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RAP MEDIA LIMITED

14TH ANNUAL REPORT

2007-2008

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Board of Directors:

Mr. Rupinder Singh Arora : *Chairman & Managing Director*

Mr. Chandir G. Gidwani : *Director*

Mr. K. V. Krishnamurthy : *Director*

Mrs. Ritika Handa : *Director*

Company Secretary:

Ravindra Joshi

Auditors:

M/s. A. M. JOSHI & CO.

Chartered Accountants

Sukrita, 127, Shivaji Park,

Dr. M. B. Raut Road,

Dadar, Mumbai-400 028.

Banker:

HDFC BANK LTD.

Registered 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.

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

Your Directors present before you the Fourteenth Annual Report together with the Audited Statement of Accounts of the Company for the year ended **31st March, 2008**.

	2007-2008 (Rupees)	2006-2007 (Rupees)
Profit before Finance Charges And Depreciation	1,37,43,601	1,39,72,374
Less: Interest	2,89,946	39,90,728
Profit before Depreciation and Taxation	1,34,53,655	99,81,646
Less: Depreciation	37,08,745	34,87,711
Profit after Depreciation	97,44,910	6,493,935
Less: Provision for Taxation		
Provision for Deferred Tax	(35,56,075)	(18,27,048)
Income Tax (Earlier Year)	—	57,375
Income Tax Current Year	16,00,000	2,55,002
Fringe Benefit Tax	1,60,000	1,19,873
Profit for the Year	1,15,40,985	78,88,732
Loss brought forward from Previous Year	(2,60,72,793)	(3,39,61,526)
Loss carried to Balance Sheet	(1,45,31,808)	(2,60,72,794)

PERFORMANCE

The Company is still awaiting Building Plans approval for its sites in Jalandhar & Ludhiana for Construction of Mall-cum-Multiplex-cum-Hotel. The Construction will start thereafter.

The construction of Mall-cum-Multiplex in Agra is underway and will start operations in a short time.

DIVIDEND

The Board of Directors regret their inability to declare dividend in view of brought forward loss from previous years.

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, 2008 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;

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(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**

Mr. K. V. Krishnamurthy, Director, retires by rotation and is eligible for re-appointment.

4. **Listing on Stock Exchanges**

The Company is listed on the Bombay Stock Exchange, Mumbai only. The annual listing fees has 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. **PARTICULARS OF EMPLOYEES :**

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

8. **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.

For and on behalf of the Board of Directors

RUPINDER SINGH ARORA

Chairman & Managing Director

Mumbai, Dated: 30th June, 2008.

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 Ltd., Mumbai)

1. Company's philosophy on code of Corporate Governance.

The Company is committed to adhere to the code of corporate governance as it means adoption of best business practices aimed at growth of the Company coupled with bringing benefits to investors, customers, creditors, employees and the society at large.

The objective of the Company is not just to meet the statutory requirements of the Code of Corporate Governance as prescribed under Clause 49 of the Listing Agreement but, to develop such systems and follow such practices and procedures to satisfy the spirit of the law.

2. Board of Directors

The present strength of the Board of Directors of the Company is 4 Directors. The Board comprises of 1 Promoter-Chairman-cum Managing Director and 3 Non-Executive Directors with independent judgment in the deliberation and decisions of the Board. 1/2 of the total number of Directors are independent Directors. The number of Non Executive Directors is more than 50% of the total number of the Directors. The Board reviews and approves the strategy and oversees the actions and results of management to ensure that the long term objectives are achieved.

The Senior management have made disclosure to the Board confirming that there are no material, financial and/or commercial transactions between them and the company which could have potential conflict of interest with the company at large.

The Board of Directors met five times during the year 2007-2008 on May 30, 2007, June 29, 2007, July 31, 2007, October 23, 2007 and January 28, 2008. The maximum gap between any two meetings was not more than four months. All meetings were well attended.

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

Sr. No.	Name of the Director	Category Category	No. of Board Meetings attended	Attendance in last AGM
1.	Mr. Rupinder Singh Arora	Chairman & Managing Director	5	Yes
2.	Mrs. Ritika Handa	Non Executive Director	3	Yes
3.	Mr. Chandir Gidwani	Non Executive Independent Director	4	Yes
4.	Mr. K. V. Krishnamurthy	Non Executive Independent Director	3	Yes

Date of last AGM – September 21, 2007

Number of other companies or committees where 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
Mr. Rupinder Singh Arora	3	Nil
Mrs. Ritika Handa	Nil	Nil
Mr. Chandir Gidwani	3	Nil
Mr. K. V. Krishnamurthy	8	7

The Company sends a detailed agenda folder to each director sufficiently before Board and Committee meetings. To enable the Board to discharge its responsibilities effectively, the Chairman appraises the Board at every meeting on the overall performance of the Company. The Board provides overall strategic directions and periodically reviews strategy and business plans, annual operating and capital expenditure budgets and oversees the actions and results of the management to ensure that the long

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term objectives of enhancing shareholder's value are met. The Board also inter-alia, reviews and considers investment and exposure limits, reviews major legal issues, adoption of quarterly/half yearly/ annual results, transactions pertaining to purchase/disposal of property, major accounting provisions and write offs, corporate restructuring, minutes of meetings of committees of the Board and information on recruitment of officers just below the Board level including the Compliance officer.

