

# RSC INTERNATIONAL LTD.

CIN: L17124RJ1993PLC007136

25<sup>th</sup> June 2019

BSE Ltd.  
Corporate Governance Department  
Ground Floor, P. J. Tower  
Dalal Street, Fort  
Mumbai – 400001.

**Sub: Declaration related to Audit Report for the year 2018-19**

**Ref: RSC International Ltd. (Scrip Code: 530179)**

Dear Sir / Madam,

**DECLARATION RELATED TO THE AUDIT REPORT OF THE COMPANY FOR  
THE YEAR 2018-19**

This is to declare that the Audit Report pertaining to the Annual Audited Financial Results of the Company for the year ended 31<sup>st</sup> March 2019 does not have any modified opinion / qualification / reservation / adverse remark, hence statement showing impact for any modified opinion is not applicable on the company.

Thanking you.

Yours faithfully,  
**For: RSC International Limited**

  
**Director**  
**DIN: 00498094**



**PART I — BALANCE SHEET**

Name of the Company  
Balance Sheet as at

RSC International Ltd.  
31st March 2019

Particulars	Note no.	Figures as at the end of current reporting period	Figures as at the end of the previous year end
		01-01-2019 to 31-03-2019	01-04-2017 to 31-03-2018
1	2	3	4
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' funds</b>			
(a) Share capital		5,27,29,000.00	5,27,29,000.00
(b) Reserves and surplus		-1,77,29,628.61	-1,61,70,781.85
(c) Money received against share warrants			
		<b>3,49,99,371.39</b>	<b>3,65,58,218.15</b>
<b>(2) Share application money pending allotment</b>		0.00	0.00
<b>(3) Non-current liabilities</b>			
(a) Long-term borrowings		0.00	0.00
(b) Deferred tax liabilities (Net)		0.00	0.00
(c) Other Long term liabilities		0.00	0.00
(d) Long-term provisions		0.00	0.00
		<b>0.00</b>	<b>0.00</b>
<b>(4) Current liabilities</b>			
(a) Short-term borrowings		0.00	0.00
1"(b) Trade Payables:-			
(A) total outstanding dues of micro enterprises and small enterprises; and		0.00	0.00
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.".]		17,79,629.58	10,89,398.58
(c) Other current liabilities		1,48,322.00	33,181.76
(d) Short-term provisions		16,136.00	16,136.00
		<b>19,44,087.58</b>	<b>11,38,716.34</b>
<b>TOTAL</b>		<b>3,69,43,458.97</b>	<b>3,76,96,934.49</b>
<b>II. ASSETS</b>			
<b>Non-current assets</b>			
<b>(1) (a) Fixed assets</b>			
(i) Tangible assets		0.00	0.00
(ii) Intangible assets		0.00	0.00
(iii) Capital work-in-progress		0.00	0.00
(iv) Intangible assets under development		0.00	0.00
		<b>0.00</b>	<b>0.00</b>
<b>(b) Non-current investments</b>		15,03,000.00	15,03,000.00
(c) Deferred tax assets (net)		0.00	0.00
(d) Long-term loans and advances		0.00	0.00
(e) Other non-current assets		0.00	0.00
		<b>15,03,000.00</b>	<b>15,03,000.00</b>
<b>(2) Current assets</b>			
(a) Current investments		0.00	0.00
(b) Inventories		27,37,404.00	27,37,404.00
(c) Trade receivables		3,25,38,755.26	3,31,40,239.26
(d) Cash and cash equivalents		59,724.71	2,11,716.23
(e) Short-term loans and advances		0.00	0.00
(f) Other current assets		1,04,575.00	1,04,575.00
		<b>3,54,40,458.97</b>	<b>3,61,93,934.49</b>
<b>TOTAL</b>		<b>3,69,43,458.97</b>	<b>3,76,96,934.49</b>



**PART II – STATEMENT OF PROFIT AND LOSS**

Name of the Company

RSC International Ltd.

Profit and Loss statement for the quarter ended

31st March 2019

	Particulars	Note no.	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
			01-01-2019 to 31-3-2019	01-10-2018 to 31-12-2018
	1	2	3	4
I.	Revenue from operations		0	0.00
II.	Other income		0	0.00
III.	<b>Total Revenue (I + II)</b>		<b>0.00</b>	<b>0.00</b>
IV.	Expenses:			
	Cost of materials consumed		0	0.00
	Purchases of Stock-in-Trade (opening Stock +Purchases)		0	0.00
	Changes in inventories of finished goods		0	0.00
	Work-in-progress and Stock-in-Trade (Closing Stock)		0	0.00
	Employee benefits expense Finance costs		1,42,349.00	1,46,528.00
	Depreciation and amortisation expense		0.00	0.00
	Other expenses		1,91,487.68	1,31,325.88
	<b>Total expenses</b>		<b>3,33,836.68</b>	<b>2,77,853.88</b>
V.	<b>Profit before exceptional and extraordinary items and tax (III - IV)</b>		<b>-3,33,836.68</b>	<b>-2,77,853.88</b>
VI.	Exceptional items		0.00	0.00
VII.	<b>Profit before extraordinary items and tax (V - VI)</b>		<b>-3,33,836.68</b>	<b>-2,77,853.88</b>
VIII.	Extraordinary items		0.00	0.00
IX.	<b>Profit before tax (VII- VIII)</b>		<b>-3,33,836.68</b>	<b>-2,77,853.88</b>
X.	Tax expense:			
	(1) Current tax		0.00	0.00
	(2) Deferred tax		0.00	0.00
XI.	<b>Profit (Loss) for the period from continuing operations (VII-VIII)</b>		<b>-3,33,836.68</b>	<b>-2,77,853.88</b>
XII.	Profit / (loss) from discontinuing operations		0.00	0.00
XIII.	Tax expense of discontinuing operations		0.00	0.00
XIV.	Profit / (loss) from Discontinuing operations (after tax) (XII-XIII)		0.00	0.00
XV.	<b>Profit (Loss) for the period (XI + XIV)</b>		<b>-3,33,836.68</b>	<b>-2,77,853.88</b>
XVI.	Earnings per equity share:			
	(1) Basic		-0.58	-0.48
	(2) Diluted		-0.58	-0.48





