees)
<b>INVESTMENTS (AT COST) :</b>		
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
<b>Less:</b> Provision for permanent diminution in the value of Investment	(12,865,610)	(12,865,610)
<b>Total</b>	-	-

**10 Long-term Loans & advances**

PARTICULARS	As at 31 March, 2019 (Rupees)	As at 31 March, 2018 (Rupees)
<b>Unsecured, Considered good</b>		
a) Security Deposits*	5,241,269	4,651,969
b) Advance Income tax (net of provision)	16,177,393	162,312,665
c) MAT Credit Receivable	1,817,111	8,601,179
d) Others-Service tax **	1,254,235	1,254,235
<b>TOTAL</b>	<b>24,490,008</b>	<b>176,820,048</b>

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

\*\*Rs. 1,254,235 service tax paid under protest(Previous Year:Rs.1,254,235)

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

PARTICULARS	As at 31 March, 2019 (Rupees)	As at 31 March, 2018 (Rupees)
a) Lease Hold Land	22,418,808	22,418,808
b) Finished Structures	418,873,872	418,873,872
c) Work in progress	2,657,494	2,657,494
<b>TOTAL</b>	<b>443,950,174</b>	<b>443,950,174</b>

**12 Trade Receivables**

PARTICULARS	As at 31 March, 2019 (Rupees)	As at 31 March, 2018 (Rupees)
Trade receivables		
a) Unsecured, considered good	-	-
b) Unsecured, considered doubtful	5,295,976	2,955,807
	5,295,976	2,955,807
Less : Provision for Doubtful Debts	5,295,976	2,955,807
	-	-
Other Trade receivables:		
a) Unsecured, considered good	13,975,165	9,803,317
<b>TOTAL</b>	<b>13,975,165</b>	<b>9,803,317</b>



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

**13 Cash and Bank Balances**

PARTICULARS	As at 31 March, 2019 (Rupees)	As at 31 March, 2018 (Rupees)
A) Cash and Cash Equivalents		
a) Cash in Hand	56,826	14,430
b) Balances with Banks		
(i) In Current Accounts	5,831,708	1,772,732
(ii) In Deposits Accounts	255,629,536	280,731,616
B) Other Bank Balances		
(i) In Deposits Accounts (refer note (i) and (ii) below)	385,678,529	350,905,932
(ii) In Margin Money Accounts	12,500,000	12,500,000
(iii) In Escrow Account (refer note 24)	24,415,735	20,268,148
<b>TOTAL</b>	<b>684,112,334</b>	<b>666,192,858</b>

Note:

(i) Other Bank Balances include deposits amounting to Rs. 3,41,94,864 (As at 31 March 2018 Rs.3,29,33,553) pledged with banks against overdraft facilities.

(ii) Other Bank Balances with banks include deposits of Rs. 35,14,83,665 (As at 31 March 2018 Rs.33,44,82,666) under lien to bank.

**14 Short-term Loans and Advances**

PARTICULARS	As at 31 March, 2019 (Rupees)	As at 31 March, 2018 (Rupees)
(a) Advances for goods and services	551,326	595,230
(b) Prepaid Expenses - Unsecured, considered good	979,855	541,733
(c) Balances with Government Authorities	-	2,281,358
(d) Advance Income tax (net of provision)	159,903,634	-
<b>TOTAL</b>	<b>161,434,815</b>	<b>3,418,321</b>

**15 Other Current Assets**

PARTICULARS	As at 31 March, 2019 (Rupees)	As at 31 March, 2018 (Rupees)
Interest accrued on Fixed Deposits	18,229,762	10,481,411
<b>TOTAL</b>	<b>18,229,762</b>	<b>10,481,411</b>



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

**16 Revenue from Operations**

PARTICULARS	For the year ended 31 March, 2019 (Rupees)	For the year ended 31 March, 2018 (Rupees)
Licence Fees and Maintenance charges	111,920,364	119,748,198
<b>Total</b>	<b>111,920,364</b>	<b>119,748,198</b>

**17 Other Income**

PARTICULARS	For the year ended 31 March, 2019 (Rupees)	For the year ended 31 March, 2018 (Rupees)
Interest Income :		
On Fixed Deposits	41,441,974	40,296,458
On Income tax refund	439,836	364,851
Gain on sale of fixed assets	450,000	324,258
Sundry Balances Written Back	-	919,978
Miscellaneous income	-	3,240
<b>TOTAL</b>	<b>42,331,810</b>	<b>41,908,785</b>

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

PARTICULARS	For the year ended 31 March, 2019 (Rupees)	For the year ended 31 March, 2018 (Rupees)
<u>Inventories at the end of the year:</u>		
Lease Hold Land	22,418,808	22,418,808
Finished Structures	413,500,800	418,873,872
Work in progress	2,657,494	2,657,494
<b>Total</b>	<b>438,577,102</b>	<b>443,950,174</b>
<u>Inventories at the beginning of the year:</u>		
Lease Hold Land	22,418,808	22,418,808
Finished Structures	413,500,800	413,500,800
Work in progress	2,657,494	2,657,494
<b>Total</b>	<b>438,577,102</b>	<b>438,577,102</b>
<b>Change in Inventories</b>	<b>-</b>	<b>(5,373,072)</b>



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

**19 Employee Benefits Expense**

PARTICULARS	For the year ended 31 March, 2019 (Rupees)	For the year ended 31 March, 2018 (Rupees)
Salaries and wages	19,356,752	16,363,135
Contributions to provident and other funds	1,537,164	1,207,341
Staff welfare expenses	499,955	502,163
<b>TOTAL</b>	<b>21,393,871</b>	<b>18,072,639</b>

**20 Finance Costs**

PARTICULARS	For the year ended 31 March, 2019 (Rupees)	For the year ended 31 March, 2018 (Rupees)
Interest Expenses	497,795	465,163
Other Borrowing cost	855,044	2,808,235
<b>TOTAL</b>	<b>1,352,839</b>	<b>3,273,398</b>

