



Creative Eye Limited

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Creative Eye Limited

[ANNUAL REPORT 2007-2008]

BOARD OF DIRECTORS



Mr. Dheeraj Kumar
Chairman & Managing Director



Mrs. Zubey Kochhar
Executive Director



Mr. DevendraDass Kochar
Executive Director



Mr. M. R. Sivaraman
Non Executive Director



Mr. Shiv S. Sharma
Non Executive Director



Mr. T.K. Choudhary
Non Executive Director

Registered and Corporate Office

"Kailash Plaza", Plot No.12-A,
Opp. Laxmi Industrial Estate,
New Link Road, Andheri (West),
Mumbai- 400 053
Tel.: 022 26732613 (7 lines)
Fax: 022 2673 2296
E-Mail : contact@creativeeye.com
Website: www.creativeeye.com

Registrar and Transfer Agents

Karvy Computershare Pvt. Ltd.
46, Avenue-4, Street-1,
Banjara Hills,
Hyderabad- 500 034
Tel.: 040 23312454
Fax: 040 23311968
Website: www.karvy.com

Auditors

Uttam Abuwala & Co.,
Chartered Accountants

Bankers

Oriental Bank of Commerce

Company Secretary

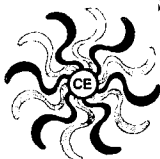
Mrs. Hemangi Patil

Annual General Meeting

Tuesday, 23rd September 2008
at 10.30 a.m. at Juhu Jagriti Hall,
Near Mithibai College,
Bhaktivedanta Swami Marg,
Juhu Scheme, Vile Parle (West),
Mumbai 400056

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NOTICE

NOTICE is hereby given that the Twenty Second Annual General Meeting of the Members of **CREATIVE EYE LIMITED** ('the Company') will be held on Tuesday, 23rd September, 2008 at 10.30 a.m. at Juhu Jagriti Hall, Near Mithibai College, Bhaktivedanta Swami Marg, Juhu Scheme, Vile Parle (West), Mumbai 400056 to transact the following businesses:

ORDINARY BUSINESS :

1. To consider and adopt the audited Balance Sheet as at 31st March 2008, Profit and Loss Account and Cash Flow Statement for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a director in place of Mr. Shiv S. Sharma, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a director in place of Mr. T. K. Choudhary, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint M/s Uttam Abuwala & Co., Chartered Accountants, as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS :

5. **Revision in remuneration of Mr. Dheeraj Kumar, Chairman & Managing Director of the Company.**

To consider and, if thought fit, to pass with or without modification, the following resolution as a **Special Resolution:-**

"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309, 310, 314 and other applicable provisions, if any and Schedule XIII of the Companies Act, 1956 and subject to such approvals, if any, the consent of the Company be and is hereby accorded to the revision in the remuneration of Mr. Dheeraj Kumar, Chairman and Managing Director of the company from Rs.18 lacs per annum to Rs.36 lacs per annum with effect from 1st February 2008 for a period of three years and other terms and conditions as set out in the explanatory statements in this item of the notice with liberty to the Board of Directors of the Company ("the Board") to alter and vary the terms and conditions of the appointment in such manner as may be agreed to between the Board and Mr. Dheeraj Kumar.

"RESOLVED FURTHER THAT pursuant to the provisions of Part II of Schedule XIII of the Companies Act, 1956 that approval of the members be and is hereby accorded to the payment of the same remuneration as per the terms as set out above to Mr. Dheeraj Kumar as minimum remuneration, as approved by the Remuneration Committee of the Board.

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to execute all such documents and to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, expedient and proper."

6. **Revision in remuneration of Mrs. Zuby Kochhar, Whole-time Director of the Company.**

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

"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309, 310, 314 and other applicable provisions, if any and Schedule XIII of the Companies Act, 1956 ("the Act") and subject to such sanctions as



may be necessary, the Company hereby approves the revised remuneration payable to Mrs. Zubu Kochhar, Wholetime Director of the Company from Rs.10.80 lacs per annum to Rs.18.00 lacs per annum with effect from 1st February, 2008 for a period of three years.