RSC INTERNATIONAL LIMITED

PART I							(Rs.)
Statement of Standalone unaudited Results for the Quarter and Year Ended 31st March 2019							
Particulars	3 months ended (1-1-2018 to 31st March 2019)	Preceding 3 months ended (1-10-2018 to 31-12-2018) 31st Dec 2018	Corresponding 3 months ended in the previous year (01-1-2018 to 31-3-2018) 31st Dec 2018	Year to date figures for current period ended (1-4-2018 to 31-3-2019) 31st March 2019	Year to date figures for the previous year ended (1-4-2017 to 31-3-2018) 31st March 2018	Previous year ended 31st March 2018	
(Refer Notes Below)	(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)	(Audited)	
<b>1 Income from operations</b>							
Net sales/ income from operations	0.00	0.00	19,77,710.00	0.00	19,77,710.00	19,77,710.00	
(Net of excise duty)							
Other operating income	0.00	0.00	0.00	0.00	0.00	0.00	
<b>Total income from operations (net)</b>	<b>0.00</b>	<b>0.00</b>	<b>19,77,710.00</b>	<b>0.00</b>	<b>19,77,710.00</b>	<b>19,77,710.00</b>	
<b>2 Expenses</b>							
(a) Cost of materials consumed (Opening Stock)	0.00	0.00	44,32,584.00	0.00	0.00	0.00	
(b) Purchases of stock-in-trade	0.00	0.00	0.00	0.00	44,32,584.00	44,32,584.00	
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	0.00	0.00	-27,37,404.00	0.00	-27,37,404.00	-27,37,404.00	
(d) Employee benefits expense	1,42,349.00	1,46,528.00	94,624.54	5,99,070.00	1,93,524.54	1,93,624.54	
(e) Depreciation and amortisation expense	0.00	0.00	0.00	0.00	0.00	0.00	
(f) Other expenses (Any item exceeding 10% of the total expenses relating to continuing operations to be shown separately)	1,91,487.68	1,31,325.88	1,80,894.72	9,59,776.78	6,67,749.70	6,67,749.70	
<b>Total expenses</b>	<b>3,33,836.68</b>	<b>2,77,853.88</b>	<b>19,70,899.26</b>	<b>15,58,846.78</b>	<b>28,88,554.24</b>	<b>28,88,554.24</b>	
<b>3 Profit / (Loss) from operations before other income, finance costs and exceptional items (1-2)</b>	<b>-3,33,836.68</b>	<b>-2,77,853.88</b>	<b>7,910.74</b>	<b>-15,58,846.78</b>	<b>-6,78,944.24</b>	<b>-5,78,844.24</b>	
<b>4 Other income</b>	<b>0.00</b>	<b>0.00</b>	<b>2,61,795.00</b>	<b>0.00</b>	<b>2,61,845.00</b>	<b>2,61,845.00</b>	
<b>5 Profit / (Loss) from ordinary activities before finance costs and exceptional items (3 + 4)</b>	<b>-3,33,836.68</b>	<b>-2,77,853.88</b>	<b>2,68,805.74</b>	<b>-15,58,846.78</b>	<b>-3,18,999.24</b>	<b>-3,16,999.24</b>	
<b>6 Finance costs</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	
<b>7 Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5 + 6)</b>	<b>-3,33,836.68</b>	<b>-2,77,853.88</b>	<b>2,68,805.74</b>	<b>-15,58,846.78</b>	<b>-3,18,999.24</b>	<b>-3,16,999.24</b>	
<b>8 Exceptional items</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	
<b>9 Profit / (Loss) from ordinary activities before tax (7 + 8)</b>	<b>-3,33,836.68</b>	<b>-2,77,853.88</b>	<b>2,68,805.74</b>	<b>-15,58,846.78</b>	<b>-3,18,999.24</b>	<b>-3,16,999.24</b>	
<b>10 Tax expense</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	
<b>11 Net Profit / (Loss) from ordinary activities after tax (9 + 10)</b>	<b>-3,33,836.68</b>	<b>-2,77,853.88</b>	<b>2,68,805.74</b>	<b>-15,58,846.78</b>	<b>-3,18,999.24</b>	<b>-3,16,999.24</b>	
<b>12 Extraordinary items (net of tax expense Rs. Lakhs)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	
<b>13 Net Profit / (Loss) for the period (11 + 12)</b>	<b>-3,33,836.68</b>	<b>-2,77,853.88</b>	<b>2,68,805.74</b>	<b>-15,58,846.78</b>	<b>-3,18,999.24</b>	<b>-3,16,999.24</b>	
<b>14 Share of profit / (loss) of associates*</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	
<b>15 Minority interest †</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	
<b>16 Net Profit / (Loss) after taxes, minority interest and share of profit / (loss) of associates (13 + 14 + 15) †</b>	<b>-3,33,836.68</b>	<b>-2,77,853.88</b>	<b>2,68,805.74</b>	<b>-15,58,846.78</b>	<b>-3,18,999.24</b>	<b>-3,16,999.24</b>	
<b>17 Paid-up equity share capital</b>	<b>5,27,29,000.00</b>	<b>5,27,29,000.00</b>	<b>5,27,29,000.00</b>	<b>5,27,29,000.00</b>	<b>5,27,29,000.00</b>	<b>5,27,29,000.00</b>	
(Face Value of the Share shall be indicated)	10.00	10.00	10.00	10.00	10.00	10.00	
Note: 5749700 equity shares of Rs. 10/- less: Call in arrears 4788000							
<b>18 Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year</b>	<b>2,50,000.00</b>	<b>2,50,000.00</b>	<b>2,50,000.00</b>	<b>2,50,000.00</b>	<b>2,50,000.00</b>	<b>2,50,000.00</b>	
<b>19.a Earnings per share (before extraordinary items)</b>							
(of Rs. 10/- each) (not annualised):							
(A) Basic	-0.58	-0.48	0.47	-2.71	-0.55	-0.55	
(B) Diluted	-0.58	-0.48	0.47	-2.71	-0.55	-0.55	
<b>19.b Earnings per share (after extraordinary items)</b>							
(of Rs. 10/- each) (not annualised):							
(A) Basic	-0.58	-0.48	0.47	-2.71	-0.55	-0.55	
(B) Diluted	-0.58	-0.48	0.47	-2.71	-0.55	-0.55	