The Board periodically reviews compliance reports of all laws applicable to the company, as well as steps taken by the company to rectify instances of all non compliances, if any.

The Board has laid down the Code of Conduct for the Board members and for designated senior management personnel of the Company. All Board members and designated senior management personnel have affirmed compliance with code of conduct.

The Company has a well defined risk management framework in place. The risk management framework adopted by the company is discussed in detail in the Management discussion and analysis chapter of this annual report. Your company has established procedures to periodically place before the Board the risk assessment and minimization procedures being followed by the company and steps taken by it to mitigate these risks.

Your Company has two major Board Level Committees- Audit Committee, Shareholders'/Investors' Committee. All decisions regarding the constitution of committees, appointment of members and fixing of terms of services for committee members is taken by the Board of Directors. Details on the role and composition of these Committees, including the number of meetings held during the financial year and the related attendance, are provided in this report.

3. Audit Committee

Terms of Reference

The terms of reference of Audit Committee, inter-alia, are:—

The role of the audit committee shall include the following:

- (1) Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- (2) Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- (3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- (4) Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - (a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
 - (b) Changes, if any, in accounting policies and practices and reasons for the same.
 - (c) Major accounting entries involving estimates based on the exercise of judgment by management.
 - (d) Significant adjustments made in the financial statements arising out of audit findings.
 - (e) Compliance with listing and other legal requirements relating to financial statements.
 - (f) Disclosure of any related party transactions.
 - (g) Qualifications in the draft audit report.
- (5) Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
- (6) Reviewing, with the management, performance of statutory auditors, and adequacy of the internal control systems.
- (7) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

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(8) To look into the reasons for substantial defaults in the payment to the creditors.

(9) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Generally all items listed in Clause 49 II D of the Listing Agreement are covered in the terms of reference. The Audit committee has been granted powers as prescribed under Clause 49 II C.

The Audit Committee of the Company comprises of (1) Mr. Chandir Gidwani (Chairman) (2) Mr. K. V. Krishnamurthy and (3) Mrs. Ritika Handa. This committee has been empowered to cover all the matters specified under Section 292A of the Companies Act, 1956, and also the matters listed under the Listing Agreement with the Bombay Stock Exchange.

Number of Audit Committee meetings – 4.

Attendance of each member of the Audit Committee

Name of the Director	No. of meetings held	No. of meetings attended
Mr. Chandir Gidwani	4	4
Mr. K. V. Krishnamurthy	4	3
Mrs. Ritika Handa	4	2

Audit Committee met four times during the year 2007-2008 on June 29, 2007, July 30, 2007, October 23, 2007, and January 28, 2008. The time gap between any two meetings was less than four months.

4. Remuneration Committee

The Company is too small to have a Remuneration Committee.

(a) Details of remuneration paid/payable to whole-time Director.

Name of the Director	Remuneration including all benefits (Rupees)
Mr. Rupinder Singh Arora — Managing Director	6,00,000

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

Name of the Directors	Sitting fees paid (Rupees)
Mr. Chandir Gidwani	40000
Mr. K.V.Krishnamurthy	30000
Mrs. Ritika Handa	25000

5. Shareholders'/Investors' Committee

This committee comprising of three independent directors viz. Mr. Chandir Gidwani, Mr. K. V. Krishnamurthy and Mrs. Ritika Handa. The Committee functions with the objective of looking into redressal of shareholders/investors relating to non-receipt of Annual Report, delay in transfer or transmission of shares and cases of refusal of transfer or transmission of shares etc.

The Company received 3 complaints during the year ended on 31st March, 2008. No complaints were pending as at 31st March, 2008. The Compliance officer of the Company is Mr. S.M. Gupta.

The Company has a dedicated E-mail ID for Investor Grievances redressal as (grievances@rapmalls.com).

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6. General Body Meetings

General Meeting	Date and Time	Place	No. of Special Resolution Passed
Annual General Meeting	21st September, 2007 at 11.00 a.m.	At the Registered office of the Company at Arora House, 16, Golf Link, Union Park, Khar (West), Mumbai-400052	Nil
Annual General Meeting	21st September, 2006 at 11.00 a.m.		Nil
Extra Ordinary General Meeting	30th August, 2006		2
Annual General Meeting	27th July, 2005 at 11.00 a.m.		Nil

During the Financial year 2007-2008, the Company has not passed any Special Resolution through postal ballot.