**21 Other Expenses**

PARTICULARS	For the year ended 31 March, 2019 (Rupees)	For the year ended 31 March, 2018 (Rupees)
Power and Fuel	7,426,025	6,854,515
Building material and labour charges	22,386,201	5,373,073
Insurance	413,930	518,706
Building Repairs	28,125,388	14,089,958
Lease Rent	11,716	11,716
Revenue Sharing	4,174,142	3,872,474
Rates and Taxes	5,000,614	1,873,259
Travelling and Conveyance	2,265,538	1,238,605
Stationery, Printing, Postage and Telephone	246,725	575,822
Advertisement Expenses	26,112	15,680
Legal and Professional Fees	11,156,636	11,020,641
Communication expenses	234,623	244,947
Commission & Brokerage	1,311,525	1,828,725
Sales Promotion Expenses	1,587,434	1,534,188
Payment to Auditors (Refer note (i) below)	1,461,552	1,340,000
General Charges	4,937,718	1,355,038
Security charges	7,459,600	5,835,580
Provision for Doubtful Debts	2,340,169	-
Corporate Social Responsibility Expenditure (Refer note (ii) below)	1,605,000	8,000,000
GST Expenses	1,711,702	-
Net loss on foreign currency transactions and translations	720,831	41,536
<b>TOTAL</b>	<b>104,603,181</b>	<b>65,624,463</b>

**(i) Payments to the auditors comprises :**

As Auditors - Statutory Audit	1,300,000	1,100,000
As Auditors - Tax Audit	150,000	150,000
Other Matters	-	90,000
Reimbursement of expenses	11,552	-
<b>TOTAL</b>	<b>1,461,552</b>	<b>1,340,000</b>

**(ii) Corporate Social Responsibility Expenditure**

(a) Gross amount required to be spent by the Company	1,603,320	1,478,229
(b) Amount Spent	1,605,000	8,000,000

**22 Earnings Per Share**

PARTICULARS	For the year ended 31 March, 2019 (Rupees)	For the year ended 31 March, 2018 (Rupees)
<b>Basic and Diluted</b>		
Net profit for the year attributable to the equity shareholders	18,337,265	55,382,871
Weighted average number of equity shares	39,369,487	39,369,487
Face value per share	10	10
Earnings per share - Basic and Diluted	0.47	1.41

**23 Contingent Liabilities**

PARTICULARS	For the year ended 31 March, 2019 (Rupees)	For the year ended 31 March, 2018 (Rupees)
Guarantees issued by Banks	342,104,376	342,104,376
Dispute demanded of Income Tax for which an Appeal has been preferred	56,783,710	105,568,798
Dispute demanded of Service Tax for which an Appeal has been preferred	136,591,513	136,591,513



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

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

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

Pending the resolution of the matters, no effect, if any, has been given in the books of account of the Company. Under the facts and circumstances of the matter, the management is not able to ascertain accounting effects, if any. On final outcome and resolution of the matter, the accounting effects, if any, will be given in the books of account



## CREATIVE INFOCITY LIMITED

### Notes forming part of the Standalone financial statements

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 as escrow account in Bank of India. As on March 31, 2019 balance in escrow account is Rs. 24,415,735/- ( As at March 31, 2018 : Rs. 20,268,148/-) 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. NIL (Previous Year Rs. 17,591,635/-) 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 Rs. 22,272/- is outstanding for payment to Micro Enterprises, and small Enterprises, to whom the company owes dues due to quality dispute. 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. 83,048,337/- (P.Y. Rs. 89,038,525/-).

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	FOR THE YEAR 2018-19 (Rupees)	FOR THE YEAR 2017-18 (Rupees)
<b>a) Reconciliation of opening and closing balance of the present value defined benefit obligation</b>		
Obligation at the beginning of the year	2,407,660	1,984,328
Current Service Cost	354,341	296,663
Past Service Cost- Vested Benefit Incurred During the Period	-	52,720
Interest Cost	189,483	150,214
Actuarial Losses (Gain)	63,461	(76,265)
Benefit Paid	(59,769)	-
<b>Obligation at the end of the year</b>	<b>2,955,176</b>	<b>2,407,660</b>
<b>b) Reconciliation of opening and closing balance of fair value of plan assets</b>		
Plan Asset at the beginning of the year, at fair value	2,339,380	1,954,670
Expected Return	184,109	147,969
Actuarial Gain/Loss on Plan Assets	(16,427)	(7,257)
Contribution	348,922	243,998
Benefit Paid	(59,769)	-
<b>Plan Asset at the end of the year, as fair value</b>	<b>2,796,215</b>	<b>2,339,380</b>
<b>c) Net Asset/(Liability) recognised in Balance Sheet as at year end</b>		
Obligation at the end of the year	(2,955,176)	(2,407,660)
Less: Plan Assets at the end of the year at fair value	2,796,215	2,339,380
<b>(Liability)/Asset recognised in Balance Sheet as at year end</b>	<b>(158,961)</b>	<b>(68,280)</b>
<b>d) Components of Employer Expenses for the year</b>		
Current Service Cost	354,341	296,663
Interest Cost	189,483	150,214
Expected return on plan assets	(184,109)	(147,969)
Net Actuarial (gain)/loss	79,888	(69,008)
<b>Net Cost/(Gain)</b>	<b>439,603</b>	<b>282,620</b>
<b>e) Assumptions</b>		
Discounted Rate (p.a)	7.88%	7.87%
Expected Rate of return on opening plan assets (p.a.)	7.78%	7.87%
Expected rate of increase in compensation levels (p.a.)	7.00%	7.00%
Mortality (Note during the employment)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

**f) Defined Contribution Plan**

Particulars	2018-19 (Rupees)	2017-18 (Rupees)
Amount recognized as an expenses and included in Note 19 of statement of Profit & Loss	439,603	282,620

**g)**

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

**h) Experience Adjustment:**

	(Rupees)		
	2018-19	2017-18	2016-17
<b>Gratuity</b>			
Present value of defined benefit Obligation	2,955,176	2,407,660	1,984,328
Fair Value of Plan assets	2,796,215	2,339,380	1,954,670
<b>Funded status surplus/(deficit)</b>	<b>(158,961)</b>	<b>(68,280)</b>	<b>(29,658)</b>
Experience gain/(loss) adjustments on plan liabilities	27,153	29,143	(137,831)
Experience gain/(loss) adjustments on plan assets	(16,427)	(7,257)	(28,521)





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

**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	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 2018-2019**

(Rupees)