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to increase the said remuneration within the limits specified in Schedule XIII of the Act.

"RESOLVED FURTHER THAT the above remuneration shall be paid to Mrs. Zubu Kochhar notwithstanding the inadequacy of profits or no profits in any financial year during the tenure of her office as such."

7. Revision in remuneration of Mr. Devendra Dass Kochar, Whole-time Director of the Company.

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

"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309, 310, 314 and other applicable provisions, if any and Schedule XIII of the Companies Act, 1956 ("the Act") and subject to such sanctions as may be necessary, the Company hereby approves the revised remuneration payable to Mr. Devendra Dass Kochar, Wholetime Director of the Company from Rs.10.20 lacs per annum to Rs.12 lacs per annum with effect from 1st February, 2008 for a period of three years.

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to increase the said remuneration within the limits specified in Schedule XIII of the Act.

"RESOLVED FURTHER THAT the above remuneration shall be paid to Mr. Devendra Dass Kochar notwithstanding the inadequacy of profits or no profits in any financial year during the tenure of his office as such."

Registered office:

"Kailash Plaza", Plot No.12-A,
Opp. Laxmi Industrial Estate,
New Link Road, Andheri (West),
Mumbai 400 053

By Order of the Board of Directors

Date: 28th June 2008

Hemangi Patil
Company Secretary

NOTES:

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. The instrument appointing a proxy should be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the meeting.
3. Members/ Proxies should fill the Attendance Slip for attending the meeting.
4. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the special businesses is annexed hereto.
5. Brief resume of the directors seeking re-appointment is annexed herewith.



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6. Shareholders are requested to bring their copy of Annual Report to the Meeting.
7. Members who hold their shares in dematerialized form are requested to write their client ID and DP ID number and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the meeting.
8. In case of joint holders attending the Annual General Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
9. The Register of Members and Share Transfer books of the Company will remain closed from Tuesday, 16th September 2008 to Tuesday, 23rd September 2008 (both days inclusive).
10. Members who have not encashed their dividend warrants for the financial years ended on 31st March 2003 and 31st March 2002 may approach the company for issue of duplicate warrants.
11. While members holding shares in physical form may write to the Registrar and Transfer Agents, (M/s Karvy Computershare Private Limited) for any changes in their addresses and bank mandates, members holding shares in electronic form may inform the same to their Depository Participants.
12. Corporate Members intending to send their authorized representatives are requested to send a duly certified copy of Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.
13. Consequent to the introduction of Section 109A of the Companies Act, 1956 shareholders are entitled to make nomination in respect of shares held by them in physical. Shareholders desirous of making nominations are requested to send their requests in Form 2B (which will be made available on request) to the Registrar and Transfer Agents, (M/s Karvy Computershare Private Limited).
14. Pursuant to the provisions of Section 205A and 205C of the Companies Act, 1956, the company has to transferred the unclaimed dividends for the financial years 2000-2001 to the investor education and protection fund established by the Central Government.

Registered office:

"Kailash Plaza", Plot No.12-A,
Opp. Laxmi Industrial Estate,
New Link Road, Andheri (West),
Mumbai 400 053

Date: 28th June 2008

By Order of the Board of Directors

Hemangi Patil
Company Secretary



ANNEXURE TO NOTICE

Explanatory Statement under Section 173(2) of the Companies Act, 1956

Item No. 5 - Revision in remuneration of Mr. Dheeraj Kumar, Chairman & Managing Director of the Company

The Remuneration Committee at their meeting held on 30th January 2008 had approved revision in the salary of Mr. Dheeraj Kumar from Rs. 18 lacs per annum to Rs. 36 lacs per annum with effect from 1st February 2008 for a period of three years.

