

RST INTERNATIONAL TRADING FZE
JAFZA, DUBAI, UAE
AUDITORS' REPORT & FINANCIAL STATEMENTS
March 31, 2019



RST INTERNATIONAL TRADING FZE

JAFZA, DUBAI, UAE

INDEX TO THE FINANCIAL STATEMENTS

| | |
|---|--------------|
| Company Information | 1 |
| Director Report | 2-3 |
| Report of the Independent Auditors | 4-5 |
| Statement of Financial Position | 6 |
| Statement of Profit or Loss & Other Comprehensive Income | 7 |
| Statement of Changes in Equity | 8 |
| Statement of Changes in Cash Flows | 9 |
| Schedules attached to the Financial Statements | 10-17 |



RST INTERNATIONAL TRADING (FZE)
Jebel Ali Free Zone, Dubai, UAE
Company Information

Manager : Mr. Richi Bansal

Legal Status : Limited Liability

Business Address : P. O. Box 18684
Jebel Ali Free Zone
Dubai, UAE

Bank : Mashreq Bank
Bank of Baroda

The Auditor : Maxims Auditors & Consultants
P.O. Box 30536
Gold Souq, Deira
Dubai, UAE
Tel No: +971 4 22 5354



RST INTERNATIONAL TRADING (FZE)
Jebel Ali Free Zone, Dubai, UAE
Report of the Directors

The Director has pleasure in presenting their report together with the audited financial statements of the Company for the year ended March 31, 2019.

Legal Status of the Company

"RST International Trading (FZE) " here-in-after called 'the Establishment' operates as a Limited Liability Establishment and Operating under a Trade license No. 147086 issued by Jebel Ali Free Zone Authority, Dubai UAE . The registered address of the Company is P.O. Box. 18684, Jebel Ali Free Zone, Dubai, UAE.

Principal Activities

The Principal activities of the Establishment are Basic Steel Products Trading, Basic Non Ferrous Metal Products Trading, Building & Construction Materials Trading, Reinforcement Steel Bars Trading, Water Cooling & Heating Equipment Trading, Pipes & Fittings Trading, Industrial Plant Equipment & Spare Parts Trading, Refrigeration & Cold Storage Equipment Trading, Construction Equipment & Machinery Trading, Building Metals Product Trading.

Financial Review:

The table below summarized results of 2019 and 2018.

| | <i>(Amount in AED)</i> | |
|---------------------|------------------------|-------------------|
| | <u>31-03-2019</u> | <u>31-03-2018</u> |
| Revenue | 24,302,661 | 19,466,781 |
| Cost of sales | (23,122,709) | (18,122,093) |
| Gross Profit | 1,179,952 | 1,344,688 |
| Gross Profit (%) | 4.86% | 6.91% |
| Net Profit | 883,152 | 1,477,874 |
| Net Profit (%) | 3.63% | 7.59% |

Role of the Director

The Director is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Director is responsible for keeping proper financial records in line with laws, rules and regulations of Jebel Ali Free Zone Authority, for taking reasonable steps to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Events after the reporting period

There were no transactions or event of a material nature after the reporting period, which is likely to affect, substantially the result of the operations or the financial position of the Company.



RST INTERNATIONAL TRADING (FZE)
Jebel Ali Free Zone, Dubai, UAE
Directors' Report (continued...)

Auditors

The independent auditors, **Maxims Auditors & Consultants**, Dubai, UAE have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the Annual General Meeting.

Acknowledgements

The Board of Directors would like to express their gratitude and appreciation to shareholders, banks, clients, business partners, regulatory and government authorities and staff whose continued support has been a source of great strength and encouragement.

For the Board of Directors



RST INTERNATIONAL TRADING (FZE)

May 23, 2018





INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF RST INTERNATIONAL TRADING (FZE), DUBAI, UAE

Report on the financial statements

We have audited the accompanying financial statements of **RST INTERNATIONAL TRADING (FZE)**, Dubai, UAE which comprise the statement of financial position as of March 31, 2019, the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory notes related to the financial statements, set out on pages 6 to 17.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRSs) and with the applicable provisions of implementing regulations issued by the Jebel Ali Free Zone Authority Pursuant of law No.9 of 1992 of H.H Shaikh Maktoum Bin Rashid Al Maktoum Ruler of Dubai, UAE. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are responsible in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, 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.

