
Notice

NOTICE is hereby given that the Seventeenth Annual General Meeting of the Members of RAP MEDIA LTD. will be held on Monday, the 26th September, 2011, 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, 2011 and the Report of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Navin Marwah, who retires by rotation and, being eligible, offers himself 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. Vinay Gudi & Associates, Chartered Accountants, be and are hereby appointed Auditors of the company in place of the retiring auditors, M/s A.T. Jain & Co. to hold office 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.”

By Order of the Board of Directors

RAVINDRA JOSHI
Company Secretary

Mumbai, Dated: 30th May, 2011

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. 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 Register of Members and Share Transfer Books of the Company will remain closed from Monday, the 19th September, 2011 to Monday, the 26th September, 2011. (both days inclusive).
3. Explanatory Statement as required under Section 173 of the Companies Act, 1956 in respect of Item No.3 is annexed.

Annexure to Notice

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

ITEM NO. 3

M/s. A. T. Jain & Co., the retiring Auditors have shown unwillingness to continue as Auditors of the Company due to other pressing commitments. The Company has received a special notice in terms of provisions of the Companies Act, 1956 from a member of the Company signifying his intention to propose the appointment of M/s. Vinay Gudi & Associates, Chartered Accountants as Auditors of the Company for the current year. The Audit Committee and the Board of Directors have recommended the appointment of M/s. Vinay Gudi & Associates as Statutory Auditors. M/s. Vinay Gudi & Associates, have informed that they are willing to act as Auditors, if appointed.

None of the Directors of the Company is concerned and interested in the resolution.

By Order of the Board of Directors

RAVINDRA JOSHI
Company Secretary

Mumbai, Dated: 30th May, 2011

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 Seventeenth Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31st March 2011.

	2010-2011 (Rupees)	2009-2010 (Rupees)
Profit before Finance Charges And Depreciation	89,01,794	66,72,990
Less: Interest	88,100	1,62,148
Profit before Depreciation and Taxation	88,13,694	65,10,842
Less: Depreciation	43,90,099	37,00,203
Profit/(Loss) after Depreciation	44,23,595	28,10,639
Less: Provision for Taxation		
Provision for Deferred Tax	(7,10,573)	1,04,29,615
Income Tax Current Year	8,40,000	7,50,000
Income Tax Earlier Year	10,612	3,98,561
Profit/(loss) for the Year	42,83,556	(87,67,538)
Loss brought forward from Previous Year	(1,31,38,830)	(43,71,291)
Loss carried to Balance Sheet	(88,55,273)	(1,31,38,830)

PERFORMANCE

The profit before tax is Rs.44.24 lacs as compared to Rs.28.10 lacs. The Company has kept all its projects on hold due to adverse market conditions.

DIVIDEND

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

1. DIRECTORS' RESPONSIBILITY STATEMENT

Directors confirm and state the following in pursuance of provisions of Section 217(2AA) of the Companies Act, 1956-

- that in the preparation of annual accounts the applicable accounting standards have been followed along with proper explanation relating to material departures.
- 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 financial year and of Profit for the year of the Company for that year.
- that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- 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 Director' Report.

3. DIRECTORS

Mr. Navin Marwah retires by rotation and being eligible offers himself for reappointment.

4. LISTING ON STOCK EXCHANGES

The Company is listed on the Bombay Stock Exchange Limited only. The annual listing fees have been paid and there is no outstanding payment due to the Exchange, as on date.

5. AUDITORS' REPORT

The observations of the Auditors are self explanatory.

6. AUDITORS

M/s. A. T. Jain & Co., the retiring Auditors have shown unwillingness to continue as Auditors of the Company due to other pressing commitments. It is therefore proposed to appoint M/s.Vinay Gudi & Associates, Chartered Accountants as Auditors for the current year. M/s.Vinay Gudi & Associates, have informed that they are willing to act as Auditors, if appointed.

7. TECHNOLOGY ABSORPTION, ENERGY CONSERVATION, FOREIGN EXCHANGE EARNING AND OUTGO:

The Company has not entered into any agreement for transfer of Technology, has neither earned nor spent any foreign exchange. The Conservation of energy is a ongoing process and the Company tries to conserve the same as far as possible.

8. PARTICULARS OF EMPLOYEES

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

9. ACCEPTANCE OF PUBLIC DEPOSITS

The Company has not accepted public deposits during the year under review nor propose to accept any public deposit in future.

For and on behalf of the Board of Directors

RUPINDER SINGH ARORA
Chairman & Managing Director

Mumbai, Dated: 30th May, 2011

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 Bombay Stock Exchange Ltd., Mumbai)

1. Company's philosophy on code of 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 judgement 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 has 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 seven times during the year 2010-2011 on April 19, 2010, May 20, 2010, July 29, 2010, October 29, 2010, February 7, 2011, March 4, 2011 and March 15, 2011. 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	7	Yes
2.	Ms. Ritika Arora	Non Executive Director	7	Yes
3.	Mr. Chandir Gidwani	Non Executive Independent Director	4	Yes
4.	Mr. Navin Marwah	Non Executive Independent Director	6	Yes

Date of last AGM – September 29, 2010

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

Name of Director	No. of other Directorships in Public Limited Companies	No. of other Board Committees in which Member
Mr. Rupinder Singh Arora	2	1
Ms. Ritika Arora	NIL	NIL
Mr. Chandir Gidwani	6	1
Mr. Navin Marwah	1	1

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 considers 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. 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.

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 Directors' 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 judgement 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.

RAP MEDIA LTD.

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, shareholders 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 Arora . 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	4
Ms. Ritika Arora	4	4

Audit Committee met four times during the year 2010-2011 on May 20, 2010, July 29, 2010, October 29, 2010, and February 7, 2011. The time gap between any two meetings was less than four months.

Remuneration Committee

The Company is too small to have a Remuneration Committee.