The present remuneration of Mr. Dheeraj Kumar is Rs. 18 lacs per annum. Subject to approval of the members, based on the recommendations of the Remuneration Committee, the Board had approved revision in the present compensation of Mr. Dheeraj Kumar. The details are given below :

I) **Remuneration:**

Salary:

Basic Salary : In the Scale of Rs. 1,50,000/- to Rs. 3,00,000/- per month. The Remuneration Committee/Board of Directors will determine the amount of Basic Salary payable from time to time depending on the performance of the Managing Director, profitability of the Company and other relevant factors.

The Basic Salary approved by the Remuneration Committee is Rs. 1,50,000/- per month.

II) **Perquisites:** Perquisites shall be restricted to an amount equal to the annual salary. Unless the context otherwise requires, perquisites to be given to the Chairman & Managing Director are as follows:-

- 1) Medical Reimbursement : Expenditure incurred for him and his family subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.
- 2) Leave Travel Concession : Actual traveling and lodging expenses incurred on leave travel anywhere in India for him and his family once in a year upto a maximum of one month's salary in a year.
- 3) Club Fees : Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership.
- 4) Personal Accident Insurance : Premium not to exceed Rs.10,000/- per annum.
- 5) Contribution to Provident Fund and Superannuation Fund : Contribution to the Provident Fund, Superannuation Fund and Annuity Fund will not be considered or included in computation of ceiling on perquisites to the extent these either singly or put together, are not taxable under the Income-Tax Act, 1961.
- 6) Gratuity : Gratuity payable shall not exceed one month's salary of each completed year of service.
- 7) Encashment of Leave : Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.
- 8) Provision of fully maintained car with reimbursement of driver's salary for use on company's business will not be considered as perquisites. The use of car for private purpose shall be billed by the company to the Chairman & Managing Director.



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- 9) Free Use of Telephone at the Residence : Provision of telephone/ Mobile at the residence of the Managing Director at Company's cost will not be considered as perquisites. Personal long distance call shall be billed by the Company to the Chairman & Managing Director.
- III) Leave : Annual leave on full pay and allowances in accordance with the Company's rules but not exceeding one month's leave for every 11 months of service. In addition, he shall be entitle to casual leave, sick leave and other leave as per the rules of the Company applicable to the managerial personnel of the Company.
- IV) Minimum Remuneration : Notwithstanding anything to the contrary herein, where in any financial year, during the currency of the tenure of the appointment, the Company has no profits or its profits are inadequate, the salary, perquisites and benefits shall not exceed the ceilings laid down in this behalf under Schedule XIII of the Companies Act, 1956 or any amendment thereof.
- V) Other Terms and Conditions:

- 1) The tenure of the Managing Director shall be for a period of five years commencing from 1st January 2005 to 31st December 2009.
- 2) The Managing Director shall be vested with substantial powers of the Management of the day to day affairs of the Company subject to the supervision and direction of the Board of Directors of the Company.
- 3) The Managing Director will devote his time and efforts for the business of the Company and its subsidiaries.
- 4) The following disclosures are being made in this Explanatory Statement in compliance with Paragraph 1(B) of Section II in Part II of Schedule XIII to the Companies Act, 1956.

a) General information

- 5) The Company was incorporated in the year 1986 with the main object of making video films, other films for the Television Media and Screen.
- 6) Operational Performance of the Company for the financial year 2007-08 and 2006-07 is as follows.

Particulars	(Rs. in Lacs)	
	2007-2008	2006-2007
Sales and other Income	2994.71	2240.80
Profit Before Tax	70.05	68.16
Profit After Tax	105.19	97.41
Paid up Equity Capital	1002.91	1002.91
Reserves & Surplus	3516.04	3549.05
Basic Earning per Share (Rs.)	0.52	0.49

- 7) The Company has earned foreign exchange of Rs.10,20,000/- during the financial year 2006-07 and no foreign exchange earnings during the financial year 2007-08.