Sr. No.	Nature of Transaction	Subsidiary Company		Key Management Personnel		Relative of Key Management Personnel		Other Related Party	
		For the year ended 31 March, 2019	For the year ended 31 March, 2018	For the year ended 31 March, 2019	For the year ended 31 March, 2018	For the year ended 31 March, 2019	For the year ended 31 March, 2018	For the year ended 31 March, 2019	For the year ended 31 March, 2018
<b>A</b>	<b>Volume of Transactions:</b>								
<b>1</b>	<b>Expenses:</b>								
	Revenue sharing Gujarat Informatics Limited	-	-	-	-	-	-	4,174,142	3,872,474
	Lease rent Gujarat Informatics Limited	-	-	-	-	-	-	11,716	11,716
	Professional fees Suryakant Mehta	-	-	-	216,000	-	-	-	-
	Sales Promotion Expenses Faith Hospitalities Pvt. Ltd.	-	-	-	-	-	-	13,646	-
<b>2</b>	<b>Revenue</b>								
	License fees and O & M Charges Suhan Reality Pvt Ltd.	-	-	-	-	-	-	253,654	206,551
	Infocity Club & Resorts Pvt Ltd.	-	-	-	-	-	-	3,228,948	3,438,234
	EGS Contact Center Solutions Pvt.Ltd.	-	-	-	-	-	-	10,566,000	5,538,600
<b>3</b>	<b>Employee Benefits Expenses</b>								
	Suvas Barot	-	-	1,961,353	1,757,556	-	-	-	-
	Shradha Bhimani	-	-	627,924	539,800	-	-	-	-
	Ravikumar D. Jain	-	-	654,000	583,200	-	-	-	-
	Mahendra Brahmhatt	-	-	-	-	376,992	352,992	-	-
<b>B</b>	<b>Balances at the end of the year:</b>								
<b>1</b>	<b>Long Term Loans &amp; Advances</b>								
	Deposit-Gujarat Informatics Limited	-	-	-	-	-	-	2,000,000	2,000,000
<b>2</b>	<b>Trade Payable</b>								
	Suvas Barot	-	-	131,184	136,263	-	-	-	-
	Suryakant Mehta	-	-	-	15,900	-	-	-	-
	Shradha Bhimani	-	-	49,002	46,000	-	-	-	-
	Ravikumar D. Jain	-	-	49,300	49,300	-	-	-	-
	Mehendra Brahmhatt	-	-	-	-	28,436	25,700	-	-
	Gujarat Informatics Limited	-	-	-	-	-	-	36,329,795	32,143,937
	Faith Hospitalities Pvt. Ltd.	-	-	-	-	-	-	5,473	5,473
<b>3</b>	<b>Trade Receivable</b>								
	Infocity Club & Resorts Pvt Ltd.	-	-	-	-	-	-	337,043	214,558
	EGS Contact Center Solutions Pvt.Ltd.	-	-	-	-	-	-	-	802,800
<b>4</b>	<b>Other Current Liability</b>								
	Infocity Club & Resorts Pvt Ltd.	-	-	-	-	-	-	670,680	670,680
	EGS Contact Center Solutions Pvt.Ltd.	-	-	-	-	-	-	1,350,000	1,350,000



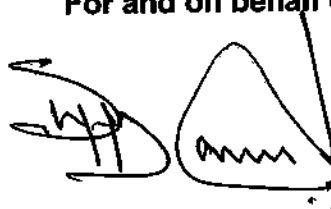
**CREATIVE INFOCITY LIMITED****Notes forming part of the Standalone financial statements**

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

Particulars	As at 31 March, 2019 (Rupees)	As at 31 March, 2018 (Rupees)
<b>Deferred Tax Liability</b>		
In respect of difference between Book and Tax Depreciation	4,458,918	4,154,986
<b>Deferred Tax Assets</b>		
In respect of provision for retirement benefits and bonus payable	219,654	160,633
In respect of provision for Doubtful Debts	1,473,341	-
<b>Net Deferred Tax Liabilities</b>	<b>2,765,923</b>	<b>3,994,353</b>

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

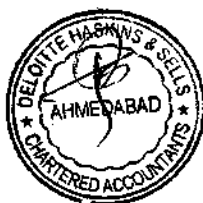
For and on behalf of the Board of Directors



Suvas Barot  
Whole Time Director



Asharam Patel  
Director




Shradha Bhimani  
Company Secretary



Ravi Kumar Jain  
Chief Financial Officer

Place: Gandhinagar

Date: 06/09/2019

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

**Opinion**

We have audited the accompanying consolidated financial statements of Creative Infocity Limited ("the Holding Company") and its subsidiary (the Holding Company and its subsidiary company together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2019 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.

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 auditors on separate financial statements of subsidiary, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity 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, of the consolidated state of affairs of the Company as at 31<sup>st</sup> March 2019, and their consolidated profit and their consolidated cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by other auditors is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

**Emphasis of Matter**

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

Our opinion is not modified in respect of this matter.



**Information Other than the Financial Statements and Auditor's Report Thereon**

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Director's Report but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiary company audited by the other auditor, to the extent it relates to this entity and, in doing so, place reliance on the work of the other auditor and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiary, is traced from its financial statements audited by the other auditor.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements 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.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate or cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.



### **Auditor's Responsibility**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company and its Subsidiary Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the other entity within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entity included in the consolidated financial statements of which we are the independent auditors. For the other entity included in the consolidated financial statements, which have been audited by the other auditor, such other auditor remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion.



## **Deloitte Haskins & Sells**

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entity included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### **Other Matters**

We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets of Rs. 24,497 as at 31st March, 2019, total revenues of Rs. NIL and net cash outflows amounting to Rs. 9,448 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.
- (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.



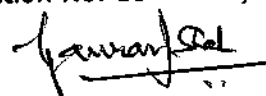
## **Deloitte Haskins & Sells**

- (e) On the basis of the written representations received from the directors of the Holding Company as on 31<sup>st</sup> March, 2019 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 31<sup>st</sup> March, 2019 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 the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- (h) 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)  
(UDIN: 19035701AAAAEC6741)

Place: Ahmedabad  
Date: 6<sup>th</sup> September, 2019

**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT  
(Referred to in paragraph (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 31<sup>st</sup> March, 2019, 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.

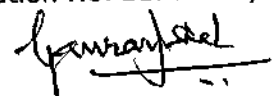
### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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 31<sup>st</sup> March, 2019, 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.

