

18th Annual Report

2010-2011

Board of Directors

Shri Gyan Chand Jain

Managing Director

Shri Ankur Gyanchand Jain

Director

Smt. Alka Jain

Director

Shri R. P. Agarwal

Independent Director

Shri Kailash Chand

Independent Director

Shri Jitendra Bansal

Independent Director

Auditors

Vimal Agrawal & Associates

Opp. Rambhawan Dharmshala,

Moti Doongri Road,

Jaipur

Registered Office

66, Gangwal Park,

M. D. Road, Jaipur

Registrar of Share Transfers

Alankit Assignments Ltd.

Alankit House, 2E/21, Jhandewalan Extn.,

New Delhi – 110 055

Tel : (011) 4254 1234/2354 1234

Fax : (011) 2355 2001

Email: info@alankit.com

Website: www.alankit.com

RSC INTERNATIONAL LTD.
Regd. Office: 66, Gangwal Park,
M. D. Road, Jaipur

NOTICE

NOTICE is hereby given that Eighteenth Annual General Meeting of members of RSC International Ltd. will be held on Friday the 30th day of September, 2011 at 11.00 A.M. at the Registered office of the Company at 66, Gangwal Park, M. D. Road, Jaipur to transact the following Business:

Ordinary Business

1. To receive and consider the Audited statements of Accounts for the year ended on 31st March, 2011 together with the Directors Report and Auditors Report thereon.

2. To appoint Auditors for the current year and fix their remuneration.

3. To appoint directors in place of Smt. Alka Jain and Shri Jitendra Bansal who retire by rotation and being eligible, offer themselves for reappointment.

By order of the Board of Directors



(G. C. Jain)
Mg. Director

Place: Jaipur
Dated: 2nd Sept., 2011

NOTES:

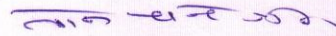
1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy in his stead. A proxy so appointed need not be a member of the company. Proxies in order to be effective must be lodged at the company's registered office not less than 48 hours before the meeting.
2. Members attending the meeting are requested to bring their copies of Annual Report and attendance slip duly filled in at the time of attending the meeting.
3. The register of members and share transfer books of the company will remain closed from Friday the 23rd September, 2011 to Friday the 30th September, 2011, both days inclusive.

ANNEXURE TO THE AGM NOTICE
ANNEXURE -A

Details of Director seeking appointment/reappointment in Annual General Meeting pursuant to Clause 49 of Listing Agreement

| | | |
|--|---------------------------|----------------------|
| Name of Director | Smt. Alka Jain | Shri Jitendra Bansal |
| Date of Birth | 28.04.1960 | 16.06.1976 |
| Date of Appointment | 07.05.2008 | 20.07.2009 |
| Designation | Director | Director |
| Expertise in specific Functional areas | Business | Business |
| Qualifications | Graduate | Graduate |
| Name of Companies in which Directorship held as on 31.03.2011 | Mascot Fashions Pvt. Ltd. | Nil |
| Member of the Committees of the Board of other Companies as on 31.03.2011 | NIL | NIL |

By order of the Board



(G. C. Jain)
Managing Director

Place : Jaipur
Date : 02nd September,2011

RSC INTERNATIONAL LTD.

Regd. Office: 66, Gangwal Park,

M. D. Road, Jaipur

DIRECTORS' REPORT

Dear Members,

Your directors have pleasure in presenting the Eighteenth Annual Report of the Company together with the Audited Statements of Accounts for the year ended on 31st March, 2011

| <u>Financial Results:</u> | 31.03.2011 | 31.03.2010 |
|---------------------------------------|----------------------|----------------------|
| | (Rs. In lacs) | (Rs. In lacs) |
| Sales & other Income | 9.02 | 72.16 |
| Profit before interest & depreciation | 1.90 | 2.92 |
| Less: Interest | - | - |
| Profit before depreciation | 1.90 | 2.92 |
| Less: Depreciation | 0.08 | 0.12 |
| Profit after depreciation | 1.82 | 2.80 |
| Provision for Income tax | 0.57 | 0.87 |
| Profit after tax | 1.25 | 1.93 |

Acceptance of Deposits:

The company has not accepted any deposits from public during the year under review.

Disclosure of Particulars with respect to Conservation of Energy etc.:

Necessary information required by the Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988 for conservation of energy, technology absorption and Foreign Exchange earnings and outgo are NIL.

Directors' Responsibility Statement

The Board of Directors of your Company state:

- I. that in the preparation of annual accounts, the applicable accounting standards had been followed;
- II. that the directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- III. that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- IV. that the directors had prepared the annual accounts on a going concern basis.

Auditors

M/s Vimal Agrawal & Associates, Chartered Accountants, Jaipur, retire at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

Personnel:

The company has not employed any person who was in receipt of remuneration of more than Rs.60,00,000/ for the whole year or Rs.5,00,000/ per month in the case of employment for part of the year.

Directors:

Smt. Alka Jain and Shri Jitendra Bansal directors of the company retire at the ensuing annual general meeting and being eligible, offer themselves for reappointment.

Report on Corporate Governance:

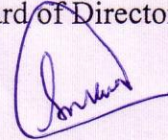
The report on corporate governance in accordance with clause 49 of the listing agreement with stock exchanges is attached to this report in Annexure.

