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# **RAP MEDIA LIMITED**

**(FORMERLY ALLIED CAPITAL SERVICES LIMITED)**

## **10TH ANNUAL REPORT 2003-2004**

## 10TH ANNUAL REPORT

### Board of Directors:

Shri Rupinder Singh Arora	-	<i>Chairman &amp; Managing Director</i>
Shri Manmohan Shetty	-	<i>Director</i>
Shri Chandir G. Gidwani	-	<i>Director</i>
Shri K. V. Krishnamurthy	-	<i>Director</i>
Kum. Ritika Arora	-	<i>Director</i>
Kum. Pooja Shetty	-	<i>Director</i>

### Auditors:

**M/S. A.M. JOSHI & CO.**  
*Chartered Accountants*  
Sukrita, 127, Shivaji Park,  
Dr. M. B. Raut Road,  
Dadar, Mumbai - 400 024.

### Banker :

**HDFC BANK LTD.**

### Registered Office:

1st Floor, Tawawala Building,  
101, Abdul Rehman Street,  
Mumbai - 400 003.

### Corporate Office:

Arora House,  
16, Golf Link, Union Park,  
Khar(West), Mumbai - 400 052

1. Shareholders are requested to bring their copy of the Annual Report to the Meeting.
2. Please address all correspondence regarding share transfer work to the Registrars and Share Transfer Agents and not to the Company's Registered Office.
3. Members are requested to notify their change of address, if any, to our Registrars and Share Transfer Agents, **M/s. Dynamic Superways & Exports Ltd.,** at the following address:

**DYNAMIC SUPERWAYS & EXPORTS LTD.,**  
Rainbow Palace, I.C. Colony Cross Road  
No.5, Borivali(West), Mumbai- 400 103

**RAP MEDIA LTD.****Notice**

NOTICE is hereby given that the Tenth Annual General Meeting of the Members of **RAP MEDIA LTD.** will be held on Thursday, the 23rd September, 2004, at 11.00 A.M. at the Corporate Office of the Company at Arora House, 16, Golf Link, Union Park, Khar (West), Mumbai – 400 052 to transact the following business:

**ORDINARY BUSINESS :**

1. To receive, consider and adopt the Audited Balance Sheet and the Profit and Loss Account as at and for the year ended 31st March, 2004 and the Report of the Directors and the Auditors thereon.
2. To appoint a Director in place of Kum. Ritika Arora, who retires by rotation and, being eligible, offers herself for re-appointment.
3. To appoint a Director in place of Kum. Pooja Shetty, who retires by rotation and, being eligible, offers herself for re-appointment.
4. To consider and, if thought fit, to pass, with or without modification, the following resolution as an **ORDINARY RESOLUTION**:

“RESOLVED THAT M/s. A.M. Joshi & Co., Chartered Accountants, Mumbai, the retiring auditors of the Company, be and are hereby appointed as Auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company on a remuneration to be determined by the Board in consultation with the said auditors in addition to payment for other services and reimbursement of out of pocket expenses.”

**SPECIAL BUSINESS :**

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

“RESOLVED THAT Shri Chandir Gobind Gidwani who was appointed as an Additional Director of the Company by the Board of Directors and who holds office only upto the date of ensuing Annual General Meeting and in respect of whom the Company has received a Notice in writing from a member proposing his candidature for the office of Director, be and he is hereby appointed as a Director of the Company, liable to retire by rotation.”

6. To consider and, if thought fit, to pass, with or without modification, the following resolution as an **ORDINARY RESOLUTION** :

“RESOLVED THAT Shri Manmohan Shetty who was appointed as an Additional Director of the Company by the Board of Directors and who holds office only upto the date of ensuing Annual General Meeting and in respect of whom the Company has received a Notice in writing from a member proposing his candidature for the office of Director, be and he is hereby appointed as a Director of the Company, liable to retire by rotation.”

