

16th Annual Report

2008-2009

Board of Directors

Shri Gyan Chand Jain
Managing Director
Shri Ankur Gyanchand Jain
Director
Smt. Alka Jain
Director
Shri M. P. 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 Sixteenth Annual General Meeting of members of RSC International Ltd. will be held on Tuesday the 29th day of September, 2009 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, 2009 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 G. C. Jain 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., 2009

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 Tuesday the 22nd September, 2009 to Tuesday the 29th September, 2009, both days inclusive.

ANNEXURE TO THE AGM NOTICE
ANNEXURE -A

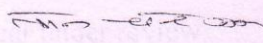
Details of Director seeking appointment/reappointment in Annual General Meeting pursuant to Clause 49 of Listing Agreement

Name of Director	Smt. Alka Jain	Shri Gyan Chand Jain
Date of Birth	28.04.1960	10-10-1958
Date of Appointment	29.12.2007	06-01-1993
Designation	Director	Mg. Director
Expertise in specific Functional areas	Business	Business
Qualifications	Metriculate	Graduate
Name of Companies in which Directorship held as on 31.03.2009	Mascot Fashions Pvt Ltd.	Mascot Fashions Pvt Ltd.
Member of the Committees of the Board of other Companies as on 31.03.2009	NIL	NIL

By order of the Board

Place : Jaipur

Date : 02nd September,2009


(G. C. Jain)
Managing Director

Directors' Responsibility Statement

The Board of Directors of your Company:

- I. ensure 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 make 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 loss 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 is in receipt of remuneration from

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

DIRECTORS' REPORT

Dear Members,

Your directors have pleasure in presenting the Sixteenth Annual Report of the Company together with the Audited Statements of Accounts for the year ended on 31st March, 2009.

<u>Financial Results:</u>	31.03.2009 (Rs. In lacs)	31.03.2008 (Rs. In lacs)
Other Income	9.00	-
Profit before interest & depreciation (-)	11.60	(-) 0.22
Less: Interest	-	-
Profit before depreciation (-)	11.60	(-) 0.22
Less: Depreciation	0.11	-
Profit after depreciation (-)	11.71	(-) 0.22
Provision for Income tax	0.87	-
Profit after tax (-)	12.58	(-) 0.22

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 loss 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 24,00,000/- for the whole year or Rs.2,00,000/- per month in the case of employment for part of the year.

Directors:

Smt. Alka Jain and Shri G. C. Jain directors of the company retire at the ensuing annual general meeting and being eligible, offer themselves for reappointment. Three independent directors S/ Shri R. P. Agarwal, Kailash Chand and Jitendra Bansal have been appointed on 20.07.2009.


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.

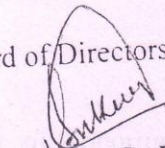
Place: Jaipur

Dated: 2nd Sept., 2009

For and on behalf of the Board of Directors



(G. C. Jain)
Mg. Director



(Ankur G. Jain)
Director

INTERNAL CONTROL SYSTEM

The Company is in the process of strengthening the internal audit and control system to ensure that all transactions are authorized, reviewed 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 2009.

FINANCIAL REVIEW AND ANALYSIS

(a) Share Capital

The Authorized 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 ₹ 7,72,34,000. There was no change in paid-up share capital and authorized Share Capital.

(b) Loan Funds

During the year the Company has availed Cash Credit limit taken from State Bank of Bikaner & Jaipur. 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 were ₹ 3,49,25,483/- as compared to ₹ 2,41,51,832/- for 31st 3.2008.

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 and fixed assets were sold out to settle dues of State bank of Bikaner & Jaipur and others. 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 polyester 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 2009.

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

During the year the Company has settled Cash Credit limit taken from State Bank of Bikaner & Jaipur. 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 were Rs. 349,25,485/ as compared to Rs. 341,53,868/ as on 31.3.2008.

(d) Sales

During the year the Company has received income of Rs. 9.00 lacs as compared to Rs. Nil income during the preceding year.

