

**ELAN INCORPORATED (FZE)  
SAIF ZONE  
SHARJAH – UNITED ARAB EMIRATES**

**FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITOR'S REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**ELAN INCORPORATED (FZE)  
SAIF ZONE, SHARJAH – UNITED ARAB EMIRATES**

**FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITOR'S REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**TABLE OF CONTENTS**

---

	<u>Pages</u>
<b>Independent Auditor's Report</b>	<b>1 - 3</b>
<b>Statement of Financial Position</b>	<b>4 - 5</b>
<b>Statement of Comprehensive Income</b>	<b>6</b>
<b>Statement of Changes in Shareholder's Equity</b>	<b>7</b>
<b>Statement of Cash Flows</b>	<b>8 - 9</b>
<b>Notes to the Financial Statements</b>	<b>10 - 27</b>



Ref: SM/CL-549/MAY24

## Independent Auditor's Report

To,

The Shareholder  
Elan Incorporated (FZE)  
Dubai - United Arab Emirates

### Report on the audit of the financial statements

#### Opinion

We have audited the accompanying financial statements of **Elan Incorporated (FZE), SAIF Zone, Sharjah - United Arab Emirates**, which comprise the statement of financial position as at December 31, 2023 and the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory notes.

Previous year audit was done by other auditor. However, we have not carried out an audit of the comparative figures included in these financial statements and hence do not express an opinion thereon.

Subject to the above, in our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2023 and its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards (IFRSs).

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Entity in accordance with the requirements of Code of Ethics for Professional Accountants, issued by International Ethics Standards Board for Accountants (IESBA) together with ethical requirements that are relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Responsibilities of management 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), in compliance with the requirements of applicable laws 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.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

The management is responsible for overseeing the Entity's financial reporting process.



## **Independent Auditor's Report (continued)**

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



## Independent Auditor's Report (continued)

### Report on other legal and regulatory requirements

As required by the Emiri Decree No. 2 of 1995 issued by the Sharjah Airport Free Zone Authority in Sharjah on May 8, 1995; applicable to Sharjah Airport International Free Zone entities, we further confirm that,

1. We have obtained all the information and explanations which we consider necessary for our audit.
2. The financial statements have been prepared and comply, in all material respects, any applicable provisions of the Emiri Decree No. 2 of 1995 issued by the Sharjah Airport Free Zone Authority in Sharjah on May 8, 1995; applicable to Sharjah Airport International Free Zone entities and the Establishment's Memorandum & Articles of Association and.
3. Proper books of accounts have been maintained by the Establishment.
4. Based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Entity has contravened, during the financial year ended December 31, 2023, any of the applicable provisions of the Emiri Decree No. 2 of 1995 issued by the Sharjah Airport Free Zone Authority in Sharjah on May 8, 1995; applicable to Sharjah Airport International Free Zone entities or the Establishment's Memorandum & Articles of Association, which would materially affect its activities or its financial position as at December 31, 2023.



**K. Ramu**  
**Managing Partner**  
**AL KTTBI & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
**DUBAI - UNITED ARAB EMIRATES**  
**Reg. No.: (465)**  
**Date: May 06, 2024**

[elan '23]