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

Name of the Director	Remuneration Including all benefits
Mr. Rupinder Singh Arora – Chairman & Managing Director	Rs.6.33 Lacs (Salary & other remuneration)

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

Name of the Director	Sitting fees paid (Rs.)
Mr. Chandir Gidwani	40,000.00
Ms. Ritika Arora	55,000.00
Mr. Navin Marwah	50,000.00

5. Shareholders'/Investors' Committee

This committee comprising of three Non Executive Directors viz. Mr. Chandir Gidwani, Mr. Navin Marwah and Ms. Ritika Arora. 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 31st March, 2011. No complaints were pending as at 31.03.2011. The Compliance officer of the Company is Mr. S.M. Gupta.

6. General Body Meetings.

General Meeting	Date and Time	Place	No. of Special Resolution Passed
Annual General Meeting	29 September,2010 at 11.00 a.m.	At the Registered office of the company at Arora House, 16, Golf Link, Union Park, Khar (West), Mumbai-400052	
Annual General Meeting	29 September,2009 at 11.00 a.m.		
Annual General Meeting	29 September,2008 at 11.00 a.m.		1

During the Financial year 2010-2011, 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 Stock Exchange or SEBI or any other authority related to the Capital markets during the last 4 years. During the Financial year 2010-2011, 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 results are normally published in "Free Press Journal" and "Nav Shakti". The Annual Report is sent every year to the shareholders.

9. General Shareholder Information :

Annual General Meeting	26th September, 2011
Financial Year	31st March,2011
Book Closure	19.09.2011 to 26.09.2011
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, 2010	40.50	31.80
May, 2010	40.00	29.00
June, 2010	33.30	27.50
July, 2010	36.50	29.00
August, 2010	31.80	25.70
Sept, 2010	30.95	25.05
Oct, 2010	33.00	25.20
Nov, 2010	29.90	20.70
Dec, 2010	25.50	17.20
Jan, 2011	24.90	16.50
Feb, 2011	19.85	13.15
March, 2011	16.25	12.20

Number of share transfers pending- Nil.

Registrars and Share Transfer Agents :

Sharex Dynamic (India) Pvt Ltd.

Unit – I, Luthra Ind. Premises, Safed 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 lodgment, 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 31/03/2011 :

Sr. No.	No. of equity shares held	No. of Shareholders	% of total shareholders	No. of Shares Held	% of Total Shares.
1.	UPTO TO 100	4,518	68.13	1,96,195	3.34
2.	101 TO 200	745	11.24	1,28,060	2.18
3.	201 TO 500	780	11.76	2,85,819	4.86
4.	501 TO 1000	316	4.77	2,51,749	4.28
5.	1001 TO 5000	218	3.29	4,15,934	7.07
6.	5001 TO 10000	31	0.47	2,34,478	3.99
7.	10001 TO 100000	17	0.26	4,33,432	7.37
8.	100001 TO ABOVE	6	0.09	39,35,333	66.92
		6,631	100.00	58,81,000	100.00

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Shareholding pattern as on 31st March, 2011 :

Category	No. of Shares	% of Total Capital
Promoter's Shareholding	23,32,202	39.657
Non-Resident Indians/ Overseas Corporate bodies	26,775	0.455
Foreign Institutional Investor	0	0
Mutual Funds & Unit Trust of India	0	0
Banks	0	0
Bodies Corporate	18,47,971	31.423
Indian Public	16,53,410	28.114
Clearing Members-NRI	20,642	0.351
Total Shares	58,81,000	100

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

Shri Navin Marwah, is a Commerce Graduate from Bombay University. He has 24 years experience in Stock Market and Financial Market. He has managed Portfolio of Reputed Corporates and High Networth Individuals. He has good contacts with Corporates and Stock Market Community. He was first appointed as a Director on 25.10.2008.

His other Directorship/Committee Memberships of other Companies are as under:

Sr.No.	Name of Companies/Firms	Nature of Interest
1.	Arora Fibres Limited	Director and Chairman of Audit Committee

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, 2011, 58,05,499 were held in dematerialized form. The details are as under:

CDSL	42,83,609
NSDL	15,21,890
PHYSICAL	75,501
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 May, 2011

Registered Office:

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

RAP MEDIA LTD.

Certification by the Chairman & Managing Director of the Company

I, Mr. Rupinder Singh Arora, CMD 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; and
- 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.

RUPINDER SINGH ARORA

Chairman & Managing Director

Mumbai, Dated: 30th May, 2011

Registered Office:

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

Management Discussion & Analysis 2010-2011

Global Economic Condition

In recent times, the economic crisis and its repercussions have accelerated the shift of economic power from the developed to the emerging nations.

The major challenges the world economy is facing now is managing the shift in balance of power from the developed to emerging economies.

Overview of Indian Economy

The Indian economy witnessed a higher growth in GDP of 8.5% for the year 2010-2011 over a growth of 8% in 2009-2010. A strong rebound in agriculture and continued momentum in some sectors of manufacturing and construction enabled the economy to achieve a higher growth in 2010-2011. Economic growth was supported on the demand side, by increased private consumption during the year, and accelerated investment in the first three quarters of 2010-2011. Consumer durables, Automobile sector and engineering goods were the main contributors to this growth. In 2011-2012, the projected growth rate is in the range of 8% to 8.5%.

Aided by its young demographic profile, India is regarded as one of the youngest economies in the world with considerable opportunities as a consumer market and a manufacturing hub. To achieve a sustainable growth, the country needs to push forward governance reforms and innovative public-private partnerships to deliver rapid and inclusive growth and an enabling environment for upgrading infrastructure.

Construction business scenario

Construction industry registered a higher growth of 8.1% for the year 2010-2011 led by an increased level of activity of industrial and infrastructure construction segments. The growth trend is likely to sustain through the next year on the back of renewed thrust on infrastructure. The real estate & iTeS facility construction has gained traction, despite stringent regulations and financing issues.

