

18th Annual Report 2011-2012

Notice

NOTICE is hereby given that the Eighteenth Annual General Meeting of the Members of RAP MEDIA LTD. will be held on Tuesday, the 25th September, 2012, at 11.30 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, 2012 and the Report of the Directors and the Auditors thereon.
2. To appoint a Director in place of Ms.Ritika Arora, who retires by rotation and, being eligible, offers herself for re-appointment.
3. To appoint Auditors and to authorize the Board to fix their remuneration. In this connection, to consider and, if thought fit, to pass, with or without modifications, the following resolution as an ORDINARY RESOLUTION :

“RESOLVED THAT pursuant to the provisions of Section 224 and other applicable provision, if any, of the Companies Act, 1956 M/s. Vinay Gudi & Associates, Chartered Accountants, be and are hereby appointed Auditors of the Company 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.”

Mumbai, Dated: 31st May, 2012

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 17th September, 2012 to Tuesday, the 25th September, 2012. (both days inclusive).

RAP MEDIA LTD.

Directors' Report

To the Shareholders

Your Directors present before you the Eighteenth Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31st March 2012.

	2011-2012 (Rupees)	2010-2011 (Rupees)
Profit before Finance Charges And Depreciation	1,02,54,055	89,01,794
Less: Interest	14056	88100
Profit before Depreciation and Taxation	10239999	8813694
Less: Depreciation	3697716	4390099
Profit/(Loss) after Depreciation	6542283	4423595
Less: Provision for Taxation		
Provision for Deferred Tax	(155368)	(710573)
Income Tax Current Year	1250000	840000
Income Tax Earlier Year	-	10612
Profit/(loss) for the Year	5447651	4283556
Loss brought forward from Previous Year	(8855273)	(13138830)
Loss carried to Balance Sheet	(3407622)	(8855273)

PERFORMANCE

The total income of the Company was Rs.297.14 lacs as compared to Rs.184.93 lacs of the previous year. The profit after tax was Rs.54.48 lacs as compared to Rs.42.84 lacs of the previous year. The Company has kept all its projects on hold due to adverse market conditions.

DIVIDEND

The Board of Directors regrets its 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-

- (i) that in the preparation of annual accounts the applicable accounting standards have been followed along with proper explanation relating to material departures.
- (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 financial year and of Profit for the year 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 Act 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 Director' Report.

3. DIRECTORS

Ms. Ritika Arora retires by rotation and being eligible offers herself for reappointment.

4. LISTING ON STOCK EXCHANGES

The Company is listed on the BSE Ltd. 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. Vinay Gudi & Associates, Chartered Accountants retire and are eligible for re-appointment. M/s. Vinay Gudi & Associates, have informed that they are willing to act as Auditors, if appointed.

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 had not accepted public deposits during the year under review nor proposes to accept any public deposit in future.

For and on behalf of the Board of Directors

RUPINDER SINGH ARORA
Chairman & Managing Director

Mumbai, Dated: 31st May, 2012

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 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 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 four times during the year 2011-2012 on May 30, 2011, July 29, 2011, November 14, 2011, February 14, 2012. The maximum gap between any two meetings was not more than four months. All meetings were attended by all the Directors.

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	4	Yes
2.	Ms. Ritika Arora	Non Executive Director	4	Yes
3.	Mr. Chandir Gidwani	Non Executive Independent Director	4	Yes
4.	Mr. Navin Marwah	Non Executive Independent Director	4	Yes

Date of last AGM – September 26, 2011

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	NIL
Ms. Ritika Arora	NIL	NIL
Mr. Chandir Gidwani	4	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 shareholders' 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. 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.

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 judgment by management,
 - d. Significant adjustments made in the financial statements arising out of audit findings,
 - e. Compliance with listing and other legal requirements relating to financial statements,
 - f. Disclosure of any related party transactions,
 - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval

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6. Reviewing, with the management, performance of statutory auditors, and adequacy of the internal control systems.
7. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
8. To look into the reasons for substantial defaults in the payment to the depositors, 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 2011-2012 on May 30, 2011, July 29, 2011, November 14, 2011, February 14, 2012. 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.6.10 Lacs (Salary & Perks)

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	30,000.00
Ms. Ritika Arora	30,000.00
Mr. Navin Marwah	30,000.00

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, 2012. No complaints were pending as at 31.03.2012. 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	25th September, 2012 at 11.30 a.m	At the Registered office of the company at Arora House, 16, Golf Link, Union Park, Khar (West), Mumbai-400052	
Annual General Meeting	26th September, 2011 at 11.00 a.m.		
Annual General Meeting	29th September, 2010 at 11.00 a.m.		