\* Applicable in the case of consolidated results.

Notes

1 The above audited standalone financial results were reviewed by the Audit Committee and have been considered and approved by the Board of Directors at their meeting held on 27th May 2019. The same have been incorporated in the Audit Report by the Statutory Auditors.



Annexure IV  
Format for Reporting of Segment wise Revenue, Results and Capital Employed along with the quarterly results  
(applicable for banks as well as companies other than banks)

(Rs.)  
Statement of Standalone unaudited Results for the Quarter and Year Ended 31st March 2019

Particulars	3 months ended (1-1-2019 to 31-3-2019) 31st March 2019	Preceding 3 months ended (1-10-2018 to 31-12-2018) 31st Dec 2018	Corresponding 3 months ended in the previous year (01-1-2018 to 31-3-2018) 31st Dec 2018	Year to date figures for current period ended (1-4-2018 to 31-3-2019) 31st March 2019	Year to date figures for the previous year ended (1-4-2017 to 31-3-2018) 31st March 2018	Previous year ended 31st March 2018
	(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)	(Audited)
<b>1. Segment Revenue</b> (net sale/income from each segment should be disclosed under this head) (a) Segment – A (b) Segment – B (c) Segment – C (d) Segment.... (e) Unallocated Total Less: Inter Segment Revenue	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
<b>Net sales/Income From Operations</b>						
<b>2. Segment Results (Profit)(+/-) Loss (-) before tax and interest from Each segment)#</b> (a) Segment – A (b) Segment – B (c) Segment – C (d) Segment.... (e) Unallocated Total Less: (i) Interest** (ii) Other Un-allocable Expenditure net off (iii) Un-allocable income	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
<b>Total Profit Before Tax</b>						
<b>3. Capital Employed</b> (Segment assets – Segment Liabilities) (a) Segment – A (b) Segment – B (c) Segment – C (d) Segment.... (e) Unallocated Total	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

\* strike off whichever  
is not applicable

# Profit/loss before tax and after interest in case of segments having operations which are primarily of financial nature.  
\*\* Other than the interest pertaining to the segments having operations which are primarily of financial nature.

**Notes:**

(a) Segment Revenue, Segment Results, Segment assets and Segment liabilities shall have the same meaning as defined in the Accounting Standards.  
(b) The above information shall be furnished for each of the reportable primary segments as identified in accordance with AS-17, issued by the Institute of Cost Accountants of India.



## Annexure - IX

Statement of Standalone unaudited Results for the Quarter and Year Ended  
31st March 2019