Our business

Our Company is a real estate developer focused on conceptualizing, designing, creating and management of Shopping Malls-cum Multiplexes. This segment is popular only in Metros in India and is yet to catch up in smaller cities. Even though the new projects are on hold our aim is to create and make popular Malls-cum Multiplexes in non metro cities of India.

Performance

Income for the year was Rs. 184.93 lacs as compared to Rs. 181.11 lacs of the previous year. The Company registered a profit of Rs. 42.83 lacs as compared to a loss of Rs. 87.67 lacs.

For and on behalf of the Board of Directors

RUPINDER SINGH ARORA
Chairman & Managing Director

Mumbai, Dated: 30th May, 2011

Registered Office:

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

RAP MEDIA LTD.

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the members of Rap Media Limited.

We have examined the compliance of Conditions of Corporate Governance by Rap Media Limited, for the year ended 31st March, 2011, 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 T Jain & Co

Chartered Accountants

(Firm no. 103886W)

S. T. Jain

(Partner)

M No.33809

Place: Mumbai :

Dated : 30th May, 2011

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 31st March 2011 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.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 ('the Order') issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 ('the Act'), we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order
4. Further to our comments in the annexure referred to in (2) above, we report that :
 - (i) 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.
 - (ii) 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.
 - (iii) In our opinion, the Balance Sheet, Profit & Loss account and cash flow statement comply with the accounting standards referred to in section 211(3C) of the Companies Act, 1956.
 - (iv) 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.
 - (v) 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 31st March 2011 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.
 - (vi) In our opinion and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies and notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view :
 - a) In case of the Balance sheet, of the state of affairs as at 31st March 2011, and
 - b) In case of the Profit & Loss Account, of the profit of the company for the year ended on that date.
 - c) In the case of the cash flow statement, of the cash flows for the year ended on that date.

For A.T.Jain & Co.
Chartered Accountants
(Firms No: 103886W)

S.T.Jain
(Partner)
M No : 33809

Mumbai
30th May, 2011

RAP MEDIA LTD.

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.
 - b. Major fixed assets were physically verified by the management, no material discrepancies were noticed on such verification
 - c. substantial part of fixed assets have not been disposed of during the year
2. The company does not have any Inventory hence Paragraph 4(ii)(a), (b), (c) are not applicable.
3.
 - a. The company has given unsecured loans to Two companies covered in the register maintained under section 301 of the Companies Act, 1956. In respect of the said loan, the maximum amount outstanding at any time during the year was Rs. 2,35,28,073/- the year end balance is Rs. 6,54,099
 - b. The rate of interest and other terms and conditions of loans given by the company, unsecured, are prima facie not prejudicial to the interest of the company
 - c. The Principal amount are repayable on demand and there is no repayments schedule. The Interest is payable on demand.
 - d. In respect of the said loans, the same are repayable on demand and therefore the question of overdue amounts does not arise in respect of interest, there are no overdue amounts.
 - e. the company had taken interest free unsecured loan of Rs 1,10,000 from one of the Director of the company
 - f. The terms and conditions of unsecured loans taken by the company are prima facie not prejudicial to the interest of the company
 - g. there is no stipulation as to payment of Principle and no interest is chargeable on such loan
4. In our opinion, the internal control system for purchase of fixed assets and sales 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. The Company has not accepted any deposits from the 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. The Central Government has not prescribed the maintenance of cost records under Section 209(1)(d) of the Act for any of the services rendered by 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 except service tax payable amounting to Rs.11,37,823/- in view of the pending cases in various appellant authorities against levy of service tax on renting of immovable property.

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- b. The disputed statutory dues aggregating Rs.5,86,314/- that have not been deposited on account of disputed matters pending before appropriate authorities are as under

Name of the Statute	Nature	Amount of Dues	Period	Forum where dispute pending
Income Tax Act, 1961	Income Tax	Rs.5,86,314/-	Asst. Year 2006-2007	ITAT

10. The accumulated losses of the Company are less than 50% of its net worth and it has not incurred cash losses in the financial year and in the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of its dues to bankers or financial institutions or bondholders.
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. Therefore Paragraph 4(xiii) is not applicable.
14. The company has maintained proper records of the transactions and contracts and timely entries have been made therein, the investments have been held by the company, in its own name.
15. According to the information and explanations gives to us, the company has not given any guarantee for loans taken by others from banks or financial institutions.
16. The company has not availed any Term loan hence Paragraph 4(xvi) is not applicable
17. 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.
18. The Company has not made any preferential allotment of shares during the year to companies / firms / parties covered in the register maintained under Section 301 of the Act.
19. According to the information and explanations given to us, the Company has not issued any secured debentures during the year.
20. According to the information and explanations given to us, the Company has not raised any money by public issues during the year
21. 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.T.Jain & Co.
Chartered Accountants
(Firm No:103886W)

S.T.Jain
(Partner)
M No :33809

Mumbai
30th May, 2011

RAP MEDIA LTD.

Balance Sheet as at 31st March, 2011

	Schedule	Rupees	As at 31st March, 2011 Rupees	As at 31st March, 2010 Rupees
I. SOURCES OF FUNDS				
(1) SHAREHOLDERS' FUND:				
Share Capital	A		58,810,000	58,810,000
Reserve & Surplus	B		332,137,000	332,193,730
(2) LOAN FUND:				
Secured Loans	C		528,550	1,264,359
(3) DEFERRED TAX LIABILITY (NET)			5,583,357	6,237,200
TOTAL			397,058,907	398,505,290
II. APPLICATION OF FUNDS				
(1) FIXED ASSETS:	D			
Gross Block of Assets		190,134,746		179,818,029
Less: Depreciation		18,249,267		14,446,654
Net Block			171,885,479	165,371,375
Capital Work in Progress	E		328,267,143	241,607,689
(2) Investments	F		25,800,000	17,068,828
(3) CURRENT ASSETS, LOANS & ADVANCES				
Cash & Bank Balances	G	513,878		911,516
Loans & Advances	H	22,813,407		117,334,379
		23,327,285		118,245,895
Less: CURRENT LIABILITIES AND PROVISIONS				
Current Liabilities	I	154,411,603		155,457,814
Provisions	J	6,664,671		2,029,414
		161,076,274		157,487,228
			(137,748,988)	(39,241,332)
(4) Miscellaneous Expenditure: (To the extent not written off or adjusted)	K		-	559,900
(5) Profit & Loss Account:			8,855,273	13,138,830
			397,058,907	398,505,290
SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS	Q			