The Company has fully complied with the applicable mandatory requirements of the Clause 49.

7. Disclosures

- A. None of the transactions with any of the related parties were in conflict with the interests of the Company.
- B. The Company has complied with all the requirements of the Bombay Stock Exchange or SEBI or any other authority related to the Capital markets during the last 3 years.

During the Financial year 2007-2008, there were no materially significant transactions entered into between the Company and its promoters, Directors or the management or relatives that may have potential conflict with the interests of the company at large.

The Company has followed the Guidelines of Accounting Standards laid down by the Institute of Chartered Accountants of India (ICAI) in preparation of its financial statements.

The Company has complied with all the requirements of regulatory authorities. No penalties/strictures were imposed on the company by the Bombay Stock Exchange or SEBI or any statutory authority on any matter related to capital market.

In compliance with the SEBI regulations on prevention of insider trading, the company has instituted a comprehensive code of conduct for prevention of insider trading for its designated employees. The code lays down the guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with shares of the Company, and cautioning them on the consequences of violations.

8. Means of Communication

The quarterly reports are normally published in "Free Press Journal" and "Nav Shakti". The Annual Report is sent every year to the shareholders.

9. General Shareholders Information

Annual General Meeting	29th September, 2008
Financial Year	31st March, 2008
Book Closure	22.09.2008 to 29.09.2008
Dividend Payment date	No Dividend
Listing on Stock Exchange	Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001
Stock Code	531583(Mumbai)

RAP MEDIA LTD.**Market Price Data:**

	HIGH	LOW
April, 2007	293.25	232.90
May, 2007	255.00	197.55
June, 2007	226.10	176.75
July, 2007	370.70	237.40
August, 2007	406.60	290.00
Sept, 2007	507.65	335.10
Oct, 2007	592.20	483.00
Nov, 2007	568.10	418.90
Dec, 2007	478.00	379.00
Jan, 2008	486.55	210.60
Feb, 2008	238.40	162.50
March, 2008	177.00	92.55

Number of share transfers pending-Nil.

Registrars and Share Transfer Agents :

Sharex Dynamic (India) Pvt Ltd.

Unit-I, Luthra Ind. Premises, Saffed Pool, Andheri-Kurla Road, Andheri (E), Mumbai-400 072.

Share Transfer system

Shares lodged for transfer at the Registrars' address are normally processed within 21 days from the date of lodgement, and requests for dematerialization of shares are processed and the confirmation is given to the depositories within 21 days from the date of lodgment, if the documents are clear in all respects.

The Compliance Officer verifies the transfer Register sent by the Registrars. Investors' grievances, if any, are resolved by the Compliance Officer, failing which, they would be referred to the Shareholder's/ Investors' Grievance Committee.

Distribution of Shareholding as on 31st March, 2008 :

Sr. No.	No. of Equity Shares	No. of Shareholders	% of Total Shareholders	No. of Shares Held	% of Total Shares
1.	Upto 100	5836	75.40	240953	4.10
2.	101 – 200	739	9.55	127671	2.17
3.	201 – 500	671	8.67	248096	4.22
4.	501 – 1000	228	2.95	186433	3.17
5.	1001 – 5000	218	2.82	470854	8.01
6.	5001 – 1000	27	0.35	196696	3.34
7.	10001 – 100000	17	0.22	474964	8.08
8.	100001 – Above	4	0.05	3935333	66.92
		7740	100	58810000	100

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Shareholding pattern as on 31st March, 2008 :

Category	No. of Shares	% of Total Capital
Promoter's Shareholding	34,83,452	59.23
Non-Resident Indians/Overseas Corporate bodies	25,813	0.45
Foreign Institutional Investor	50,000	0.85
Mutual Funds & Unit Trust of India	—	—
Banks	—	—
Bodies Corporate	8,19,481	13.93
Indian Public	14,79,193	25.15
Clearing Members	23,061	0.39
Total Shares	58,81,000	100

Dematerialisation of Shares and Liquidity

The shares of the Company are fully under the category of compulsory delivery in dematerialized mode by all categories of investors. The Company has signed agreements with both the depositories i.e. National Securities Depository Ltd. and Central Depository Services (India) Ltd.

The ISIN No. allotted to the equity shares of the Company is INE 483D01014.

As on 31st March, 2008, 58,00,999 were held in dematerialized form. The details are as under:

Particulars	Amount
CDSL	42,84,447
NSDL	15,16,552
PHYSICAL	80,001
TOTAL	58,81,000

The Company has not issued any GDR / ADR / Warrants or any convertible instruments.

Address for correspondence:

The Registered Office and Correspondence Office of the Company is located at Arora House, 16, Golf Link, Union Park, Khar (West), Mumbai-400 052.

For and on behalf of the Board of Directors

RUPINDER SINGH ARORA
Chairman & Managing Director

Mumbai, Dated: 30th June, 2008.

Registered Office:

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