Standalone Statement of Assets and Liabilities		Figures as at the end of current reporting period	As at (Current Year End)
		01-01-2019 to 31-3-2019	01-04-2018 to 31-3-2019
Particulars		31st March 2019	31st March 2019
<b>A</b>	<b>EQUITY AND LIABILITIES</b>		
<b>1</b>	<b>Shareholders' funds</b>		
	(a) Share capital	5,27,29,000.00	5,27,29,000.00
	(b) Reserves and surplus	-1,77,29,628.61	-1,61,70,781.85
	(c) Money received against share warrants	0.00	0.00
	<b>Sub-total - Shareholders' funds</b>	<b>3,49,99,371.39</b>	<b>3,65,58,218.15</b>
<b>2</b>	<b>Share application money pending allotment</b>	<b>0.00</b>	<b>0.00</b>
<b>3</b>	<b>Minority interest *</b>	<b>0.00</b>	<b>0.00</b>
<b>4</b>	<b>Non-current liabilities</b>		
	(a) Long-term borrowings	0.00	0.00
	(b) Deferred tax liabilities (net)	0.00	0.00
	(c) Other long-term liabilities	0.00	0.00
	(d) Long-term provisions	0.00	0.00
	<b>Sub-total - Non-current liabilities</b>	<b>0.00</b>	<b>0.00</b>
<b>5</b>	<b>Current liabilities</b>		
	(a) Short-term borrowings	0.00	0.00
	(b) Trade payables	17,79,629.58	10,89,398.58
	(c) Other current liabilities	1,48,322.00	33,181.76
	(d) Short-term provisions	16,136.00	16,136.00
	<b>Sub-total - Current liabilities</b>	<b>19,44,087.58</b>	<b>11,38,716.34</b>
	<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>3,69,43,458.97</b>	<b>3,76,96,934.49</b>
<b>B</b>	<b>ASSETS</b>		
<b>1</b>	<b>Non-current assets</b>		
	(a) Fixed assets	0	0.00
	(b) Goodwill on consolidation *	0	0.00
	(c) Non-current investments	15,03,000.00	15,03,000.00
	(d) Deferred tax assets (net)	0.00	0.00
	(e) Long-term loans and advances	0.00	0.00
	(f) Other non-current assets	0.00	0.00
	<b>Sub-total - Non-current assets</b>	<b>15,03,000.00</b>	<b>15,03,000.00</b>
<b>2</b>	<b>Current assets</b>		
	(a) Current investments	0.00	0.00
	(b) Inventories	27,37,404.00	27,37,404.00
	(c) Trade receivables	3,25,38,755.26	3,31,40,239.26
	(d) Cash and cash equivalents	59,724.71	2,11,716.23
	(e) Short-term loans and advances	0.00	0.00
	(f) Other current assets	1,04,575.00	1,04,575.00
	<b>Sub-total - Current assets</b>	<b>3,54,40,458.97</b>	<b>3,61,93,934.49</b>
	<b>TOTAL - ASSETS</b>	<b>3,69,43,458.97</b>	<b>3,76,96,934.49</b>

\* Applicable in the case of consolidated statement of assets and liabilities.





## INDEPENDENT AUDITORS' REPORT

To the Members of RSC International Limited

### Report on the Financial Statements

We have audited the accompanying Ind AS financial statements of RSC International Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the "Act") with respect to the preparation of these financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent, and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and



fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act and the Rules made thereunder including the Accounting and Auditing Standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under Section 143 (11) of the Act. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates





made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its profit and its cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure, a statement on the matters specified in paragraphs 3 and 4 of the Order.

As required by Section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.



- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of accounts.
- (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2019, from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, (refer to our separate Report in "Annexure A"), our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting. .
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
  - i. The Company has no pending litigations as at March 31, 2019;



- ii. The Company has no long-term contracts including derivative contracts as at March 31, 2019;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31<sup>st</sup> March, 2019.

As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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Place: Mumbai  
Date: 27<sup>th</sup> May 2019

**For R.K.Mehta & Associates**  
**Chartered Accountant**  
FRN 106291W



*Suresh Mehta*  
**Suresh Mehta - Partner**  
**M. No 42524**

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## **ANNEXURE "A" TO INDEPENDENT AUDITORS' REPORT**

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the Members of RSC International Limited)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of RSC International Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone Ind AS-financial statements of the Company for the year ended on that date which includes internal financial controls over financial reporting of the Company.

### **Management's Responsibility for Internal Financial Controls**

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of



frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.





We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the





internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Mumbai  
Date: 27<sup>th</sup> May 2019

**For R.K. Mehta & Associates**  
**Chartered Accountants**  
FRN 106291W



*Suresh Mehta*  
**Suresh Mehta-Partner**

**M. No 42524**

## ANNEXURE "B" TO INDEPENDENT AUDITORS' REPORT

(Referred in 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the Members of RSC International Limited)

1. The company does not own any plant, property & equipment during the said reporting year.
2. The physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed by the management.
3. The company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 during the said reporting year.
4. The company has no loans, investments, guarantees, and security covered under section 185 and 186 of the Companies Act, 2013 during the said reporting year.
5. The company has not accepted any deposits, as per the provisions of the Companies Act, 2013 and the rules framed thereunder.
6. The responsibility to maintain cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.
7.
  - a. The company is regular in depositing undisputed statutory dues including income-tax, GST, cess and any



other statutory dues to the appropriate authorities. As on the last day of the said reporting year there are no arrears of outstanding statutory dues concerned for a period of more than six months from the date they became payable.

b. No dues of income tax or GST or duty of customs or duty of excise or value added tax have been disputed.

8. The company has not availed any loan or borrowing from any financial institution, bank, Government or debenture holders, hence no default in repayment arises.
9. During the said reporting year the company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans.
10. No kind of fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the said reporting year.
11. No managerial remuneration has been paid or provided during the said reporting year.
12. The company is not a Nidhi company.
13. There is no transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.





14. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the said reporting year.
15. The company has not entered into any non-cash transactions with directors or persons connected with him during the said reporting period.
16. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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Place: Mumbai  
Date: 27<sup>th</sup> May 2019

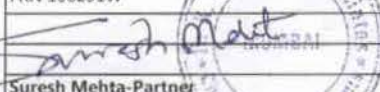

For R.K.Mehta & Associates  
**Chartered Accountant**  
FRN 106291W



*Suresh Mehta*  
**Suresh Mehta - Partner**  
**M. No 42524**

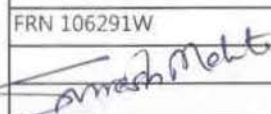



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RSC INTERNATIONAL LIMITED  
BALANCE SHEET AS AT 31st MARCH 2019

	Note No.	As at 31st March, 2019	As at 31st March, 2018
<b>I. ASSETS</b>			
<b>1) Non Current Assets</b>			
a) Property, Plant & Equipment		-	-
b) Capital Work in progress		-	-
c) Other Intangible Assets		-	-
d) Intangible Assets under development		-	-
e) Financial Assets:			
i) Investments	4	15,03,000	15,03,000
ii) Loans		-	-
iii) Other Financial Assets		-	-
f) Non - Current tax Assets (Net)	5	1,04,575	1,04,575
g) Other Non Current Assets		-	-
		<b>16,07,575</b>	<b>16,07,575</b>
<b>2) Current Assets</b>			
a) Inventories		27,37,404	27,37,404
b) Financials Assets		-	-
i) Trade Receivables	6	3,25,38,755	3,39,63,815
ii) Cash and Cash Equivalents	7	59,725	2,11,716
iii) Bank Balance other than (ii)		-	-
iv) Other Financials Assets		-	-
c) Other Current Assets		-	-
		<b>3,53,35,884</b>	<b>3,69,12,935</b>
<b>TOTAL ASSETS</b>		<b>3,69,43,459</b>	<b>3,85,20,510</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
a) Equity Share Capital	8	5,27,29,000	5,27,29,000
b) Reserve and Surplus	9	-1,77,29,629	-1,61,70,782
<b>TOTAL EQUITY</b>		<b>3,49,99,371</b>	<b>3,65,58,218</b>
<b>LIABILITIES</b>			
<b>1) Non current liabilities</b>			
a) Financial Liabilities			
i) Borrowings		-	-
ii) Other Financial liabilities		-	-
b) Provisions		-	-
c) Deferred Tax Liabilities (Net)		-	-
<b>2) Current Liabilities</b>			
a) Financial Liabilities			
i) Borrowings		-	-
ii) Trade Payables	10	18,82,952	19,12,975
iii) Other Financial liabilities		-	-
b) Other current liabilities	11	45,000	33,182
c) Provisions		-	-
d) Current tax Liabilities (Net)	12	16,136	16,136
<b>TOTAL LIABILITIES</b>		<b>19,44,088</b>	<b>19,62,293</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3,69,43,459</b>	<b>3,85,20,510</b>
The accompanying notes are an integral part of these Ind AS financial statements			
As per our report of even date attached			
<b>For R. K. Mehta &amp; Associates</b>		<b>For and on behalf of Board</b>	
<b>Chartered Accountants</b>			
FRN 106291W			
			
<b>Suresh Mehta-Partner</b>		G.C.Jain	Ankur Jain
<b>MRN: 042524</b>		Director	Director
		DIN 00498094	DIN 01129847
Place: Mumbai			
Date: 27th May, 2019			

## RSC INTERNATIONAL LIMITED

## STATEMENT OF PROFIT &amp; LOSS FOR THE YEAR ENDED 31st MARCH 2019

	Note No.	As at 31st March 2019	As at 31st March 2018
<b>INCOME</b>			
Revenue from operations	13	-	22,39,505
Other Income	14	-	50
<b>TOTAL INCOME</b>		<b>-</b>	<b>22,39,555</b>
<b>EXPENSES</b>			
Cost of material consumed	15	-	44,32,584
Changes in inventories of finished goods and work in progress	16	-	-27,37,404
Employee benefit expenses	17	6,21,862	1,93,625
Finance Cost		-	-
Depreciation and Amortization Expenses		-	-
Other Expenses	18	9,36,985	6,67,750
<b>TOTAL EXPENSES</b>		<b>15,58,847</b>	<b>25,56,554</b>
<b>PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX</b>		<b>-15,58,847</b>	<b>-3,16,999</b>
Exceptional Items		-	-
<b>PROFIT BEFORE TAX</b>		<b>-15,58,847</b>	<b>-3,16,999</b>
Tax Expenses		-	-
Current Tax			-
Less: MAT Credit entitlement			-
Deferred Tax			-
<b>PROFIT AFTER TAX</b>		<b>-15,58,847</b>	<b>-3,16,999</b>
<b>Other Comprehensive Income</b>			
a) Items that will not be reclassified to profit and loss		-	-
b) Income tax relating to items that will not be reclassified to profit and loss		-	-
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>-15,58,847</b>	<b>-3,16,999</b>
<b>Earnings per equity share:</b>			
(Face value of Rs 10/- each)			
<b>Basic</b>		-0	-0
The accompanying notes are an integral part of these Ind AS financial statements			
As per our report of even date attached			
<b>For R. K. Mehta &amp; Associates</b>		<b>For and on behalf of Board</b>	
<b>Chartered Accountants</b>			
FRN 106291W			
			
			
<b>Suresh Mehta-Partner</b>		G.C.Jain	Ankur Jain
<b>MRN: 042524</b>		Director	Director
		DIN 00498094	DIN 01129847



**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2019**

**A. EQUITY SHARE CAPITAL**

Equity share capital of Rs 10/- each, issued subscribed and fully paid up

(In Rs.)