As per our report attached

For A.T.JAIN & CO.,
Chartered Accountants
(Firm No:103886W)

(S.T.JAIN)
PARTNER
M.No.33809

Mumbai
Dated :30th May, 2011

RAVINDRA JOSHI
Company Secretary

For and on behalf of the Board

RUPINDER SINGH ARORA
Chairman & Managing Director
CHANDIR GIDWANI

RITIKA ARORA

NAVIN MARWAH
Directors

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Profit & Loss Account for the Year Ended 31st March, 2011

	Schedule	Year ended 31st March, 2011 Rupees	Year ended 31st March, 2010 Rupees
INCOME:			
Income from Operations	L	15,656,252	15,375,000
Other Income	M	2,837,091	2,736,087
Total Income		<u>18,493,343</u>	<u>18,111,087</u>
EXPENDITURE:			
Direct Operational Expenses	N	273,799	2,533,537
Payments to & Provisions for Employees	O	2,203,531	3,074,902
Other Expenditure	P	7,114,219	5,829,658
Interest		88,100	162,148
Depreciation		4,390,099	3,700,203
Total Expenditure		<u>14,069,748</u>	<u>15,300,448</u>
Profit before the Tax		<u>4,423,595</u>	<u>2,810,639</u>
-Current Year		840,000	750,000
-Deferred Tax		(710,573)	10,429,615
Adjustment for Tax provision of Earlier Year		10,612	398,561
Total Tax		<u>140,039</u>	<u>11,578,176</u>
PROFIT FOR THE YEAR		<u>4,283,556</u>	<u>(8,767,537)</u>
Balance of Loss Brought Forward from Last Year		<u>(13,138,829)</u>	<u>(4,371,292)</u>
BALANCE OF LOSS & PROFIT AVAILABLE FOR APPROPRIATION		<u>(8,855,273)</u>	<u>(13,138,829)</u>
APPROPRIATIONS:			
Balance of Loss Carried to Balance sheet		<u>(8,855,273)</u>	<u>(13,138,829)</u>
TOTAL		<u>(8,855,273)</u>	<u>(13,138,829)</u>
Earning per share		<u>0.73</u>	<u>(1.49)</u>
SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS	Q		

As per our report attached

For A.T.JAIN & CO.,
Chartered Accountants
(Firm No:103886W)

(S.T.JAIN)
PARTNER
M.No.33809

Mumbai
Dated :30th May, 2011

RAVINDRA JOSHI
Company Secretary

For and on behalf of the Board

RUPINDER SINGH ARORA
Chairman & Managing Director
CHANDIR GIDWANI

RITIKA ARORA

NAVIN MARWAH
Directors

RAP MEDIA LTD.

Schedules A to Q Forming Part of the Balance Sheet as at 31st March, 2011

	As at 31st March,2011 Rupees	As at 31st March,2010 Rupees
SCHEDULE 'A':CAPITAL		
Authorised		
1,20,00,000 Equity Shares of Rs.10 each. (Previous Year 1,20,00,000 Equity Shares of Rs.10/- each)	120,000,000	120,000,000
	<hr/>	<hr/>
	120,000,000	120,000,000
	<hr/>	<hr/>
Issued,Subscribed and paid up		
58,81,000 Equity Shares of Rs.10/- each (Previous Year 58,81,000 Equity Shares of Rs.10 each)	58,810,000	58,810,000
	<hr/>	<hr/>
	58,810,000	58,810,000
	<hr/>	<hr/>
SCHEDULE 'B' :RESERVE & SURPLUS		
Share Premium Account	332,137,000	332,137,000
Deferred Tax Reserve	-	56,730
	<hr/>	<hr/>
	332,137,000	332,193,730
	<hr/>	<hr/>
SCHEDULE 'C' :SECURED LOANS		
Vehicles Loan	528,550	1,264,359
(Secured by Hypothecation of Car)		
	<hr/>	<hr/>
	528,550	1,264,359
	<hr/>	<hr/>

