



# **RAP MEDIA LIMITED**

**(FORMERLY ALLIED CAPITAL SERVICES LIMITED)**

## **11TH ANNUAL REPORT 2004-2005**

## 11TH ANNUAL REPORT

### Board of Directors:

Rupinder Singh Arora : *Chairman & Managing Director*  
Shri Manmohan Shetty : *Director*  
Shri Chandir G. Gidwani: *Director*  
Shri K. V. Krishnamurthy : *Director*  
Kum. Ritika Arora : *Director*  
Kum. Pooja Sheety : *Director*

### 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. Sharex Dynamic (India) Pvt. Ltd., at the following address:**

**SHAREX DYNAMIC (INDIA) PVT. LTD.,**  
Unit-1, Luthra Industrial Premises,  
Andheri-Kurla Road, Saffed Pool,  
Andheri (East), Mumbai-400 072.

## Notice

NOTICE is hereby given that the Eleventh Annual General Meeting of the Members of **RAP MEDIA LTD.** will be held on Wednesday, the 27th July, 2005, 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, 2005 and the Report of the Directors and the Auditors thereon.
2. To appoint a Director in place of Shri Chandir G. Gidwani, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri K. V. Krishnamurthy, who retires by rotation and being eligible, offers himself for re-appointment.
4. To consider and, if thought fit, to pass, with or without modification(s), 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."

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

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, Shri Rupinder Singh Arora, be and is hereby re-appointed as the Managing Director of the Company, with effect from 1st August, 2005, for a period of five years, with liberty to either party to terminate the appointment on three months notice in writing to the other, at a remuneration and on terms set out below:

**Salary:** Rs. 25,000 per month, subject to such periodic increments as the Chairman of the Board may approve upto a total of Rs. 50,000 per month, provided that all emoluments paid shall in any case be within the overall limits laid down by Schedule XIII of the Companies Act, 1956.

#### Perquisites :

- (a) *Medical Reimbursement* : Expenses incurred by 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.
- (b) *Club Fees* : Subject to a maximum of two clubs. This will not include Admission and Life Membership fee.
- (c) *Personal Accident Insurance* : Premium not to exceed Rs. 4,000 p.m.

By Order of the Board of Directors

**RUPINDER SINGH ARORA**  
Chairman & Managing Director

Mumbai, Dated: 13th June, 2005

#### Corporate Office:

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

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### 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 Friday, the 8th July, 2005 to Monday, the 25th July, 2005 (both days inclusive).

### Annexure to Notice

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

#### ITEM NO. 5

Shri Rupinder Singh Arora, a Director, was re-appointed as Managing Director of the Company for a period of 5 years from 1st August, 2000.

His term of appointment expires on 31st July, 2005.

It is proposed to re-appoint him as Managing Director of the Company for a period of 5 years from 1st August, 2005 on the terms as set out in the Notice.

The Board of Directors recommend the resolution for your approval.

Shri Rupinder Singh Arora is interested in the resolution concerning his appointment and remuneration as Managing Director. Kum. Ritika Arora, one of the Directors of the Company, is his daughter and therefore concerned and interested in the resolution to that extent.

The proposed resolution under Item No. 5 and this Explanatory Statement may be treated as abstract of the terms and conditions of the appointment, pursuant to Section 302 of the Companies Act, 1956.

By Order of the Board of Directors

**RUPINDER SINGH ARORA**  
Chairman & Managing Director

Mumbai, Dated: 13th June, 2005

#### **Corporate Office:**

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

**RAP MEDIA LTD.****Directors' Report  
to the Shareholders**

Your Directors present before you the Eleventh Annual Report together with the Audited Statement of Accounts of the Company for the year ended **31st March, 2005**.

		<b>2004-2005</b>	<b>2003-2004</b>
		<b>(Rupees)</b>	<b>(Rupees)</b>
Profit before Finance Charges and Depreciation	...	<b>418,173</b>	732,838
Less: Depreciation	...	<b>149,046</b>	1,736,647
Profit/(Loss) after Depreciation	...	<b>269,127</b>	(1,003,809)
<b>Extraordinary Items:</b>			
Profit on Sale of Land & Building	...	...	1,963,920
Loss on Sale of Other Assets	...	...	(8,171,188)
Profit/Loss after Extraordinary Items	...	<b>269,127</b>	(7,211,077)
Provision for Deferred Tax	...	<b>(250,539)</b>	(4,228,233)
Profit/Loss for the year	...	<b>18,587</b>	(11,439,309)
Loss brought forward from Previous Year	...	<b>(34,029,585)</b>	(32,245,245)
Provision for NPA in respect of Earlier Year	...	...	9,654,970
Loss carried to Balance Sheet	...	<b>(34,010,998)</b>	(34,029,584)

**DIVIDEND**

The Board of Directors regret their inability to declare dividend in view of brought forward loss from previous years and also in view of a very small profit this year.