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



Gaurav J. Shah  
(Partner)  
(Membership No. 35701)  
(UDIN : 19035701AAAAEC6741)

Place: Ahmedabad  
Date: 6<sup>th</sup> September, 2019

CREATIVE INFOCITY LIMITED			
Consolidated Balance sheet as at 31 March, 2019			
Particulars	Note	As at 31 March, 2019	As at 31 March, 2018
		(Rupees)	(Rupees)
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	2	393,694,870	393,694,870
(b) Reserves and surplus	3	885,544,242	868,843,937
		1,279,239,112	1,262,538,807
<b>2 Non-current liabilities</b>			
(a) Deferred Tax Liabilities (Net)	29	2,765,923	3,994,353
		2,765,923	3,994,353
<b>3 Current liabilities</b>			
(a) Short-term borrowings	4	-	6,774
(b) Trade payables	5		
(i) Trade Payable of Micro Enterprises and Small Enterprises		22,272	-
(ii) Others		73,453,739	64,004,810
(c) Other current liabilities	6	43,384,065	32,090,508
(d) Short-term Provisions	7	158,961	68,280
		117,019,037	96,170,372
<b>TOTAL</b>		<b>1,399,024,072</b>	<b>1,362,703,532</b>
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Property Plant & Equipments Tangible assets	8	52,807,316	52,003,459
(b) Long-term loans and advances	9	24,490,008	176,820,048
		77,297,324	228,823,507
<b>2 Current assets</b>			
(a) Inventories	10	443,950,174	443,950,174
(b) Trade receivables	11	13,975,165	9,803,317
(c) Cash and Cash Equivalents	12	684,136,832	666,226,804
(d) Short-term loans and advances	13	161,434,815	3,418,321
(e) Other current assets	14	18,229,762	10,481,409
		1,321,726,748	1,133,880,025
<b>TOTAL</b>		<b>1,399,024,072</b>	<b>1,362,703,532</b>

See accompanying notes forming part of the financial statements

In terms of our report attached  
For Deloitte Haskins and Sells  
Chartered Accountants  
Firm's Registration No. 117365W

Gaurav J. Shah  
Partner



Membership No. 35701  
Place : Ahmedabad  
Date : 06/09/2019

For and on behalf of the Board of Directors

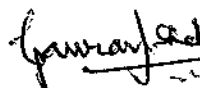
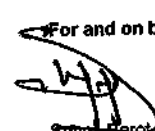


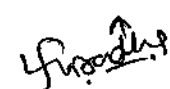

Suvas Barot  
Whole Time Director

Shradha Bhimani  
Company Secretary

Asharam D Patel  
Director

Ravikumar Jain  
Chief Financial Officer

Place : Gandhinagar  
Date : 06/09/2019

CREATIVE INFOCITY LIMITED				
Consolidated Statement of Profit and Loss for the year ended 31 March, 2019				
Particulars		Note	For the year ended 31 March, 2019	For the year ended 31 March, 2018
			(Rupees)	(Rupees)
1	Revenue from operations	15	111,920,364	119,748,198
2	Other income	16	42,331,810	41,908,784
3	Total revenue (1+2)		154,252,174	161,656,982
4	Expenses			(5,373,072)
	(a) Changes in inventories of finished goods and work-in-progress	17	-	
	(b) Employee benefits expense	18	21,393,871	18,072,639
	(c) Finance costs	19	1,352,839	3,273,398
	(d) Depreciation and amortization expense	8	3,995,576	4,425,413
	(e) Other expenses	20	105,392,132	66,379,818
	Total expenses		132,134,418	86,778,196
5	Profit before tax (3-4)		22,117,756	74,878,786
6	Tax expense:			
	(a) Current tax expense		7,015,231	21,871,691
	(b) (Less): MAT Credit utilized		(1,400,644)	
	(c) Short provision for tax relating to prior years		183,285	(868,758)
	Net current tax expense		5,797,872	21,002,933
	(d) Deferred tax		(1,228,430)	(751,662)
			4,569,442	20,251,271
7	Profit for the year (5-6)		17,548,314	54,627,515
8	Earnings per share (of Rs. 10/- each): Basic and Diluted	21	0.45	1.39
See accompanying notes forming part of the financial statements				
In terms of our report attached For Deloitte Haskins and Sells Chartered Accountants Firm's Registration No. 117365W			For and on behalf of the Board of Directors	
				
				
Gaurav J. Shah Partner Place : Ahmedabad			Shivas Barot Whole Time Director	
			Asharam D. Patel Director	
				
			Shradha Bhimani Company Secretary	
				
			Ravikumar Jain Chief Financial Officer	
Place : Ahmedabad Date : 06/09/2019			Place : Gandhinagar Date : 06/09/2019	

**CREATIVE INFOCITY LIMITED**  
**Consolidated Cash flow statement for the year ended 31 March 2019**

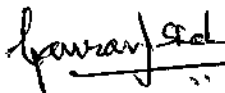
Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>A. Cash flow from operating activities</b>		
Profit before tax	22,117,756	74,878,786
Adjustments for :		
Depreciation and amortisation expense	3,995,576	4,425,413
Loss/Profit on fixed assets sold/written off	(450,000)	(324,257)
Finance costs	1,352,839	3,273,398
Foreign Currency Translation Reserve	(848,009)	535,485
Foreign exchange loss/(gain)	720,831	41,536
Sundry balance written back	-	(919,978)
Interest Income	(41,441,974)	(40,661,309)
Bad debt provision	2,340,169	-
<b>Operating profit before working capital changes</b>	<b>(12,212,813)</b>	<b>41,249,074</b>
<i>Changes in working capital:</i>		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Trade receivables	(6,512,017)	(4,538,866)
Inventories	-	(5,373,072)
Short Term Loans and Advances	(158,016,493)	(2,626,988)
Long Term Loans and Advances	158,709,775	62,344
<i>Adjustments for increase / (decrease) in operating liabilities:</i>		
Trade Payables	8,750,369	5,336,253
Provisions	90,681	38,622
Other Liabilities	11,293,557	(16,403,655)
<b>Cash generated from operations</b>	<b>2,103,059</b>	<b>17,743,712</b>
Net income tax paid	(12,177,607)	(14,589,935)
<b>Net cash flow from/(used in) operating activities (A)</b>	<b>(10,074,549)</b>	<b>3,153,777</b>
<b>B. Cash flow from investing activities</b>		
Purchase of property, plant and equipment (including other intangible assets)	(4,799,433)	(17,796,110)
Proceeds from sale of fixed assets	450,000	200,000
cash equivalents	(38,920,184)	(8,664,597)
Interest income	33,693,623	45,555,975
<b>Net cash flow/ (used in) investing activities (B)</b>	<b>(9,575,994)</b>	<b>19,295,268</b>
<b>C. Cash flow from financing activities</b>		
Repayment of short-term borrowings	(6,774)	(6,045,834)
Finance costs	(1,352,839)	(3,273,398)
<b>Net cash flow used in financing activities (C)</b>	<b>(1,359,613)</b>	<b>(9,319,232)</b>
<b>Net increase in cash and cash equivalents (A + B + C)</b>	<b>(21,010,156)</b>	<b>13,129,813</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>282,552,724</b>	<b>269,422,911</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>261,542,568</b>	<b>282,552,724</b>
<b>Note 1</b>		
<b>Components of Cash and Cash equivalents</b>		
a) Cash in Hand	56,826	14,430
b) Balances with Banks		
(i) In Current Accounts	5,856,206	1,806,678
(ii) In Deposits Accounts	255,629,536	280,731,616
<b>Cash and cash equivalents as per note 12</b>	<b>261,542,568</b>	<b>282,552,724</b>