During the Financial year 2011-2012, 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 2011-2012, 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	25th September, 2012
Financial Year	31st March, 2012
Book Closure	17.09.2012 to 25.09.2012
Dividend Payment date	No Dividend
Listing on Stock Exchange	Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001
Stock Code	531583(Mumbai)

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Market Price Data :

	HIGH	LOW
Apr-11	28.75	12.3
May-11	20.65	15
Jun-11	18.75	14.95
Jul-11	17.65	14.35
Aug-11	16.1	13.55
Sep-11	17.75	12.81
Oct-11	17.75	13.75
Nov-11	16.75	12.8
Dec-11	18.95	13.35
Jan-12	19.4	14.7
Feb-12	17.5	13.2
Mar-12	24.78	13.6

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 31/03/2012:

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, 2012:

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 Directors proposed to be appointed or re-appointed is given below:

Ms.Ritika Arora, is a B.Sc. in Management from Purdue University, U.S.A. with finance as specialized 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.

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

As on 31st March, 2012, 58,05,499 were held in dematerialized form. The details are as under:

CDSL	42,33,093
NSDL	15,72,406
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: 31st May, 2012

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.

FOR RAP MEDIA LIMITED

RUPINDER SINGH ARORA
Chairman & Managing Director

Mumbai, Dated: 31st May, 2012

Registered Office:

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

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, 2012, 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 Vinay Gudi & Associates

Chartered Accountants

Firm No: 129032W

Vinay Gudi

Proprietor

M No : 129349

Place - Mumbai

Date – 31st May, 2012

RAP MEDIA LTD.

Management Discussion and Analysis

Global Economic Condition

The whole world is going through a difficult economic situation. Europe in particular is in real stress. After the Greek crisis trouble is brewing in countries like Spain and Italy. The United States is still not out of recession. The glimmer of hope is China and India where comparative growth is still high though inflation is gaining.

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. However, in 2011-12, the Indian economy found itself in the heart of conflicting demands of managing growth amidst price stability. Aggressive hikes in policy rate in a bid to clamp down inflation, high crude oil prices, rising interest rates, lack of domestic policy traction and a worsening global economic environment, saw GDP growth slippage successively on a quarterly basis throughout 2011-12. The growth in GDP was just 5.3%. The slowdown in GDP is primarily owing to a dip in industrial growth to 3.9% compared to 7.2% in 2010-11. 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.

Overview of Real Estate Sector in India

India Real Estate is the second largest industry next only to agriculture in terms of the contribution it makes to the gross domestic product (GDP) and the employment generation. But Global economic uncertainties have affected India's economy, including the real estate market. Macroeconomic indicators are not healthy. Fiscal deficit and interest rates are high while the rupee is depreciating. All this does not bode well for any industry, especially real estate. High prices and interest rates have been dampeners. Demand has been stagnating in a few cities even as supply remains high. Investors as well as end-users have been showing signs of weariness. Repeated increases in interest rates have led to a decline in sale of residential properties. The office market will remain inundated with new supply being introduced into the market, albeit at a slower pace compared with the previous two years. Vacancy pressures will escalate, which will lead to a downward push on rentals in key cities. Many malls are showing high vacancy as supply has exceeded demand. Flow of funds is a concern for developers. Real estate developers are reeling under high debt and foreign direct investment inflows have slowed.

Our Business

Our Company is a real estate developer focused on conceptualizing, designing, creating and management of Shopping Malls-cum-Multiplexes. The Shopping Malls-cum-Multiplexes segment of the real estate sector was hit the hardest by the recent slowdown. Foot falls at the malls have declined sharply. Mall owners had to agree with lower rents as retailers renegotiated rent agreements so as to remain in business. As more and more malls are coming up rents are increasingly coming under pressure as supply is increasing than demand.