	Number of Shares	Amount
As at 1st April, 2017	57,49,700	5,74,97,000
Change in share capital during the year	-	-
Balance as at 31st March 2018	57,49,700	5,74,97,000
Change in share capital during the year	-	-
<b>Balance as at 31st March 2019</b>	<b>57,49,700</b>	<b>5,74,97,000</b>

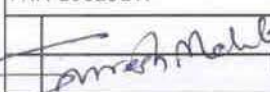

**B. OTHER EQUITY**

Particulars	Reserve and Surplus					Other Comprehensive Income	Total
	Capital Reserve	Securities Premium Reserve	Capital Redemption Reserve	General Reserve	Retained Earnings		
Balance as at 1st April, 2017	25,00,000	-	-	-	-1,83,53,783	-	-1,58,53,783
Profit for the year	-	-	-	-	-3,16,999	-	-3,16,999
<b>Balance As at 31st March, 2018</b>	<b>25,00,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-1,86,70,782</b>	<b>-</b>	<b>-1,61,70,782</b>
Profit for the year	-	-	-	-	-15,58,847	-	-15,58,847
<b>Balance As at 31st March, 2019</b>	<b>25,00,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-2,02,29,629</b>	<b>-</b>	<b>-1,77,29,629</b>

The accompanying notes are an integral part of these Ind AS financial statements.

## Statement of Cash Flows for the year ended 31st March, 2019

(In Rs)

			For the year ended March 31, 2019	For the year ended March 31, 2018
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit before tax			(15,58,847)	(3,16,999)
Adjustments:				
Depreciation Expense			-	-
Finance Cost			-	-
Operating profit before working capital changes			<b>(15,58,847)</b>	<b>(3,16,999)</b>
(Increase) in Trade receivables			14,25,060	15,79,851
(Increase) in Inventories			-	(27,37,404)
Increase in Trade Payables			(30,023)	16,17,918
Increase in Current liabilities and Provisions			11,818	(72,520)
Cash generated from operations			<b>(1,51,991)</b>	<b>70,845</b>
Direct taxes paid			-	-
<b>Net cash from operating activities</b>		"A"	<b>(1,51,991)</b>	<b>70,845</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Non-Current Investments			-	15,997
<b>Net cash from investing activities</b>		"B"	-	<b>15,997</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
<b>Net cash from financing activities</b>		"C"	-	-
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>			<b>(1,51,991)</b>	<b>86,842</b>
<b>CASH AND CASH EQUIVALENTS</b>				
Opening cash & cash equivalents			2,11,716	1,24,874
Closing cash & cash equivalents			59,725	2,11,716
			<b>(1,51,991)</b>	<b>86,842</b>
Note: 1. The above cash flow statement has been prepared under the "Indirect Method" as set out in the Accounting Standard - 3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.				
As per our report of even date attached				
For R. K. Mehta & Associates			For and on behalf of Board	
Chartered Accountants				
FRN 106291W				
				
Suresh Mehta-Partner			G.C. Jain	Ankur Jain
MRN: 042524			Director	Director
			DIN: 00498094	DIN : 01129847
Place: Mumbai				

## Notes of IND AS Financial Statements

	As at	As at	As at	As at
4. NON-CURRENT INVESTMENTS	31/03/2019	31/03/2018	31/03/2017	01/04/2016
(a) Other Investments - unquoted	-	-	-	-
NSC	3,000	3,000	3,000	3,000
1,50,000 equity shares of Rs. 10/- each of Ratnagiri (India) Ltd.	15,00,000	15,00,000	15,00,000	15,00,000
	<b>15,03,000</b>	<b>15,03,000</b>	<b>15,03,000</b>	<b>15,03,000</b>

	As at	As at	As at	As at
5. NON - CURRENT TAX ASSETS (NET)	31/03/2019	31/03/2018	31/03/2017	01/04/2016
Income Tax ( TDS)	1,04,575	1,04,575	1,20,572	1,02,661
	<b>-1,04,575</b>	<b>1,04,575</b>	<b>1,20,572</b>	<b>1,02,661</b>

	As at	As at	As at	As at
6. TRADE RECEIVABLES	31/03/2019	31/03/2018	31/03/2017	01/04/2016
(unsecured and considered good)				
Debts overdue for a period exceeding six months	3,25,38,755	3,39,63,815	3,55,43,666	3,67,31,776
	<b>3,25,38,755</b>	<b>3,39,63,815</b>	<b>3,55,43,666</b>	<b>3,67,31,776</b>

	As at	As at	As at	As at
7. CASH & CASH EQUIVALENTS	31/03/2019	31/03/2018	31/03/2017	01/04/2016
(a) Balance with bank				
In Current accounts	44,775	1,46,464	27,099	17,842
(b) Cash-in-hand	14,950	65,252	97,775	40,376
	<b>59,725</b>	<b>2,11,716</b>	<b>1,24,874</b>	<b>58,218</b>

