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**RAP MEDIA LIMITED**

**15TH ANNUAL REPORT**

**2008-2009**

## 15TH ANNUAL REPORT

### Board of Directors:

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

Mr. Chandir G. Gidwani : *Director*

Mr. Navin Marwah : *Director*

Ms. 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.****Notice**

NOTICE is hereby given that the Fifteenth Annual General Meeting of the Members of **RAP MEDIA LTD.** will be held on Tuesday, the 29th September, 2009, 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, 2009 and the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Ms. Ritika Handa, who retires by rotation and, being eligible, offers herself for re-appointment.
3. 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 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**

4. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**:
- “RESOLVED THAT Shri Navin Marwah be and are hereby appointed as the Director of the Company.”

By Order of the Board of Directors

**RUPINDER SINGH ARORA**  
Chairman & Managing Director

Mumbai, Dated: 27th June, 2009.

**Registered 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.

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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 Tuesday, the 22nd September, 2009 to Tuesday, the 29th September, 2009. (both days inclusive).

### ANNEXURE TO NOTICE

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

#### Item No. 4

Shri Navin Marwah was appointed by the Board of Directors as an additional Director of the Company at its meeting held on 25th October, 2008. His term of office is upto the date of this Annual General Meeting. Shri Navin Marwah is a Commerce Graduate and has a wide experience in Corporate Matters and has a good knowledge of Finance. The Company has received a Notice from a Share holder along with a deposit of Rs. 500/- proposing the candidature of Shri Marwah as a Director of the Company.

The Board of Directors recommends the resolution for your approval.

None of the Directors of the Company except Shri Navin Marwah is interested in the resolution.

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By Order of the Board of Directors

**RUPINDER SINGH ARORA**

*Chairman & Managing Director*

Mumbai, Dated: 27th June, 2009.

#### **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 Fifteenth Annual Report together with the Audited Statement of Accounts of the Company for the year ended **31st March 2009**.

	<b>2008-2009 (Rupees)</b>	<b>2007-2008 (Rupees)</b>
Profit before Finance Charges And Depreciation	<b>1,22,59,346</b>	1,37,43,601
Less: Interest	<b>2,26,048</b>	2,89,946
Profit before Depreciation and Taxation	<b>1,20,33,298</b>	1,34,53,655
Less: Depreciation	<b>3,734,752</b>	37,08,745
Profit/(Loss) after Depreciation	<b>82,98,546</b>	97,44,910
Less: Provision for Taxation		
Provision for Deferred Tax	<b>(39,19,864)</b>	(35,56,075)
Income Tax Current Year	<b>19,00,000</b>	16,00,000
Fringe Benefit Tax	<b>1,57,894</b>	1,60,000
Profit/(Loss) for the Year	<b>1,01,60,517</b>	1,15,40,985
Loss brought forward from Previous Year	<b>(1,45,31,808)</b>	(2,60,72,793)
Loss carried to Balance Sheet	<b>(43,71,291)</b>	(1,45,31,808)

**PERFORMANCE**

The Company has applied for the Building Plans approval for its sites in Jalandhar & Ludhiana.

The RAP Magnum Mall at Meerut is operational. The RAP Mirage Mall at Agra is ready for Fitouts.

**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, 2009 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.

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### 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, resigned during year. The Board places on record its appreciation for the services rendered by Shri Krishnamurthy during his tenure as Director of the Company. The Board appointed Shri Navin Marwah as additional Director on 25.10.2008. Resolution seeking your approval for his appointment has been incorporated in the Notice of the forthcoming Annual General Meeting.

Ms. Ritika Handa, 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 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: 27th June, 2009.

#### **Registered 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 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 2008-2009 on April 25, 2008, June 30, 2008, July 31, 2008, October 25, 2008 and January 28, 2009. 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	No. of Board Meetings attended	Attendance in last AGM
1.	Mr. Rupinder Singh Arora	Chairman & Managing Director	5	Yes
2.	Ms. Ritika Handa	Non Executive Director	5	Yes
3.	Mr. Chandir Gidwani	Non Executive Independent Director	5	Yes
4.	Mr. K. V. Krishnamurthy	Non Executive Independent Director	1 Resigned as Director w.e.f. 25.10.2008	No
5.	Mr. Navin Marwah	Non Executive Independent Director	2 Appointed as Director w.e.f. 25.10.2008	Yes

Date of last AGM – September 29, 2008

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
Ms. Ritika Handa	Nil	Nil
Mr. Chandir Gidwani	2	1
Mr. Navin Marwah	1	1

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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 term objectives of enhancing shareholder's value are met. The Board also inter alia, reviews and consider investment and exposure limits, review of 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 and 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.



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- (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.
- (8) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and 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. Navin Marwah and (3) Ms. 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 Stock Exchanges.

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. Navin Marwah	4	2
Ms. Ritika Handa	4	4

Audit Committee met four times during the year 2008-2009 on June 30, 2008, July 31, 2008, October 25, 2008, and January 28, 2009. 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 — Chairman & Managing Director	6,00,000

- (b) Details of Sitting fees paid to non-executive Directors for attending Board meetings and Audit Committee meetings.

Name of the Directors	Sitting fees paid (Rupees)
Mr. Chandir Gidwani	20,000
Mr. K.V.Krishnamurthy	5000
Ms. Ritika Handa	20000
Mr. Navin Marwah	20000

#### 5. Shareholders'/Investors' Committee

This committee comprising of three Non Executive Directors viz. Mr. Chandir Gidwani, Mr. Navin Marwah and Ms. 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 did not receive any complaint during the year ended on 31<sup>st</sup> March, 2009. No complaints were pending as at 31.03.2009. The Compliance officer of the Company is Mr. S.M. Gupta.