Performance

Our income for the FY 2011-12 was Rs.297.14 lacs as compared to Rs.184.93 lacs of the previous year. During the year the Company sold its land situated at for a profit of Rs. During the year the Company registered a net profit of Rs.54.47 lacs as compared to a profit of Rs.42.83 lacs. Due to adverse market conditions new projects have been kept on hold.

Our Mission

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

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, litigations and other allied factors.

For and on behalf of the Board of Directors

RUPINDER SINGH ARORA
Chairman & Managing Director

Mumbai, Dated: May 31, 2012

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, 2012 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 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, 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 paragraph 3 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) 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.
 - (iv) 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
 - (v) On the basis of written representation received from the directors as on 31st March 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2012 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 to the best of our information and according to the explanations given to us, the aforesaid financial statements 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, in conformity with the accounting principles generally accepted in India:
 - a) In case of the Balance sheet, of the state of affairs as at 31st March 2012;
 - b) In case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
 - c) In the case of the cash flow statement, of the cash flows for the year ended on that date.

For Vinay Gudi & Associates

Chartered Accountants

Firm No: 129032W

Vinay Gudi

Proprietor

M No : 129349

Place - Mumbai

Date – 31st May, 2012

RAP MEDIA LTD.

Annexure referred to in paragraph 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. The fixed assets are being physically verified by the management under a phased programme of verification, which in our opinion, is reasonable having regard to the nature and value of its assets. however, no material discrepancies were noticed on such verification.
 - c. During the year, the Company has not disposed off substantial part of its fixed assets.
2. The company does not have any Inventories hence Paragraph 4(ii)(a), (b), (c) are not applicable
3.
 - a. The company has given unsecured loans to One company 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. 6,54,099/- 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 amounts 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 1,53,00,000 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 and according to information and explanation given to us, there is an adequate internal control system commensurate with the size of the Company & 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 at the relevant time.
6. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed thereunder.
7. The company has an internal audit system commensurate with the size of the Company & nature of the 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 the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities.

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- b. According to the information and explanations given to us and the records of the Company examined by us, in our opinion, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues were in arrears as at 31st March 2012 for a period of more than six month from the date they became payable.
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. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders during the year.
12. The Company has not granted any loans and 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 has maintained proper records of the transactions and contracts in respect of dealing or trading in shares, securities, debentures and other investments and timely entries have been made therein. All shares, securities, debentures and other 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. According to the information and explanations given to us, the Company has not availed any term loan during the year and 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 or to parties or companies covered in the register maintained under Section 301 of the Act.
19. The Company has not issued any debentures during the year.
20. During the year the Company has not raised any money by public issue.
21. 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 Vinay Gudi & Associates
Chartered Accountants
Firm No: 129032W

Vinay Gudi
Proprietor
M No : 129349

Place - Mumbai
Date – 31st May, 2012

RAP MEDIA LTD.

Balance Sheet as at 31st March, 2012

Particulars	Note No	Figures as at 31st March 2012	Figures as at 31st March 2011
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	58,810,000	58,810,000
(b) Reserves and Surplus	2	328,729,378	323,281,727
(2) Non-Current Liabilities			
(a) Deferred tax liabilities (Net)	3	5,427,989	5,583,357
(b) Other Long term liabilities	4	146,950,000	146,950,000
(c) Long term provisions	5	804,509	1,067,771
(3) Current Liabilities			
(a) Short-term borrowings	6	15,300,000	528,550
(b) Trade payables	7	7,946,945	6,288,446
(c) Other current liabilities	8	570,386	1,680,057
(d) Short-term provisions	9	2,090,000	5,090,000
Total		566,629,207	549,279,907
II. Assets			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	10	151,837,972	171,885,479
(ii) Capital work-in-progress		324,056,386	328,267,143
(b) Long term loans and advances	11	654,099	654,099
(c) Other non-current assets	12	380,000	380,000
(2) Current assets			
(a) Current investments	13	9,267,446	25,800,000
(b) Trade receivables	14	15,751,969	5,958,953
(c) Cash and cash equivalents	15	176,703	513,879
(d) Short-term loans and advances	16	63,611,350	14,917,541
(e) Other current assets	17	893,282	902,813
Total		566,629,207	549,279,908

As per our report attached
For VINAY GUDI & ASSOCIATES,
Chartered Accountants
 Firm No: 129032W