**Elan Incorporated (FZE)**  
**SAIF Zone, Sharjah - United Arab Emirates**

**Statement of Financial Position**  
**As of December 31, 2023 and 2022**  
**(In United Arab Emirates Dirham)**

	<u>Notes</u>	<u>31.12.2023</u>	<u>31.12.2022</u>
<i>Assets</i>			
<i>Noncurrent assets:</i>			
Property, plant and equipment	4	23,267,375	21,628,109
Capital work-in progress	5	-	597,291
Investment in Subsidiaries	6	9,980,941	17,820,443
Loans to related parties	10	48,556,945	34,910,304
Total noncurrent assets		<u>81,805,261</u>	<u>74,956,147</u>
<i>Current assets:</i>			
Inventories	7	13,356,291	17,893,861
Accounts receivable	8	16,575,747	15,668,516
Other receivables	9	4,378,009	3,736,890
Amounts due from related parties	10	625,490	2,570,087
Cash and bank balance	11	5,556,986	3,241,126
Fixed deposit with banks	12	7,223,091	5,392,187
Total current assets		<u>47,715,614</u>	<u>48,502,667</u>
<b>Total assets</b>		<u><b>129,520,875</b></u>	<u><b>123,458,814</b></u>
<i>Equity &amp; Liabilities</i>			
<i>Shareholder's equity:</i>			
Share capital	2	11,100,000	11,100,000
Retained earnings	13	76,937,447	70,536,868
Total shareholder's funds		<u>88,037,447</u>	<u>81,636,868</u>





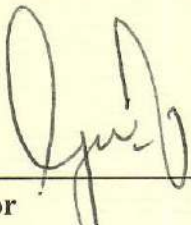
**Elan Incorporated (FZE)**  
**SAIF Zone, Sharjah - United Arab Emirates**  
**Statement of Financial Position (continued)**  
**As of December 31, 2023 and 2022**  
**(In United Arab Emirates Dirham)**

	Notes	31.12.2023	31.12.2022
<i>Noncurrent liabilities:</i>			
Employees' end of service benefits	14	1,134,890	946,946
Vehicle loan due after one year	18	17,517	68,926
Total noncurrent liabilities		<u>1,152,407</u>	<u>1,015,872</u>
<i>Current liabilities:</i>			
Amounts due to related parties	10	25,715,980	19,624,461
Accounts payable	15	8,646,964	9,478,120
Other payables	16	1,017,763	706,775
Due to banks	17	4,898,905	8,794,669
Current portion of vehicle loan	18	51,409	47,993
Current portion of term loan	19	-	2,154,056
Total current liabilities		<u>40,331,021</u>	<u>40,806,074</u>
<b>Total liabilities</b>		<u>41,483,428</u>	<u>41,821,946</u>
<b>Total shareholder's equity and liabilities</b>		<u>129,520,875</u>	<u>123,458,814</u>

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

The Report of the Auditors is set out on pages 1 to 3.

The financial statements on pages 4 to 27 were approved and signed by the Director on May 06, 2024:

  
 \_\_\_\_\_  
**Director**  
**Elan Incorporated (FZE)**



**Elan Incorporated (FZE)**  
**SAIF Zone, Sharjah - United Arab Emirates**

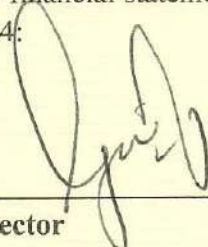
**Statement of Comprehensive Income**  
**For the year ended December 31, 2023 and 2022**  
**(In United Arab Emirates Dirham)**

		01.01.2023 to 31.12.2023	01.01.2022 to 31.12.2022
	Notes		
Revenue	20	79,828,897	71,210,292
Cost of sales	21	(66,294,459)	(61,134,228)
<b>Gross profit</b>		<b>13,534,438</b>	<b>10,076,064</b>
Other income	22	216,954	102,042
General and administrative expenses	23	(6,141,081)	(5,273,945)
Selling and distribution costs	24	(39,268)	(62,702)
Finance cost	25	(1,170,464)	(1,037,531)
<b>Total comprehensive income for the year</b>	13	<b>6,400,579</b>	<b>3,803,928</b>

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

The Report of the Auditors is set out on pages 1 to 3.