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, 2009

Name of Director	Category	Meeting held during the year	Meeting Attended	Other
Mr. G. C. Jain	Executive	8	8	None
Mr. Anand Chandra Jain	Executive	8	8	None
Mr. A. K. Jain	Executive	8	8	None
Mr. M. P. Jain	Executive	8	8	None
Mr. R. P. Agrawal	Independent	8	8	None
Mr. Harish Chandra	Independent	8	8	None
Mr. Anand Bhandari	Independent	8	8	None

* There were eight meetings held during the year on 29.04.2008, 31.07.2008, 12.08.2008, 28.09.2008, 31.10.2008, 10.01.2009, 30.01.2009 and on 30.03.2009

** Last Annual General Meeting (AGM) was held on 30th September, 2008 (Tuesday) at Registered Office: 66, Gramvill Park, M. D. Road, Jaipur

*** As signed on 20.07.2009

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	3
Mr. Ankur Gyanchand Jain	Executive	7	7	Y	1	Nil
Mrs. Alka Jain	Executive	8	8	Y	1	3
Mr. M. P. Jain	Non Executive	8	6	Y	1	3
Mr. R. P. Agarwal***	Independent				1	Nil
Mr. Kailash Chand***	Independent				Nil	Nil
Mr. Jitendra Bansal***	Independent				Nil	Nil

* There were eight meetings held during the year on 29.04.2008, 31.07.2008, 02.09.2008, 28.09.2008, 31.10.2008, 10.01.2009, 30.01.2009 and on 30.03.2009

** Last Annual General Meeting (AGM) was held on 30th September, 2008 (Tuesday) at Registered Office: 66, Gangwal Park, M. D. Road, Jaipur.

*** Appointed on 20.07.2009.

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.

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/her tenure	Meetings Attended *
1.	Mr. M. P. Jain	Chairman	4	4
2.	Mr. G. C. Jain	Member	4	4

3.	Mrs. Alka Jain	Member	4	4
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* There were four meetings held during the year on 30.06.2008, 31.07.2008, 30.10.2008 and 05.01.2009.

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/her tenure	Meetings Attended *
1.	Mr. M. P. Jain	Chairman	1	1
2.	Mr. G. C. Jain	Member	1	1
3.	Mrs. Alka Jain	Member	1	1

* There was one meeting held during the year on 20.08.2008.

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

The details of Annual General Meetings held in the last three years are given below:

Annual General Meeting	Day & Date	Time	Venue
13 th Meeting	Saturday 30 th Sept. 2006	11.00 a.m.	66, Gangwal Park, M. D. Road. Jaipur
14 th Meeting	Saturday 29 th Sept. 2007	11.00 a.m.	66, Gangwal Park, M. D. Road. Jaipur
15 th Meeting	Tuesday	11.00 a.m.	66, Gangwal Park, M. D. Road.

30th Sept. 2008

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 were 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:** 22.09.2009 to 30.09.2009

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

Date : 29.09.2009

Day : Tuesday

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, 2009: July 2009

Financial reporting for the second quarter ending Sep. 30, 2009: Oct. 2009

Financial reporting for the third quarter ending Dec. 31, 2009: Jan. 2010

Financial reporting for the year ending March 31, 2010: June 2010

Annual General Meeting for the year ending March 31, 2010: Sept. 2010

(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 2009

S.No.	Category	No. of Share holders	No. of Shares	% to Total
1.	Promoter and Promoter Group	333	2188050	38.05
2.	NRI	26	75300	1.31
3.	Resident Individuals	3090	3185200	55.40
4.	Bodies Corporate	13	301150	5.24
	Total	3462	5749700	100

(k) Distribution of Shareholding as on 31st March 2009

SHARE HOLDING OF NOMINAL VALUE OF RS.	NO. OF SHARE-HOLDERS	% TO TOTAL	NO. OF SHARES	AMOUNT IN RS.	% TO TOTAL
UP TO 5000	3326	96.07	32,72,860	3,27,28,600	56.92
5001 TO 10000	88	2.54	6,03,000	60,30,000	10.49
10001 TO 20000	28	0.81	4,04,500	40,45,000	7.03
20001 TO 30000	5	0.14	1,11,700	11,17,000	1.94
30001 TO 40000	4	0.12	1,31,100	13,11,000	2.28
40001 TO 50000	3	0.09	1,43,550	14,35,500	2.50
50001 TO 100000	6	0.17	4,36,190	43,61,900	7.59
100001 AND ABOVE	2	0.06	6,46,800	64,68,000	11.23
TOTAL	3462	100.00	57,49,700	5,74,97,000	100.00

(G. C. Jain)
Managing Director

Place: Jaipur
Date: 2nd Sept 2009

(l) Dematerialisation of Shares as on 31.03.2009

Number of Shares dematerialized : 198700
% of shares dematerialized : 3.46 %

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, 2009.