Place: Jaipur
Dated: 2nd Sept., 2011

For and on behalf of the Board of Directors



(G. C. Jain)
Mg. Director



(Ankur Jain)
Director

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OUTLOOK

The company had a weaving plant at Bhilwara but due to adverse market conditions and stiff competition, the manufacturing unit of the company had to be closed down. The company has taken up agency business of synthetic fabrics. Company hopes to achieve good results in this line looking to the acceptance of Indian products in the global market.

OPPORTUNITIES AND THREATS

The opening of the international markets has thrown a host of opportunities with unique set of challenges. The dismantling of quota system has given an added advantage and a huge opportunity to India as compared to other countries including China. This is especially because viscose fiber is available in abundant quantity in India as compared to China. As such, India is stronger in polyester/viscose fiber suitings as compared to China and other countries. Thus, in India new designs can be introduced faster allowing the Indian manufacturers to cater to the larger section of the people with a variety of color choices and designs which is not feasible for the Chinese manufacturers. This is one of the reasons that the Indian fabrics, particularly viscose suiting dominates the market as compared to the Chinese fabrics. India, therefore, has a massive edge compared to China in viscose polyester fabrics.

INTERNAL CONTROL SYSTEM

The Company is in the process of strengthening the internal audit and control system to ensure that all transactions are authorized, recorded and reported correctly. The internal control system consists of comprehensive internal and external audits. The Company has an Audit Committee of three directors of the Company. The Audit Committee reviews the adequacy of internal control systems and findings of internal audit. Moreover, the annual financial results of the Company were reviewed and recommended by the Audit Committee for consideration and approval of the Board of Directors. The Audit Committee met 4 times during the year ended on 31st March 2011.

FINANCIAL REVIEW AND ANALYSIS

(a) Share Capital

The Authorised Share Capital of the Company is 7,00,00,000/- comprising of 70,00,000 equity shares of Rs. 10/- each. The paid-up capital of the Company is Rs. 5,27,29,000/-. There was no change in paid-up share capital and authorized Share Capital.

(b) Loan funds

No Secured Loan is outstanding at the year end.

(c) Net Current Assets

At the end of the current period, Net Current Assets of the Company as on 31.3.2011 were Rs. 352,38,687/ as compared to Rs. 351,04,941/ as on 31.3.2010.

HUMAN RESOURCE MANAGEMENT

Human Resources are a valuable asset for any organization. The Company is giving emphasis to upgrade the skills of its human resources. This is in keeping with its policy of enhancing the individual's growth potential within the framework of corporate goals.

CAUTIONARY STATEMENT

Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include cyclical changes and pricing in the Company's principal markets, changes in Government regulations, tax regimes, economic developments within India other incidental factors.

By order of the Board



(G. C. Jain)

Managing Director

Place: Jaipur

Date: 2nd September, 2011

Auditors' Certificate

To
The Members of RSC International Ltd.

We have examined the compliance of conditions of Corporate Governance by R S C International Ltd. for the year ended on 31st March, 2011, as stipulated in clause 49 of the Listing Agreement of the company with stock exchanges. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof adopted by the company for ensuring the compliance of conditions of 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 explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement. We state that generally no investor grievances are pending for a period exceeding one month against the company as per records maintained by the company. We further state that such compliance is neither an assurance as to future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of company.

Place: Jaipur
Dated: 30th May, 2011



For Vimal Agrawal & Associates
Chartered Accountants

(V.K. Agrawal)
Partner

REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

The Board has adopted and is committed to adopting its obligations under relevant regulations and laws, as well as relevant best practices relating to Corporate Governance. The Board believes that good governance is voluntary and self-discipline with the strongest impetus coming from directors and management itself, and ultimately leads to enhancement of value for all stakeholders. The management and organization as R S C International Limited aims to be progressive, competent and trustworthy creating and enhancing value for stakeholders and customers, while relating and respecting the best of Indian values in conduct. The Board lays significant emphasis on integrity, transparency and accountability.

1. BOARD OF DIRECTORS

At present, the Board consists of seven directors, out of whom three are Non-executive and Independent Directors.

Details of all Directors are given below by category, attendance, total directorship and memberships and chairmanships of Board Committees:

| Name of Director | Category | Meeting held during his/her tenure | Meetings Attended * | Attended Last AGM ** | No. of Other Directorship | No. of Other Committee Membership/ Chairmanship |
|---------------------|--------------------------|------------------------------------|---------------------|----------------------|---------------------------|---|
| Mr. G. C. Jain | Executive (Mg. Director) | 8 | 8 | Y | 1 | Nil |
| Mr. Ankur Jain | Executive | 8 | 8 | Y | 1 | Nil |
| Mrs. Alka Jain | Executive | 8 | 8 | Y | 1 | Nil |
| Mr. R. P. Agarwal | Independent | 8 | 8 | Y | 1 | 3 |
| Mr. Kailash Chand | Independent | 8 | 8 | Y | Nil | 3 |
| Mr. Jitendra Bansal | Independent | 8 | 8 | Y | Nil | 3 |

* There were eight meetings held during the year on 30.05.2010, 31.5.2010, 30.07.2010, 02.09.2010, 30.10.2010, 31.01.2011, 20.02.2011 and on 30.03.2011

** Last Annual General Meeting (AGM) was held on 30th September, 2010 (Thursday) at Registered Office: 66, Gangwal Park, M. D. Road, Jaipur.