**Note:2**

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

In terms of our report attached  
For Deloitte Haskins and Sells  
Chartered Accountants  
Firm's Registration No. 117365W



Gaurav J. Shah

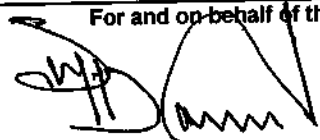
Partner

Membership No. 35701

Place : Ahmedabad

Date : 06/09/2019

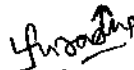
For and on behalf of the Board of Directors



Suvas Barot  
Whole Time Director



Asharam D. Patel  
Director



Shradha Bhimani  
Company Secretary



Ravikumar Jain  
Chief Financial Officer

Place : Gandhinagar

Date : 06/09/2019

## CREATIVE INFOCITY LIMITED

### Notes forming part of the Consolidated Financial Statements

## 1 SIGNIFICANT ACCOUNTING POLICIES

### a) Basis of Preparation of Financial Statements

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

### b) Principles of Consolidation

- i) The financial statements of the Holding Company and its Subsidiary have been consolidated on a line-by-line basis by adding together the book values of the like items of assets, liabilities, income and expenses, after eliminating intra-group balances and the unrealised profits/losses on intra-group transactions in accordance with Accounting Standard (AS) 21, "Consolidated Financial Statements". The amounts shown in respect of reserves comprise the amount of the relevant reserves as per the Balance Sheet of the Holding company and its share in the post-acquisition increase in the relevant reserves of the consolidated entities. The consolidated financial statements are presented, to the extent possible, in the same format as that adopted by the Holding company for its separate financial statements.
- ii) The financial statements of the subsidiary company used in the consolidation are not drawn up to the same reporting date as that of the Company i.e., 31<sup>st</sup> March, 2019, as mentioned in (iii) below for which financial statements as on reporting date are not available. These have been consolidated based on latest available financial statements as at 31<sup>st</sup> December, 2018. No significant transactions or other events have occurred between 31<sup>st</sup> December 2018 and 31<sup>st</sup> March 2019 in respect of the subsidiary having financial year ended on 31<sup>st</sup> December 2018.
- 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, 2019	31 March, 2018
Creative Info city Inc.	Wholly Owned Subsidiary	United States of America	Creative Info city Limited	100%	100%

### c) Use of Estimates

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



## **CREATIVE INFOCITY LIMITED**

### **Notes forming part of the Consolidated Financial Statements**

#### **d) Fixed Assets**

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

#### **e) Borrowing Cost**

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

#### **f) Depreciation and Amortisation:**

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

#### **g) Impairment**

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

#### **h) 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.

#### **i) Inventories:**

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



## **CREATIVE INFOCITY LIMITED**

### **Notes forming part of the Consolidated Financial Statements**

#### **j) 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.

#### **k) 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 unrecognized 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.

#### **l) Foreign Currency Transactions**

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

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





## **CREATIVE INFOCITY LIMITED**

### **Notes forming part of the Consolidated Financial Statements**

#### **m) 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.

#### **n) 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**

<b>PARTICULARS</b>	<b>As at 31 March, 2019 (Rupees)</b>	<b>As at 31 March, 2018 (Rupees)</b>
<b>Authorized :</b>		
9,00,00,000 Equity Shares of Rs.10/- each	900,000,000	900,000,000
<b>TOTAL</b>	<b>900,000,000</b>	<b>900,000,000</b>
<b>Issued, Subscribed &amp; Paid up</b>		
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)	<b>393,694,870</b>	<b>393,694,870</b>
<b>TOTAL</b>		
(i) Reconciliation of the number of Equity Shares outstanding at the beginning and at the end of the year :		
	<b>As at 31 March, 2019 (Rupees)</b>	<b>As at 31 March, 2018 (Rupees)</b>
At the Beginning of the year	39,369,487	39,369,487
Issued during the year	-	-
Outstanding at the end of year	39,369,487	39,369,487
(ii) Terms/Rights of Equity Shares The Company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity share holders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.		
(iii) Details of Shareholders holding more than 5 percent of Equity Shares:		
	<b>As at 31 March, 2019 (Rupees)</b>	<b>As at 31 March, 2018 (Rupees)</b>
Creative IT Inc. Nos. % Holding	29,898,029 75.94	29,898,029 75.94
Gujarat Informatics Ltd. Nos. % Holding	9,470,758 24.06	9,470,758 24.06

**3 Reserves & Surplus**

<b>PARTICULARS</b>	<b>As at 31 March, 2019 (Rupees)</b>	<b>As at 31 March, 2018 (Rupees)</b>
<b>Capital Reserve</b> (Capital Subsidy received from Government of Gujarat)		
Balance as per last Balance Sheet	25,000,000	25,000,000
Foreign Currency Translation Reserve	618,761	1,466,770
<b>Surplus in statement of Profit and Loss</b>		
Opening Balance	842,377,167	787,749,652
Add:- Profit for the year	17,548,314	54,627,515
Closing Balance	859,925,481	842,377,167
<b>TOTAL</b>	<b>885,544,242</b>	<b>868,843,937</b>



**CREATIVE INFOCITY LIMITED**

Notes forming part of the Consolidated financial statements

**4 Short Term Borrowings**

<b>PARTICULARS</b>	<b>As at 31 March, 2019 (Rupees)</b>	<b>As at 31 March, 2018 (Rupees)</b>
Loan repayable on demand	-	6,774
From Banks (Secured against Fixed Deposits)	-	6,774
<b>TOTAL</b>		

**5 Trade Payables**

<b>PARTICULARS</b>	<b>As at 31 March, 2019 (Rupees)</b>	<b>As at 31 March, 2018 (Rupees)</b>
Trade Payable of Micro Enterprises and Small Enterprises (refer note 24)	22,272	-
	<b>22,272</b>	<b>-</b>
Trade Payable -Others	37,112,218	31,860,872
For Goods and Services	36,341,521	32,143,938
GIL Revenue sharing payable (refer note 23)		
<b>TOTAL</b>	<b>73,453,739</b>	<b>64,004,810</b>

