



**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.

**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.

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.

**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>	2007-2008 (Rupees)
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.

**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.



- (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.

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### 6. General Body Meetings

General Meeting	Date and Time	Place	No. of Special Resolution Passed
Annual General Meeting	29th September, 2008 at 11.00 a.m.	At the Registered office of the Company at Arora House, 16, Golf Link, Union Park, Khar (West), Mumbai-400052	1
Annual General Meeting	21st September, 2007 at 11.00 a.m.		0
Annual General Meeting	21st September, 2006 at 11.00 a.m.		0

During the Financial year 2008-2009, 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

None of the transactions with any of the related parties were in conflict with the interests of the Company.

The Company has complied with all the requirements of the Stock Exchanges or SEBI or any other authority related to the Capital markets during the last 3 years.

During the Financial year 2008-2009, 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 Stock Exchanges 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, 2009
Financial Year	31st March, 2009
Book Closure	22.09.2009 to 29.09.2009
Dividend Payment date	No Dividend
Listing on Stock Exchange	Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001
Stock Code	531583 (Mumbai)

**Market Price Data:**

**Rs.**

	<b>HIGH</b>	<b>LOW</b>
April, 2008	170.10	92.30
May, 2008	174.95	115.00
June, 2008	119.85	82.65
July, 2008	86.00	67.00
August, 2008	102.00	73.00
Sept, 2008	80.45	52.05
Oct, 2008	59.65	24.95
Nov, 2008	38.00	24.00
Dec, 2008	33.05	24.05
Jan, 2009	33.65	20.65
Feb, 2009	24.20	18.00
March, 2009	21.45	15.00

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, 2009 :**

<b>Sr. No.</b>	<b>No. of Equity Shares Held</b>	<b>No. of Shareholders</b>	<b>% of Total Shareholders</b>	<b>No. of Shares Held</b>	<b>% of Total Shares</b>
1.	Upto 100	5,555	72.93	237,271	4.03
2.	101 – 200	812	10.66	140,098	2.38
3.	201 – 500	740	9.72	273,357	4.65
4.	501 – 1000	261	3.43	209,638	3.56
5.	1001 – 5000	200	2.63	405,343	6.89
6.	5001 – 10000	27	0.35	210,642	3.58
7.	10001 – 100000	16	0.21	469,318	7.98
8.	100001 – Above	6	0.08	3,935,333	66.92
		<b>7,617</b>	<b>100.00</b>	<b>5,881,000</b>	<b>100.00</b>

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### Shareholding pattern as on 31st March, 2009 :

Category	No. of Shares	% of Total Capital
Promoter's Shareholding	23,24,902	39.532
Non-Resident Indians/Overseas Corporate Bodies	29,438	0.501
Foreign Institutional Investor	0	0
Mutual Funds & Unit Trust of India	0	0
Banks	0	0
Bodies Corporate	13,50,492	22,964
Indian Public	21,67,462	36.855
Clearing Members	8,706	0.148
Total Shares	58,81,000	100

A brief resume of the Directors proposed to be appointed or re-appointed is given below:

**Mr. Navin Marwah**, is a B.Com from the University of Mumbai. He has over two decades of experience in Stock & Financial Markets & Managing Portfolios of reputed Corporates and High Networth Individuals.

**Ms. Ritika Handa**, is a B.Sc. in Management from Purdue University, U.S.A. with finance as specialised subject. She also holds a Diploma in Event Management. She is experienced in Banking and General Management.

#### 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.

Particulars	Amount
CDSL	42,57,385
NSDL	15,45,314
PHYSICAL	78,301
<b>TOTAL</b>	<b>58,81,000</b>

The ISIN No. allotted to the Equity Shares of the Company is INE 483D01014.

As on 31st March, 2009, 58,02,699 were held in dematerialized form. The details are as under:

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: 27th June, 2009.

#### Registered Office:

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

**Certification by the Chairman & Managing Director of the Company**

**I, Mr. Rupinder Singh Arora**, Chairman & Managing Director of Rap Media Limited, to the best of my knowledge and belief, certify that:

- (a) I have reviewed the Balance Sheet and Profit and Loss Account and all its Schedules and Notes to Accounts, as well as the Cash Flow Statement and the Directors' Report;
- (b) These statements do not contain any materially untrue statement or omit any material fact nor do they contain statements that might be misleading;
- (c) These statements together present a true and fair view of the Company and are in compliance with the existing accounting standards and/or applicable laws/regulations;
- (d) There were, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct;
- (e) I am responsible for establishing and maintaining internal controls and have evaluated the effectiveness of internal control systems of the Company and the Auditors, the Audit Committee and I have not come across any deficiencies in the design or operation of internal controls during the financial year;
- (f) There were no instance of any fraud involving management or employees having a significant role in the Company's internal systems;
- (g) There were no significant changes in internal control and/or of accounting policies during the year;
- (h) I have not denied any personnel access to the Audit Committee of the Company (in respect of matters involving alleged misconduct) and I have provided systems to protect 'whistle blowers' from unfair termination and other unfair or prejudicial employment practices. There has been no instance of "whistle blowing" during the year;
- (i) I further declare that all board members and senior managerial personnel have affirmed compliance with the code of conduct for the current year.