2. AUDIT COMMITTEE

The Audit Committee of the Company comprises of three directors. The Audit Committee performs the following functions: -

- (a) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that financial statements are correct, sufficient and credible.
- (b) Reviewing the efficiency of the internal control mechanism and monitors the risk management policies adopted by the Company.
- (c) Reviewing the reports furnished by the internal and statutory auditors and ensure that suitable follow up actions are taken.
- (d) Examining accounting, taxation and disclosure aspects of all significant transactions.
- (e) Discussing with the internal auditors regarding any significant findings and follow-up on such issues.
- (f) Reviewing the findings of any internal auditors in matters where there is suspected fraud or irregularity, or a failure of internal control system of a material nature, and then reporting such matters to the Board.
- (g) Discussing with external auditors before the audit commences on the nature and scope of audit as well as having post-audit discussion to ascertain area of concern.
- (h) To approve unaudited quarterly financial results and publish the same as required in the Listing Agreement.
- (i) The information regarding the composition of Audit Committee, numbers of meetings attended by the members of the Audit Committee are as under: -

| S.No. | Name of Member | Position in Committee | Meeting held during his tenure | Meetings Attended * |
|-------|---------------------|-----------------------|--------------------------------|---------------------|
| 1. | Mr. R. P. Agarwal | Chairman | 4 | 4 |
| 2. | Mr. Kailash Chand | Member | 4 | 4 |
| 3. | Mr. Jitendra Bansal | Member | 4 | 4 |

* There were four meetings held during the year on 30.07.2010, 02.09.2010, 30.10.2010 and 31.01.2011.

3. SHAREHOLDER'S GRIEVANCE COMMITTEE

The Committee reviewed the Shareholders grievances, their redressal and the Share transfers for the year and expressed satisfaction with the same that there is no pending grievance of any investor against the Company.

The information regarding the composition of Shareholders Grievance Committee, numbers of meetings attended by the members of the Shareholders Grievance Committee are as under: -

| S.No. | Name of Member | Position in Committee | Meeting held during his tenure | Meetings Attended * |
|-------|---------------------|-----------------------|--------------------------------|---------------------|
| 1. | Mr. Jitendra Bansal | Chairman | 4 | 4 |
| 2. | Mr. R. P. Agarwal | Member | 4 | 4 |
| 3. | Mr. Kailash Chand | Member | 4 | 4 |

* There was one meeting held during the year on 30.07.2010, 02.09.2010, 30.10.2010 and 31.01.2011.

4. REMUNERATION COMMITTEE

The Company had constituted a Remuneration Committee during the year 2003. The remuneration of Managing/Executive director is decided by remuneration committee based on criteria such as industry Bench marks, the Company's performance vis-à-vis the industry, responsibilities shouldered, performance track record of Managing/Executive directors, macro economic review on remuneration packages of heads of other organization and is reported to the Board.

In the last few years efforts have been made to link the annual variable pay of senior personnel with the performance of the company in general and their individual performance for the relevant year measured against specific major performance areas which are closely aligned to Company's objectives.

* No Meeting was held during the year of Remuneration Committee.

5. GENERAL BODY MEETINGS

| Annual General Meeting | Day & Date | Time | Venue |
|--------------------------|--|------------|---|
| 15 th Meeting | Tuesday - 30 th Sept. 2008 | 11.00 a.m. | 66, Gangwal Park, M. D. Road, Jaipur |
| 16 th Meeting | Tuesday 29 th Sept. 2009 | 11.00 a.m. | 66, Gangwal Park, M. D. Road, Jaipur |
| 17 th Meeting | Thursday 30 th Sept. 2010 | 11.00 a.m. | 66, Gangwal Park, M. D. Road, Jaipur |

6. DISCLOSURES

- a. Materially related transactions with related parties, i.e., Promoters, Directors or Management, their subsidiaries or relatives conflicting with the Company's interest. There are no such transactions.
- b. During the last three years, no penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any other Statutory Authorities on matters related to Capital Market.
- c. A qualified practicing Company Secretary carried out a secretarial audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) & Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that total issued/paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL & CDSL.

7. MEANS OF COMMUNICATION

- a. In compliance with the requirements of Listing Agreement, the Company regularly intimates unaudited as well as Audited Financial results to the Stock Exchanges immediately after they are taken on record by the Board of Directors. The Annual, Half-yearly and Quarterly results are regularly submitted to the Stock Exchange in accordance with the Listing Agreement and published in newspaper(s) in compliance of the provisions of the Listing Agreement.
- b. Management Discussion & Analysis Report forms part of the Report of Directors.

8. GENERAL SHAREHOLDER'S INFORMATION:

(a) **Date of Book Closure:** 23.09.2011 to 30.09.2011

(b) **Date and Venue of AGM:**

Date : 30.09.2011

Day : Friday

Time : 11.00 A.M.

Venue of AGM: 66, Gangwal Park,
M. D. Road, Jaipur

(c) **Financial Calendar (tentative and subject to change)**

Financial reporting for the first quarter ending June 30, 2011: July 2011

Financial reporting for the second quarter ending Sep. 30, 2011: Oct. 2011

Financial reporting for the third quarter ending Dec. 31, 2011: Jan. 2012

Financial reporting for the year ending March 31, 2012: May 2012

Annual General Meeting for the year ending March 31, 2012: Sept. 2012

(d) **Dividend:** No dividend being recommended by the Board of Directors during the year.