Opinion

In our opinion, the accompanying financial statements give a fair view, in all material respects, of the financial position of **RST INTERNATIONAL TRADING (FZE)**, Dubai, UAE as of March 31, 2019, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).



Independent Auditors' Report (continued...)

Report on other legal and regulatory requirements

As required by the provisions of the implementing regulation issued by the Jebel Ali Free Zone Authority Pursuant to law No.9 of 1992 of H.H Shaikh Maktoum Bin Rashid Al Maktoum Ruler of Dubai UAE, we confirm that

- i) According to the information available to us, there were no contraventions during the year of the above mentioned law or the company's Articles of Association which might have material effect on the financial position of the company or the results of its operations for the year.

Respectfully,

Maxims Auditors & Consultants
Reg. No. 651

Authorized Signatory
Dubai, UAE
May 23, 2019



RST INTERNATIONAL TRADING (FZE)
Jebel Ali Free Zone, Dubai, UAE
Statement of Financial Position as at March 31, 2019

| Assets | Note | 31-03-2019 | 31-03-2018 |
|-------------------------------------|-------------|-------------------------|-------------------------|
| | | <i>AED</i> | <i>AED</i> |
| Non-Current Assets | | | |
| Property, Plant & Equipment | 7 | 24,771 | 32,716 |
| | | <u>24,771</u> | <u>32,716</u> |
| Current Assets | | | |
| Accounts and other Receivables | 8 | 4,513,866 | 1,730,993 |
| Cash and Bank | 9 | 187,083 | 1,898,218 |
| | | <u>4,700,949</u> | <u>3,629,211</u> |
| Total Assets | | <u>4,725,720</u> | <u>3,661,927</u> |
| Liabilities and Equity | | | |
| Equity | | | |
| Share Capital | 10 | 500,000 | 500,000 |
| Retained Earnings | | 3,659,712 | 2,776,560 |
| | | <u>4,159,712</u> | <u>3,276,560</u> |
| Current Liabilities | | | |
| Due to Related Party | 11 | 549,586 | 218,391 |
| Accounts and Other Payable | 12 | 16,422 | 166,976 |
| | | <u>566,008</u> | <u>385,367</u> |
| Total Equity and Liabilities | | <u>4,725,720</u> | <u>3,661,927</u> |

The accompanying notes 1 to 20 form an integral part of these financial statements.

These financial statements on pages 6 to 17 were approved by the management on May 23, 2019 and signed on its behalf by:

RST INTERNATIONAL TRADING (FZE)
Director



RST INTERNATIONAL TRADING (FZE)
Jebel Ali Free Zone, Dubai, UAE
Statement of Comprehensive Income
For the year ended March 31, 2019

| | <u>Note</u> | <u>31-03-2019</u> <i>AED</i> | <u>31-03-2018</u> <i>AED</i> |
|--|-------------|---------------------------------|---------------------------------|
| Revenue | 13 | 24,302,661 | 19,466,781 |
| Cost of Sales | 14 | (23,122,709) | (18,122,093) |
| Gross Profit | | 1,179,952 | 1,344,688 |
| Other Income | 15 | Nil | 411,601 |
| General & Administration Expenses | 16 | (288,855) | (272,768) |
| Depreciation | 7 | (7,945) | (5,647) |
| Profit from operations | | 883,152 | 1,477,874 |
| Other comprehensive income | | Nil | Nil |
| Total comprehensive income for the year | | 883,152 | 1,477,874 |

The accompanying notes 1 to 20 form an integral part of these financial statements.

These financial statements on pages 6 to 17 were approved by the management on May 23, 2019 and signed on its behalf by:

RST INTERNATIONAL TRADING (FZE)
 Director



RST INTERNATIONAL TRADING (FZE)
Jebel Ali Free Zone, Dubai, UAE
Statement of Changes in Equity
For the year ended March 31, 2019

| | <i>(Amounts in AED)</i> | | |
|-------------------------------------|-------------------------|-------------------------|-------------------------|
| | Share Capital | Retained Earnings | Total |
| Balance as at March 31, 2017 | 500,000 | 1,298,686 | 1,798,686 |
| Total Comprehensive income | Nil | 1,477,874 | 1,477,874 |
| Balance as at March 31, 2018 | <u>500,000</u> | <u>2,776,560</u> | <u>3,276,560</u> |
| Total Comprehensive income | Nil | 883,152 | 883,152 |
| Balance as at March 31, 2019 | <u><u>500,000</u></u> | <u><u>3,659,712</u></u> | <u><u>4,159,712</u></u> |