**COMMENCEMENT OF NEW BUSINESS**

The Company has embarked in entertainment business, like Construction of Multiplex Theatres, Owning Them and Constructing Shopping Malls, etc. and is in the process of implementation.

**1. DIRECTORS' RESPONSIBILITY STATEMENT**

Your Directors confirm :

- (i) that in the preparation of the annual accounts, the applicable accounting standards have been followed;
- (ii) that 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 at the end of the financial year ended 31st March, 2005 and of the profit of the Company for that year;
- (iii) that 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) that 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**

Shri Chandir Gobind Gidwani and Shri K. V. Krishnamurthy, Directors retire by rotation and are eligible for re-appointment.

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### 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.

### 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.

### 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 Sharex Dynamic (India) Private Ltd. 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 nor 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: 13th June., 2005.

#### **Corporate Office:**

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

## 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 present strength of the Board of Directors of the Company is 6. 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.No.	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 – 6

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

Date of last AGM – 23rd September, 2004

Name of the Director	Category	No. of Board Meetings attended	Attendance in last AGM
Smt. Deepi Arora	Non-Executive Promoter Director	1 (on 01/04/2004)	Resigned as a Director w.e.f. 01/04/2004
Shri S. M. Gupta	Non-Executive Director	1 (on 01/04/2004)	Resigned as a Director w.e.f. 01/04/2004
Shri M. Girijan Nair	Non-Executive Director	1 (on 01/04/2004)	Resigned as a Director w.e.f. 01/04/2004

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<b>Sr. No.</b>	<b>Name of the Director</b>	<b>Category</b>	<b>No. of Board Meetings attended</b>	<b>Attendance in last AGM</b>
1.	Shri Rupinder Singh Arora	Chairman and Managing Director	6	Yes
2.	Shri Manmohan Shetty	Non-Executive Director	6	No.
3.	Shri Chandir G. Gidwani	Non-Executive Director	6	No.
4.	Shri K. V. Krishnamurthy	Non-Executive Director	6	No.
5.	Kum. Ritika Arora.	Non-Executive Director	6	No.
6.	Kum. Pooja Shetty	Non-Executive Director	6	No.

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

<b>Name of Director</b>	<b>No. of other Directorships in Public Limited Companies</b>	<b>No. of other Board Committees in which Member</b>
Shri Rupinder Singh Arora	3	1
Shri Manmohan Shetty	11	2
Shri Chandir Gobind Gidwani	9	NIL
Shri K.V. Krishnamurthy	5	NIL
Kum. Ritika Arora	NIL	NIL
Kum. Pooja Shetty	4	NIL

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

Number of Board Meetings during the year ended 31st March, 2005 – 6.

Dates of Board Meetings (1) 1st April, 2004 (2) 10th June, 2004 (3) 26th June, 2004 (4) 30th July, 2004 (5) 28th October, 2004 (6) 28th January, 2005.

**3. Audit Committee**

<b>Name of the Director</b>	<b>Category</b>
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 31st March, 2005 – 4.

Attendance of each member of the Audit Committee

Dates of Audit Committee Meetings (1) 26th June, 2004 (2) 30th July, 2004 (3) 28th October, 2004 (4) 28th January, 2005.

Name of the Director	No. of Meetings held	No. of Meetings attended
Shri S. M. Gupta	4	Resigned as a Director w.e.f. 1st April, 2004
Shri M. Girijan Nair	4	Resigned as a Director w.e.f. 1st April, 2004
Shri Rupinder Singh Arora	4	Ceased to be an Audit Committee Member w.e.f. 1st April, 2004
Shri Chandir Gobind Gidwani	4	4
Kum. Pooja Shetty	4	4
Kum. Ritika Arora	4	4

#### 4. Remuneration Committee

(a) Details of remuneration paid/payable to Whole-Time Directors.

Name of the Director	Remuneration including all benefits
Shri Rupinder Singh Arora	Managing Director – Rs. 3.00 Lacs

The appointment is contractual. Shri Rupinder Singh Arora, was re-appointed as the Managing Director for a period of 5 years from 1st August, 2000. It is now proposed to re-appoint him for a further period of 5 years from 1st August, 2005 on terms and conditions contained in resolution No. 5 in the Notice.

(b) Details of payments made to non-executive Directors for attending Board Meetings and Audit Committee Meetings.

Name of the Director	Sitting fees paid (Rs.)
Smt. Deepi Arora	500
Shri S. M. Gupta	500
Shri M. Girijan Nair	500
Kum. Ritika Arora.	11,000
Shri Manmohan Shetty	5,500
Kum. Pooja Shetty.	10,500
Shri Chandir G. Gidwani	11,000
Shri K. V. Krishnamurthy	5,500
Total	45,000

The Company is too small to have a Remuneration Committee.