(e) **Listing of Equity Shares in Stock Exchanges:**
Jaipur, Bombay and Delhi

(f) **Demat ISIN Exchange Number** in NSDL & CDSL for Equity Shares:
ISIN No. INE015F01019

(g) **Stock Exchange Code:**
Jaipur Stock Exchange 557
Bombay Stock Exchange 530179
Delhi Stock Exchange 18171

(i) **Registrar and Share Transfer Agent:**
Alankit Assignments Ltd.
Alankit House, 2E/21, Jhandewalan Extn.,
New Delhi – 110 055
Tel : (011) 4254 1234/2354 1234
Fax : (011) 2355 2001
Email: info@alankit.com
Website: www.alankit.com

(j) **Shareholding Pattern as on 31st March 2011**

| S.No. | Category | No. of Share holders | No. of Shares | % to Total |
|-------|-----------------------------|----------------------|---------------|------------|
| 1. | Promoter and Promoter Group | 101 | 2163220 | 37.62 |
| 2. | NRI | 26 | 71800 | 1.25 |
| 3. | Resident Individuals | 3078 | 3076380 | 53.51 |
| 4. | Bodies Corporate | 13 | 438300 | 7.62 |
| | Total | 3218 | 5749700 | 100 |

(k) **Distribution of Shareholding as on 31st March 2011**

| SHARE HOLDING OF NOMINAL VALUE OF RS. 10/ | NO. OF SHARE-HOLDERS | % TO TOTAL | NO. OF SHARES | AMOUNT IN RS. | % TO TOTAL |
|---|----------------------|------------|---------------|---------------|------------|
| UP TO 5000 | 3158 | 98.14 | 26,83,490 | 2,68,34,900 | 46.67 |
| 5001 TO 10000 | 36 | 1.12 | 2,57,700 | 25,77,000 | 4.48 |
| 10001 TO 20000 | 8 | 0.25 | 1,23,000 | 12,30,000 | 2.14 |
| 20001 TO 30000 | 3 | 0.09 | 74,600 | 7,46,000 | 1.30 |
| 30001 TO 40000 | 3 | 0.09 | 99,100 | 9,91,000 | 1.72 |
| 40001 TO 50000 | 1 | 0.03 | 50,000 | 5,00,000 | 0.87 |
| 50001 TO 100000 | 3 | 0.09 | 2,51,890 | 25,18,900 | 4.38 |
| 100001 AND ABOVE | 6 | 0.19 | 22,09,920 | 2,20,99,200 | 38.44 |
| TOTAL | 3218 | 100.00 | 57,49,700 | 5,74,97,000 | 100.00 |

(l) Dematerialisation of Shares as on 31.03.2011

Number of Shares dematerialized : 1001830

% of shares dematerialized : 17.42 %

The Company has entered into agreements with both NSDL and CDSL whereby shareholders have an option to dematerialize their shares with either of the depositories.

(m) Registered Office:

RS C International Limited

66, Gangwal Park,

M. D. Road, Jaipur

Phone: 093245-41587

E-mail: gyanrtl@hotmail.com

9. CODE OF CONDUCT:

The Board of Directors has adopted the Code of Conduct for Directors and Senior Management. The said Code has been communicated to the Directors and members of the Senior Management.

10. COMPLIANCE CERTIFICATE OF THE AUDITORS:

The Statutory Auditors have certified that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges and the same is annexed to the Directors' Report.

The Certificate from the Statutory Auditors will be sent to the Listed Stock Exchanges alongwith the Annual Report of the Company.

11. NON-MANDATORY REQUIREMENTS:

The Company at present has not adopted the non-mandatory requirements in regard to sending half yearly financial results to the Shareholders at the residence.

DECLARATION

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, all Board members and Senior Management Personnel have affirmed compliance with Code of Conduct for the year ended March 31, 2011.

By order of the Board



(G. C. Jain)

Managing Director

Place: Jaipur

Date: 2nd Sept., 2011

ATTENDANCE SLIP
R S C INTERNATIONAL LIMITED
REGISTERED OFFICE
66, Gangwal Park, M. D. Road, Jaipur-302004

(To be handed over at the entrance on the Meeting Hall)
18th Annual General Meeting – 30th September 2011

1. Full Name of Member _____
(In Block Letter)
2. Folio No. _____
3. No. of shares held _____
4. Full Name of Proxy (In Block Letters) _____
5. Member's/Proxy Signature _____

I hereby record my presence at 18th ANNUAL GENERAL MEETING of the company on Friday, the 30th Sept., 2011 at 11.00 A.M. at 66, Gangwal Park, M. D. Road, Jaipur-302004

Member's/Proxy's Signature

- PROXY FROM
R S C INTERNATIONAL LIMITED
REGISTERED OFFICE
66, Gangwal Park, M. D. Road, Jaipur-302004

Folio No. _____

No. of Shares Held _____

I/We _____ of _____

_____ in the district
of _____ being a member/members of the

above named Company hereby appoint _____
of _____ in the district _____

as my/our proxy to vote for me/us on my/our behalf at the EIGHTEENTH
ANNUAL GENERAL MEETING of the Company to be held on Friday, 30th
September, 2011 an at any adjournment thereof.

Signed this _____ day of _____ 2011.

Signature _____

Note : The Proxy form should be deposited at the Registered Office of the Company at least
Forty-Eight hours before the meeting.

VIMAL AGRAWAL & ASSOCIATES
CHARTERED ACCOUNTANTS

AUDITORS' REPORT
TO THE MEMBERS OF RSC INTERNATIONAL LTD.