**6 Other Current Liabilities**

<b>PARTICULARS</b>	<b>As at 31 March, 2019 (Rupees)</b>	<b>As at 31 March, 2018 (Rupees)</b>
<b>Other Payables</b>		
(i) Statutory Remittances (contributions to PF, ESIC, Tax deducted at source, GST etc.)	1,333,138	480,787
(ii) Advances from customers	138,290	312,187
(iii) Security Deposit Received	41,654,501	31,297,534
(iv) Other Payable	258,136	-
<b>TOTAL</b>	<b>43,384,065</b>	<b>32,090,508</b>

**7 Short Term Provisions**

<b>PARTICULARS</b>	<b>As at 31 March, 2019 (Rupees)</b>	<b>As at 31 March, 2018 (Rupees)</b>
Provision for Gratuity (Refer note-26)	158,961	68,280
<b>TOTAL</b>	<b>158,961</b>	<b>68,280</b>



**Financial Year 2018-2019**

**NOTE NO. 8**

**PROPERTY PLANT AND EQUIPMENTS AND DEPRECIATION & AMORTIZATION**

No.	Particulars	GROSS BLOCK				DEPRECIATION FUND				NET BLOCK	
		As on 01.04.2018	Addition During the Year	Deduction During the Year	As on 31.03.2019	Upto 01.04.2018	During the Year	Sales/Adjustment during the Year	As on 31.03.2019	As on 31.03.2018	As on 31.03.2018
	<b>Tangible Assets</b>										
1	Land (Lease hold)	136,172	-	-	136,172	70,438	4,696	-	75,134	61,038	65,734
2	Building	52,580,995	-	-	52,580,995	19,505,762	1,666,818	-	21,172,580	31,408,415	33,075,233
3	Furniture & Fixture	15,653,944	4,335,743	-	19,989,687	3,890,322	1,901,886	-	5,792,208	14,197,479	11,763,622
4	Office Equipment	20,428,570	10,300	-	20,438,870	13,842,506	247,485	-	14,089,991	6,348,879	6,586,064
5	Computers & Peripherals	8,018,702	453,360	-	8,472,062	7,742,588	112,647	-	7,855,235	616,857	276,114
6	Vehicle	4,397,888	-	(3,875,628)	522,260	4,161,196	62,044	(3,875,628)	347,612	174,648	236,692
	<b>Grand Total</b>	<b>101,216,271</b>	<b>4,799,433</b>	<b>(3,875,628)</b>	<b>102,140,076</b>	<b>49,212,812</b>	<b>3,995,576</b>	<b>(3,875,628)</b>	<b>49,332,760</b>	<b>52,807,316</b>	<b>52,003,469</b>
	<b>P.Y.</b>	<b>83,420,182</b>	<b>17,796,109</b>		<b>101,216,271</b>	<b>44,911,657</b>	<b>4,425,413</b>	<b>(124,258)</b>	<b>49,212,812</b>	<b>52,003,469</b>	<b>39,508,505</b>



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

**9 Long-term Loans & advances**

PARTICULARS	As at 31 March, 2019 (Rupees)	As at 31 March, 2018 (Rupees)
<b>Unsecured, Considered good</b>		
a) Security Deposits*	5,241,269	4,651,969
b) Advance Income tax (net of provision)	16,177,393	162,312,665
c) MAT Credit Receivable	1,817,111	8,601,179
d) Others-Service tax **	1,254,235	1,254,235
<b>TOTAL</b>	<b>24,490,008</b>	<b>176,820,048</b>

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

\*\*Rs. 1,254,235 service tax paid under protest(Previous Year:Rs.1,254,235)

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

PARTICULARS	As at 31 March, 2019 (Rupees)	As at 31 March, 2018 (Rupees)
a) Lease Hold Land	22,418,808	22,418,808
b) Finished Structures	418,873,872	418,873,872
c) Work in progress	2,657,494	2,657,494
<b>TOTAL</b>	<b>443,950,174</b>	<b>443,950,174</b>

**11 Trade Receivables**

PARTICULARS	As at 31 March, 2019 (Rupees)	As at 31 March, 2018 (Rupees)
<b>Trade receivables :</b>		
a) Unsecured, considered good	5,295,976	2,955,807
b) Unsecured, considered doubtful	5,295,976	2,955,807
Less : Provision for Doubtful Debts	5,295,976	2,955,807
<b>Other Trade receivables:</b>		
a) Unsecured, considered good	13,975,165	9,803,317
<b>TOTAL</b>	<b>13,975,166</b>	<b>9,803,317</b>



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

**12 Cash and Cash Equivalents**

<b>PARTICULARS</b>	<b>As at 31 March, 2019 (Rupees)</b>	<b>As at 31 March, 2018 (Rupees)</b>
<b>A) Cash and Cash Equivalents</b>		
a) Cash in Hand	56,826	14,430
b) Balances with Banks		
(i) In Current Accounts	5,856,206	1,806,678
(ii) In Deposits Accounts	255,629,536	280,731,616
<b>B) Other Bank Balances</b>		
(i) In Deposits Accounts (refer note (i),( ii) and (iii) below)	385,678,529	350,905,932
(ii) In Margin Money Accounts	12,500,000	12,500,000
(iii) In Escrow Account (refer note 23)	24,415,735	20,268,148
<b>TOTAL</b>	<b>684,136,832</b>	<b>666,226,804</b>

**Note:**

(i) **Other Bank Balances** include deposits amounting to Rs. 3,41,94,864 (As at 31 March 2018 Rs.3,29,33,553) pledged with banks against overdraft facilities.

(ii) **Other Bank Balances with banks** include deposits of Rs. 35,14,83,665 (As at 31 March 2018 Rs.33,44,82,666) under lien to bank.