The financial statements on pages 4 to 27 were approved and signed by the Director on May 06, 2024:

  
\_\_\_\_\_  
Director  
Elan Incorporated (FZE)





**Elan Incorporated (FZE)**  
**SAIF Zone, Sharjah - United Arab Emirates**  
**Statement of Changes in Shareholder's Equity**  
**For the year ended December 31, 2023 and 2022**  
**(In United Arab Emirates Dirham)**

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
As on January 1, 2022	11,100,000	66,732,940	77,832,940
<i>Changes in Shareholder's Equity:</i>			
Total comprehensive income for the year	-	3,803,928	3,803,928
<b>As on December 31, 2022</b>	<b>11,100,000</b>	<b>70,536,868</b>	<b>81,636,868</b>
<i>Changes in Shareholder's Equity:</i>			
Total comprehensive income for the year	-	6,400,579	6,400,579
<b>As on December 31, 2023</b>	<b>11,100,000</b>	<b>76,937,447</b>	<b>88,037,447</b>

The accompanying notes form an integral part of these financial statements.  
The Report of the Auditors is set out on pages 1 to 3.



**Elan Incorporated (FZE)**  
**SAIF Zone, Sharjah - United Arab Emirates**  
**Statement of Cash Flow**  
**For the year ended December 31, 2023 and 2022**  
**(In United Arab Emirates Dirham)**

	01.01.2023 to 31.12.2023	01.01.2022 to 31.12.2022
<b>Cash flows from operating activities:</b>		
Total comprehensive income for the year	6,400,579	3,803,928
Adjustments for non cash items:		
Depreciation of property, plant, and equipment	3,431,383	3,330,053
Gain on sale of property, plant, and equipment	(22,850)	-
Provision for end of service gratuity	279,413	384,561
<b>Operating income before changes in operating assets and liabilities</b>	<b>10,088,525</b>	<b>7,518,542</b>
Decrease/(increase) in inventories	4,537,570	(834,094)
(Increase) in accounts receivable	(907,231)	(3,081,639)
(Increase) in other receivables	(641,119)	(35,035)
Decrease/(increase) in due from related parties	1,944,597	(4,659,801)
Increase in due to related parties	6,091,519	8,778,141
(Decrease) in accounts payables	(831,156)	(813,451)
Increase/(decrease) in other payables	310,988	(228,216)
<b>Cash generated from operations:</b>	<b>20,593,693</b>	<b>6,644,447</b>
End-of-services gratuity paid	(91,469)	(48,272)
<b>Net cash from operating activities</b>	<b>20,502,224</b>	<b>6,596,175</b>
<b>Cash flows from investing activities</b>		
Movement in fixed deposit	(1,830,904)	(7,198)
Movement in investment in subsidiaries	7,839,502	-
Purchase of property, plant & equipment	(4,473,358)	(1,269,724)
Proceeds from sale of property, plant and equpt.	22,850	-
<b>Net cash flow from/(used in) investing activities</b>	<b>1,558,090</b>	<b>(1,276,922)</b>





**Elan Incorporated (FZE)**  
**SAIF Zone, Sharjah - United Arab Emirates**  
**Statement of Cash Flows (continued)**  
**For the year ended December 31, 2023 and 2022**  
**(In United Arab Emirates Dirham)**

	01.01.2023 to 31.12.2023	01.01.2022 to 31.12.2022
<b>Cash flows from financing activities</b>		
Net movement in loans to related parties	(13,646,641)	-
Net movement in due to banks	(3,895,764)	153,009
Net movement in vehicle loans	(47,993)	(44,794)
Net movement in term loans	(2,154,056)	(2,856,389)
<b>Net cash (used in) financing activities</b>	<b>(19,744,454)</b>	<b>(2,748,174)</b>
<b>Net increase in cash and cash equivalents</b>	<b>2,315,860</b>	<b>2,571,079</b>
Cash and cash equivalents, beginning of the year	3,241,126	670,047
Cash and cash equivalents, end of the year	<u>5,556,986</u>	<u>3,241,126</u>
<b>Represented by:</b>		
Cash in hand	112,928	171,462
Cash at banks	5,444,058	3,069,664
	<u>5,556,986</u>	<u>3,241,126</u>

The accompanying notes form an integral part of these financial statements.  
The Report of the Auditors is set out on pages 1 to 3.