7. To consider and, if thought fit, to pass, with or without modification, the following resolution as an **ORDINARY RESOLUTION** :

“RESOLVED THAT Shri K. V. Krishnamurthy who was appointed as an Additional Director of the Company by the Board of Directors and who holds office only upto the date of ensuing Annual General Meeting and in respect of whom the Company has received a Notice in writing from a member proposing his candidature for the office of Director, be and he is hereby appointed as a Director of the Company, liable to retire by rotation.”

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8. To consider and, if thought fit, to pass, with or without modification, the following resolution as a SPECIAL RESOLUTION :

"RESOLVED THAT pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act, 1956, the Article 130(1) of the Articles of Association of the Company be altered in the following manner:

The existing Article 130(1) of the Articles of Association of the Company be substituted by the new Article 130(1):

- 130(1). The remuneration of a Director for his services for attending a Board Meeting or/and any other Committee Meeting shall, subject to the ceiling as may be prescribed by law from time to time, be determined by the Board at their discretion and paid accordingly.

By Order of the Board of Directors

**RAVINDRA JOSHI**  
Company Secretary

Mumbai, Dated: 26th June, 2004

**Corporate Office:**

Arora House,  
16, Golf Link,  
Union Park, Khar (West),  
Mumbai- 400 052.

**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. A PROXY NEED NOT BE A MEMBER OF THE COMPANY.

Proxies in order to be effective must be received by the Company not less than 48 hours before the scheduled time of the meeting. A blank form is annexed to this notice.

2. The Explanatory Statement, pursuant to Section 173(2) of the Companies Act, 1956, is annexed herewith.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, the 1st September, 2004 to Thursday, the 23rd September, 2004. (both days inclusive).
4. The Articles of Association referred to in the Notice is open for inspection at the registered office of the Company on all working days during working hours upto the date of the meeting.

**Annexure to Notice**

**Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956.**

**ITEM NO. 5**

Shri Chandir Gobind Gidwani was appointed as an Additional Director of the Company by the Board of Directors at their meeting held on 01.04.2004. He holds his office as a Director till the ensuing Annual General Meeting. Under Section 257 of the Companies Act, 1956, the Company has received a Notice from a member alongwith deposit of Rs. 500/- signifying his intention to propose candidature of Shri Chandir Gobind Gidwani, as a Director of the Company, liable to retire by rotation.

Shri Chandir Gobind Gidwani is a Master of Commerce and Fellow Member of the Institute of Chartered Accountants of India. He has got two decades of experience in Finance, Audit, Accounts and Senior General Management. He is now Managing Director of Centrum Finance Ltd. and is responsible for all strategic

**RAP MEDIA LTD.**

decisions of that Company and is actively involved in Business Planning, Corporate Structuring and Investment Consultancy, Placement of Debt & Equity, ECB Structuring and International Finance.

**ITEM NO. 6**

Shri Manmohan Shetty was appointed as an Additional Director of the Company by the Board of Directors at their meeting held on 01.04.2004. He holds his office as a Director till the ensuing Annual General Meeting. Under Section 257 of the Companies Act, 1956, the Company has received a Notice from a member alongwith deposit of Rs. 500/- signifying his intention to propose candidature of Shri Manmohan Shetty, as a Director of the Company, liable to retire by rotation.

Shri Manmohan Shetty is an arts graduate by qualification and has more than 25 years of track record in the business of the Company viz. Film processing and Printing. He is one of the original founders of Adlabs Films Limited, whose core business is film processing and has further expanded to film exhibition, production and post production activities. The Company has won National Awards for its good work and contribution to the film industry.

Shri Manmohan Shetty has kept himself abreast of technological and other changes taking place in the industry through his association with various forums in the film industry. He has had an eventful career in the industry and has produced a number of Hindi films also. "Ardh Satya" a film produced by him received Best Film Filmfare Award, 1984. Over the years he developed strong business relationships with many large film production houses. Recently, he is appointed as Chairman of National Film Development Corporation.