**13 Short-term Loans and Advances**

<b>PARTICULARS</b>	<b>As at 31 March, 2019 (Rupees)</b>	<b>As at 31 March, 2018 (Rupees)</b>
<b>Unsecured, considered good</b>		
(a) Advances recoverable in cash or in kind or for value to be received	551,326	595,230
(b) Prepaid Expenses - Unsecured, considered good	979,855	541,733
(c) Balances with Government Authorities	-	2,281,358
(d) Advance Income tax (net of provision)	159,903,634	-
<b>TOTAL</b>	<b>161,434,815</b>	<b>3,418,321</b>

**14 Other Current Assets**

<b>PARTICULARS</b>	<b>As at 31 March, 2019 (Rupees)</b>	<b>As at 31 March, 2018 (Rupees)</b>
Interest accrued on Fixed Deposits	18,229,762	10,481,409
<b>TOTAL</b>	<b>18,229,762</b>	<b>10,481,409</b>



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

**15 Revenue from Operations**

<b>PARTICULARS</b>	<b>For the year ended 31 March, 2019 (Rupees)</b>	<b>For the year ended 31 March, 2018 (Rupees)</b>
Licence Fees and Maintenance charges	111,920,364	119,748,198
<b>Total</b>	<b>111,920,364</b>	<b>119,748,198</b>

**16 Other Income**

<b>PARTICULARS</b>	<b>For the year ended 31 March, 2019 (Rupees)</b>	<b>For the year ended 31 March, 2018 (Rupees)</b>
Interest Income:		
On Fixed Deposits	41,441,974	40,296,458
On Income tax refund	439,836	364,851
Gain on sale of fixed assets	450,000	324,257
Sundry balance written back	-	919,978
Misc. income	-	3,240
<b>TOTAL</b>	<b>42,331,810</b>	<b>41,908,784</b>

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

<b>PARTICULARS</b>	<b>For the year ended 31 March, 2019 (Rupees)</b>	<b>For the year ended 31 March, 2018 (Rupees)</b>
<u>Inventories at the end of the year:</u>		
Lease Hold Land	22,418,808	22,418,808
Finished Structures	418,873,872	418,873,872
Work in progress	2,657,494	2,657,494
<b>Total</b>	<b>443,950,174</b>	<b>443,950,174</b>
<u>Inventories at the beginning 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
<b>Total</b>	<b>443,950,174</b>	<b>438,577,102</b>
<b>Change in Inventories</b>	<b>-</b>	<b>(5,373,072)</b>



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

**18 Employee Benefits Expense**

PARTICULARS	For the year ended 31 March, 2019 (Rupees)	For the year ended 31 March, 2018 (Rupees)
Salaries and wages	19,356,752	16,363,135
Contributions to provident and other funds	1,537,164	1,207,341
Staff welfare expenses	499,955	502,163
<b>TOTAL</b>	<b>21,393,871</b>	<b>18,072,639</b>

**19 Finance Costs**

PARTICULARS	For the year ended 31 March, 2019 (Rupees)	For the year ended 31 March, 2018 (Rupees)
Interest Expenses	497,795	465,163
Other Borrowing cost	855,044	2,808,235
<b>TOTAL</b>	<b>1,352,839</b>	<b>3,273,398</b>

**20 Other Expenses**

PARTICULARS	For the year ended 31 March, 2019 (Rupees)	For the year ended 31 March, 2018 (Rupees)
Power and Fuel	7,426,025	6,854,515
Building material and labour charges	22,386,201	5,373,073
Insurance	413,930	518,706
Building Repairs	28,125,394	14,089,958
Lease Rent	252,411	239,212
Revenue Sharing	4,174,142	3,872,474
Rates and Taxes	5,000,614	1,873,259
Travelling and Conveyance	2,480,827	1,447,968
Stationery, Printing, Postage and Telephone	282,161	610,771
Advertisement Expenses	26,112	15,680
Legal and Professional Fees	11,156,636	11,020,641
Communication Expenses	234,623	244,947
Commission & Brokerage	1,311,525	1,828,725
Sales Promotion Expenses	1,587,434	1,534,188
Payment to Auditors (Refer note (i) below)	1,598,615	1,455,397
General Charges	5,098,182	1,523,189
Security Charges	7,459,600	5,835,580
Provision for Doubtful Debts	2,340,169	-
Corporate Social responsibilities Expenses (Refer note (ii) below)	1,605,000	8,000,000
GST Expenses	1,711,702	0
Net loss on foreign currency transactions and translations	720,830	41,536
<b>TOTAL</b>	<b>105,392,132</b>	<b>66,379,818</b>

**(i) Payments to the auditors comprises :**

As Auditors - Statutory Audit	1,437,083	1,215,397
As Auditors - Tax Audit	150,000	150,000
Other Matters	-	90,000
Reimbursement of expenses	11,552	-
<b>TOTAL</b>	<b>1,598,615</b>	<b>1,455,397</b>

**(ii) Corporate Social Responsibility Expenditure**

(a) Gross amount required to be spent	1,603,320	1,478,229
(b) Amount Spent	1,605,000	8,000,000

**21 Earnings Per Share**

PARTICULARS	For the year ended 31 March, 2019 (Rupees)	For the year ended 31 March, 2018 (Rupees)
<b>Basic and Diluted - Continuing Operations</b>		
Net profit for the year attributable to the equity shareholders	17,548,314	54,627,515
Weighted average number of equity shares	39,369,487	39,369,487
Par value per share	10	10
Earnings per share - Basic and Diluted	0.45	1.39

**22 Contingent Liabilities**

PARTICULARS	For the year ended 31 March, 2019 (Rupees)	For the year ended 31 March, 2018 (Rupees)
Guarantees issued by Banks	342,104,376	342,104,376
Dispute demanded of Income Tax for which an Appeal has been preferred	56,783,710	105,568,798
Dispute demanded of Service Tax for which an Appeal has been preferred	136,591,513	136,591,513





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

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

The Holding 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 Holding 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 Holding Company w.e.f. September 04, 2008. The issues between the Holding 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 Holding Company and Gujarat Informatics Limited (GIL), have appointed Arbitrators from their side while the Honorable High Court of Gujarat vide its order dated 20th March, 2015 has appointed the presiding arbitrator. Accordingly, the process of arbitration has started; however, the possibilities of amicable settlement are still open and being explored by both the parties to arbitration.



## CREATIVE INFOCITY LIMITED

### Notes forming part of the Consolidated financial statements

Pending the resolution of the matters, no effect, if any, has been given in the books of account of the Holding 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 Holding Company has opened an escrow account in Bank of India. As on March 31, 2019 balance in escrow account is Rs. 24,415,735/- (As at March 31, 2018 : Rs. 20,268,148/-) 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. NIL (Previous Year Rs. 17,591,635/-) has been recognized as revenue in the Statement of Profit and Loss under the item of license fees and maintenance charges under Revenue from operations (Note no. 16).

- 24 Rs. 22,272/- is outstanding for payment to Micro Enterprises, and small Enterprises, to whom the company owes dues due to quality dispute. The above information has been determined to the extent such parties have been identified on the basis of information available with the company. This has been relied upon by the auditors.
- 25 The Holding 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. 83,048,337/- (P.Y. Rs. 89,038,525/-).