For **RAP MEDIA LIMITED**

**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.

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## Management Discussion and Analysis

### The Indian Economy

2008-09 has been a challenging year for the world economy and the global real estate sector in particular. The Global Economy was in the grips of one of the worst recessions in history. The fall in housing prices in the US had sparked off the sub-prime lending crisis. In a matter of months, what had started as a US housing problem became a major crisis that affected the entire global financial system. While India hasn't witnessed the kind of major turmoil witnessed in some advanced economies it has certainly been impacted adversely. As the Company operates in the Integrated Retail-Cum-Entertainment space of the real estate sector Rap Media Limited had to face and confront most of these challenges.

### Overview of Real Estate Sector in India

The Indian real estate sector grew at an accelerated pace of 40%-45% per annum between 2004-05 and 2007-08. There was boom in demand for real estate across segments driven mainly by the sustained high growth trajectory of the Indian economy.

The economic growth in India contributed to increasing income levels. This, combined with trends of higher urbanisation and nuclear families created greater demand for housing. Much of the demand was backed by easier availability of housing finance that often converted people from living on rent to having their own housing asset.

Given growing disposable incomes and the emergence of organised retail in India, there was demand for retail development and entertainment destinations. In this backdrop, prices of residential, office and commercial properties reached dizzy heights (up 100%-200% from the levels prevailing in 2005). The spurt in demand and rapid asset appreciation made real estate very attractive for investments. While, initially much of these investments were from domestic sources, with easing up of government regulations on foreign direct investments (FDI), there were high levels of global capital inflows into this sector. Most developers could sustain large developments that have long gestation lags with the help of these large capital flows. However, by the end of 2006-07, the Reserve Bank of India (RBI) had reacted to concerns on rapid appreciation in asset values in India. It had asked banks to set apart 1% (raised from the earlier 0.4%) of personal loans, capital market exposures, residential housing loans beyond Rs. 20 lakh and commercial real estate loans, as a reserve to safeguard against the impact of bad loans in the event of an asset bubble burst. There were also restrictions introduced on external commercial borrowings (ECBs). This tightened capital flows into the sector and removed speculative investments in the market. And, the real estate market growth subsided to some extent with only end-user demand. The capital squeeze became much more apparent with the macro-economic developments in 2008-09. This adversely affected the fortunes of the whole real estate sector.

### Integrated Retail-Cum-Entertainment Centers

An increasing number of retailers are focusing on malls as op-posed to stand-alone developments.

While the number of shopping malls has seen a surge in the recent past, the future development is now focussed on providing for leisure activities as well. A significant number of multiplexes are being developed as an integral part of retail malls, along with amenities such as food courts and video game parlours.

The organized retail share of the country is amongst lowest in world. India had no malls some ten year back. With rising income level and spending power of Indian urban population these malls are becoming favorite destination for young population. India has largest population in age group of 15-59 group. To cater to this group our Company is focusing its activities in this area.

**Our Business**

Our Company is a real estate developer focused on conceptualising, designing, creating and management of Shopping Malls-cum-Multiplexes. Our Company builds lifestyle shopping centres in the tier 1 & tier 2 cities of India attracting speciality retailers and providing local customers with a unique shopping experience and value for money.

**Performance**

Our income for the FY 2008-09 was Rs. 243.54 lacs as compared to Rs. 228.38 lacs of the previous year. Our net profit for FY 2008-09 was Rs. 101.60 lacs as compared to Rs. 115.41 lacs of the previous year.

**Our Mission**

RAP Media is committed to redefining retail shopping experience and developing lifestyle shopping centres where footfalls auto-matically turn into conversions. We focus on creating Malls-cum-Multiplexes in the non-metro cities of India with a view to providing new growth opportunities to business and catering to quality-conscious consumers across the country.

**Cautionary Statement**

Statement in the 'Management Discussion and Analysis' describing the Company's objectives, estimates, expectations or projections may be 'forward looking statement' within the meaning of applicable laws and regulations. Actual results could differ materially from those expressed or implied. Important factor that could make a difference to the Company's operations include Government Regulations, Patent Laws, Tax Regimes, Economic Developments, Litigation and other allied factors.

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.

## 15TH ANNUAL REPORT

### **Auditors' Certificate on Corporate Governance to the members of Rap Media Limited.**

We have examined the compliance of Conditions Corporate Governance by Rap Media Limited, for the year ended 31<sup>st</sup> March, 2009, as stipulated in clause 49 of the listing Agreement of the said Company with Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, We certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned listing Agreement.

We state that as per the records maintained by the Company, there were no investor grievances remaining unattended/pending for more than 30 days.

We further state that such compliance is neither assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**For A. M. JOSHI & CO.**  
*Chartered Accountants*

**ANIRUDDHA M. JOSHI**  
*Proprietor*  
Membership No. 40852

Mumbai, Dated: 27th June, 2009.