For and on behalf of the Board

RUPINDER SINGH ARORA
Chairman & Managing Director

VINAY GUDI
(PROPRIETOR)
 M.No. 129349

CHANDIR GIDWANI **RITIKA ARORA**
Director *Director*

Mumbai
 Dated :31st May, 2012

RAVINDRA JOSHI
Company Secretary

NAVIN MARWAH
Director

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Statement of Profit and Loss for the year ended 31st March, 2012

Particulars	Note No	Figures as at the end of 31st March 2012	Figures as at the end of 31st March 2011
I. Revenue from operations	18	24,130,106	15,656,252
II. Other Income	19	5,584,281	2,837,091
III. Total Revenue (I +II)		29,714,387	18,493,343
IV. Expenses:			
Direct Operational Expenses	20	17,464	273,799
Employee Benefit Expenses	21	2,225,447	2,203,531
Financial costs	22	14,056	88,100
Depreciation and amortization expense	10	3,697,716	4,390,099
Other expenses	23	17,217,421	7,114,219
Total Expenses		23,172,104	14,069,748
V. Profit before tax (IV - III)		6,542,283	4,423,595
VI. Tax expense:			
(1) Current tax		1,250,000	850,612
(2) Deferred tax		(155,368)	(710,573)
VII. Profit/(Loss) for the period (V-VI)		5,447,651	4,283,556
VII. Earning per equity share:			
(1) Basic		0.93	0.73
(2) Diluted		0.93	0.73

As per our report attached
For VINAY GUDI & ASSOCIATES,
Chartered Accountants
Firm No: 129032W

VINAY GUDI
(PROPRIETOR)
M.No. 129349

Mumbai
Dated :31st May, 2012

RAVINDRA JOSHI
Company Secretary

For and on behalf of the Board

RUPINDER SINGH ARORA
Chairman & Managing Director

CHANDIR GIDWANI
Director

RITIKA ARORA
Director

NAVIN MARWAH
Director

RAP MEDIA LTD.

NOTES Forming Part of the Balance Sheet as at and the Statement of Profit and Loss for the year ended 31st March,2012

	As at 31st March,2012 Rupees	As at 31st March,2011 Rupees
NOTE 1:CAPITAL		
Authorised		
1,20,00,000 Equity Shares of Rs.10 each.	120,000,000	120,000,000
(Previous Year 1,20,00,000 Equity Shares of Rs.10/- each)	120,000,000	120,000,000
Issued,Subscribed and paid up		
58,81,000 Equity Shares of Rs.10/- each	58,810,000	58,810,000
(Previous Year 58,81,000 Equity Shares of Rs.10 each)	58,810,000	58,810,000

The Company has only one class of Equity Shares. Each shareholder is eligible for one vote per share. The dividend proposed by the Board is subject to the approval of shareholders except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts in proportion to their shareholding.

Shareholders holding more than 5% shares of the Company

	31st March 2012		31st March 2011	
	Number	Percentage	Number	Percentage
Mr.Rupinder Singh Arora	1883102	32.020	1883102	32.020
Mr.Dilawar Singh Arora	434000	7.380	434000	7.380
Centrum Capital Limited	608550	10.348	608550	10.348
Ployfiber Industries Pvt. Ltd.	345000	5.866	345000	5.866
Top Class Capital Market Pvt. Ltd.	550000	9.352	550000	9.352

NOTE 2 :RESERVE & SURPLUS

Share Premium Account	332,137,000	332,137,000
Profit & Loss Account		
As per last Balance Sheet	(8,855,273)	(13,138,829)
Add Profit for the Year	5,447,651	4,283,556
	(3,407,622)	(8,855,273)
	328,729,378	323,281,727

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NOTES (Contd.)