By order of the Board



(G. C. Jain)
Managing Director

Place: Jaipur
Date: 2nd Sept., 2009

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, 2009, 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 (*Except the fact that there was no independent director in the company during the year under review*) 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: 1st Sept., 2009

For Vimal Agrawal & Associates
Chartered Accountants



A handwritten signature in black ink, appearing to read "V.K. Agrawal".

(V.K. Agrawal)
Partner

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, 2009 and the Profit & Loss Account and Cash Flow Statement of the Company for the year ended on 31st March, 2009. 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.

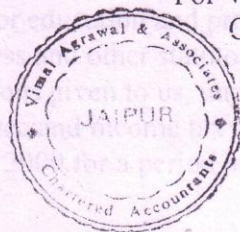
We have conducted our audit in accordance with auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, 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.

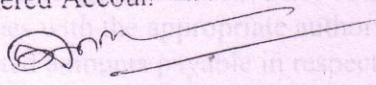
1. As required by the Companies (Auditors Report) order, 2003 issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, our report is given in Annexure on the matters specified therein.
2. Further to our comments in Annexure annexed to this report, we have to report that:
 - 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 31.3.2009 and taken on record by Board of Directors of the company, none of the directors of the Company is disqualified as on 31.3.2009 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 31.03.2009;
 - b) In the case of Profit & Loss Account of the loss for the year ended on 31.03.2009; and
 - c) In the case of Cash Flow Statement of the cash flows for the year ended on 31.03.2009.

Place: Jaipur

Dated: 1st Sept., 2009

For Vimal Agrawal & Associates
Chartered Accountants

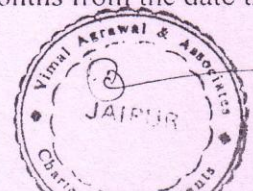



(V. K. Agrawal)
Partner

AGRAWAL & ASSOCIATES
REGISTERED ACCOUNTANTS

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

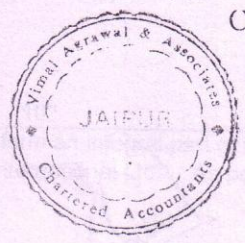
1. In respect of Fixed Assets:
 - (a) The Company has maintained proper records to show full particulars including quantitative details and situation of fixed assets on the basis of available information.
 - (b) The fixed assets have been physically verified by the management during the year in phased 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 disposed of substantial part of fixed assets during the year but 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 not 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 provident fund, employees state insurance and income tax amounting to Rs.9013/-, Rs.1426/- and Rs.182/- were outstanding as at 31st March, 2009 for a period more than six months from the date they became payable.
 - b) There are no disputed statutory dues.



- Company has brought forward accumulated losses of Rs.175,17,721/ and has not incurred cash losses during the financial year covered by our audit.
- According to information and explanations given to us, the company has not defaulted in repayment of dues to financial institutions.
2. 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 or vice versa.
 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: 1st Sept., 2009

For Vimal Agrawal & Associates
 Chartered Accountants



(Signature)
 (V. K. Agrawal)
 Partner

RSC INTERNATIONAL LIMITED
BALANCE SHEET AS ON 31.03.2009

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	"3"	0	63,54,186
Unsecured Loans		0	0
TOTAL		552,29,000	615,83,186
Fixed Assets			
Gross Block	"4"	1,24,250	146,54,528
Less: Depreciation		<u>99,495</u>	<u>62,45,931</u>
Net Block		24,755	84,08,597
Investments	"5"	15,03,000	15,03,000
Current Assets, Loans & Advances			
Cash & Bank Balances	"6"	4,54,921	2,03,516
Sundry Debtors		354,41,018	351,98,947
Loans & Advances		<u>92,700</u>	<u>4,86,625</u>
		359,88,639	358,89,088
Less: Current Liabilities & Provisions			
Current Liabilities	"7"	9,76,365	17,35,220
Provisions		<u>86,789</u>	<u>0</u>
Net Current Assets		349,25,485	341,53,868
Miscellaneous Expenditure		0	0
Profit & Loss Account		187,75,760	175,17,721
TOTAL		552,29,000	615,83,186

Notes on Accounts

"10"

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

Place: Jaipur

For RSC International Ltd

As per our report of even date annexed.