**Elan Incorporated (FZE)**  
**SAIF Zone, Sharjah – United Arab Emirates**

**Notes to the Financial Statements**  
**For the year ended December 31, 2023 and 2022**

---

**1 Legal status and business activity:**

- 1.1 **Elan Incorporated (FZE), SAIF Zone, Sharjah – United Arab Emirates** (“the Establishment”) was incorporated on March 28, 2005 and operates as a Free Zone Establishment with limited liability in the United Arab Emirates under commercial and industrial license issued by the Sharjah Airport International Free Zone Authority of the Government of Sharjah.
- 1.2 The main activities of the Establishment are general trading and manufacturing of plastic products.
- 1.3 The registered office of the Establishment is located at Plot of Land M3 - 7, 9 & 11, P.O. Box No. 9410, Sharjah, United Arab Emirates.
- 1.4 The management and control are vested with Mr. Georgekutty Kochuthekkethil Thomas.
- 1.5 These financial statements incorporate the operating results of the Establishment with commercial license No. 09751 and industrial license No. 02793.

**2 Capital**

Authorised, issued and paid up capital of the Company is AED 11,100,000/- divided into 74 shares of AED 150,000/- each, fully paid.

The break-up of the shareholding as at December 31, 2023 was as follows:

<u>Name</u>	<u>Incorporated</u> <u>in</u>	<u>Percentage</u> <u>holding</u>	<u>AED</u>
M/S. Time Technoplast Limited	India	100%	11,100,000





**Elan Incorporated (FZE)**

**SAIF Zone, Sharjah – United Arab Emirates**

**Notes to the Financial Statements (continued)**

**For the year ended December 31, 2023 and 2022**

---

**3 Summary of significant accounting policies:**

**Basis of preparation:**

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), interpretations issued by International Financial Reporting Interpretations Committee (IFRIC), and applicable requirements of the U.A.E Law. A summary of the significant accounting policies, which have been applied consistently, are set out below:

**a) Accounting convention**

These financial statements have been prepared under historical cost convention basis.

**b) Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and identified impairment loss, if any. The costs comprise of purchase price, levies, duties and any directly attributable costs of bringing the asset to its working condition. The cost of property, plant and equipment is depreciated using the straight-line method over their estimated useful economic lives as follows:

	<u>Years</u>
Factory buildings	20
Plant & machinery	20
Furniture & fittings	5
Office equipment	5
Moulds	10
Motor vehicles	10



**Elan Incorporated (FZE)**

**SAIF Zone, Sharjah – United Arab Emirates**

**Notes to the Financial Statements (continued)**

**For the year ended December 31, 2023 and 2022**

---

**3 Summary of significant accounting policies (continued):**

**c) Impairment of assets**

All assets are reviewed for impairment, whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised in the statement of comprehensive income.

**d) Financial expenses**

Financial expenses are accounted in the statement of comprehensive income in the year in which they are incurred. Except to the extent, that the borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets shall be capitalised as part of cost of that asset.

**e) Provisions**

Provisions are recognised when the Establishment has a present obligation as a result of a past event, which it is probable, will result in an outflow of economic benefits that can be reasonably estimated.

**f) Foreign currencies**

Transactions denominated in foreign currencies are initially recorded at the rates of exchange prevailing on the dates of the transactions.

Monetary items denominated in foreign currencies are translated at the rates prevailing on the statement of financial position date. Gains and losses arising are included in the statement of comprehensive income.

Non-monetary items that are measured in a foreign currency are translated using the exchange rate at the date when the fair value was determined.