	As at 31st March,2012 Rupees	As at 31st March,2011 Rupees
NOTE 3: DEFERRED TAX LIABILITY		
Related to Fixed Assets	6,207,870	6,477,810
Deferred Tax Asset		
Disallowance under Income Tax Act,1961	248,594	354,687
Carried forward Losses	531,287	539,766
	<u>5,427,989</u>	<u>5,583,357</u>
NOTE 4: OTHER LONG TERM LIABILITIES		
Security Deposits Liability	30,350,000	30,350,000
Advance Received	116,600,000	116,600,000
	<u>146,950,000</u>	<u>146,950,000</u>
NOTE 5: OTHER LONG TERM PROVISIONS		
Provision for Gratuity	804,509	1,067,771
	<u>804,509</u>	<u>1,067,771</u>
NOTE 6 : SHORT TERM BORROWINGS		
Vehicles Loan	-	528,550
(Secured by Hypothecation of Car)		
Unsecured Loan from Related Party	15,300,000	-
	<u>15,300,000</u>	<u>528,550</u>
NOTE 7: TRADE PAYABLES		
Trade Payables	7,946,945	6,288,446
	<u>7,946,945</u>	<u>6,288,446</u>
NOTE 8: OTHER CURRENT LIABILITIES		
Advance Interest Received	315,258	-
Provision for Expenses	7,766	506,900
Other Liabilities	247,362	1,173,157
	<u>570,386</u>	<u>1,680,057</u>
NOTE 9: SHORT TERM PROVISIONS		
Provision for Taxation	2,090,000	5,090,000
	<u>2,090,000</u>	<u>5,090,000</u>

NOTE 10: FIXED ASSETS

Particulars	GROSS BLOCK			DEPRECIATION				NET BLOCK			
	AS ON 01.04.2011	ADDITIONS DURING THE PERIOD	DEDUCTIONS DURING THE PERIOD	AS ON 31.03.2012	AS ON 31.03.2011	FOR THE PERIOD THE PERIOD	Prior Period Expenses	DEDUCTIONS DURING	AS ON 31.03.2012	AS ON 31.03.2012	AS ON 31.03.2011
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees		Rupees	Rupees	Rupees	Rupees
(A) OFFICE FIXED ASSETS											
Office Equipments	293456	10359	0	303815	105723	14308	0	0	120031	183784	187733
Computers	399911	0	0	399911	267921	64826	0	0	332747	67164	131990
Vehicles	3920915	0	0	3920915	1645152	372487	0	0	2017639	1903276	2275763
COROLA	0	0	0	0	0	0	0	0	0	0	0
MEERUT MULTIPLEX											
(1) LAND											
Land	694485	0	0	694485	0	0	0	0	0	694485	694485
(2) BUILDING											
Building	50929504	0	0	50929504	8505225	1701045	0	0	10206270	40723234	42424279
(3) PLANT & MACHINERY											
Electrical Fittings	1869551	0	0	1869551	444020	88804	0	0	532824	1336727	1425531
Projectors & Sound Systems	12133165	0	0	12133165	2881625	576325	0	0	3457950	8675215	9251540
Fire Fighting	657897	0	0	657897	156250	31250	0	0	187500	470397	501647
Generators	1462049	0	0	1462049	347235	69447	0	0	416682	1045367	1114814
Invertor	20147	0	0	20147	4785	957	0	0	5742	14405	15362
Stabilizers	70964	0	0	70964	16855	3371	0	0	20226	50738	54109
Fans	22950	0	0	22950	5450	1090	0	0	6540	16410	17500
(4) FURNITURE AND FIXTURES											
Theatre Furniture	4901161	0	0	4901161	2328050	465610	0	0	2793660	2107501	2573111
Office Furniture	7601	0	0	7601	2405	481	0	0	2886	4715	5196
(5) COMPUTERS											
Computers	929543	0	0	929543	753395	150679	0	0	904074	25469	176148
(6) OTHER EQUIPMENTS											
Air Conditioning	3299665	0	0	3299665	783670	156734	0	0	940404	2359261	2515995
Mobile Hand Set	6338	0	0	6338	1505	301	0	0	1806	4532	4833
(7) LAND											
(1) AGRA	48166302	0	0	48166302	0	0	0	0	0	48166302	48166302
(2) JALANDHAR	16360150	0	16360150	0	0	0	0	0	0	0	16360150
(3) LUDHIANA	32408867	0	0	32408867	0	0	0	0	0	32408867	32408867
(4) BIKANER	11580125	0	0	11580125	0	0	0	0	0	11580125	11580125
TOTAL	190134746	10359	16360150	173784955	18249266	3697716	0	0	21946982	151837973	171885480
PREVIOUS YEAR	179818029	11594125	1277408	190134746	14446654	4390099	0	578487	18249267	171885479	165371375
CAPITAL WORK IN PROGRESS											
Capital Work in Progress-Other	328267143	2135574	6346331	324056386	0	0	0	0	0	324056386	328267143
TOTAL	328267143	2135574	6346331	324056386	0	0	0	0	0	324056386	328267143
G TOTAL	518401889	2145933	22706481	497841341	18249266	3697716	0	0	21946982	475894359	500152623

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NOTES (Contd.)