**Auditors' Report**  
**to the members of Rap Media Limited**

1. We have audited the attached Balance Sheet of M/s Rap Media Limited as at 31<sup>st</sup> March, 2009 and the Profit & Loss Account and Cash Flow Statement of the Company annexed hereto for the financial year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Our audit is conducted in accordance with auditing standards generally accepted in India and these standards require that the audit is performed to obtain a reasonable assurance that the financial statements are free from material misstatement. Our audit, we believe, provides a reasonable basis for our opinion.

2. As required by the Companies (Auditors' Report) order, 2003 duly amended by DCA notification G.S.R.766(E) dated 25.11.2004 (hereinafter referred to as the 'said order') issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956 we enclose in the annexure a statement on the matters specified in para 4 & 5 of the said order on the basis of such checks of the books and records as were considered appropriate and according to the information and explanations given to us in course of the audit.
3. Further to our comments in the annexure referred to in (2) above, we report that :
- (a) We have obtained all the necessary information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books.
  - (c) In our opinion, the Balance Sheet and Profit & Loss Account comply with the accounting standards referred to in Section 211(3C) of the Companies Act, 1956.
  - (d) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the Books of Account of the Company.
  - (e) On the basis of written representation received from the directors and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March, 2008 from being appointed as a director in terms of clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956.
  - (g) In our opinion and according to the explanations given to us, the said accounts read together with the notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view :
    - (i) In case of the Balance Sheet, of the State of Affairs as at 31<sup>st</sup> March, 2009,
    - (ii) In case of the Profit & Loss Account, of the Profit of the Company for the year ended on that date, and
    - (iii) In the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

**For A. M. JOSHI & CO.**  
*Chartered Accountants*

**ANIRUDDHA M. JOSHI**  
*Proprietor*  
Membership No. 40852

Mumbai, Dated: 27th June, 2009.

# 15TH ANNUAL REPORT

## Annexure to the Auditors' Report

Annexure referred to in para 2 of our Audit Report of even date

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets. Major fixed assets were physically verified by the Management.  
(b) None of the fixed assets are revalued during the year.  
(c) During the year, the Company has not disposed off substantial part of its fixed assets.
2. Paragraph 4(ii)(a), (b), (c) are not applicable.
3. The Company has not granted any loans, secured or unsecured, during the year, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.
4. In our opinion, the internal control system for purchase of fixed assets and sale of services is adequate and commensurate with the size of the Company and nature of its business.
5. (a) Based on the audit procedures applied by us and according to the information and explanations given to us, transactions that need to be entered in the register in pursuance of Section 301 of the Companies Act, 1956 have been so entered.  
(b) In our opinion and according to the information and explanations given to us, transactions made in pursuance of contract or arrangement entered in the register maintained under Section 301 of the Companies Act, 1956 exceeding an amount of Rs. Five Lacs have been made at prices which are reasonable with regard to prevailing market prices.
6. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from public.
7. The Company does not have a formal internal audit system. However, the internal control procedures need to be strengthened to make it commensurate in relation to the size of the Company and nature of its business.
8. According to information and explanations given to us, maintenance of cost records has not been prescribed by the Central Government under Section 209(1) (d) of the Companies Act 1956, for the business of the Company.
9. (a) According to the information and explanations given to us and as per the records maintained and produced for our verification, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income tax, Sales tax, Wealth tax, Customs duty, Excise duty, Cess and other material statutory dues applicable to it.  
(b) We are informed that that there are no disputed statutory dues not paid by the Company.
10. The Company has accumulated losses as at 31<sup>st</sup> March, 2009 and has not incurred cash loss during the current financial year or in the immediately preceding financial year.
11. Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of bank dues. The Company has not issued any Debentures.
12. According to the information and explanations given to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund / society are not applicable to the Company.

14. The Company does not deal in or trade in shares, securities and other investments.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. On the basis of our examination of the Books of Account and the Information and Explanations given to us funds raised on short term basis have not been used for long term investments.
17. The Company has not issued any Debentures during the year.
18. During the year the Company has not raised any money by Public Issue.
19. During the course of our examination of the Books and Records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither noticed any instance of fraud on or by the Company, noticed or reported during the year, nor was any such instance reported by the management during the year.

**For A. M. JOSHI & CO.**  
*Chartered Accountants*

**ANIRUDDHA M. JOSHI**  
*Proprietor*  
Membership No. 40852

Mumbai, Dated: 27th June, 2009.