RAP MEDIA LIMITED
SCHEDULE 'D' : FIXED ASSETS

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Particulars	Rate of Depreciation	GROSS BLOCK			DEPRECIATION				NET BLOCK		
		AS ON 31.03.2010	ADDITIONS DURING THE YEAR	DEDUCTIONS DURING THE YEAR	AS ON 31.03.2011	AS ON 31.03.2010	FOR THE YEAR	DEDUCTIONS DURING THE YEAR	AS ON 31.03.2011	AS ON 31.03.2011	AS ON 31.03.2010
		Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
(A) OFFICE FIXED ASSETS											
Office Equipments	4.75%	279456	14000	0	293456	91980	13742	0	105723	187733	187476
Computers	16.21%	399911	0	0	399911	203095	64826	0	267921	131990	196816
Vehicles	9.50%	3920915	0	0	3920915	1272665	372487	0	1645152	2275763	2648250
COROLA	9.50%	1277408	0	1277408	0	516005	71482	587487	0	0	761403
MEERUT MULTIPLEX											
(1) LAND											
Land		694485	0	0	694485	0	0	0	0	694485	694485
(2) BUILDING											
Building	3.34%	50929504	0	0	50929504	6804180	1701045	0	8505225	42424279	44125324
(3) PLANT & MACHINERY											
Electrical Fittings	4.75%	1869551	0	0	1869551	355216	88804	0	444020	1425531	1514335
Projectors & Sound Systems	4.75%	12133165	0	0	12133165	2305300	576325	0	2881625	9251540	9827865
Fire Fighting	4.75%	657897	0	0	657897	125000	31250	0	156250	501647	532897
Generators	4.75%	1462049	0	0	1462049	277788	69447	0	347235	1114814	1184261
Invertor	4.75%	20147	0	0	20147	3828	957	0	4785	15362	16319
Stabilizers	4.75%	70964	0	0	70964	13484	3371	0	16855	54109	57480
Fans	4.75%	22950	0	0	22950	4360	1090	0	5450	17500	18590
(4) FURNITURE AND FIXTURES											
Theatre Furniture	9.50%	4901161	0	0	4901161	1240973	1087077	0	2328050	2573111	3660188
Office Furniture	6.33%	7601	0	0	7601	1924	481	0	2405	5196	5677
(5) COMPUTERS											
Computers	16.21%	929543	0	0	929543	602716	150679	0	753395	176148	326827
(6) OTHER EQUIPMENTS											
Air Conditioning	4.75%	3299665	0	0	3299665	626936	156734	0	783670	2515995	2672729
Mobile Hand Set	4.75%	6338	0	0	6338	1204	301	0	1505	4833	5134
(7) LAND											
(1) AGRA		48166302	0	0	48166302	0	0	0	0	48166302	48166302
(2) JALANDHAR		16360150	0	0	16360150	0	0	0	0	16360150	16360150
(3) LUDHIANA		32408867	0	0	32408867	0	0	0	0	32408867	32408867
(4) BIKANER		0	11580125	0	11580125	0	0	0	0	11580125	0
TOTAL		179818029	11594125	1277408	190134746	14446654	4390099	587487	18249267	171885479	165371375
PREVIOUS YEAR		83672880	0	790170	82882710	11022105	3700203	275654	14446654	68436056	96935319

Note: Including Depreciation prior period amounting to Rs.6,21,467/- on Theatre Furniture being short charges in earlier year now provided during the year.

SCHEDULE 'E' CAPITAL WORK IN PROGRESS

Capital Work in Progress-	241892879	87301689	927425	328267143	0	0	0	0	328267143	208204430
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RAP MEDIA LTD.

Schedules A to O Forming Part of the Balance Sheet as at 31st March, 2011

				As at 31st March,2011 Rupees	As at 31st March,2010 Rupees
SCHEDULE 'F' :Investments					
Non trade- Current Investments					
	Face	Unit	Unit		
	Value	31st March,2011	31st March,2010		
Birla Sunlife Mid Cap Fund Growth	100	-	8,196	-	850,000
Birla Sunlife Savings Fund	10	-	818,071	-	8,186,273
HDFC Flotting Rate Income Fund	10	-	722,411	-	7,282,555
HDFC Top 200 Fund Growth	100	-	4,175	-	750,000
BNP Paribas Fixed Term Fund S 21c	10	2,300,000		23,000,000	-
Reliance Quarterly Interval Fund	10	279,790		2,800,000	-
				25,800,000	17,068,828
Net Asset value of the Investments as on 31.03.2011 2,60,08,315/- (previous year Rs.1,71,05,901)					
SCHEDULE 'G' :CASH AND BANK BALANCES					
Cash on hand				174,226	316,731
Balances with Scheduled Banks:					
(I) In Current Accounts				339,652	594,786
TOTAL				513,878	911,516
SCHEDULE 'H' :LOANS AND ADVANCES					
<u>Sundry Debtors</u>					
Considered Good					
Due for period exceeding six months				-	-
Others				5,958,953	2,286,125
Advances recoverable in cash or kind for value to be received					
Deposits				380,000	380,000
Tax deducted at source				14,597,143	13,024,627
Other Loans & Advances				1,877,310	101,643,627
TOTAL				22,813,407	117,334,379
SCHEDULE 'I' :CURRENT LIABILITIES					
Security Deposits				30,350,000	30,847,761
Sundry Creditors				6,288,446	7,005,014
Advance Received				116,600,000	116,600,000
Other Liabilities				1,173,157	1,005,039
TOTAL				154,411,603	155,457,814
SCHEDULE 'J' :PROVISIONS					
Provision for Gratuity				1,067,771	1,155,930
Provision for Expenses				506,900	123,484
Provision for Taxation				5,090,000	750,000
TOTAL				6,664,671	2,029,414
SCHEDULE 'K':MISCELLANEOUS EXPENDITURE					
(To the extent not written off or adjusted)					
Share Issue Expenses				-	559,900
				-	559,900

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Schedules Forming Part of the Profit and Loss Account for the year ended 31st March, 2011

	Year ended 31st March, 2011 Rupees	Year ended 31st March, 2010 Rupees
SCHEDULE 'L' : INCOME FROM OPERATIONS		
Rent Income (TDS Rs.12,00,000/- Previous year Rs.19,59,600)	12,000,000	12,000,000
Royalty Income (TDS Rs.3,37,500/- Previous year Rs.3,59,946)	3,656,252	3,375,000
TOTAL	<u>15,656,252</u>	<u>15,375,000</u>
SCHEDULE 'M' : OTHER INCOME		
Other Interest (TDS Rs.86,570/- Previous year Rs.3,66,574)	1,532,019	2,286,279
Other Income	1,305,072	449,808
	<u>2,837,091</u>	<u>2,736,087</u>
SCHEDULE 'N' : Direct Operational Expenses		
Loss from Food Court Operations	273,799	2,533,537
	<u>273,799</u>	<u>2,533,537</u>
SCHEDULE 'O' : PAYMENTS TO AND PROVISIONS FOR EMPLOYEES		
Salary & Allowances (Gratuity excess provision written back)/Gratuity	2,251,361 (88,159)	2,888,405 103,209
Staff Welfare Expenses	40,329	83,288
TOTAL	<u>2,203,531</u>	<u>3,074,902</u>
SCHEDULE 'P' : OTHER EXPENDITURE		
Travelling, Conveyance	483,552	360,543
Rates & Taxes	1,173,813	1,021,249
Legal & Professional Fees	2,538,713	2,768,613
Motor Car Expenses	561,759	428,303
Audit Remuneration :		
Audit Fees , Tax Audit & Other services	82,725	50,000
Tax Audit	27,575	20,000
Other Services	-	5,000
Miscellaneous Expenses	2,246,082	1,175,950
TOTAL	<u>7,114,219</u>	<u>5,829,658</u>

RAP MEDIA LTD.