			As at 31st March,2012 Rupees	As at 31st March,2011 Rupees
NOTE 11: LONG TERM LOANS & ADVANCES				
Loan Given			654,099	654,099
			<u>654,099</u>	<u>654,099</u>
NOTE 12: OTHER NON CURRENT ASSETS				
Deposits			380,000	380,000
			<u>380,000</u>	<u>380,000</u>
NOTE 13: CURRENT INVESTMENTS				
	Units 3/31/2012	Units 3/31/2011		
Baroda Pioneer Liquid Fund	2647.401	-	2,649,917	-
DWS Ultra Short Term	172718.757	-	1,730,279	-
Peerless Liquid Fund	203625.741	-	2,036,563	-
Peerless Ultra Short Term Fund	284914.823	-	2,850,687	-
BNP Paribas Fixed Term Fund S 21c	-	23,00,000	-	23,000,000
Reliance Quarterly Interval Fund	-	2,79,790	-	2,800,000
			<u>9,267,446</u>	<u>25,800,000</u>
Market value of the Investments as on 31.03.2012 Rs.9,267,446(previous year Rs.26,008,315)				
NOTE 14: TRADE RECEIVABLES				
(Unsecured and considered good)				
Over six months			4,766,741	-
Others			10,985,228	5,958,953
			<u>15,751,969</u>	<u>5,958,953</u>
NOTE 15: CASH AND CASH EQUIVALENTS				
Cash on hand			34,874	174,228
Balances with Scheduled Banks:				
(I) In Current Accounts			141,829	339,652
TOTAL			<u>176,703</u>	<u>513,879</u>
NOTE 16: SHORT TERM LOANS AND ADVANCES				
Tax deducted at source			5,015,922	14,597,143
Loan to Employees			200,175	-
Prepaid Expenses			65,473	53,898
Other Loans & Advances			58,329,780	266,500
			<u>63,611,350</u>	<u>14,917,541</u>
NOTE 17: OTHER CURRENT ASSETS				
Balances with Government Authorities			893,282	902,813
			<u>893,282</u>	<u>902,813</u>

RAP MEDIA LTD.

NOTES (Contd.)

	Year ended 31st March,2012 Rupees	Year ended 31st March,2011 Rupees
NOTE 18: REVENUE FROM OPERATIONS		
Rent Income	14,200,000	12,000,000
Royalty Income	3,881,256	3,656,252
Profit on Sale of Land	6,048,850	-
TOTAL	24,130,106	15,656,252
NOTE 19: OTHER INCOME		
Interest	2,309,251	1,532,019
Dividend	1,952,752	446,982
Capital Gain	54,875	858,090
Other Income	1,267,403	-
	5,584,281	2,837,091
NOTE 20: Direct Operational Expenses		
Loss from Food Court Operations	17,464	273,799
	17,464	273,799
NOTE 21: EMPLOYEE BENEFIT EXPENSES		
Salary & Allowances	2,383,303	2,251,361
Gratuity	(230,954)	(88,159)
Staff Welfare Expenses	73,098	40,329
	2,225,447	2,203,531
NOTE 22: FINANCIAL COSTS		
Interest on Vehicle Loan	14,056	88,100
	14,056	88,100
NOTE 23: OTHER EXPENDITURE		
Travelling, Conveyance	1,055,510	483,552
Rates & Taxes	1,212,497	1,173,813
Legal & Professional Fees	5,731,567	2,538,713
Motor Car Expenses	612,048	561,759
Audit Remuneration :	-	-
Audit Fees	40,000	82,725
Tax Audit	20,000	27,575
Repairs & Maintenance	5,703,400	6,630
Printing & Stationery	253,626	68,318
Project Expenses Written Off	2,025,191	1,000
Miscellaneous Expenses	563,582	2,170,134
	17,217,421	7,114,219

NOTE Forming Part of Accounts for the year ended 31st March, 2012

NOTE 24: 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 to in 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

RAP MEDIA LTD.