# 15TH ANNUAL REPORT

## Balance Sheet as at 31st March, 2009

	Schedules	As at 31st March, 2009 Rupees	As at 31st March, 2008 Rupees
<b>I. SOURCES OF FUNDS</b>			
<b>(1) Shareholders' Fund:</b>			
Share Capital	'A'	58,810,000	58,810,000
<b>(2) Reserve &amp; Surplus</b>	'B'	332,193,730	332,193,730
<b>(3) Loan Fund:</b>			
Unsecured Loans	'C'	40,000,000	40,000,000
Secured Loans	'D'	2,201,488	3,171,304
<b>(4) Deferred Tax Liability (Net)</b>		—	—
<b>TOTAL</b>		<b>433,205,218</b>	<b>434,175,034</b>
<b>II. APPLICATION OF FUNDS</b>			
<b>(1) Fixed Assets:</b>			
Gross Block of Assets		83,672,880	83,594,540
Less: Depreciation		11,022,106	7,287,354
Net Block		72,650,774	76,307,186
Capital Work in Progress	'F'	333,801,849	252,434,837
<b>(2) Deferred Tax Asset (Net)</b>		4,192,415	272,551
<b>(3) Current Assets, Loans &amp; Advances</b>			
Cash & Bank Balances	'G'	14,851,575	494,953
Loans & Advances	'H'	167,839,868	246,656,527
		182,691,443	247,151,480
Less: Current Liabilities and Provisions			
Current Liabilities	'I'	161,739,579	154,542,759
Provisions	'J'	3,402,862	2,699,941
		165,142,441	157,242,700
<b>(4) Miscellaneous Expenditure:</b>	'K'	17,549,002	89,908,780
(To the extent not written off or adjusted)		639,886	719,872
<b>(5) Profit &amp; Loss Account:</b>		4,371,291	14,531,808
<b>TOTAL</b>		<b>433,205,218</b>	<b>434,175,034</b>

Significant Accounting Policies & Notes to Accounts 'P'

As per our report attached  
**For A. M. JOSHI & COMPANY**  
*Chartered Accountants*

For and on behalf of the Board of Directors  
**RUPINDER SINGH ARORA**  
*Chairman & Managing Director*

**A. M. JOSHI**  
*Proprietor*  
 Membership No. 40852  
 Mumbai, Dated: 27th June, 2009

**RAVINDRA JOSHI**  
*Company Secretary*

**RITIKA HANDA**  
**CHANDIR G. GIDWANI**  
**NAVIN MARWAH**  
*Directors*

**RAP MEDIA LTD.****Profit & Loss Account for the year ended 31st March, 2009**

	Schedules	Year ended 31st March, 2009 Rupees	Year ended 31st March, 2008 Rupees
<b>INCOME:</b>			
Income from Operations	'L'	18,375,000	12,975,000
Other Income	'M'	5,978,931	9,863,255
<b>Total Income</b>		<b>24,353,931</b>	<b>22,838,255</b>
<b>EXPENDITURE:</b>			
Payments to & Provisions for Employees	'N'	3,602,605	2,810,581
Other Expenditure	'O'	7,522,596	6,284,073
Interest		226,048	289,946
Depreciation		3,734,752	3,708,745
<b>Total Expenditure</b>		<b>15,086,001</b>	<b>13,093,345</b>
<b>Profit/Loss for the year</b>		<b>9,267,930</b>	<b>9,744,910</b>
<b>Less Prior Period Expenses</b>		<b>969,384</b>	<b>—</b>
<b>Profit before the Tax</b>		<b>8,298,546</b>	<b>—</b>
Less: Provision for Taxation			
Deferred Tax		(3,919,864)	(3,556,075)
Fringe Benefit Tax		157,894	160,000
Income Tax Current Year		1,900,000	1,600,000
<b>PROFIT FOR THE YEAR</b>		<b>10,160,517</b>	<b>11,540,985</b>
Balance of Loss Brought Forward from Last Year		(14,531,808)	(26,072,793)
<b>BALANCE OF LOSS AVAILABLE FOR APPROPRIATION</b>		<b>(4,371,291)</b>	<b>(14,531,808)</b>
<b>APPROPRIATIONS:</b>			
Balance of Loss Carried to Balance Sheet		(4,371,291)	(14,531,808)
<b>TOTAL</b>		<b>(4,371,291)</b>	<b>(14,531,808)</b>

Significant Accounting Policies &amp; Notes to Accounts

'P'

As per our report attached  
**For A. M. JOSHI & COMPANY**  
Chartered Accountants

For and on behalf of the Board of Directors  
**RUPINDER SINGH ARORA**  
Chairman & Managing Director

**A. M. JOSHI**  
Proprietor  
Membership No. 40852  
Mumbai, Dated: 27th June, 2009

**RAVINDRA JOSHI**  
Company Secretary

**RITIKA HANDA**  
**CHANDIR G. GIDWANI**  
**NAVIN MARWAH**  
Directors

# 15TH ANNUAL REPORT

## Schedules Forming Part of the Balance Sheet as at 31st March, 2009

	As at 31st March, 2009 Rupees	As at 31st March, 2008 Rupees	
<b>SCHEDULE 'A': CAPITAL</b>			
<b>Authorised</b>			
1,20,00,000	Equity Shares of Rs.10 each. (Previous Year 55,00,000 Equity Shares of Rs. 10/-)	120,000,000	120,000,000
		<u>120,000,000</u>	<u>120,000,000</u>
<b>Issued, Subscribed and paid up</b>			
58,81,000	Equity Shares of Rs.10/- each (Previous Year 50,00,000 Equity Shares of Rs. 10/- each)	58,810,000	58,810,000
		<u>58,810,000</u>	<u>58,810,000</u>
<b>SCHEDULE 'B': RESERVE &amp; SURPLUS</b>			
	Share Premium Account	332,137,000	332,137,000
	Deferred Tax Reserve	56,730	56,730
		<u>332,193,730</u>	<u>332,193,730</u>
<b>SCHEDULE 'C': UNSECURED LOANS</b>			
	Loans from Shareholders	35,000,000	35,000,000
	Other Loans	5,000,000	5,000,000
		<u>40,000,000</u>	<u>40,000,000</u>
<b>SCHEDULE 'D': SECURED LOANS</b>			
	Vehicles Loan	2,201,488	3,171,304
		<u>2,201,488</u>	<u>3,171,304</u>

Vehicles Loan from HDFC Bank – Secured by Hypothecation of Vehicles.