Information about Mr. Dheeraj Kumar:

Mr. Dheeraj Kumar is the promoter director of the company. He is a graduate of the Films and Television Institute of India, Pune and has over 35 years of experience in the media and entertainment industry in various roles as an Artist, Director and Producer. He has successfully produced TV Serials in all major Indian Languages, e.g. Hindi, Punjabi, Telugu, Tamil, Kannada, Malayalam, Gujarati etc. Winner of several awards as an actor, he has continued the trend and has won several awards as a Producer also. Having



more than 35 years of experience in all aspects of film making, as Chairman and Managing Director, he maintains total interaction from floor level to top level in all aspects of planning, production and creativity. He looks after the management and administration of the Company under the overall supervision, control and the direction of the Board of Directors. There has been a tremendous growth in the operations of the Company during his tenure due to his competence and experience. Taking into account financial position of the Company, trend in the industry, his qualifications and experience, the terms of his remuneration as set out in the resolution are considered to be just, fair and reasonable.

He is a key promoter of the Company and owns 19.34 percent Equity stake in the Company as of date.

The total remuneration drawn by Mr. Dheeraj Kumar for the financial year 2005-06 and 2006-07 was Rs.15,71,000/- and Rs.18,60,000/- respectively.

Besides his remuneration, Mr. Dheeraj Kumar does not have any other pecuniary relationship with the Company.

Other information

- (a) Currently, the Company is performing well. However, in the event of unforeseen circumstances and conditions beyond the control of the Company, the profitability of the Company may be affected.
- (b) The Company is looking at new business opportunities and new markets to grow.
- (c) The Company is expected to perform well in future.

Disclosures

- (a) The shareholders are being informed of the remuneration package by way of explanatory statement as given above.
- (b) The details of remuneration etc. of other Directors are included in the Corporate Governance Report forming part of the Annual Report of the Company.
- (c) Mr. Dheeraj Kumar is interested in the said resolution. Mrs. Zuby Kochhar and Mr. Devendra Dass Kochhar are deemed to be concerned or interested in passing of the resolution as they are related to him. None of the other Directors is, in any way, concerned or interested in the said resolution.
- (d) The terms and conditions of Mr. Dheeraj Kumar's remuneration as set out above may be treated as an abstract of the Agreement between the Company and Mr. Dheeraj Kumar pursuant to section 302 of the Companies Act, 1956.
- (e) The Resolution regarding the remuneration of Mr. Dheeraj Kumar as the Managing Director of the Company is commended for acceptance by the Members.

Item No. 6 - Revision in remuneration of Mrs. Zuby Kochhar, Whole-time Director of the Company.

The Remuneration Committee at their meeting held on 30th January 2008 had approved revision in the salary of Mrs. Zuby Kochhar from Rs.10.80 lacs per annum to Rs.18.00 lacs per annum with effect from 1st February, 2008 for a period of three years.

The present remuneration of Mrs. Zuby Kochhar is Rs. 10.80 lacs per annum. Subject to approval of the members, based on the recommendations of the Remuneration Committee, the Board had approved revision in the present compensation of Mrs. Zuby Kochhar. The details are given below :



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I) Remuneration:

Salary:

Basic Salary : In the Scale of Rs. 90,000/- to Rs. 1,50,000/- per month. The Remuneration Committee/Board of Directors will determine the amount of Basic Salary payable from time to time depending on the performance of the Executive Director, profitability of the Company and other relevant factors.

The Basic Salary approved by the Remuneration Committee is Rs. 90,000/- per month.