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.

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NOTE 25: Balances of Debtors, Creditors, Loans & Advances (Debit/Credit) are subject to confirmation.

NOTE 26: 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.

NOTE 27: Remuneration to Directors:

	Year ended 31.03.2012 Rs.	Year ended 31.03.2011 Rs.
Salaries & Allowances	6,10,000/-	6,33,000/-
Sitting Fees	1,20,000/-	1,45,000/-
Total	<u>7,20,000/-</u>	<u>7,45,000/-</u>

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

NOTE 28: Remuneration to Auditors:

	Year ended 31.03.2012 Rs.	Year ended 31.03.2011 Rs.
Audit Fees	40,000/-	82,725/-
Tax Audit fees	20,000/-	27,575/-
Other Services	-	-
Total	<u>60,000/-</u>	<u>1,10,300/-</u>

NOTE 29:

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.

NOTE 30:

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.

NOTE 31:

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.17,454/- (Previous year Rs.2,74,000/-).

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NOTE 32:

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.Rap Projects Pvt. Ltd.	Associate Company
7.	Shri Dilawar Singh Arora	Relative of Key Managerial Personnel
8.	Smt.Daljeet Kaur Arora	Relative of Key Managerial Personnel
9.	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, 2011	-	-		
	Received during the year	1,59,70,000 (1,10,000)	-	NIL 62,00,000	1,59,70,000 (63,10,000)
	Paid during the year	6,70,000 (1,10,000)	-	NIL 62,00,000	6,70,000 (63,10,000)
	Unsecured Loan/Deposit Balance as on 31st March, 2012	1,53,00,000 (NIL)	-	-	1,53,00,000 (NIL)
2.	Loans & Advances	-	6,54,099	-	6,54,099
	Balance as at 1st April, 2011	-	(4,83,25,000)	-	(4,83,25,000)
	Paid during the year	-	1,55,79,780 (4,76,70,901)	-	1,55,79,780 (4,76,70,901)
	Loans & Advances	-	1,62,33,879	-	1,62,33,879
	Balance as on 31st March, 2012	-	(6,54,099)	-	(6,54,099)
3.	Sundry Creditors	-	NIL	-	NIL
	Balance as at 1st April, 2011	-	(2,03,073)	-	(2,03,073)
	Paid during the year	-	NIL (2,03,073)	-	NIL (2,03,073)
	Sundry Creditors	-	NIL	-	NIL
	Balance as at 31st March 2012	-	(NIL)	-	(NIL)
4.	Director Remuneration	6,00,000 (6,00,000)	-	-	6,00,000 (6,00,000)
5.	Director Sitting Fees	1,20,000 (1,45,000)	-	-	1,20,000 (1,45,000)
6.	Rent Paid	-	-	7,80,000 (7,80,000)	7,80,000 (7,80,000)
7.	Interest Received	-	48,385 (8,65,723)	-	48,385 (8,65,723)
8.	Salary	-	-	2,34,000 (2,34,000)	2,34,000 (2,34,000)

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

18th Annual Report 2011-2012

Disclosure in respect of Related Party Transactions during the Year :

1. a) Opening Balance of loans Rs.6,54,099/- (Previous Years Rs.2,33,25,000/-) Given during the year to Rap Projects Pvt. Ltd. Rs.1,55,79,780/-
b) Unsecured Loan Received Rs.1,59,70,000/- and repaid to Shri Rupinder Singh Arora Rs.6,70,000/-.
Balance loan as on 31.03.2012 is Rs.1,53,00,000/- (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.1,20,000/- (Previous Year Rs.1,45,000/-)
4. Rent paid to Smt.Daljeet Kaur Arora amounting to Rs.7,80,000 (Previous Year Rs.7,80,000)
5. Interest received from M/s.Centrum Direct Limited amounting to Rs.48,385/- (Previous Year Rs.8,65,723/-)
6. Salary Paid to Ms.Priyanka Arora amounting to Rs.2,34,000/- (Previous Year Rs.2,34,000/-)

NOTE 33:

Amount due to small scale industrial undertaking is Rs.NIL (Previous year Rs.NIL).

NOTE 34:

Earning per share (EPS):

Particulars	31.03.2012	31.03.2011
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)	5,447,651	(4,283,556)
Basic and Diluted Earnings Per Share (Rupees)	0.93	0.73

NOTE 35:

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.