**SCHEDULE 'E' : FIXED ASSETS**

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 31.03.2008	Additions during the year	Deductions during the year	As on 31.3.2009	As on 31.03.2008	For the year	Deductions during the year	As on 31.3.2009	As on 31.3.2009	As on 31.3.2008
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
<b>(A) OFFICE FIXED ASSETS</b>										
Office Equipments	254156	25300	0	<b>279456</b>	65799	12907	0	<b>78706</b>	<b>200750</b>	188357
Computers	346871	53040	0	<b>399911</b>	76059	62210	0	<b>138269</b>	<b>261642</b>	270812
Vehicles	5988493	0	0	<b>5988493</b>	964041	568907	0	<b>1532948</b>	<b>4455545</b>	5024453
<b>(B) MEERUT MULTIPLEX</b>										
<b>(1) Land</b>										
Land	694485	0	0	<b>694485</b>	0	0	0	0	<b>694485</b>	694485
<b>(2) Building</b>										
Building	50929504	0	0	<b>50929504</b>	3402090	1701045	0	<b>5103135</b>	<b>45826369</b>	47527414
<b>(3) Plant &amp; Machinery</b>										
Electrical Fittings	1869551	0	0	<b>1869551</b>	177608	88804	0	<b>266412</b>	<b>1603139</b>	1691943
Projectors & Sound Systems	12133165	0	0	<b>12133165</b>	1152650	576325	0	<b>1728975</b>	<b>10404190</b>	10980515
Fire Fighting	657897	0	0	<b>657897</b>	62500	31250	0	<b>93750</b>	<b>564147</b>	595397
Generators	1462049	0	0	<b>1462049</b>	138894	69447	0	<b>208341</b>	<b>1253708</b>	1323155
Invertor	20147	0	0	<b>20147</b>	1914	957	0	<b>2871</b>	<b>17276</b>	18233
Stabilizers	70964	0	0	<b>70964</b>	6742	3371	0	<b>10113</b>	<b>60851</b>	64222
Fans	22950	0	0	<b>22950</b>	2180	1090	0	<b>3270</b>	<b>19680</b>	20770
<b>(4) Furniture and Fixtures</b>										
Theatre Furniture	4901161	0	0	<b>4901161</b>	620487	310243	0	<b>930730</b>	<b>3970431</b>	4280674
Office Furniture	7601	0	0	<b>7601</b>	962	481	0	<b>1443</b>	<b>6158</b>	6639
<b>(5) Computers</b>										
Computers	929543	0	0	<b>929543</b>	301358	150679	0	<b>452037</b>	<b>477506</b>	628185
<b>(6) Other Equipments</b>										
Air Conditioning	3299665	0	0	<b>3299665</b>	313468	156734	0	<b>470202</b>	<b>2829463</b>	2986197
Mobile Hand Set	6338	0	0	<b>6338</b>	602	301	0	<b>903</b>	<b>5435</b>	5736
<b>Total</b>	<b>83594540</b>	<b>78340</b>	<b>0</b>	<b>83672880</b>	<b>7287354</b>	<b>3734752</b>	<b>0</b>	<b>11022106</b>	<b>72650774</b>	<b>76307186</b>
<b>Previous Year</b>	<b>83476764</b>	<b>162776</b>	<b>45000</b>	<b>83594540</b>	<b>3590546</b>	<b>3708745</b>	<b>11937</b>	<b>7287354</b>	<b>76307186</b>	<b>0</b>

**SCHEDULE 'F' : CAPITAL WORK IN PROGRESS**

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 31.03.2008	Additions during the year	Deductions during the year	As on 31.3.2009	As on 31.03.2008	For the year	Deductions during the year	As on 31.3.2009	As on 31.3.2009	As on 31.3.2008
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Capital Work in Progress-Other	252434837	81367012	0	<b>333801849</b>	0	0	0	0	<b>333801849</b>	252434837
Total	252434837	81367012	0	<b>333801849</b>	0	0	0	0	<b>333801849</b>	252434837
Grand Total	336029377	81445352	0	<b>417474729</b>	7287354	3734752	0	11022106	<b>406452623</b>	328742023