RST INTERNATIONAL TRADING (FZE)
Jebel Ali Free Zone, Dubai, UAE
Statement of Cash Flows
For the year ended March 31, 2019

| | <u>31-03-2019</u> | <u>31-03-2018</u> |
|--|-----------------------|-------------------------|
| | <u>AED</u> | <u>AED</u> |
| <i>Cash flows from operating activities</i> | | |
| Profit for the year | 883,152 | 1,477,874 |
| <i>Adjustments for:</i> | | |
| <i>Depreciation</i> | 7,945 | 5,647 |
| Operating Profit before Working Capital changes | <u>891,097</u> | <u>1,483,521</u> |
| <i>(Increase)/Decrease in Current Assets</i> | | |
| Accounts and Other Receivables | (2,782,873) | 135,012 |
| <i>(Increase)/Decrease in Current Liabilities</i> | | |
| Due to Related Party | 331,195 | 9,290 |
| Accounts and Other Payable | (150,554) | (382,473) |
| Net Cash generated/(Used) from Operating activities | <u>(1,711,135)</u> | <u>1,245,350</u> |
| Investing Activities | | |
| Purchase of Property, Plant & Equipment | Nil | (34,477) |
| Net Cash (Used in) Investing Activities | <u>Nil</u> | <u>(34,477)</u> |
| Net increase/(decrease) in cash and cash equivalents | (1,711,135) | 1,210,873 |
| Cash and cash equivalents at the beginning of the year | 1,898,218 | 687,345 |
| Cash and cash equivalents at the end of the year | <u><u>187,083</u></u> | <u><u>1,898,218</u></u> |
| <u>Cash and cash equivalents represented by:</u> | | |
| <i>Cash on hand</i> | 227 | 20,308 |
| <i>Cash at Bank</i> | 186,856 | 1,877,910 |
| | <u>187,083</u> | <u>1,898,218</u> |

The accompanying notes 1 to 20 form an integral part of these financial statements.



RST INTERNATIONAL TRADING (FZE)

Jebel Ali Free Zone, Dubai, UAE

Notes to the Financial Statements

For the year ended March 31, 2019

1. Company and Operations

"RST International Trading (FZE) " here-in-after called 'the Establishment' is a Limited Liability Establishment and operating under a Trade license No. 147086 issued by Jebel Ali Free Zone Authority, Dubai UAE . The registered address of the Company is P.O. Box. 18684, Jebel Ali Free Zone, Dubai, UAE.

2 Company's Activities

The Principal activities of the Establishment are Basic Steel Products Trading, Basic Non Ferrous Metal Products Trading, Building & Construction Materials Trading, Reinforcement Steel Bars Trading, Water Cooling & Heating Equipment Trading, Pipes & Fittings Trading, Industrial Plant Equipment & Spare Parts Trading, Refrigeration & Cold Storage Equipment Trading, Construction Equipment & Machinery Trading, Building Metals Product Trading

3. Management

The management and control of the Establishment is vested with Mr. Richi Bansal registered in jebel Ali Free Zone-UAE (Indian National), the Managing Director of the Company.

4. Share Capital

The details of shareholding as on the date of statement of financial position are as follows:

| <u>Name of the shareholders</u> | <u>% of Share</u> | <u>Value of Shares(AED)</u> |
|-----------------------------------|-------------------|-----------------------------|
| 1) M/s Rama Steel Tubes Ltd-India | 100% | 500,000 |
| | <u>100%</u> | <u>500,000</u> |

5. Reporting Period

These financial statements cover the year from April 01, 2018 to March 31, 2019 .The previous year figures cover the year from April 01, 2017 to March 31, 2018.

6. Summary of Significant Accounting Policies and Disclosures

a. Basis of Preparation

The financial statements have been prepared under historical cost basis. The financial statements are presented in Arab Emirate Dirhams (AED) and all values are rounded to the nearest Arab Emirate Dirham. The principal accounting policies adopted are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

b. Statement of Compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).