NOTE 36:

Previous year's figures have been regrouped/rearranged wherever necessary.

As per our report attached
For VINAY GUDI & ASSOCIATES,
Chartered Accountants
Firm No: 129032W

VINAY GUDI
(PROPRIETOR)
M.No. 129349

Mumbai
Dated :31st May, 2012

For and on behalf of the Board

RUPINDER SINGH ARORA
Chairman & Managing Director

CHANDIR GIDWANI **RITIKA ARORA**
Director *Director*

RAVINDRA JOSHI
Company Secretary

NAVIN MARWAH
Director

RAP MEDIA LTD.

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

	Year ended 31st March, 2012	Year ended 31st March, 2011
A Cash Flow from Operating Activities		
Net Profit/(Loss) before Tax and Extra ordinary items	65.42	44.24
Adjusted for		
Depreciation & Amortisation	36.98	43.90
Provision for Retirement Benefits	-2.31	(0.88)
Share Issue Expenses	0.00	5.60
Loss on sale of Assets	0.00	2.40
Sundry Balance W.Off	0.00	5.72
CWIP w.off	63.46	0.00
Interest Expenses	0.14	0.88
Dividend received from Mutual Fund	-19.53	(4.47)
Gain on redemption of Mutual Fund	-0.55	(8.58)
Interest Income	-23.09	(15.32)
	<u>55.10</u>	<u>29.25</u>
Operating Profit before working capital changes	<u>120.52</u>	<u>73.48</u>
Adjusted for		
Loans and Advances	-590.07	1005.88
Sundry Debtors	-97.93	(36.73)
Trade Payables	16.58	(7.17)
Other current Assets	0.10	0.00
Other Current Liabilities	-11.10	21.46
Cash Generated from Operations	<u>-682.42</u>	<u>983.44</u>
Less: Income Taxes Refund/(Paid)(Net)	-60.86	24.14
Net Flow from operating activities	<u>(501.03)</u>	<u>1032.78</u>
B Cashflow from Investing activities		
Purchase / (Sale)of Fixed Assets (Net)	142.14	(975.18)
Investments (Net)	165.33	(78.73)
Dividend received from Mutual Fund	19.53	4.47
Interest Received	23.09	15.32
Net Cash used in Investing Activities	<u>350.09</u>	<u>(1034.12)</u>
C Cashflow from Financing Activities		
Increase/(Repayment) of borrowings	147.71	(7.36)
Share Issue Expenses	0	5.60
Interest Paid	-0.14	(0.88)
Net Cash used in Financing Activities	<u>147.57</u>	<u>(2.64)</u>
Net Changes in Cash and Cash Equivalent (A+B+C)	<u>(3.37)</u>	<u>(3.98)</u>
Cash and Cash equivalent - Opening Balance	5.14	9.12
Cash and Cash equivalent - Closing Balance	<u>1.77</u>	<u>5.14</u>
Net Changes in Cash and Cash equivalent	<u>(3.37)</u>	<u>(3.98)</u>

Previous Year figures have been regrouped wherever necessary

As per our report attached
For VINAY GUDI & ASSOCIATES,
Chartered Accountants
 Firm No: 129032W

VINAY GUDI
 (PROPRIETOR)
 M.No. 129349

Mumbai
 Dated :31st May, 2012

RAVINDRA JOSHI
 Company Secretary

For and on behalf of the Board

RUPINDER SINGH ARORA
 Chairman & Managing Director

CHANDIR GIDWANI
 Director

RITIKA ARORA
 Director

NAVIN MARWAH
 Director

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 EIGHTEENTH 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 Tuesday, the 25th day of September 2012 at 11.30 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 Eighteenth Annual General Meeting to held at 11.30 a.m. on Tuesday, the 25th day of September 2012 at Registered Office of the Company at Arora House, 16, Golf Link, Union Park, Khar (West), Mumbai – 400 052.

Signed this Day of 2012

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

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To.

If undelivered please return to :

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



RAP MEDIA LTD.

**18th Annual Report
2011-2012**

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. VINAY GUDI & ASSOCIATES

Chartered Accountants

2/25, Meghdoot, Tilak Road,

Thane -400 603

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.