**Schedules Forming Part of the Balance Sheet as at 31st March, 2009**
**RAP MEDIA LTD.**

# 15TH ANNUAL REPORT

## Schedules Forming Part of the Balance Sheet as at 31st March, 2009

	As at 31st March, 2009 Rupees	As at 31st March, 2008 Rupees
<b>SCHEDULE 'G' : CASH AND BANK BALANCES</b>		
Cash on hand	12,494	223,784
Balances with Scheduled Banks:		
(l) In Current Accounts	14,839,082	271,170
<b>TOTAL</b>	<b>14,851,575</b>	<b>494,954</b>
<b>SCHEDULE 'H' : LOANS AND ADVANCES</b>		
<b>Sundry Debtors</b>		
Considered Good		
Due for period exceeding six months	4,813,878	—
Others	3,356,445	3,351,875
Advances recoverable in cash or kind for value to be received		
Deposits	380,000	22,623,975
Tax deducted at source	12,878,712	9,064,732
Other Loans & Advances	146,410,833	211,615,945
<b>TOTAL</b>	<b>167,839,868</b>	<b>246,656,527</b>
<b>SCHEDULE 'I' : CURRENT LIABILITIES</b>		
Security Deposits Liability	41,124,481	42,052,561
Sundry Creditors	8,964,015	—
Other Liabilities	111,651,083	112,490,198
<b>TOTAL</b>	<b>161,739,579</b>	<b>154,542,759</b>
<b>SCHEDULE 'J' : PROVISIONS</b>		
Provision for Gratuity	1,052,721	866,365
Provision for Fringe Benefit Tax	157,894	35,330
Provision for Expenses	292,247	198,246
Provision for Taxation	1,900,000	1,600,000
<b>TOTAL</b>	<b>3,402,862</b>	<b>2,699,941</b>
<b>SCHEDULE 'K' : MISCELLANEOUS EXPENDITURE</b>		
(To the extent not written off or adjusted)		
Share Issue Expenses	639,886	719,872
	<b>639,886</b>	<b>719,872</b>



**Schedules Forming Part of the Profit & Loss Account for the year ended 31st March, 2009**

	As at 31st March, 2009 Rupees	As at 31st March, 2008 Rupees
<b>SCHEDULE 'L' : INCOME FROM OPERATIONS</b>		
Rent Income	15,000,000	9,600,000
Royalty Income	3,375,000	3,375,000
<b>TOTAL</b>	<u>18,375,000</u>	<u>12,975,000</u>

**SCHEDULE 'M' : OTHER INCOME**

Other Interest	5,930,069	8,861,755
Other Income	48,862	1,001,500
	<u>5,978,931</u>	<u>9,863,255</u>

**SCHEDULE 'N' : PAYMENTS TO AND PROVISIONS FOR EMPLOYEES**

Salary & Allowances	3,209,714	2,517,910
Gratuity	186,356	239,166
Staff Welfare Expenses	206,535	53,505
<b>TOTAL</b>	<u>3,602,605</u>	<u>2,810,581</u>

**SCHEDULE 'O' : OTHER EXPENDITURE**

Travelling, Conveyance	1,060,894	741,717
Rates & Taxes	434,204	111,075
Legal & Professional Fees	3,039,661	2,725,493
Rent Paid	984,840	894,000
Motor Car Expenses	510,251	402,325
Audit Remuneration :		
Audit Fees	50,000	50,000
Tax Audit	20,000	20,000
Other Services	5,000	10,000
Miscellaneous Expenses	1,417,746	1,329,463
<b>TOTAL</b>	<u>7,522,596</u>	<u>6,284,073</u>

# 15TH ANNUAL REPORT

## Schedules Forming Part of the Accounts for the year ended 31st March, 2009

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### SCHEDULES 'P' : SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS

#### A. SIGNIFICANT ACCOUNTING POLICIES:

1. **Basis of preparation of financial statements:**

The financial statements are prepared under the historical cost convention on the accrual basis of accounting and comply with the mandatory Accounting Standards and statements issued by the Institute of Chartered Accountants of India ICAI.

2. **Use of Estimates:**

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amount of assets and liabilities (including contingent liabilities) as on the date of financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in the preparation of the financial statement are prudent and reasonable. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

3. **Fixed Assets:**

Fixed Assets are stated at cost (Gross Block) less accumulated depreciation. Depreciation for the year has been provided on straight line method at the rates prescribed under Schedule XIV of the Companies Act, 1956.

4. **Income:**

Income is accounted on accrual basis.

5. **Retirement Benefits:**

The Company is in the process of adopting the revised Accounting Standard 15 on "Employee benefits". However, retirement benefit comprising of gratuity is determined and accrued on the basis of the actuarial valuation and a provision is made in the accounts. The gratuity plan is not funded. The Company does not have a policy of giving leave encashment.

6. **Income Tax:**

Provision for tax is made for both current & deferred taxes. Provision for current income tax is made on the current rates based on assessable income. The Company provides for deferred tax based on the tax effect of timing differences resulting from the recognition of items in the financial statement & in estimating its current tax provision.

7. **Contingent Liabilities:**

Contingent liabilities as defined in Accounting Standard 29 on "Provisions, Contingent Liabilities and Contingent Assets" are disclosed by way of notes to accounts. Provision is made if it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability..