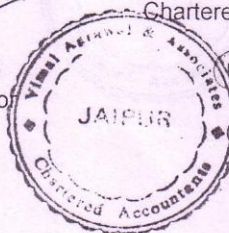
Dated: 1st Sept., 2009

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,2009**

Particulars	Schedule	Amount This Year	Amount Previous Year
Income			
Sales		0	0
Other Income		9,00,000	0
		<u>0</u>	<u>0</u>
Expenditure			
Administrative Expenses	"8"	5,95,618	16,500
Financial Expenses	"9"	9,123	5,699
Depreciation		10,845	0
Loss on Sale of Fixed Assets		14,55,664	
Total		<u>20,71,250</u>	<u>22,199</u>
Loss for the year		11,71,250	22,199
Provision for Income tax		86,789	
Loss After tax		12,58,039	
Balance brought forward		175,17,721	174,95,522
Balance Carried Forward		<u>187,75,760</u>	<u>175,17,721</u>
Notes on Accounts	"10"		

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

Place: Jaipur

For RSC International Ltd

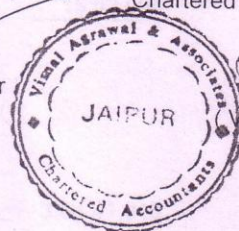
As per our report of even date annexed.

Dated: 1st Sept., 2009

For Vimal Agrawal & Associates
Chartered Accountants

(G. C. Jain)
Mg. Director

(Ankur Jain)
Director



(K. Agrawal)
Partner

R S C INTERNATIONAL LIMITED**Schedule-1****SHARE CAPITAL**

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

Schedule-2**RESERVES & SURPLUS**

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

Schedule-3**SECURED LOANS**

Working Capital Limit from SBBJ, I. E., Bhilwara secured by hypothecation of stock in trade, receivables and personally guaranteed by directors.	0	63,54,186
	<u>0</u>	<u>63,54,186</u>

Schedule-5**INVESTMENTS**

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

Schedule-6**CURRENT ASSETS, LOANS & ADVANCES****CURRENT ASSETS**

Sundry Debtors		
(Unsecured & Considered good)		
Outstanding for more than six months	3,54,41,018	351,98,948
Others	0	0
Cash & Bank Balances		
Cash in hand	1,40,075	1,17,150
Balances with Scheduled Banks		
In Current Accounts	3,14,846	12,666
In Fixed Deposit A/cs	0	73,700
	<u>4,54,921</u>	<u>2,03,516</u>
	3,58,95,939	354,02,464

LOANS & ADVANCES

(Unsecured & considered good)		
(Recoverable in cash or in kind or for value to be received or for pending adjustments)		
Cenvat Receivable	0	486,625
TDS	92,700	0
	<u>92,700</u>	<u>4,86,625</u>
	<u>359,88,639</u>	<u>358,89,089</u>



Schedule-7

CURRENT LIABILITIES & PROVISIONS

CURRENT LIABILITIES

Sundry Creditors	9,76,183		17,35,038	
Income tax (TDS)	<u>182</u>	9,76,365	<u>182</u>	17,35,220

PROVISIONS

Provision for Income tax		<u>86,789</u>		<u>0</u>
		<u>10,63,154</u>		<u>17,35,220</u>

Schedule-8

ADMINISTRATIVE EXPENSES

Salary	156,000	0
Printing & Stationery	3,815	0
Rent	60,000	0
Filing Fee	5,000	0
Listing Fee	1,04,225	0
Legal & Professional Exps.	28,000	0
Office Exps.	14,717	0
Accounting Charges	8,000	1,500
Share Transfer Exps.	1,27,390	0
Balances Written off	73,471	0
Auditors Remuneration	15,000	15,000
	<u>5,95,618</u>	<u>16,500</u>

Schedule-9

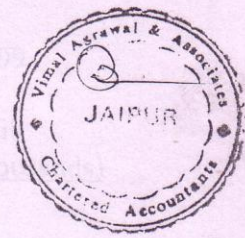
FINANCIAL EXPENSES

Bank Charges	9,123	5,699
	<u>9,123</u>	<u>5,699</u>

SCHEDULE-10

Balance Sheet and Company's General Business Profile

Registration No. 7430 State Code: 17 Balance Sheet Date: 31.08.2009
 Capital raised during the year (Amount in Rs. Thousands)
 Public Issue: Nil Right Issue: Nil Bonus: Nil Private Placement: Nil
 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: 25 Investments: 1503 Net Current Assets: 34913 Misc. Expenditure: 1876
 Profit & Loss Account: Nil
Performance of Company (Amount in Rs. Thousands)
 Turnover: 900 Total Expenditure: 2071 Profit/Loss before tax: (-)1171 Profit/Loss after tax: (-)1238
 B.P.S. (Rs. /): Dividend Rate: Nil



