



# **RAP MEDIA LIMITED**

**(FORMERLY ALLIED CAPITAL SERVICES LIMITED)**

## **12TH ANNUAL REPORT 2005-2006**

## 12TH ANNUAL REPORT

### Board of Directors:

Rupinder Singh Arora : *Chairman & Managing Director*

Shri Chandir G. Gidwani: *Director*

Shri K. V. Krishnamurthy: *Director*

Kum. Ritika Arora : *Director*

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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.

### 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:

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

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

NOTICE is hereby given that the Twelfth Annual General Meeting of the Members of **RAP MEDIA LTD.** will be held on Thursday, the 21<sup>st</sup> September, 2006, at 11.00 A.M. at the Registered 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, 2006 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 Shri Chandir G. Gidwani, 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, consent of the Company be and is hereby accorded to the appointment of Kum. Ritika Arora, as the Executive Director of the Company, with effect from 1<sup>st</sup> 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. 24,500/- 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:**

**Medical Reimbursement:** Reimbursement of Medical (Including Hospitalization) expenses actually incurred by her for herself only not exceeding Rs. 15,000/- p.a. or three months salary over a period of three years.

By Order of the Board of Directors

**RUPINDER SINGH ARORA**  
Chairman & Managing Director

Mumbai, Dated: 29th June, 2006

**Registered 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 1<sup>st</sup> September, 2006 to Tuesday, the 19<sup>th</sup> September, 2006. (both days inclusive).

### Annexure to Notice

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

#### ITEM NO. 5

Kum. Ritika Arora, a Director, was appointed by the Board of Directors at their meeting held on 28<sup>th</sup> July, 2005, as Executive Director of the Company, with effect from 1<sup>st</sup> 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. The appointment was subject to the approval of the shareholders in the next Annual general Meeting. It is now proposed to give consent to the appointment.

The Board of Directors recommend the resolution for your approval.

Shri Rupinder Singh Arora, Chairman and Managing Director is the father of Kum. Ritika Arora, and is interested in the resolution concerning her appointment.

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: 29th June, 2006

#### **Registered 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 Twelfth Annual Report together with the Audited Statement of Accounts of the Company for the year ended **31st March, 2006**.

		<b>2005-2006</b> <b>(Rupees)</b>	<b>2004-2005</b> <b>(Rupees)</b>
Profit before Finance Charges and Depreciation	...	<b>447,780</b>	418,172
Less: Depreciation	...	<b>161,482</b>	149,046
Profit after Depreciation	...	<b>286,298</b>	269,126
Provision for Deferred Tax	...	<b>198,326</b>	(250,539)
Fringe Benefit Tax	...	<b>38,500</b>	—
Profit for the year	...	<b>49,472</b>	18,587
Loss brought forward from Previous Year	...	<b>(34,010,998)</b>	(34,029,585)
Loss carried to Balance Sheet	...	<b>(33,961,526)</b>	(34,010,998)

**COMMENCEMENT OF NEW BUSINESS**

The Company has purchased a ready Mall with a running Multiplex Theatre at Meerut and has leased the same to Adlabs Films Ltd. The Mall has been named RAP Magnum Mall.

The Company has purchased necessary land in Jalandhar & Ludhiana for Construction of Mall-cum-Multiplex-cum-Hotel. The Construction will start shortly.

The Construction of Mall-cum-Multiplex in Agra has commenced and will start operations in a short time. The Company also proposes to construct Mall-cum-Multiplex in several places in Punjab.

**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. The new Business has also not even been fully implemented enabling the Company to commence earning profit.

**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 31<sup>st</sup> March, 2006 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 Bombay Stock Exchange Limited (BSE), a detailed Corporate Governance Report is annexed to the Directors' Report.

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### 3. DIRECTORS

Kum. Ritika Arora, was appointed as an Executive Director by the Board of Directors w.e.f. 01.08.2005 at their meeting held on 28<sup>th</sup> July, 2005 for a period of five years subject to the approval of the shareholders in this meeting.

Shri Manmohan Shetty and Kum. Pooja Shetty resigned their Directorships w.e.f. 24.03.2006.

Kum. Ritika Arora and Shri Chandir Gobind Gidwani, Directors, retire by rotation and are eligible for re-appointment.

### 4. LISTING ON STOCK EXCHANGES

The Company is listed on the Bombay Stock Exchange Limited (BSE) only. The annual listing fees have been paid and there is no outstanding payment due to the Bombay Stock Exchange Limited, 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 Bombay Stock Exchange Limited (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 agreements with Central Depository Services of India (CDS) and National Securities Depository Ltd. (NSDL) for making shares of the Company available in dematerialised form.

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: 29th June, 2006.

#### **Registered 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 the Bombay Stock Exchange Limited (BSE)]

### 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 4. The Board comprises of 1 Promoter-Chairman-cum-Managing Director, 1 Promoter-Executive Director, and 2 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	Executive Director – Promoter
3.	Shri Chandir Gobind Gidwani	Non-Executive Independent Director
4.	Shri K. V. Krishnamurthy	Non-Executive Independent Director

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

Date of last AGM – 27th July, 2005

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	5	Yes
2.	Shri Manmohan Shetty	Non-Executive Director	NIL Resigned as Director w.e.f. 24.03.2006	No.
3.	Shri Chandir G. Gidwani	Non-Executive Director	5	No.
4.	Shri K. V. Krishnamurthy	Non-Executive Director	4	No.
5.	Kum. Ritika Arora.	Executive Director w.e.f. 01.08.2005	5	No.
6.	Kum. Pooja Shetty	Non-Executive Director	NIL Resigned as Director w.e.f. 24.03.2006	No.

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Number of other Companies or Committees the Director is a Director/Member.

Name of Director	No. of other Directorships in Public Limited Companies	No. of other Board Committees in which Member
Shri Rupinder Singh Arora	3	NIL
Shri Manmohan Shetty	11	2
Shri Chandir Gobind Gidwani	9	NIL
Shri K.V. Krishnamurthy	5	1
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, 2006 – 5.

Dates of Board Meetings (1) 13th June, 2005 (2) 28th July, 2005 (3) 28th October, 2005 (4) 28th January, 2006 (5) 24th March, 2006.

### 3. Audit Committee

Name of the Director	Category
Shri Chandir Gobind Gidwani	Non-Executive Independent Director
Shri K.V. Krishnamurthy	Non-Executive Independent Director
Kum. Ritika Arora	Executive Promoter Director



Number of Audit Committee Meetings during the year ended 31st March, 2006 – 4.

Attendance of each member of the Audit Committee

Dates of Audit Committee Meetings (1) 13th June, 2005 (2) 28th July, 2005 (3) 28th October, 2005 (4) 28th January, 2006.

Name of the Director	No. of Meetings held	No. of Meetings attended
Shri Chandir Gobind Gidwani	4	4
Kum. Pooja Shetty	4	1
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
Kum. Ritika Arora	Executive Director – Rs. 1.96 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, 2005.

(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.)
Kum. Pooja Shetty.	2,000
Shri Chandir G. Gidwani	18,000
Shri K. V. Krishnamurthy	8,000

(c) The Company is too small to have a Remuneration Committee.