We have audited the attached Balance Sheet of RSC International Ltd. as on 31st March, 2011 and the Profit & Loss Account and Cash Flow Statement of the Company for the year ended on 31st March, 2011. These financial statements are the responsibility of the management of the company. Our responsibility is to express an opinion on the financial statements based on our audit.

We have conducted our audit in accordance with auditing standards generally accepted in India. These 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 amount and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

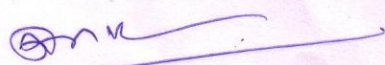
1. As required by the Companies (Auditors Report) order, 2003 issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, our report is given in Annexure on the matters specified therein.
2. Further to our comments in Annexure annexed to this report, we have to report that:
 - i) We have obtained all the 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 such books.
 - iii) The Balance Sheet, Profit & Loss Account and Cash Flow Statement referred to in this report are in agreement with the books of account.
 - iv) In our opinion, Balance Sheet, and Profit & Loss Account comply with the Accounting Standards referred to in Sub-section 3© of Section 211 of the Companies Act, 1956.
 - v) Based on written representations made by all the directors of the Company as on 31.3.2011 and taken on record by Board of Directors of the company, none of the directors of the Company is disqualified as on 31.3.2011 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 to the best of our information and according to the explanations given to us the said accounts read together with the notes and accounting policies attached thereto give the information required by the Companies Act, 1956 in the prescribed manner and give a true and fair view:-
 - a) In the case of Balance Sheet of the state of affairs of the Company as on 31.03.2011;
 - b) In the case of Profit & Loss Account of the profit for the year ended on 31.03.2011; and
 - c) In the case of Cash Flow Statement, of the cash flows for the year ended on 31.03.2011.

Place: Jaipur

Dated: 30th May, 2011

For Vimal Agrawal & Associates
 Chartered Accountants
 (FRN: 004187C)




 (V. K. Agrawal)
 Partner

VIMAL AGRAWAL & ASSOCIATES
CHARTERED ACCOUNTANTS

ANNEXURE REFERRED TO IN PARAGRAPH : 1 OF OUR REPORT OF EVEN DATE

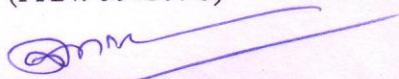
1. In respect of Fixed Assets:
 - (a) The Company has maintained proper records to show full particulars including quantitative details and situation of fixed assets on the basis of available information.
 - (b) The fixed assets have been physically verified by the management during the year in phased periodical manner, which in our opinion is reasonable, having regard to size of the company and nature of its assets. No material discrepancy was noticed on such verification.
 - (c) In our opinion, the company has not disposed of any fixed assets during the year and the going concern status of the company is not affected.
2. In respect of inventories:
 - (a) As explained to us, inventories have been physically verified by the management at regular intervals during the year. In our opinion, the frequency of verification is reasonable.
 - (b) In our opinion, the procedure of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
 - (c) The company has maintained proper records of inventories. As explained to us, the discrepancies noticed on physical verification of stocks as compared to book records were not material.
3. The company has not taken unsecured loan from the parties listed in the register maintained u/s 301 of the Companies Act, 1956. The company has not granted any loan, secured or unsecured to companies, firms or other parties listed in the registers maintained u/s 301.
4. In our opinion and according to information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and nature of its business for purchase of inventory, fixed assets and also sale of goods. During the course of our audit no major weakness have been observed in the internal controls.
5. In respect of transactions covered u/s 301 of the Companies Act, 1956:
 - (a) In our opinion and according to information and explanations given to us, the transactions that needed to be entered into the register in pursuance of Section 301 of the Act, have been so entered.
 - (b) In our opinion, the transactions made in pursuance of contracts or arrangements entered into the register maintained u/s 301 of the Companies Act, have been made at prices which are reasonable having regard to the prevailing market price.
6. According to information and explanations given to us, the company has not accepted any deposits from public therefore provisions of Section 58-A and 58AA of the Companies Act, 1956 and rules made thereunder are not applicable to the company.
7. The Company does not need any type of internal audit system looking to its size and nature of its business.
8. The Central Government has not prescribed maintenance of cost records for products of the company u/s 209(1) (d) of the Companies Act, 1956 therefore no such records have been maintained by the company.
9. a) The company is generally regular in depositing undisputed statutory dues including provident fund, employees state insurance, investor education and protection fund, income tax, sales tax, wealth tax, custom duty, excise duty, cess and other statutory dues with the appropriate authorities. According to information and explanations given to us, undisputed amounts payable in respect of income tax amounting to Rs. 182/ were outstanding as at 31st March, 2011 for a period more than six months from the date they became payable.
 b) There are no disputed statutory dues.
10. The company has brought forward accumulated losses of Rs.185.83.118/ and has not incurred cash

11. According to information and explanations given to us, the company has not defaulted in repayment of dues to financial institutions.
12. In our opinion and according to information and explanations given to us, no loans and advances have been granted by the company on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the company is not a Chit Fund or Nidhi/ Mutual Benefit Fund/Society. Therefore Clause 4(xiii) of the Companies (Auditors' Report) Order, 2003 is not applicable to company.
14. The company is not dealing or trading in shares, securities, debentures and other investments.
15. According to information and explanations given to us and the records examined by us, the company has not given any guarantee for loan taken by others from banks or financial institutions.
16. No term loan has been raised by the company during the year.
17. On the basis of overall examination of the Balance Sheet and the information and explanations given to us, we report that the company has not utilised any funds raised on short term basis for long term investment.
18. The company has not made any preferential allotment of shares to parties or companies covered in the register u/s 301 of the Companies Act, 1956.
19. The company has not issued any debenture. Therefore, Clause 4 (xix) of the Companies (Auditors' Report) Order, 2003 is not applicable to company.
20. The company has not raised any money through a public issue during the year.
21. In our opinion and according to information and explanations given to us, no fraud on or by the company has been noticed or reported during the year, that causes the financial statements to be materially misstated.