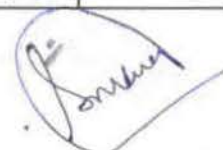
	As at	As at	As at	As at
8. EQUITY SHARE CAPITAL	31/03/2019	31/03/2018	31/03/2017	01/04/2016
<b>AUTHORISED</b>				
70,00,000 Equity Shares of Rs. 10/- each	7,00,00,000	7,00,00,000	7,00,00,000	7,00,00,000
	<b>7,00,00,000</b>	<b>7,00,00,000</b>	<b>7,00,00,000</b>	<b>7,00,00,000</b>
<b>ISSUED</b>				
57,49,700 Equity Shares of Rs.10/- each	5,74,97,000	5,74,97,000	5,74,97,000	5,74,97,000
	<b>5,74,97,000</b>	<b>5,74,97,000</b>	<b>5,74,97,000</b>	<b>5,74,97,000</b>
<b>SUBSCRIBED &amp; FULLY PAID UP</b>				
57,49,700 Equity Shares of Rs.10/- each	5,74,97,000	5,74,97,000	5,74,97,000	5,74,97,000
Less: Call in Arrears	47,68,000	47,68,000	47,68,000	47,68,000
	<b>5,27,29,000</b>	<b>5,27,29,000</b>	<b>5,27,29,000</b>	<b>5,27,29,000</b>

a. Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period				
	As at	As at	As at	As at
Equity Shares	31/03/2019	31/03/2018	31/03/2017	01/04/2016
Balance at the beginning of the year	57,49,700	57,49,700	57,49,700	57,49,700
Issued during the year	-	-	-	-
Balance at the end of the year	<b>57,49,700</b>	<b>57,49,700</b>	<b>57,49,700</b>	<b>57,49,700</b>

b. Details of shareholders holding more than 5% shares in the company				
Name of share holder	As on 31.03.2019		As on 31.03.2018	
	Number of Shares	% of holding	Number of Shares	% of holding
Mascot Fashions P. Ltd.	6,28,360	10.93	6,28,360	10.93
Ankur Jain	5,35,800	9.32	5,35,800	9.32
Alpine Overseas	3,54,200	6.16	3,54,200	6.16
Gyan Chand Jain	4,71,230	8.19	4,71,230	8.19
Alka Jain	4,91,430	8.54	4,91,430	8.54
Triza Jain	0	0.00	6,13,635	10.67

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21/03/2019





	As at	As at	As at	As at
9. Reserve and Surplus	31/03/2019	31/03/2018	31/03/2017	01/04/2016
A. Reserve and Surplus				
(a) Capital Reserve (Subsidy)	25,00,000	25,00,000	25,00,000	25,00,000
(b) Retained Earnings:				
Opening Balance	-1,86,70,782	-1,83,53,783	-1,84,17,544	-1,84,89,175
Add : Profit (Loss) for the year	-15,58,847	-3,16,999	63,761	71,631
	<b>-2,02,29,629</b>	<b>-1,86,70,782</b>	<b>-1,83,53,783</b>	<b>-1,84,17,544</b>
Total Reserves & Surplus	<b>-1,77,29,629</b>	<b>-1,61,70,782</b>	<b>-1,58,53,783</b>	<b>-1,59,17,544</b>

	As at	As at	As at	As at
10. TRADE PAYABLES	31/03/2019	31/03/2018	31/03/2017	01/04/2016
Micro, Small & Medium Enterprises				
Others	18,82,952	19,12,975	2,95,057	15,01,834
	<b>18,82,952</b>	<b>19,12,975</b>	<b>2,95,057</b>	<b>15,01,834</b>

	As at	As at	As at	As at
11. OTHER CURRENT LIABILITIES	31/03/2019	31/03/2018	31/03/2017	01/04/2016
(a) TDS Payable	14,400	8,182	182	182
(b) Audit fees payable	30,600	25,000	70,000	45,000
	<b>45,000</b>	<b>33,182</b>	<b>70,182</b>	<b>45,182</b>

	As at	As at	As at	As at
12. CURRENT TAX LIABILITIES (NET)	31/03/2019	31/03/2018	31/03/2017	01/04/2016
(a) Income Tax - MAT	16,136	16,136	51,656	37,183
	<b>16,136</b>	<b>16,136</b>	<b>51,656</b>	<b>37,183</b>



## Notes of IND AS Financial Statements

	As at	As at
	31/03/2019	31/03/2018
<b>13. REVENUE FROM OPERATIONS</b>		
Sale of Products	0	19,77,710
Commission /Supervision charges	0	2,61,795
	<b>0</b>	<b>22,39,505</b>

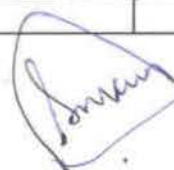
	As at	As at
	31/03/2019	31/03/2018
<b>14. OTHER INCOME</b>		
Interest	0	50
	<b>0</b>	<b>50</b>

	As at	As at
	31/03/2019	31/03/2018
<b>15. COST OF MATERIAL CONSUMED</b>		
Purchases	0	44,32,584
	<b>0</b>	<b>44,32,584</b>