8. **Earnings Per Share:**

The Company reports basic and diluted Earning Per Share (EPS) in accordance with Accounting Standard 20 on "Earnings Per Share". Basic EPS is computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

**Schedules Forming Part of the Accounts for the year ended 31st March, 2009**

**B. NOTES TO ACCOUNTS:**

1. Balances of Debtors, Creditors, Loans & Advances (Debit/Credit) are subject to confirmation.

**2. Segment Accounting**

**(i) Primary Segment**

The Company is operating in single segment i.e. Development of Multiplex Theatres and Malls, Hence, reporting as defined in accordance with the Accounting Standard (AS) 17 of ICAI is not applicable.

**(ii) Secondary Segmental Reporting**

Secondary segment is reported based on geographical locations viz. Local and Exports

	As at 31st March, 2009 Rupees	As at 31st March, 2008 Rupees
<b>Segment Revenue</b>		
(a) Segment – Others	2,43,53,931	2,28,38,255
(b) Segment – Exports	-	-
<b>Total</b>	<u>2,43,53,931</u>	<u>2,28,38,255</u>

The Company's tangible fixed assets are located entirely in India.

**3. Taxation:**

**(a) Current Taxation**

In view of carry forward losses, no provision for taxation is considered necessary.

**(b) Deferred Taxation**

	Current Year Charge/(Credit) Rupees	Previous Year Charge/(Credit) Rupees
Unabsorbed Depreciation	45,49,893	8,39,852
Others	(6,30,028)	(5,67,301)
	<u>39,19,864</u>	<u>2,72,551</u>

**4. Remuneration to Directors:**

	Year ended 31st March, 2009 Rupees	Year ended 31st March, 2008 Rupees
Salaries & Allowances	6,50,000	6,00,000
Sitting Fees	65,000	95,000
<b>Total</b>	<u>7,15,000</u>	<u>6,95,000</u>

# 15TH ANNUAL REPORT

## Schedules Forming Part of the Accounts for the year ended 31st March, 2009

### 5. Related Parties disclosure in accordance with Accounting Standard 18 issued by Institute of Chartered Accountants of India:

(a) Related parties and nature of relationship:

Directors of the Company	1. Rupinder Singh Arora 2. Chandir G. Gidwani
Associate Companies, Firms, Relative of Director	1. Centrum Direct Ltd. 2. Centrum Capital Ltd. 3. Centrum Broking Pvt. Ltd. 4. Daljeet Kaur Arora

(b) Transactions that have taken place during the period current financial year with related parties by the Company:

S. No.	Name of the Party	Transactions during the year
1.	Rupinder Singh Arora	Salary Paid Rs. 6,00,000/- for the Year 2008-2009
2.	Daljeet Kaur Arora	Office Rent paid to her – Rs. 7,80,000/-
3.	Centrum Capital Ltd.	Rs. 1,00,00,000/- ICD given @ 8.25% p.m. interest Balance as on 31.03.2009 is Rs. NIL
5.	Centrum Direct Ltd.	Rs. 6,00,00,000/- ICD given @ 8.25% p.m. Interest Balance as on 31.03.2009 is Rs. 3,41,89,157/-
6.	Centrum Broking Pvt. Ltd.	Purchase and Sale of Shares of Listed Company from time to time. Purchase of Shares of Rs. 6,16,85,126.16 and Sale of Rs.6,16,38,689.19.

(c) Details of Remuneration to Directors is disclosed in note No. 4.

- Amount due to small scale industrial undertaking is Rs. NIL (Previous year Rs. NIL).
- Under the Micro, Small and Medium enterprises Development Act, 2006, which is in force from 2nd October 2006, certain disclosures are required to be made relating to Micro, Small and Medium Enterprises. The Company is in the process of compiling relevant information from its vendors about their coverage under the said act.
- Previous year's figures have been regrouped/rearranged wherever necessary.

As per our report attached  
**For A. M. JOSHI & COMPANY**  
Chartered Accountants

For and on behalf of the Board of Directors  
**RUPINDER SINGH ARORA**  
Chairman & Managing Director

**A. M. JOSHI**  
Proprietor  
Membership No. 40852  
Mumbai, Dated: 27th June, 2009

**RAVINDRA JOSHI**  
Company Secretary

**RITIKA HANDA**  
**CHANDIR G. GIDWANI**  
**NAVIN MARWAH**  
Directors

**Balance Sheet abstract and Company's General Business Profile**

**1. Registration Details**

Regn. No.	11-84098	State Code	11
Balance Sheet Date	31    03    2009		
	Date    Month    year		

**2. Capital Raised during the year (Amount in Rs. Thousands)**

Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Private Placement	8810

**3. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)**

Total Liabilities	598348	Total Assets	598348
Paid-up Capital	58810	Reserves & Surplus	332194
Secured Loans	2201	Unsecured Loans	40000
Other Liability	165142		
Net Fixed Assets	406453	Deferred Tax Asset	4192
Net Current Assets	182691	Misc. Expenditure	640
Accumulated Losses	4371		

SOURCES OF FUNDS

APPLICATION OF FUNDS

**4. Performance of Company (Amount in Rs. Thousand)**

Turnover	24352	Total Expenditure	15086
Profit Before Tax	9268	Profit After Tax	10161
Earning Per Share	1.73	Dividend Rate %	NIL