Place: Jaipur
Dated: 30th May, 2011

For Vimal Agrawal & Associates
Chartered Accountants
(FRN: 004187C)




(V. K. Agrawal)
Partner

RSC INTERNATIONAL LIMITED
BALANCE SHEET AS ON 31.03.2011

| SOURCES OF FUNDS | Schedule | Amount | |
|---|----------|-------------------|-------------------|
| | | This Year | Previous Year |
| Share Capital | "1" | 527,29,000 | 527,29,000 |
| Reserves & Surplus | "2" | 25,00,000 | 25,00,000 |
| Secured Loans | | 0 | 0 |
| Unsecured Loans | | 0 | 0 |
| TOTAL | | <u>552,29,000</u> | <u>552,29,000</u> |
| Fixed Assets | | | |
| Gross Block | "3" | 1,49,045 | 1,49,045 |
| Less: Depreciation | | <u>1,19,556</u> | <u>1,11,104</u> |
| Net Block | | 29,489 | 37,941 |
| Investments | "4" | 15,03,000 | 15,03,000 |
| Current Assets, Loans & Advances | | | |
| Cash & Bank Balances | "5" | 1,43,125 | 99,693 |
| Sundry Debtors | | 3,61,14,748 | 365,32,273 |
| Loans & Advances | | <u>97,598</u> | <u>94,828</u> |
| | | 363,55,471 | 367,26,794 |
| Less: Current Liabilities & Provisions | | | |
| Current Liabilities | "6" | 10,60,175 | 15,34,403 |
| Provisions | | <u>56,609</u> | <u>87,450</u> |
| Net Current Assets | | 352,38,687 | 351,04,941 |
| Miscellaneous Expenditure | | 0 | 0 |
| Profit & Loss Account | | 184,57,824 | 185,83,118 |
| TOTAL | | <u>552,29,000</u> | <u>552,29,000</u> |

Notes on Accounts**"8"**

The Schedules referred to above form an integral part of the Balance Sheet.

Place: Jaipur For R S C International Ltd.

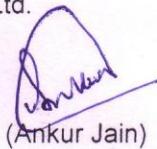
Dated: 30th May, 2011

As per our report of even date annexed.

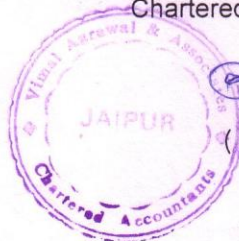
For Vimal Agrawal & Associates
Chartered Accountants



(G. C. Jain)
Mg. Director



(Ankur Jain)
Director



(V.K. Agrawal)
Partner

**RSC INTERNATIONAL LIMITED
PROFIT & LOSS ACCOUNT FOR THE
YEAR ENDED ON 31ST MARCH,2011**

| Particulars | Schedule | Amount This Year | Amount Previous Year |
|--------------------------|------------|------------------------|-------------------------|
| Income | | | |
| Sales | | 0 | 63,26,749 |
| Other Income | | 9,02,202 | 8,89,166 |
| | | <u>9,02,202</u> | <u>72,15,915</u> |
| Expenditure | | | |
| Purchase of goods | | 0 | 59,44,161 |
| Administrative Expenses | "7" | 7,11,847 | 9,80,053 |
| Depreciation | | 8,452 | 11,609 |
| Total | | <u>7,20,299</u> | <u>69,35,823</u> |
| Profit for the year | | 1,81,903 | 2,80,092 |
| Provision for Income tax | | 56,609 | 87,450 |
| Profit After tax | | 1,25,294 | 1,92,642 |
| Balance brought forward | | (-) 1,85,83,118 | (-) 187,75,760 |
| Balance Carried Forward | | (-) <u>1,84,57,824</u> | (-) <u>185,83,118</u> |
| Notes on Accounts | "8" | | |

The Schedules referred to above form an integral part of Profit & Loss Account.

Place: Jaipur For R S C International Ltd.

Dated:30th May,2011

As per our report of even date annexed.

For Vimal Agrawal & Associates

Chartered Accountants

(Signature)

(G. C. Jain)
Mg. Director

(Signature)

(Ankur Jain)
Director



(Signature)

(V.K.Agrawal)
Partner

R S C INTERNATIONAL LIMITED

Schedule-1

SHARE CAPITAL

| | <u>Amount This Year</u> | <u>Amount Prev. Year</u> |
|--|------------------------------------|-------------------------------------|
| <u>Authorised</u> | | |
| 70,00,000 equity shares of Rs. 10/ each | <u>700,00,000</u> | <u>700,00,000</u> |
| <u>Issued, Subscribed & Paid up</u> | | |
| 5749700 equity shares of Rs. 10/ each | 574,97,000 | 574,97,000 |
| Less: Allotment Money in Arrear | <u>47,68,000</u> | <u>47,68,000</u> |
| | <u>527,29,000</u> | <u>527,29,000</u> |

Schedule-2

RESERVES & SURPLUS

| | | |
|---------|-------------------------|-------------------------|
| Subsidy | <u>25,00,000</u> | <u>25,00,000</u> |
| | <u>25,00,000</u> | <u>25,00,000</u> |