**Elan Incorporated (FZE)**

**SAIF Zone, Sharjah – United Arab Emirates**

**Notes to the Financial Statements (continued)**

**For the year ended December 31, 2023 and 2022**

---

**3 Summary of significant accounting policies (continued):**

**g) Revenue recognition**

Revenue from sale of goods shall be recognised when all the following conditions have been satisfied:

- i. The entity has transferred to the buyer the significant risks and rewards of ownership of the goods;
- ii. The entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- iii. The amount of revenue can be measured reliably;
- iv. It is probable that the economic benefit associated with the transaction will flow to the entity; and
- v. The cost incurred or to be incurred in respect of the transaction can be measured reliably.

**h) Foreign currencies**

Transactions denominated in foreign currencies are initially recorded at the rates of exchange prevailing on the dates of the transactions. Monetary items denominated in foreign currencies are translated at the rates prevailing on the statement of financial position date. Gains and losses arising are included in the statement of comprehensive income. Non-monetary items that are measured in a foreign currency are translated using the exchange rate at the date when the fair value was determined.

**i) Inventories**

Inventories are stated at the market price and net realisable value using FIFO method. Costs comprise direct materials and, where applicable, direct labour costs and the overheads that have been incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to disposal.



**Elan Incorporated (FZE)**

**SAIF Zone, Sharjah – United Arab Emirates**

**Notes to the Financial Statements (continued)**

**For the year ended December 31, 2023 and 2022**

---

**3 Summary of significant accounting policies (continued):**

**j) Employees' terminal benefits**

Amounts required to cover end of service indemnity at the statement of financial position date are computed pursuant to the United Arab Emirates Federal Labour Law based on the employees' accumulated year of service and current basic remuneration at the statement of financial position date.

Provision is made for the full amount of end of service indemnity due to non-U.A.E. national employees in accordance with the applicable Labour Law and is based on current remuneration and their period of service at the end of the reporting year.

**k) Financial instruments**

Financial instruments comprise financial assets and financial liabilities. Financial assets and financial liabilities are recognised on the entity's statement of financial position when the entity has become a party to the contractual provisions of the instrument. A financial asset is any asset that is cash, a contractual right to receive cash or other financial asset, a contractual right to exchange financial instruments under conditions that are potentially favourable or an equity instrument. A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset, or to exchange financial instruments under conditions that are potentially unfavourable.

*Accounts receivable*

Revenue made on credit are included in accounts receivable at the statement of financial position date, and reduced by appropriate allowances for estimated doubtful amounts. Bad debts are written off as they arise.

*Accounts payable*

Accounts payable are stated at their nominal value.





**Elan Incorporated (FZE)**

**SAIF Zone, Sharjah – United Arab Emirates**

**Notes to the Financial Statements (continued)**

**For the year ended December 31, 2023 and 2022**

---

**3 Summary of significant accounting policies (continued):**

**1) Cash and cash equivalents**

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash in hand, balance with bank and deposits with banks, within a maturity date of three months or less from the date of deposit, free of encumbrances.



Elan Incorporated (FZE)  
SAIF Zone, Sharjah - United Arab Emirates  
Notes to the Financial Statements (continued)  
For the year ended December 31, 2023 and 2022

4 Property, plant and equipment	<u>Factory building</u> AED	<u>Plant &amp; machinery</u> AED	<u>Furniture &amp; fittings</u> AED	<u>Office equipments</u> AED	<u>Moulds</u> AED	<u>Motor vehicles</u> AED	<u>Total</u> AED
<i>Cost</i>							
As on January 1, 2023	9,355,414	24,531,765	366,073	413,231	16,079,387	2,138,608	52,884,478
Additions during the year	40,244	4,151,665	2,760	5,730	653,151	217,099	5,070,649
Disposals during the year	-	-	-	-	-	(177,478)	(177,478)
<b>As on December 31, 2023</b>	<b>9,395,658</b>	<b>28,683,430</b>	<b>368,833</b>	<b>418,961</b>	<b>16,732,538</b>	<b>2,178,229</b>	<b>57,777,649</b>
<i>Accumulated depreciation</i>							
As on January 1, 2023	5,002,147	11,230,438	357,884	398,556	12,419,536	1,847,808	31,256,369
Depreciation for the year	468,470	1,140,783	2,006	3,317	1,610,961	205,846	3,431,383
Adjust. relating to disposal	-	-	-	-	-	(177,478)	(177,478)
<b>As on December 31, 2023</b>	<b>5,470,617</b>	<b>12,371,221</b>	<b>359,890</b>	<b>401,873</b>	<b>14,030,497</b>	<b>1,876,176</b>	<b>34,510,274</b>
<i>Net book value</i>							
<b>As on December 31, 2023</b>	<b>3,925,041</b>	<b>16,312,209</b>	<b>8,943</b>	<b>17,088</b>	<b>2,702,041</b>	<b>302,053</b>	<b>23,267,375</b>
As on December 31, 2022	4,353,267	13,301,327	8,189	14,675	3,659,851	290,800	21,628,109