Generic Code of three principal products/services of the Company: (As per Ministry order)
 Item Code No.: 540182-07 Product/Service description: Synthetic Fabric
 Place: Jaipur For RSC International Ltd. For Vimal Agrawal & Associates
 Dated: 1st Sept. 2009 Chartered Accountants

(G. C. Jain) (Ankur Jain) (V.K. Agrawal)
 Mg. Director Director Partner

NOTE-'10'

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. Quantitative details have not been given since the Company has not done any business during the year.
 - 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.
- 6. Sundry Debtors, Sundry Creditors, Loans and Advances and Bank accounts are subject to confirmation/ reconciliation.
- 7. All the sundry debtors and sundry creditors are older than six month but in the opinion of the management, sundry debtors are recoverable and sundry creditors are payable.
- 8. As informed by the management no amount is payable to Medium, Small and Micro enterprises.
- 9. Related Party Disclosures in terms of AS-18 issued by ICAI is NIL.
- 10. 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 although there is no such liability.

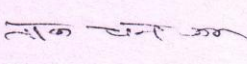
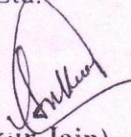

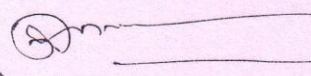
SCHEDULE- 11

Balance Abstract and Company's General Business Profile

- I Registration Details
Registration No.: 7136 State Code: 17 Balance Sheet Date : 31.03.2009
- 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: 25 Investments: 1503 Net Current Assets: 34925 Misc. Expenditure: 18776
Profit & Loss Account: Nil
Performance of Company (Amount in Rs. Thousands)
Turnover: 900 Total Expenditure: 2071 Profit/ Loss before tax: (-)1171 Profit/ Loss after tax: (-)1258
E.P.S. (Rs.): 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 For RSC International Ltd. For Vimal Agrawal & Associates
 Dated: 1st Sept., 2009 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, 2009**

	2008-09 (Rs. in lacs)	2007-08 (Rs. in lacs)
A. CASH FLOW FROM OPERATING ACTIVITIES		
1. Net profit before tax & extra ordinary items	(-)11.71	(-)0.22
Add: Depreciation	0.11	0
Financial Charges	0	0
Loss on sale of fixed assets	14.55	0
2. Operating profit before working capital changes	2.95	(-)0.22
Trade & Other receivables	1.52	(-)5.77
Inventories	0	0
Trade Payables	(-)7.59	17.08
3. Cash generated from operations	(-)3.12	11.31
Interest paid	0	11.09
4. Net cash flow from operating activities	(-)3.12	0
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase/ Sale of fixed assets (Net)	69.17	0
Net cash used in investing activities	(-)69.17	0
C. CASH FLOW FROM FINANCING ACTIVITIES		
Long term borrowings	0	0
Bank limit/ short term funds	(-)63.54	(-)10.00
Net cash used in financing activities	63.54	10.00
Net increase in cash & cash equivalents	2.51	1.09
Cash & Cash equivalents as on 01.4.2008 (01.4.2007)	2.04	0.95
Cash & Cash equivalents as on 31.3.2009 (31.3.2008)	4.55	2.04

Place: Jaipur
Dated: 1st Sept., 2009

For RSC International Ltd

(G. C. Jain)
Mg. Director

(Ankur Jain)
Director

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



(V.K. Agrawal)
Partner

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)
16th Annual General Meeting – 29th September 2009

Full Name of Member _____

(In Block Letter)

Folio No. _____

No. of shares held _____

Full Name of Proxy (In Block Letters) _____

Member's/Proxy Signature _____

I hereby record my presence at 16th ANNUAL GENERAL MEETING of the company on Tuesday, the 29th Sept., 2009 at 11.00 A.M. at 66, Gangwal Park, M. D. Road, Jaipur-302004

Member's/Proxy's Signature _____