Schedule Forming Part of Accounts for the year ended 31st March, 2011

SCHEDULES 'Q':

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 referred section 211(3C) of the Companies Act, 1956.

2. Use of Estimates :

The preparation of financial statements requires the management to make estimates and assumptions 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. Any revision to accounting estimates is recognized prospectively in current and future periods.

3. Fixed Assets:

- a. All Fixed Assets are stated at cost less depreciation. Cost of acquisition is inclusive of purchase price, levies and any directly attributable cost of bringing the assets to its working condition for the intended use.
- b. Exchange difference arising on payment of liabilities for purchase of fixed assets from outside India and year end conversion for such liabilities are charged / credited to the Profit & Loss Account.
- c. When an Asset is scrapped or otherwise disposed off, the cost and related depreciation are removed from the books of accounts and resultant profit (including capital profit) or loss, if any, is reflected in the Profit & Loss Account.
- d. Items of fixed assets that have been retired from active use and are held for disposal are stated at the lower of their net book value and estimated net realizable value and are disclosed separately in the financial statements.
- e. Capital Work-in-Progress includes the cost of assets that are not ready for intended use at the Balance Sheet and advances paid to acquire capital assets before the Balance Sheet date.

4. Intangible Assets

All intangible assets are initially measured at cost amortized so as to reflect the pattern in which the assets' economic benefits are consumed.

5. Depreciation

Depreciation on fixed assets has been charged using Straight Line Method at the rates and in manner prescribed in Schedule XIV to the Companies Act, 1956.

6. Investments

- a) Current Investments are stated at cost or market value whichever is less.
- b) Long term Investments are stated at cost. Provision for diminution in value is made, if permanent.

7. Employee Benefits

Defined Benefit Plans - Company's liabilities towards gratuity being post employment benefit are determined actuarially using the projected unit credit method which considers each period of

service as giving rise to an additional unit of benefit entitlement and measures each unit separately build up the final obligation. Past service costs are recognized on straight line basis over the average residual period until the amended benefits become vested. Actuarial gain and losses are recognized immediately in the Statement of Profit and loss as income or expense. Obligation is measured at the present value of estimated future cash flows.

8. Foreign Currency Transactions:

- a. Foreign Currency transactions are recorded at the exchange rate as of the date of the respective transactions.
- b. In the case of monetary assets and liabilities denominated in foreign currency, the exchange rate prevalent on the Balance Sheet date is applied to restate such assets and liabilities. Exchange differences arising on restatement of foreign currency assets and liabilities are recognized as income or expenditure in Profit & Loss Account.

9. Revenue Recognized

Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection.

Dividend is recognized when the right to receive is established.

Interest is recognized on time proportion basis.

10. Income Tax and Deferred Taxes

Current tax is determined as the amount of tax payable in respect of taxable income for the year. Deferred tax is measured based on the tax rates and tax laws enacted or substantively enacted at the balance sheet date. Deferred tax is recognised, subject to consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets arising on account of unabsorbed depreciation or carry forward of tax losses shall be recognized only when there is a virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

11. Provisions

Provisions are recognised in accounts in respect of present probable obligations, the amount of which can be reliably estimated.

12. Contingent Liabilities

Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company.

13. Impairment of assets

Management periodically assesses using external and internal indications whether there is an indication that an asset may be impaired. Impairment occurs where the carrying amount exceeds the present value of future cash flows expected to arise from the continuing use of the asset or its eventual disposal. The impairment loss to be expensed is determined as the excess of the carrying amount over the higher of the asset's net sale price or present value as determined above.

14. Segment Reporting

The Company is working in Development, Construction of Multiplex cum Malls & Hotels

RAP MEDIA LTD.

B. NOTES TO ACCOUNTS:

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

2. **Segment Reporting**

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

The Deferred Tax liability Comprise of the following:

3. **Deferred Taxation**

	Year ended 31.03.2011	Year ended 31.03.2010
Deferred Tax liability		
Related to fixed Assets	64,77,810	62,72,281
Deferred Tax asset		
Disallowance under Income Tax Act,1961	3,54,687	(35081)
Carried forward Losses	5,39,766	-
	55,83,357	62,37,200

4. **Remuneration to Directors:**

	Year ended 31.03.2011 Rs.	Year ended 31.03.2010 Rs.
Salaries & Allowances	6,00,000/-	6,00,000/-
Sitting Fees	1,45,000/-	1,25,000/-
Total	7,45,000/-	7,25,000/-

The individual gratuity provision is not available. Hence the same has not been discourse here.

5. **Remuneration to Auditors:**

	Year ended 31.03.2011 Rs.	Year ended 31.03.2010 Rs.
Audit Fees	82,725/-	50,000/-
Tax Audit fees	27,575/-	20,000/-
Other Services	-	5,000/-
Total	1,10,300/-	75,000/-

6. During the year the company has not collected Service Tax amounting to Rs.9,27,000/- on the services rendered under the category of Renting of Immovable Property in view of the pending cases in various appellant authorities against levy of Service Tax on Renting of Immovable Property.
7. Advance received includes an amount of Rs.11,66,00,000/- from a customer against agreement to sale of commercial space in mall under construction at Agra. The revenue will be accounted on the certainty of completion of building and handover of the space to the customers.