RST INTERNATIONAL TRADING (FZE)
Jebel Ali Free Zone, Dubai, UAE
Notes to the Financial Statements (continued...)
For the year ended March 31, 2019

- c. Adoption of new and revised International Financial Reporting Standards.*
- i) The following new and revised IFRSs applied with no material effect on the financial statements.
- IAS 32 : Offsetting Financial Assets and Financial Liabilities
 - IFRS 10 : Consolidated Financial Statements (Amendments to Investment Entities).
 - IFRS 12 : Disclosure of Interest in Other entities (Amendments to Investment Entities).
 - IFRS 19 : Employee Benefits (Defined Benefits Plans - Employee contributions).
 - IAS 19 : Employee Benefits (Defined Benefits Plans - Employee contributions).
 - IAS 27 : Separate Financial Statements (Amendments to Investment Entities).
 - IAS 36 : Recoverable amount disclosures for Non-Financial Assets.
 - IAS 39 : Financial Instruments - Recognition and Measurement Amendments to IAS 39 'Novation of derivatives'.
 - IFRS 5 : Non-current assets held for sale and discontinued operations - changes of method of disposal.
 - IFRS 7 : Financial Instruments - Servicing contracts
 - IFRS 7 : Financial Instruments - Applicability of the offsetting disclosures to condensed interim financial statements.
 - IAS 19 : Employees Benefits - Discount rate : regional market issue
 - IAS 34 : Interim financial reporting - Disclosure of information 'elsewhere in the interim financial report'.
 - IFRIC : Levies
 - IFRS 14 : Regulatory Deferral Accounts
 - IAS 26 : Fair Value disclosures by Retirement Benefit Plan
 - IFRS 11 : Accounting for Acquisitions of Interest in Joint Operations
 - IAS 16 & IAS38 : Clarification of acceptable method of depreciation and amortization.
 - IAS 16 & IAS41 : Agriculture; Bearer Plants.
 - IAS 1 : Disclosure Initiative
 - IFRS 10, IFRS 12 and IAS 28 : Investment Entities - Applying the consolidation exception.
 - IAS 12: Recognition of Deferred Tax Assets for unrealized losses - 1st January 2017.
 - IFRS 12 : Disclosure of Interests in Other Entities
- ii) The following standards, amendments thereto and interpretations have been issued prior to December 31, 2018 but have not been applied in these financial statements as their adoption are effective from future reporting periods. It is anticipated that their adoption in the relevant accounting periods will have impact only on disclosures within the financial
- IAS 19 : Plan Amendment, Curtailment or Settlement - 1st January 2019
 - IFRS 9 : Prepayment Features with Negative Compensation - 1st January 2019
 - IAS 28 : Long Term Interests in Associates and Joint Ventures - 1st January 2019
 - IFRS 16 : Leases - 1st January 2019.
 - IFRIC 23 : Uncertainty over income tax treatments - 1st January 2019
 - IFRS10 : Sale of Contribution of Assets between investor and its associate or Joint Venture - 1st January 2020.



RST INTERNATIONAL TRADING (FZE)
Jebel Ali Free Zone, Dubai, UAE
Notes to the Financial Statements (continued...)
For the year ended March 31, 2019

IAS 1 & IAS 8 : Definition of Material - 1st January 2020
IFRS 17 : Insurance contracts - 1st January 2021

Management anticipate that the adoption of these Standard and Interpretations' will have no material impact on the financial statements of the entity in the period of initial application.

d. Revenue Recognition

Income is recognized when it is earned, not necessarily when received. The income has been recognized when invoices are raised and acknowledged by the customer. Expenses and charges have been recognized when it was incurred, not necessarily when paid.

e. Property, Plant & Equipment

Property, Plant & Equipment is stated at cost less accumulated depreciation and identified impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the items including installation costs. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the profit or loss during the reporting period in which they are incurred.

The depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

| | <u>Years</u> |
|---------------------------------|--------------|
| <i>Office Equipment</i> | 5 |
| <i>Furniture & Fixtures</i> | 5 |

The assets' residual values and useful lives are reviewed at the end of the reporting period, with the effect of any changes in estimates adjusted on a prospective basis. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The gains or losses arising on the disposal or retirement of an item of property, plant and equipment is determined by comparing the disposal proceeds with the carrying amount of the asset and is recognized in the profit or loss.

f. Other Receivables

Other Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in the current assets, except for maturities greater than 12 months after the end of the reporting period. The entity's other receivables comprises "cash and cash equivalents, deposits, prepayments and loans and advances.