**5. Generic Names of Three Principal Products/Services of Company (as per monetary terms)**

Item Code No. (ITC Code)	Not Applicable
Product Description	Entertainment Business

As per our report attached  
**For A. M. JOSHI & COMPANY**  
*Chartered Accountants*

For and on behalf of the Board of Directors  
**RUPINDER SINGH ARORA**  
*Chairman & Managing Director*

**A. M. JOSHI**  
*Proprietor*  
 Membership No. 40852  
 Mumbai, Dated: 27th June, 2009

**RAVINDRA JOSHI**  
*Company Secretary*

**RITIKA HANDA**  
**CHANDIR G. GIDWANI**  
**NAVIN MARWAH**  
*Directors*

# 15TH ANNUAL REPORT

## Cash Flow Statement for the year ended 31st March, 2009

	Year ended 31st March, 2009 Rupees in Lakhs
<b>A. Cash Flow from Operating Activities</b>	
<b>Net Profit/(Loss) before Tax and Extra Ordinary items</b>	<b>82.99</b>
<b>Adjusted for</b>	
Depreciation	37.35
Provision for Retirement Benefits	1.86
Share Issue Expenses	0.80
Loss on sale of Assets	—
Interest Expenses	2.26
Interest Income	(59.30)
	<u>(17.03)</u>
<b>Operating Profit before working capital changes</b>	<b>65.96</b>
<b>Adjusted for</b>	
Loans and Advances	877.12
Sundry Debtors	(48.18)
Trade and Other Payable	(33.10)
Sundry Creditors	89.64
Other Current Assets	—
<b>Cash Generated from Operations</b>	<b>885.48</b>
Less: Income Tax Refund/(Paid)(Net)	40.77
	<u>910.67</u>
<b>Net Flow from operating activities</b>	<b>910.67</b>
<b>B. Cashflow from Investing activities</b>	
Purchase/(Sale) of Fixed Assets (Net)	(814.45)
Interest Received	59.30
	<u>(755.15)</u>
<b>Net Cash used in Investing Activities</b>	<b>(755.15)</b>
<b>C. Cashflow from Financing Activities</b>	
Increase/(Repayment) of borrowings	(9.69)
Interest Paid	(2.26)
Issue of Right Shares	—
Share Premium	—
	<u>(11.95)</u>
<b>Net Cash used in Financing Activities</b>	<b>(11.95)</b>
<b>Net Changes in Cash and Cash Equivalent (A+B+C)</b>	<b>143.57</b>
<b>Cash and Cash equivalent – Opening Balance</b>	<b>4.95</b>
<b>Cash and Cash equivalent – Closing Balance</b>	<b>148.52</b>
<b>Net Changes in Cash and Cash equivalent</b>	<b>143.57</b>

Previous Year figures have been regrouped wherever necessary

As per our report attached  
**For A. M. Joshi and Company**  
Chartered Accountants

For and on behalf of the Board of Directors  
**RUPINDER SINGH ARORA**  
Chairman & Managing Director

**A. M. JOSHI**  
Proprietor  
Membership No. 40852  
Mumbai, Dated: 27th June, 2009

**RAVINDRA JOSHI**  
Company Secretary

**RITIKA HANDA**  
**CHANDIR G. GIDWANI**  
**NAVIN MARWAH**  
Directors

-----TEAR HERE-----

**RAP MEDIA LIMITED**

Registered Office : Arora House, 16, Golf Link,  
Union Park, Khar (W), Mumbai-400 052.

**PROXY FORM**

I/We .....

of .....

being a member/members of RAP MEDIA LIMITED do hereby appoint

of .....

or failing him .....

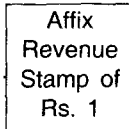
of .....

of failing him .....

of .....

as my/our proxy to attend and vote for me/us on my/our behalf at the FIFTEENTH ANNUAL GENERAL MEETING of the Company to be held on Tuesday, the 29th September, 2009 at 11.00 A.M. and at any adjournment thereof

Signed .....



Date .....

Note : The Proxy Form must be returned so as to reach the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting

TEAR HERE

**RAP MEDIA LIMITED**

Registered Office : Arora House, 16, Golf Link,  
Union Park, Khar (W), Mumbai-400 052.

**ATTENDANCE SLIP**

To be handed over at the entrance of the Meeting Hall

Name of the attending Member (in Block Letters)
Name of Proxy ((in Block Letters) (To be filled in if the Proxy attends instead of the Member)

No. of Shares held ..... Member's Folio No. ....

I hereby record my presence at the FIFTEENTH ANNUAL GENERAL MEETING being held at the Registered Office of the Company at Arora House, 16, Golf Link, Union Park, Khar (West), Mumbai-400 052, on Tuesday, the 29th September, 2009 at 11.00 A.M.

Member's/Proxy's Signature  
(to be signed at the time of handing over this slip at the entrance of the Meeting Hall.)

For Office use :

**BOOK-POST**

*If not delivered, please return to :*

**RAP MEDIA LIMITED**

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

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