Schedule-4

INVESTMENTS

| | | |
|---|-------------------------|-------------------------|
| NSC | 3,000 | 3,000 |
| 150,000 Equity Shares of Rs. 10/ each of Ratangiri (I) Ltd. | <u>15,00,000</u> | <u>15,00,000</u> |
| | <u>15,03,000</u> | <u>15,03,000</u> |

Schedule-5

CURRENT ASSETS, LOANS & ADVANCES

CURRENT ASSETS

| | | | | |
|--|-----------------|-----------------|---------------|---------------|
| <u>Sundry Debtors</u> | | | | |
| (Unsecured & Considered good) | | | | |
| Outstanding for more than six months | | 3,61,14,748 | | 3,52,63,279 |
| Others | | 0 | | 12,68,994 |
| <u>Cash & Bank Balances</u> | | | | |
| Cash in hand | 16,821 | | 61,388 | |
| Balances with Scheduled Banks | | | | |
| In Current Accounts | <u>1,26,304</u> | <u>1,43,125</u> | <u>38,305</u> | <u>99,693</u> |
| | | 3,62,57,873 | | 3,66,31,966 |

LOANS & ADVANCES

(Unsecured & considered good)
(Recoverable in cash or in kind or for value to be received or for pending adjustments)

| | | | | |
|-----|---------------|---------------------------|---------------|--------------------------|
| TDS | <u>97,598</u> | <u>97,598</u> | <u>94,828</u> | <u>94,828</u> |
| | | <u>3,63,55,471</u> | | <u>367,26,794</u> |



R S C INTERNATIONAL LIMITED

FIXED ASSETS

SCHEDULE-"3"

| PARTICULARS | GROSS BLOCK | | | DEPRECIATION | | | NET BLOCK | |
|-------------|-----------------|------------------------|-----------------|-------------------|-----------------|-------------------|--------------------|--------------------|
| | Opening Balance | Addition/ Deduction | Closing Balance | Upto 31.3 2010 | For the Year | Upto 31.3 2011 | As on 31.3.2011 | As on 31.3.2010 |
| Computer | 78,327 | 0 | 78,327 | 71,091 | 2,894 | 73,985 | 4,342 | 7,236 |
| Furniture | 70,718 | 0 | 70,718 | 40,013 | 5,558 | 45,571 | 25,147 | 30,705 |
| Total | 1,49,045 | 0 | 1,49,045 | 1,11,104 | 8,452 | 1,19,556 | 29,489 | 37,941 |
| Prev. Year | 124,250 | 24,795 | 1,49,045 | 99,495 | 11,609 | 1,11,104 | 37,941 | 0 |



Schedule-6

CURRENT LIABILITIES & PROVISIONS

CURRENT LIABILITIES

| | | | | |
|------------------|------------|-----------|------------|-----------|
| Sundry Creditors | 10,59,993 | | 15,34,221 | |
| Income tax (TDS) | <u>182</u> | 10,60,175 | <u>182</u> | 15,34,403 |

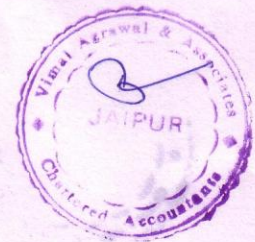
PROVISIONS

| | | | | |
|--------------------------|--|------------------|--|------------------|
| Provision for Income tax | | 56,609 | | 87,450 |
| | | <u>11,16,784</u> | | <u>16,21,853</u> |

Schedule-7

ADMINISTRATIVE EXPENSES

| | | | | |
|----------------------------|--|-----------------|--|-----------------|
| Salary | | 2,05,500 | | 2,98,000 |
| Printing & Stationery | | 7,510 | | 5,040 |
| Rent | | 1,05,000 | | 1,20,000 |
| Filing Fee | | 1,500 | | 0 |
| Listing Fee | | 0 | | 1,32,300 |
| Legal & Professional Exps. | | 1,35,211 | | 47,530 |
| Office Exps. | | 19,026 | | 24,000 |
| Accounting Charges | | 30,005 | | 10,000 |
| Share Transfer Exps. | | 72,657 | | 35,571 |
| Membership Fee | | 6,877 | | 0 |
| Advertisement Exps. | | 60,885 | | 0 |
| Auditors Remuneration | | 20,000 | | 20,000 |
| Bank Charges | | 911 | | 7,623 |
| Sales Promotion Exps. | | 0 | | 3,649 |
| Conveyance Exps. | | 33,000 | | 36,000 |
| Freight & Forwarding Exps. | | 0 | | 9,035 |
| Provident Fund | | 0 | | 1,00,594 |
| Repairs & Maintenance | | 0 | | 4,350 |
| Travelling Exps. | | 4,210 | | 1,13,805 |
| Telephone Exps. | | 9,555 | | 12,556 |
| | | <u>7,11,847</u> | | <u>9,80,053</u> |