8. The Company has kept all its projects currently on hold due to adverse market conditions hence the amount spent have been shown under land and capital work in progress. The amount required to complete the projects is not estimated. (Previous year Rs.5,10,000/-)
9. The company has let out space for Food Court to Reliance Media Work Limited on Profit Sharing Basis. During the year the operations resulted into a loss of Rs.2,74,000/- (Previous year Rs.25,33,000/-).
10. During the year the company has written off share issue expenses amounting to Rs.5,59,900/-.

11. Related Parties disclosures:

- a) List of related parties where control exists and related parties with whom transactions have taken place and relationships:

S.No.	Name of the Related Party	Relationship
1.	Shri Rupinder Singh Arora	Key Managerial Personnel
2.	Shri Chandir G. Gidwani	Key Managerial Personnel
3.	Shri Navin Marwah	Key Managerial Personnel
4.	Ms.Ritika Arora	Key Managerial Personnel
5.	M/s.Centrum Direct Ltd.	Associate Company
6.	M/s.Business Match Services (I) Pvt. Ltd.	Associate Company
7.	M/s.Rap Projects Pvt. Ltd.	Associate Company
8.	Shri Dilawar Singh Arora	Relative of Key Managerial Personnel
9.	Smt.Daljeet Kaur Arora	Relative of Key Managerial Personnel
10.	Ms.Priyanka Arora	Relative of Key Managerial Personnel

- b) Transactions during the year with related parties:

Sr. No.	Nature of Transactions	Key Managerial Personnel	Associate Company	Relative of Key Managerial Personnel	Total
1	Unsecured Loan/Deposit as at 1st April, 2010	-	-		
	Received during the year	1,10,000 (96,00,000)	-	62,00,000 (NIL)	63,10,000 (96,00,000)
	Paid during the year	1,10,000 (96,00,000)	62,00,000 -	63,10,000 (NIL)	(96,00,000)
	Unsecured Loan/Deposit Balance as on 31st March, 2011	-		-	
2.	Loans & Advances Balance as at 1st April, 2010	-	4,83,25,000 (3,05,24,30)	-	4,83,25,000
	Received during the year	-	4,76,70,901 (1,80,03,77)	(3,05,24,300)	4,76,70,901 (1,80,03,773)
	Loans & Advances Balance as on 31st March, 2011	-	6,54,099 (4,85,28,07)	-	6,54,099 (4,85,28,073)
3.	Sundry Creditors Balance as at 1st April, 2010		2,03,073 (2,81,880)		2,03,073 (2,81,880)
	Paid during the year	-	2,03,073 (78,807)		2,03,073 (78,807)
	Sundry Creditors Balance as at 31st March 2011		NIL (2,03,073)		NIL (2,03,073)
4.	Director Remuneration	6,00,000 (6,00,000)	-	-	6,00,000 (6,00,000)

RAP MEDIA LTD.

5.	Director Sitting Fees	1,45,000 (1,25,000)	-		1,45,000 (1,25,000)
6.	Rent Paid	-		7,80,000 (7,80,000)	7,80,000 (7,80,000)
7.	Interest Received	-	8,65,723 (22,86,279)	-	8,65,723 (22,86,279)
8.	Salary	-		2,34,000 (2,34,000)	2,34,000 (2,34,000)

Note: Figures in bracket represents previous year's amount.

Disclosure in respect of Related Party Transactions during the Year :

1. a) Opening Balance of Security Deport Rs.2,60,00,000/- (Previous Year Rs.2,60,00,000/-) repaid during the year by M/s.Business Match Services (I) Pvt. Ltd.
- b) Opening Balance of Loans Rs.2,33,25,000/- (Previous Years Rs.3,41,89,157/-) out of which Rs.2,26,70,901/- has been repaid by Centrum Direct Limited (Previous Year Rs.,1,08,64,157)
- c) Unsecured Loan Received and repaid to Shri Rupinder Singh Arora Rs.1,10,000/- (Previous Year Rs.96,00,000/-)
- d) Deposit paid & received back Rs.62,00,000/- from Shri Dilawar Singh Arora during the year.(Previous Year Rs.NIL)
2. Remuneration paid to Shri Rupinder Singh Arora Rs.6,00,000/-.(Previous Year Rs.6,00,000/-)
3. Director Sitting fees paid to Shri Chandir G. Gidwani, Shri Navin Marwah & Ms.Ritika Arora amounting to Rs.1,45,000/- (Previous Year Rs.1,25,000/-)
4. Rent paid to Smt.Daljeet Kaur Arora amounting to Rs.7,80,000 (Previous Year Rs.7,80,000)
5. Interest receive from M/s.Centrum Direct Limited amounting to Rs.8,65,723/- (Previous Year Rs.22,86,279/-)
6. Salary Paid to Ms.Priyanka Arora amounting to Rs.2,34,000/- (Previous Year Rs.2,34,000/-)
12. Amount due to small scale industrial undertaking is Rs.NIL (Previous year Rs.NIL).
13. **Earning per share (EPS):**

Particulars	31.03.2011	31.03.2010
Weighted average number of shares at the beginning and end of the year	58,81,000	58,81,000
Net Profit after Tax available for Equity Shareholders (Rupees)	4,283,556	(8,767,537)
Basic and Diluted Earnings Per Share (Rupees)	0.73	(1.49)

14. The company has not received any intimation from vendors covered under the micro, Small & medium enterprises Development Act, 2006 and as such information in respect of those vendors is not provided.
15. Previous year's figures have been regrouped/rearranged wherever necessary.