	As at	As at
	31/03/2019	31/03/2018
<b>16. CHANGES IN INVENTORIES OF FINISHED GOODS &amp; WORK IN PROGRESS</b>		
Closing Inventories		
- Finished Goods	27,37,404	27,37,404
Opening Inventories		
- Finished Goods	27,37,404	0
	<b>0</b>	<b>-27,37,404</b>

	As at	As at
	31/03/2019	31/03/2018
<b>17. EMPLOYEE BENEFIT EXPENSES</b>		
Salary	5,99,070	1,93,625
Bonus	22,792	0
	<b>6,21,862</b>	<b>1,93,625</b>

	As at	As at
	31/03/2019	31/03/2018
<b>18. OTHER EXPENSES</b>		
Listing Fees	295000	2,87,790
Legal & Professional Charges	202800	66,000
Rent	60000	60,000
Goods & Services Tax	20412	59,321
Depository Expense	64900	55,070
Travelling Expense	24690	49,596
Statutory Audit Fees	35000	30,000
Secetrial Audit Fee	0	20,000
Printing & Stationery	72618	18,410
Accounting Fees	0	12,000
General Expense	11505	4,350
Advertising	14400	3,600
Bank Charges	900	1,253
Office Expenses		360
Registration & Filing Fee	13649	-
Discount	98	-
Maintenance Charges	14600	-
Postage & Courier Charges	97213	-
Website Expenses	9200	-
	<b>9,36,985</b>	<b>6,67,750</b>

  
 11/03/2019

## **NOTE 1. COMPANY OVERVIEW**

RSC International Ltd. ('the Company') is engaged in sale supervision services, Trading in fabrics and related material to business houses related to fabrics and trading in fabrics.

## **NOTE 2.SIGNIFICANT ACCOUNTING POLICIES**

### **2.1 Statement of Compliance**

These financial statements of the Company have been prepared in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015 ("Ind AS").

### **2.2 Basis of preparation**

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, and presentation requirements of Schedule III to the Act under the historical cost convention on the accrual basis. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

### **2.3 Critical accounting judgements and key sources of estimation uncertainty**

The preparation of the financial statements in conformity with the Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures as at date of the financial statements and the reported amounts of the revenues and expenses for the years presented. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates under different assumptions and conditions.





The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

**Critical Judgements** In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the financial statements:

#### Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

**Income taxes:** The Company's tax jurisdiction is India. Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions.

#### **2.4 Operating Cycle and Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification in accordance with Part-I of Division- II of Schedule III of the Companies Act, 2013.

An asset is treated as current when it (a) Expected to be realised or intended to be sold or consumed in normal operating cycle; (b) Held primarily for the purpose of trading; or (c) Expected to be realised within twelve months after the reporting period, or (d) The asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.



A liability is current when (a) It is expected to be settled in normal operating cycle; or (b) It is held primarily for the purpose of trading; or (c) It is due to be settled within twelve months after the reporting period, or (d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, results in its settlement by the issue of equity instruments do not affect its classification. The Company classifies all other liabilities as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its normal operating cycle.

## 2.5 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment inclusive of excise duty and net of returns, trade allowances, rebates, taxes and amounts collected on behalf of third parties and government.

**Sale of Goods:** Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company; and the costs





incurred or to be incurred in respect of the transaction can be measured reliably.

**Interest income:** Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

**Commission income:** Commission income is accrued on a time basis and company is not exposed to the inventory risks, customer's credit risks and latitude in establishing prices,

## **2.6 Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

## **2.7 Inventories**

Inventories are valued at lower of cost on FIFO basis and net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to their present location and condition, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

## **2.8 Employee Benefits**

Employee benefits consist of salary paid to employees.

## **2.9 Earnings per share (EPS)**





Basic EPS is computed by dividing the profit or loss attributable to the equity shareholders of the Company by the weighted average number of Ordinary shares outstanding during the year.

## 2.10 Provisions and Contingent Liabilities:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

## 2.11 Related Parties

Related party disclosure as required by Ind AS -24 issued by Ministry of Corporate Affairs (MCA) are as under:-

(A) List of related parties and their relationship:

- a) Enterprise on which key management personnel and/or their relatives exercise significant influence with whom transactions have taken place during the year.

Mascot Fashions Private Limited

- b) Key Management Personnel

Shri G C Jain – Director

Shri Ankur Jain - Director

Smt. Alka Jain - Director

(B) Transaction with related parties

	For the year ended March 2019	For the year ended 31 <sup>st</sup> March 2018
<b>Enterprises:</b>		
Sales	0	19,77,710.00
Purchases	0	44,32,584.00



## 2.12 Taxation

**Current income tax:** assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

The major components of income tax expense for the year ended March 31, 2019 are indicated below:

a) Statement of profit or loss for the year ended	March 31, 2019	March 31, 2018
Current Tax:		
Current tax on profit for the year	0	0
Charge / (credit) in respect of current tax for the earlier years	0	0
Total	0	0


## 2.13 Cash Flow

Cash flows are reported using indirect method as set out in Ind AS -7 "Statement of Cash Flows", whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.



For R. K. Mehta & Associates  
**Chartered Accountant**  
FRN 106291W

For and on behalf of Board

  
**Suresh Mehta-Partner**  
MRN:042524



  
**G.C. Jain**  
Director  
00498094

  
**Ankur Jain**  
Director  
01129847

Place: Mumbai

Date: 27<sup>th</sup> May, 2019