RST INTERNATIONAL TRADING (FZE)
Jebel Ali Free Zone, Dubai, UAE
Notes to the Financial Statements (continued...)

- g. Cash and cash equivalents*
Cash and cash equivalents comprise cash on hand and bank deposits free of encumbrance with a maturity date of three months or less from the date of deposit and other short-term highly liquid investments with a maturity date of three months or less from the date of investments.
- h. Other Payables*
Other payables represents current payables other than dividend payables and tax payables. These payables are expected to mature within one year or an operating cycle, which ever is no longer. Other payables includes payables to employees, accrued expenses and duties.
- i. Provisions*
Provisions are recognized when the entity has a present legal or constructive obligation as a result of past events; 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. The expense relating to any provision is recognized in the profit or loss, net of any reimbursement.
- j. Foreign Currency Transactions*
Foreign currency transactions are recorded in UAE Dirham at the approximate rate of exchange ruling at the time of the transaction. Assets and liabilities expressed in foreign currencies at the Statement of Financial Position date are converted to UAE Dirham at the year end rate of exchange. All foreign currency gains and losses are booked in the statement of income as they arise.
- k. Employees' Terminal Benefits*
No provision is made in accounts for end of service benefits due to employees in accordance with UAE federal labour laws no. (8) year 1980.
- l. Profit and Loss account*
The entity's profit or loss is arrived at after charging all expenses incurred in day to day operations of the business and in maintaining property, plant and equipment.
- m. Rounding off*
The figures stated in the attached financial statements are rounded off to the nearest thousand of UAE Dirham.
- n. Fair Value of financial instruments*
The value of all classes of financial assets and financial liabilities, as recorded in the Statement of Financial Position approximate the fair value of these assets and liabilities.
- o. General*
In the opinion of the management all the assets as shown in the financial statements are existing and realizable at the amount shown against and there are no liabilities against the entity contingent or otherwise not included in the above Financial Statement.



RST INTERNATIONAL TRADING (FZE)
Jebel Ali Free Zone, Dubai, UAE
Notes to the Financial Statements (continued...)
For the year ended March 31, 2019

7. Property, Plant & Equipment

| | <i>(Amounts in AED)</i> | | |
|-----------------------------------|-------------------------|-------------------------|---------------|
| | Office Equipment | Furniture & Fixtures | Total |
| Cost : | | | |
| As at March 31, 2018 | 5,251 | 34,477 | 39,728 |
| Additions for the year | | | |
| As at March 31, 2019 | Nil | Nil | Nil |
| Accumulated Depreciation : | | | |
| As at March 31, 2018 | 2,415 | 4,597 | 7,012 |
| Charges for the year | | | |
| As at March 31, 2019 | 1,050 | 6,895 | 7,945 |
| Net Book Value : | | | |
| As at March 31, 2019 | <u>1,786</u> | <u>22,985</u> | <u>24,771</u> |
| As at March 31, 2018 | <u>Nil</u> | <u>Nil</u> | <u>32,716</u> |



RST INTERNATIONAL TRADING (FZE)
Jebel Ali Free Zone, Dubai, UAE
Notes to the Financial Statements (continued...)
For the year ended March 31, 2019