**ITEM NO. 7**

Shri K. V. Krishnamurthy was appointed as an Additional Director of the Company by the Board of Directors at their meeting held on 01.04.2004. He holds his office as a Director till the ensuing Annual General Meeting. Under Section 257 of the Companies Act, 1956, the Company has received a Notice from a member alongwith deposit of Rs. 500/- signifying his intention to propose candidature of Shri K. V. Krishnamurthy, as a Director of the Company, liable to retire by rotation.

Shri K.V. Krishnamurthy is a B. Com., F.C.A., F.I.I.B., retired Chairman & Managing Director of Bank of India. Professional, highly qualified and with rich experience of over 33 years, is considered as one of the best practicing bankers of the Public Sector Banking in the country. The area of specialization includes both domestic as well as international banking in addition to the expertise on Treasury Management, Risk Management, Forex Management and Human Resources Development.

**ITEM NO. 8**

As per existing article 130(1) of the Articles of Association of the Company, the remuneration of a Director for his services for attending a Board Meeting shall not be more than Rs. 500/- for each meeting attended by him. It is now proposed to remove this ceiling and give the discretion to the Board to fix such remuneration for attending a Board Meeting or/and any other Committee Meeting, subject to the ceiling as may be prescribed by law from time to time.

All directors are interested to the extent of fees payable to them.

By Order of the Board of Directors

**RAVINDRA JOSHI**  
Company Secretary

Mumbai, Dated: 26th June, 2004

**Corporate Office:**

Arora House,  
16, Golf Link,  
Union Park, Khar (West),  
Mumbai- 400 052.

## 10TH ANNUAL REPORT

### Directors' Report to the Shareholders

Your Directors present before you the Tenth Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31st March, 2004.

	2003-2004 (Rupees)	2002-2003 (Rupees)
Profit before Finance Charges and Depreciation....	732,838	2,906,387
Less: Depreciation.....	1,736,647	3,415,904
Profit /(Loss) after Depreciation .....	(1,003,809)	(509,517)
Less : Provision for Non-performing Assets.....	NIL	1,415,534
Loss before Extraordinary Items & Tax	(1,003,809)	(1,925,051)
<b>Extraordinary Items</b>		
Profit on Sale of Land & Building.....	1,963,920	NIL
Loss on Sale of Other Assets.....	(8,171,188)	(125,161)
Loss after Extraordinary Items.....	(7,211,077)	(2,050,212)
Provision for Deferred Tax .....	(4,228,233)	(1,223,682)
Loss for the Year .....	(11,439,309)	(3,273,894)
Loss brought forward from Previous Year.....	(32,245,245)	(34,321,351)
Provision for NPA in respect of Earlier Year.....	9,654,970	5,350,000
Loss carried to Balance Sheet.....	(34,029,584)	(32,245,245)

### DIVIDEND

The Board of Directors regret their inability to recommend any dividend in view of brought forward loss from previous years and also in view of loss this year.

### CHANGE OF NAME

The name of the Company was changed to RAP MEDIA LTD. and consequent on change of name the fresh Certificate of Incorporation dated 15th March, 2004, was obtained from The Registrar of Companies, Maharashtra, Mumbai.

### WORKING RESULTS

The Company has stopped the business of non-banking finance activity and has decided to embark in entertainment business, like construction of multiplex theatres, owning them and constructing shopping malls, etc.

An Extraordinary General Meeting was held on 4th March, 2004 and the main objects clauses of memorandum of association were amended enabling the Company to enter into entertainment business and also to enter into business of hoteliers, restaurants etc. Both the amendments were approved by Postal Ballot. The Certificate of Registration dated 12th March, 2004 of Special Resolutions passed for alteration of objects was obtained from The Registrar of Companies, Maharashtra, Mumbai.