II) Perquisites: Perquisites shall be restricted to an amount equal to the annual salary. Unless the context otherwise requires, perquisites to be given to the Executive Director are as follows:-

- 1) Medical Reimbursement : Expenditure incurred for her and her family subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.
- 2) Leave Travel Concession : Actual traveling and lodging expenses incurred on leave travel anywhere in India for her and her family once in a year upto a maximum of one month's salary in a year.
- 3) Club Fees : Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership.
- 4) Personal Accident Insurance : Premium not to exceed Rs.10,000/- per annum.
- 5) Contribution to Provident Fund and Superannuation Fund : Contribution to the Provident Fund, Superannuation Fund and Annuity Fund will not be considered or included in computation of ceiling on perquisites to the extent these either singly or put together, are not taxable under the Income-Tax Act, 1961.
- 6) Gratuity : Gratuity payable shall not exceed one month's salary of each completed year of service.
- 7) Encashment of Leave : Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.
- 8) Provision of fully maintained car with reimbursement of driver's salary for use on company's business will not be considered as perquisites. The use of car for private purpose shall be billed by the company to the Executive Director.
- 9) Free Use of Telephone at the Residence : Provision of telephone/ Mobile at the residence of the Executive Director at Company's cost will not be considered as perquisites. Personal long distance call shall be billed by the Company to the Executive Director.

III) Leave : Annual leave on full pay and allowances in accordance with the Company's rules but not exceeding one month's leave for every 11 months of service. In addition, she shall be entitle to casual leave, sick leave and other leave as per the rules of the Company applicable to the managerial personnel of the Company.

IV) Minimum Remuneration : Notwithstanding anything to the contrary herein, where in any financial year, during the currency of the tenure of the appointment, the Company has no profits or its profits are inadequate, the salary, perquisites and benefits shall not exceed the ceilings laid down in this behalf under Schedule XIII of the Companies Act, 1956 or any amendment thereof.



The terms and conditions of Mrs. Zuby Kochhar's remuneration as set out above may be treated as an abstract of the Agreement between the Company and Mrs. Zuby Kochhar pursuant to section 302 of the Companies Act, 1956.

Your Directors recommend the resolution for your approval.

Mrs. Zuby Kochhar is interested in the said resolution. Mr. Dheeraj Kumar is deemed to be concerned or interested in the resolution as he is related to her. None of the other Directors is, in any way, concerned or interested in the said resolution.

Item No. 7 - Revision in remuneration of Mr. Devendra Dass Kochar, Whole-time Director of the Company

The Remuneration Committee at their meeting held on 30th January 2008 had approved revision in the salary of Mr. Devendra Dass Kochar from Rs.10.20 lacs per annum to Rs.12.00 lacs per annum with effect from 1st February, 2008 for a period of three years.

The present remuneration of Mr. Devendra Dass Kochar is Rs. 10.20 lacs per annum. Subject to approval of the members, based on the recommendations of the Remuneration Committee, the Board had approved revision in the present compensation of Mr. Devendra Dass Kochar. The details are given below :

I) Remuneration:

Salary:

Basic Salary : In the Scale of Rs. 85,000/- to Rs. 1,00,000/- per month. The Remuneration Committee/ Board of Directors will determine the amount of Basic Salary payable from time to time depending on the performance of the Executive Director, profitability of the Company and other relevant factors.

The Basic Salary approved by the Remuneration Committee is Rs. 85,000/- per month.

II) Perquisites: Perquisites shall be restricted to an amount equal to the annual salary. Unless the context otherwise requires, perquisites to be given to the Executive Director are as follows:-

- 1) Medical Reimbursement : Expenditure incurred for him and his family subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.
- 2) Leave Travel Concession : Actual traveling and lodging expenses incurred on leave travel anywhere in India for him and his family once in a year upto a maximum of one month's salary in a year.
- 3) Club Fees : Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership.
- 4) Personal Accident Insurance : Premium not to exceed Rs.10,000/- per annum.
- 5) Contribution to Provident Fund and Superannuation Fund : Contribution to the Provident Fund, Superannuation Fund and Annuity Fund will not be considered or included in computation of ceiling on perquisites to the extent these either singly or put together, are not taxable under the Income-Tax Act, 1961.
- 6) Gratuity : Gratuity payable shall not exceed one month's salary of each completed year of service.
- 7) Encashment of Leave : Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.