SCHEDULE-'8'**NOTES ON ACCOUNTS**

1. Previous year figures have been regrouped/ rearranged wherever found necessary.
 2. Paise have been rounded off to nearest rupee.
 3. Significant Accounting Policies:
 - a. Financial statements have been prepared in accordance with the historical cost convention on accrual basis in accordance with the provisions of Companies Act, 1956.
 - b. Fixed assets are stated at cost of acquisition including preoperative expenses capitalized less accumulated depreciation.
 - c. Depreciation on plant & machinery is provided on written down value method at the rates prescribed in Schedule-XIV of the Companies Act, 1956.
 - d. Investments are stated at cost of acquisition.
 - e. Preliminary expenses are amortised over a period of five years.
 - f. Inventories are valued at cost of purchase or production.
 4. In view of insignificant amount of deferred tax liability, provision for DTL has not been made by the company during the year, under the provisions of AS-22 issued by ICAI.
 5. Sundry Debtors, Sundry Creditors, Loans and Advances and Bank accounts are subject to confirmation/ reconciliation.
 6. Most of the sundry debtors and sundry creditors are older than six month but in the opinion of the management, sundry debtors are fully recoverable and sundry creditors are payable.
 7. As informed by the management no amount is payable to Medium, Small and Micro enterprises.
 8. Related Party Disclosures in terms of AS-18 issued by ICAI in respect of Key Management Personnel (Sh. G. C. Jain, Mg. Director; Sh. Ankur Jain, Director and Smt. Alka Jain, Director) and Associate Concerns (M/s Alpine Overseas and Mascot Fashions P. Ltd.) is as under:
- | <u>Particulars</u> | <u>Key Management Personnel</u> | <u>Associate Concerns</u> |
|------------------------------------|---------------------------------|---------------------------|
| Amount Received | Nil | Rs. 5.71 lacs |
| Amount Paid | Rs. 0.90 lacs | Rs. 0.97 lacs |
| Amount Payable as on 31.03.2011 | Nil | Rs. 0.28 lacs |
| Amount Receivable as on 31.03.2011 | Rs. 0.56 lacs | Rs. 7.58 lacs |
9. Retirement benefits including gratuity and leave encashment are accounted for on cash basis. Provision on accrual as required by AS-15 issued by ICAI has not been made since there is no such liability.



SCHEDULE- 9


Balance Abstract and Company's General Business Profile

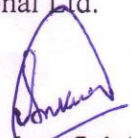
- I Registration Details
Registration No.: 7136 State Code: 17 Balance Sheet Date : 31.03.2011
- II Capital raised during the year (Amount in Rs. Thousands)
Public Issue : Nil Right Issue : Nil Bonus : Nil Private Placement : Nil
- III Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)
Total Liabilities : 55229 Total Assets : 55229
Sources of Funds
Paid up Capital : 52729 Reserves & Surplus : 2500 Secured Loans: Nil Unsecured Loans: Nil
Application of Funds
Fixed Assets: 29 Investments: 1503 Net Current Assets: 35239 Misc. Expenditure: 18458
Profit & Loss Account: Nil
- IV Performance of Company (Amount in Rs. Thousands)
Turnover: 902 Total Expenditure: 720 Profit/ Loss before tax: 182 Profit/ Loss after tax: 125
E.P.S. (Rs.): 0.02 Dividend Rate: Nil
- V. Generic Code of three principal products/ services of the Company (As per Monetary terms)
Item Code No.: 540782-07 Product/Service description : Synthetic Fabrics


Place: Jaipur
Dated: 30th May, 2011

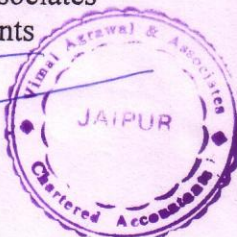
For RSC International Ltd.

For Vimal Agrawal & Associates
Chartered Accountants


(G. C. Jain)
Mg. Director


(Ankur Jain)
Director


(V.K. Agrawal)
Partner



R S C INTERNATIONAL LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2011

| | 2010-11 | | 2009-10 |
|--|----------------------|---------|----------------------|
| | (Rs. in lacs) | | (Rs. in lacs) |
| A. CASH FLOW FROM OPERATING ACTIVITIES | | | |
| 1. Net profit before tax & extra ordinary items | | 1.82 | 2.80 |
| Add: Depreciation | 0.08 | | 0.12 |
| Financial Charges | 0 | | 0 |
| Loss on sale of fixed assets | 0 | | 0 |
| 2. Operating profit before working capital changes | | 1.90 | 2.92 |
| Trade & Other receivables | 4.15 | | (-)10.93 |
| Inventories | 0 | | 0 |
| Trade Payables | (-)5.05 | (-)0.90 | 5.58 |
| 3. Cash generated from operations | | 1.00 | (-)2.43 |
| Income tax paid | | 0.57 | 0.87 |
| 4. Net cash flow from operating activities | | 0.43 | (-)3.30 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | | |
| Purchase/ Sale of fixed assets (Net) | 0 | | 0.25 |
| Net cash used in investing activities | | 0 | (-)0.25 |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | | |
| Long term borrowings | 0 | | 0 |
| Bank limit/ short term funds | 0 | | 0 |
| Net cash used in financing activities | 0 | | 0 |
| Net increase in cash & cash equivalents | | 0.43 | (-)3.55 |
| Cash & Cash equivalents as on 01.4.2010 (01.4.2009) | | 1.00 | 4.55 |
| Cash & Cash equivalents as on 31.3.2011 (31.3.2010) | | 1.43 | 1.00 |

Place: Jaipur For R S C International Ltd.
Dated:30th May,2011

(Handwritten signature)

(G. C. Jain)
Mg. Director

(Handwritten signature)

(Ankur Jain)
Director

As per our report of even date annexed.
For Vimal Agrawal & Associates
Chartered Accountants

(Handwritten signature)

(V.K.Agrawal)
Partner