## **RAP MEDIA LTD.**

### **1. DIRECTORS' RESPONSIBILITY STATEMENT**

Your Directors confirm :

- (i) that in the preparation of the annual accounts, the applicable accounting standards have been followed;
- (ii) the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March, 2004 and of the loss of the Company for that year;
- (iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) the Directors have prepared the annual accounts on a going concern basis.

### **2. CORPORATE GOVERNANCE**

As per clause 49 of the Listing Agreement with the Stock Exchange, a detailed Corporate Governance Report is annexed to the Directors' Report.

### **3. DIRECTORS**

Smt. Deepi Arora, a Director, resigned her directorship w.e.f. 01/04/2004. Kum. Ritika Arora, was appointed as a Director in the vacancy arising from the resignation of Smt. Deepi Arora. Shri. S. M. Gupta and Shri Girijan Nair resigned their directorships w.e.f. 01/04/2004. Kum. Pooja Shetty and Shri Chandir Gobind Gidwani were appointed as Directors in place of Shri S. M. Gupta and Shri Girijan Nair.

Shri Manmohan Shetty and Shri K. V. Krishnamurthy were appointed as Additional Directors w.e.f. 01/04/2004.

Kum. Ritika Arora, who was appointed as a Director, in the casual vacancy arising from the resignation of Smt. Deepi Arora as a Director, retires by rotation and is eligible for re-appointment.

Kum. Pooja Shetty, who was appointed as a Director, in the casual vacancy arising from the resignation of Shri S. M. Gupta as a Director, retires by rotation and is eligible for re-appointment.

### **4. LISTING ON STOCK EXCHANGES**

The Company is listed on the Stock Exchange, Mumbai only. The annual listing fees have been paid and there is no outstanding payment due to the Exchange, as on date.

The Company got the shares voluntarily delisted from The Stock Exchange, Ahmedabad, with effect from 31<sup>st</sup> March, 2004.

### **5. AUDITORS' REPORT**

The observations of the Auditors have been explained in the notes to the accounts wherever necessary.

### **6. AUDITORS**

The Company's Auditors M/s. A. M. Joshi & Co., Chartered Accountants, retire and are eligible for re-appointment.

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### 7. DEMATERIALIZATION OF SHARES

The Stock Exchange, Mumbai (BSE) has made it obligatory for the companies to make available the equity shares of the Company in demat mode. Accordingly, the Company has already executed necessary agreement with Central Depository Services of India (CDS) for making shares of the Company available in dematerialised form. The process of executing necessary agreement with National Securities Depository Ltd. (NSDL) has been completed but they have not executed the necessary agreement without disclosing any reason.

The ISIN No. allotted to the equity shares of the Company is INE483D01014.

The Company has also established the required connectivity with Dynamic Superways & Exports Limited who are the Registrars and Share Transfer Agents (RTA) for physical as well as Demat segments.

The Equity Shares of the Company can also be held in electronic form with any depository participant (DP) with whom the Members / Investors have their depository account.

### 8. PARTICULARS OF EMPLOYEES

The particulars of employees required to be given under provisions of Section 217 (2A) of the Companies Act, 1956 – NIL.

### 9. ACCEPTANCE OF PUBLIC DEPOSITS

The Company has not accepted public deposits during the year under review and does not propose to accept any public deposit in future without Reserve Bank of India's approval in writing.

For and on behalf of the Board of Directors

**RUPINDER SINGH ARORA**  
Chairman & Managing Director

Mumbai, Dated: 26<sup>TH</sup> June, 2004

**Corporate Office:**  
Arora House,  
16, Golf Link,  
Union Park, Khar (West),  
Mumbai - 400 052.



**RAP MEDIA LTD.****Report of the Directors on Corporate Governance**

(As per clause 49 of the Listing Agreement with Stock Exchange)

**1. Company's Philosophy on code of Governance.**

- (i) that the Board and top management of the Company are fully appraised of the affairs of the Company that is at assisting them in the efficient conduct of the Company's business so as to meet Company's obligation to the shareholders.
- (ii) that the Board exercises its fiduciary responsibilities towards shareholders and creditors so as to ensure high accountability.
- (iii) that the decision making process in the organization is transparent.