| | <u>31-03-2019</u> | <u>31-03-2018</u> |
|---|-------------------|-------------------|
| | <i>AED</i> | <i>AED</i> |
| 8. Accounts and Other Receivables | | |
| Trade Receivables | 4,293,440 | 1,349,031 |
| Prepayments | 19,516 | 21,212 |
| Deposits | 21,476 | 17,476 |
| Advance to supplier | 76,493 | 336,192 |
| Other Receivables | 102,941 | 7,082 |
| | <u>4,513,866</u> | <u>1,730,993</u> |
| 9. Cash and Bank | | |
| Cash on Hand | 227 | 20,308 |
| Cash at bank | 186,856 | 1,877,910 |
| | <u>187,083</u> | <u>1,898,218</u> |
| 10. Share Capital | | |
| Authorized, Issued and fully paid 5 shares of AED 100,00/- | <u>500,000</u> | <u>500,000</u> |
| 11. Related Party Transactions | | |
| <p>The company has in the ordinary course of business, entered into certain revenue and financial transactions with entities which fall within the definition of related parties as contained in International Financial Reporting Standards (IFRS). The management decides on the terms and conditions of the transactions and services received / rendered from/to related parties as well as on other charges.</p> <p>The company provides / receives funds to/from related parties as and when required as working capital. The balance due from/due to such parties which have been disclosed below are unsecured and repayable on call.</p> | | |
| Due to Related Party | | |
| Rama Steel Tubes Ltd (India) | 549,586 | 218,391 |
| | <u>549,586</u> | <u>218,391</u> |
| 12. Accounts and Other Payable | | |
| Salary Payable | 10,500 | 10,500 |
| Trade Payables | 3,292 | 99,522 |
| Other Payable | 2,630 | 2,000 |
| Advance from Customers | Nil | 54,954 |
| | <u>16,422</u> | <u>166,976</u> |



RST INTERNATIONAL TRADING (FZE)
Jebel Ali Free Zone, Dubai, UAE
Notes to the Financial Statements (continued...)
For the year ended March 31, 2019

| | <u>31-03-2019</u> | <u>31-03-2018</u> |
|---|-------------------|-------------------|
| | <i>AED</i> | <i>AED</i> |
| 13. Revenue | | |
| Sales | 24,302,661 | 19,466,781 |
| | <u>24,302,661</u> | <u>19,466,781</u> |
| <p>All sales and purchase are between different countries. No goods are coming inside UAE. Hence all sales are out of scope of VAT Law.</p> | | |
| 14. Cost of Sales | | |
| Purchase with direct expenses | 23,122,709 | 18,122,093 |
| | <u>23,122,709</u> | <u>18,122,093</u> |
| 15. Other Income | | |
| Foreign Exchange Gain | Nil | 411,601 |
| | <u>Nil</u> | <u>411,601</u> |
| 16. General & Administration Expenses | | |
| Salaries & Other Benefits | 126,000 | 138,228 |
| Travelling & Conveyance | 64,799 | 14,062 |
| Rent | 53,822 | 57,840 |
| Legal and Professional Charges | 16,150 | 15,896 |
| Business Promotion | 12,583 | 21,670 |
| Bank Charges | 13,667 | 5,877 |
| Office expenses | 1,834 | 3,297 |
| Communication and Utilities | Nil | 15,898 |
| | <u>288,855</u> | <u>272,768</u> |

17. Risk management

(i) *Credit Risk*

Financial assets, which potentially subject the company to credit risk, comprises mainly of bank balances and receivables. Bank balances are with regulated financial institutions. Management is closely monitoring the receivables from customers and taking follow up measures to ensure the collection from customers within the credit period given. Management is of the opinion that receivables are fully recoverable.

(ii) *Interest Rate Risk*

The company has not availed any loans from banks or any other financial institutions during the reporting year, hence the interest rate risk is minimum.

(iii) *Liquidity risk*

Liquidity risk is the risk that the establishment will not be able to meet financial obligations as they fall due. The liquidity requirements are monitored on a regular basis by the owners and the management who ensure that sufficient funds are made available to the establishment to meet any future commitments.



RST INTERNATIONAL TRADING (FZE)
Jebel Ali Free Zone, Dubai, UAE
Notes to the Financial Statements (continued...)

(iv) Exchange Rate Risk

There were no significant exchange rate risks as most of the financial assets and liabilities are denominated in UAE Dirhams.

18. Contingent Liability

Except for the ongoing business obligations which are under normal course of business against which no loss is expected, there has been no other known contingent liability or capital commitment on company's' accounts as of date of statement of financial position.

19. Comparative Figures

The Classification or regrouping of certain previous year figures have been made to conform to the current year presentation which does not affect the financial results of operations for the previous year .

20. Significant events after the date of statement of financial position

There were no significant events occurring after the date of statement of financial position which require disclosure in the financial statements.

The accompanying notes 1 to 20 form an integral part of these financial statements.

These financial statements on pages 6 to 17 were approved by the management on May 23, 2019 and signed on its behalf by:

RST INTERNATIONAL TRADING (FZE)
Director