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.



**26 Employee Benefits:**

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

Particulars	For the year 19	2018-	For the year
	(Rupees)		2017-18 (Rupees)
<b>a) Reconciliation of opening and closing balance of the present value defined benefit obligation</b>			
Obligation at the beginning of the year		2,407,660	1,984,328
Current Service Cost		354,341	296,663
Past Service Cost- Vested Benefit Incurred During the Period		-	52,720
Interest Cost		189,483	150,214
Actuarial Losses ( Gain)		63,461	(76,265)
Benefit Paid		(59,769)	-
Obligation at the end of the year		2,955,176	2,407,660
<b>b) Reconciliation of opening and closing balance of fair value of plan assets</b>			
Plan Asset at the beginning of the year, as fair value		2,339,380	1,954,670
Expected Return		184,109	147,969
Actuarial Gain/loss on Plan Assets		(16,427)	(7,257)
Contribution		348,922	243,998
Benefit Paid		(59,769)	-
Plan Asset at the end of the year, as fair value		2,796,215	2,339,380
<b>c) Net Asset/(Liability) recognised In Balance Sheet as at year end</b>			
Obligation at the end of the year		(2,955,176)	(2,407,660)
Plan Asset at the end of the year		2,796,215	2,339,380
<b>(Liability)/Asset recognised in Balance Sheet as at year end</b>		(158,961)	(68,280)
<b>d) Components of Employer Expenses for the year</b>			
Current Service Cost		354,341	296,663
Interest Cost		189,483	150,214
Expected return on plan assets		(184,109)	(147,969)
Net Actuarial (gain)/loss		79,888	(69,008)
Net Cost/(Gain)		439,603	282,620
<b>e) Assumptions</b>			
Discounted Rate (p.a)		7.88%	7.87%
Expected Rate of return on opening plan assets (p.a.)		7.78%	7.87%
Expected rate of increase in compensation levels (p.a.)		7.00%	7.00%
Mortality		Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
<b>f) Defined Contribution Plan</b>			
Particulars		2018-19 (Rupees)	2017-18 (Rupees)
Amount recognized as an expenses and included in Note 19 of statement of Profit & Loss		439,603	282,620
<b>g)</b>			
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.			
<b>h) Experience Adjustment:</b>			
			(Rupees)
Gratuity	2018-19	2017-18	2016-17
Present value of defined benefit Obligation	2,955,176	2,407,660	1,984,328
Fair Value of Plan assets	2,796,215	2,339,380	1,954,670
Funded status surplus/(deficit)	(158,961)	(68,280)	(29,658)
Experience gain/(loss) adjustments on plan liabilities	27,153	29,143	(137,831)
Experience gain/(loss) adjustments on plan assets	(16,427)	(7,257)	(28,521)



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

b). Transaction with Related Parties for the year 2018-2019

(Rupees)

Sr. No.	Nature of Transaction	Key Management Personnel		Relative of Key Management Personnel		Other Related Party	
		For the year ended 31 March, 2019	For the year ended 31 March, 2018	For the year ended 31 March, 2019	For the year ended 31 March, 2018	For the year ended 31 March, 2019	For the year ended 31 March, 2018
<b>A</b>	<b>Volume of Transactions:</b>						
1	<b>Expenses:</b>						
	Revenue sharing Gujarat Informatics Limited	-	-	-	-	4,174,142	3,872,474
	Lease rent Gujarat Informatics Limited	-	-	-	-	11,716	11,716
	Professional Fees Suryakant Mehta	-	216,000	-	-	-	-
	Sales Promotion Expenses Infocity Club & Resorts Pvt. Ltd. Faith Hospitalities Pvt. Ltd.	- -	- -	- -	- -	13,646	-
2	<b>Revenue</b>						
	License fees and O & M Charges Suhan Reality Pvt Ltd. Infocity Club & Resorts Pvt. Ltd. EGS Contact Center Solutions Pvt.Ltd.	- - - -	- - - -	- - - -	- - - -	253,654 3,228,948 10,566,000	206,561 3,438,234 5,538,600
3	<b>Employee Benefits Expenses</b>						
	Suvas Barot	1,961,353	1,757,556	-	-	-	-
	Shradha Bhimani	627,924	539,800	-	-	-	-
	Ravikumar D. Jain	654,000	583,200	-	-	-	-
	Mahendra Brahmabhatt	-	-	376,992	352,992	-	-
<b>B</b>	<b>Balances at the end of the year:</b>						
1	<b>Long Term Loans &amp; Advances</b>						
	Deposit-Gujarat Informatics Limited	-	-	-	-	2,000,000	2,000,000
2	<b>Trade Payable</b>						
	Suvas Barot	131,184	136,263	-	-	-	-
	Suryakant Mehta	-	15,900	-	-	-	-
	Shradha Bhimani	49,002	46,000	-	-	-	-
	Ravikumar D. Jain	49,300	49,300	-	-	-	-
	Mahendra Brahmabhatt	-	-	28,436	25,700	36,329,795	32,143,937
	Gujarat Informatics Limited	-	-	-	-	5,473	5,473
	Faith Hospitalities Pvt. Ltd.	-	-	-	-	-	-
3	<b>Trade Receivable</b>						
	Infocity Club & Resorts Pvt Ltd.	-	-	-	-	337,043	337,043
	EGS Contact Center Solutions Pvt.Ltd.	-	-	-	-	-	802,800
4	<b>Other Current Liability</b>						
	Infocity Club & Resorts Pvt Ltd.	-	-	-	-	670,680	670,680
	EGS Contact Center Solutions Pvt.Ltd.	-	-	-	-	1,350,000	1,350,000



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

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

Particulars	As at 31 March, 2019 (Rupees)	As at 31 March, 2018 (Rupees)
<b>Deferred Tax Liability</b>		
In respect of difference between Book and Tax Depreciation	4,458,918	4,154,986
<b>Deferred Tax Assets</b>		
In respect of provision for retirement benefits and bonus payable	219,654	160,633
In respect of provision for Doubtful Debts	1,473,341	-
<b>Net Deferred Tax Liabilities</b>	<b>2,765,923</b>	<b>3,994,353</b>

29 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

Asharam Patel  
Director

Shradha Bhimani  
Company Secretary

Ravi Kumar Jain  
Chief Financial Officer

Place: Gandhinagar  
Date: 06/09/2019