**2. Board of Directors**

The strength of the Board of Directors during the year ended 31<sup>st</sup> March, 2004, was 4. It consisted of Promoter-Chairman-cum Managing Director, 1 Promoter-Director and 2 Non-Executive Independent Directors.

On 1<sup>st</sup> April, 2004, the entire Board was reconstituted and the present strength of the Board of Directors of the Company is 6 Directors. The Board comprises of 1 Promoter-Chairman-cum-Managing Director, 1 Promoter-Director, and 4 Non-Executive Directors with independent judgment in the deliberation and decisions of the Board.

S. N.	Name of the Director	Category
1.	Shri Rupinder Singh Arora	Chairman-cum-Managing Director. Promoter Executive Director
2.	Kum. Ritika Arora	Non-Executive-Promoter Director
3.	Kum. Pooja Shetty	Non-Executive Independent Director
4.	Shri Chandir Gobind Gidwani	Non-Executive Independent Director
5.	Shri Manmohan Shetty	Non-Executive Non-Independent Director.
6.	Shri K. V. Krishnamurthy	Non-Executive Independent Director.

Number of Board Meetings – 7

Attendance of each Director at the Board Meetings and last AGM.

Date of last AGM – 23<sup>rd</sup> September, 2003

Sr. No.	Name of the Director	Category	No. of Board Meetings attended	Attendance in last AGM
1	Shri Rupinder Singh Arora	Chairman and Managing Director	7	Yes
2	Smt. Deepi Arora	Non-Executive Promoter Director	7	Yes
3	Shri S. M. Gupta	Non-Executive Director	7	Yes
4	Shri M. Girijan Nair	Non-Executive Director	7	No.

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Number of other companies or committees the Director is a Director / Member.

Name of the Director	No. of other directorships in Public Limited Companies	No. of other Board Committees in which Member
Shri Rupinder Singh Arora	3	1
Smt. Deepi Arora	1	NIL
Shri S. M. Gupta	1	1
Shri Girijan Nair	1	1

Number of Board Meetings held and dates of the Board Meetings.

Number of Board Meetings during the year ended 31<sup>st</sup> March, 2004 – 7.

Dates of Board Meetings (1) 24<sup>th</sup> April, 2003 (2) 26<sup>th</sup> June, 2003 (3) 29<sup>th</sup> July, 2003 (4) 29<sup>th</sup> September, 2003 (5) 29<sup>th</sup> October, 2003 (6) 21<sup>st</sup> January, 2004 and (7) 29<sup>th</sup> January, 2004.

### 3. Audit Committee

Name of the Director	As on 31 <sup>st</sup> March, 2004	From 1 <sup>st</sup> April, 2004
Shri S. M. Gupta	Non-Executive Independent Director	Resigned Directorship from 01/04/2004.
Shri M. Girijan Nair	Non-Executive Independent Director	Resigned Directorship from 01/04/2004
Shri Rupinder Singh Arora	Promoter Executive Chairman	
Shri Chandir Gobind Gidwani	–	Non-Executive Independent Director
Kum. Pooja Shetty	–	Non-Executive Independent Director
Kum. Ritika Arora	–	Non-Executive Promoter Director

Number of Audit Committee meetings during the year ended 31<sup>st</sup> March, 2004 – 4.

Attendance of each member of the Audit Committee

Dates of Audit Committee Meetings (1) 25<sup>th</sup> June, 2003 (2) 28<sup>th</sup> July, 2003 (3) 28<sup>th</sup> October, 2003 (4) 28<sup>th</sup> January, 2004.

Name of the Director	No. of meetings held	No. of Meetings attended
Shri S. M. Gupta	4	4
Shri M. Girijan Nair	4	4
Shri Rupinder S. Arora	4	4