As per our report attached

For A.T.JAIN & CO.,
Chartered Accountants
(Firm No:103886W)

S.T.JAIN
(PARTNER)
M.No.33809

Mumbai
Dated :30th May, 2011

RAVINDRA JOSHI
Company Secretary

For and on behalf of the Board

RUPINDER SINGH ARORA
Chairman & Managing Director
CHANDIR GIDWANI

RITIKA ARORA

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	2011
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)

SOURCES OF FUNDS

Total Liabilities

558,135

Total Assets

558,135

Paid-up Capital

58,810

Reserves & Surplus

332,137

Secured Loans

529

Unsecured Loans

-

Other Liability

166,660

APPLICATION OF FUNDS

Net Fixed Assets

500,153

Investments

25,800

Net Current Assets

23,327

Misc. Expenditure

-

Accumulated Losses

8,855

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

Turnover

18,493

Total Expenditure

14,070

Profit Before Tax

4,424

Profit After Tax

4,284

Earning Per Share

0.73

Dividend Rate %

NIL

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

Item Code No.(ITC Code)

NotApplicable

Product Description

Construction of Malls & Multiplexes

As per our report attached

For A.T.JAIN & CO.,
Chartered Accountants
(Firm No. 103886W)

S.T.JAIN
(PARTNER)
M.No. 33809

Mumbai
Dated :30th May, 2011

RAVINDRA JOSHI
Company Secretary

For and on behalf of the Board

RUPINDER SINGH ARORA
Chairman & Managing Director

CHANDIR GIDWANI

RITIKA ARORA

NAVIN MARWAH
Directors

RAP MEDIA LTD.

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011

(Rs.in Lakhs)

	Year ended 31st March, 2011	Year ended 31st March, 2010
A Cash Flow from Operating Activities		
Net Profit/(Loss) before Tax and Extra ordinary items	44.24	28.11
Adjusted for		
Depreciation	43.90	37.00
Provision for Retirement Benefits	(0.88)	1.03
Share Issue Expenses	5.60	0.79
Loss on sale of Assets	2.40	0.45
Sundry Balance W.Off	5.72	0.00
Interest Expenses	0.88	1.62
Dividend received from Mutual Fund	(4.47)	
Capital Gain on Mutual Fund	(8.58)	
Interest Income	(15.32)	(22.86)
	29.25	18.03
Operating Profit before working capital changes	73.48	46.14
Adjusted for		
Loans and Advances	1005.88	446.21
Sundry Debtors	(36.73)	
Trade and Other Payable	10.46	
Sundry Creditors	3.83	(19.59)
Cash Generated from Operations	983.44	377.47
Less:Income Taxes Refund/(Paid)(Net)	24.14	11.49
Net Flow from operating activities	1032.78	412.12
B Cashflow from Investing activities		
Purchase / (Sale)of Fixed Assets (Net)	(975.18)	(39.51)
Investments	(78.73)	(170.69)
Dividend received from Mutual Fund	4.47	
Interest Received	15.32	22.86
Net Cash used in Investing Activities	(1034.12)	(187.34)
C Cashflow from Financing Activities		
Increase/(Repayment) of borrowings	(7.36)	(359.37)
Share issue expenses	5.60	-
Interest Paid	(0.88)	(1.62)
Net Cash used in Financing Activities	(2.64)	(360.99)
Net Changes in Cash and Cash Equivalent (A+B+C)	(3.98)	(139.40)
Cash and Cash equivalent - Opening Balance	9.12	148.52
Cash and Cash equivalent - Closing Balance	5.14	9.12
Net Changes in Cash and Cash equivalent	(3.98)	(139.40)
Previous Year figures have been regrouped wherever necessary		

As per our report attached

For A.T.JAIN & CO.,
Chartered Accountants
(Firm No:103886W)

S.T.JAIN
(PARTNER)
M.No.33809
Mumbai
Dated :30th May, 2011

RAVINDRA JOSHI
Company Secretary

For and on behalf of the Board

RUPINDER SINGH ARORA
Chairman & Managing Director

CHANDIR GIDWANI
RITIKA ARORA
NAVIN MARWAH
Directors

RAP MEDIA LIMITED

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

ATTENDANCE SLIP

Registered Folio No.....

I certify that I am a registered shareholder/proxy for the registered shareholder of the company.

I hereby record my presence at the SEVENTEENTH ANNUAL GENERAL MEETING of the company held at the Registered Office of the Company at Arora House, 16, Golf Link, Union Park, Khar (West), Mumbai – 400 052. on Monday, the 26th day of September 2011 at 11.00 a.m.

Member's/Proxy's Name

Member's/Proxy's Signature

(all in BLOCK LETTERS please)

—Tear Here—

RAP MEDIA LIMITED

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

PROXY FORM

Registered Folio No.....

I/Weof

.....being member/members of the above named company, hereby appoint
Shri/Smt.....of.....

or failing him/her, Shri/Smtof.....

as my/our proxy to vote for me/us and on my/our behalf at the Seventeenth Annual General Meeting to held at 11.00 a.m. on Monday, the 26th day of September 2011 at Registered Office of the Company at Arora House, 16, Golf Link, Union Park, Khar (West), Mumbai – 400 052.

Signed this Day of 2011

Member to paste a

Re. 1/-
revenue
stamp here

and sign over it

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. The Proxy need not be a member of the company

BOOK-POST

.....

To.

If undelivered please return to :

RAP MEDIA LIMITED

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



RAP MEDIA LTD.

**17th Annual Report
2010-2011**

Board of Directors:

Rupinder Singh Arora	-	Chairman & Managing Director
Shri. Chandir G. Gidwani	-	Director
Ms. Ritika Arora	-	Director
Shri. Navin Marwah	-	Director

Auditors:

M/s. A. T. JAIN & CO.

Chartered Accountants

212, Rewa Chambers, 31 New Marine Lines,
MUMBAI 400 020.

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 Ind. Premises, Andheri Kurla Road, Saffed Pool,
Andheri (East), Mumbai – 400 072.