Depreciation on factory building, plant & machinery, moulds are taken under direct cost (note no. 21) & others are under general and administrative expenses (note no. 23).





**Elan Incorporated (FZE)**  
**SAIF Zone, Sharjah - United Arab Emirates**  
**Notes to the Financial Statements (continued)**  
**For the year ended December 31, 2023 and 2022**

**5 Capital work-in progress**

	<b>As on December 31,</b>	
	<b>2023</b>	<b>2022</b>
	<b>AED</b>	<b>AED</b>
Capital work-in progress	-	597,291
	<u>-</u>	<u>597,291</u>

**6 Investment in Subsidiaries**

	<b>As on December 31,</b>	
	<b>2023</b>	<b>2022</b>
	<b>AED</b>	<b>AED</b>
M/S. Technika corporation (FZE), Sharjah, UAE	5,850,000	5,976,750
M/S. Nile Egypt Plastech Industries S.A.E., Egypt	3,708,527	3,708,527
M/S. Noor Al- Plastic Industrial Company, KSA	122,414	6,278,648
M/S. Ecotech Life Cycle Management LLC, Umm Al Quwain - UAE	300,000	1,856,518
	<u>9,980,941</u>	<u>17,820,443</u>

The above represent investment made by the entity in above entities and are shown at cost.

**7 Inventories**

	<b>As on December 31,</b>	
	<b>2023</b>	<b>2022</b>
	<b>AED</b>	<b>AED</b>
Stock of materials	11,637,048	15,568,891
Finished goods	1,719,243	2,324,970
	<u>13,356,291</u>	<u>17,893,861</u>

Inventories were kept in the warehouse at M3 block, Plot # 7,9 & 11, Saif Zone, Sharjah, U.A.E.

**8 Accounts receivable**

	<b>As on December 31,</b>	
	<b>2023</b>	<b>2022</b>
	<b>AED</b>	<b>AED</b>
Accounts receivable	16,575,747	15,668,516
	<u>16,575,747</u>	<u>15,668,516</u>



**Elan Incorporated (FZE)**  
**SAIF Zone, Sharjah - United Arab Emirates**  
**Notes to the Financial Statements (continued)**  
**For the year ended December 31, 2023 and 2022**

**8 Accounts receivable (continued):**  
**a) Aging of account receivables are as follows:**

	<u>As on December 31,</u>	
	<u>2023</u>	<u>2022</u>
	<u>AED</u>	<u>AED</u>
Due for less than three months	14,943,122	11,018,639
Due for more than six months	1,632,625	4,649,877
	<u>16,575,747</u>	<u>15,668,516</u>

The fair value of accounts receivable is not materially different from their balances shown in the statement of financial position.

**9 Other receivables**

	<u>As on December 31,</u>	
	<u>2023</u>	<u>2022</u>
	<u>AED</u>	<u>AED</u>
Deposits	554,952	1,141,508
Prepayments	1,657,721	1,516,929
Advance to staff	1,340	-
Advance to suppliers	1,807,006	573,221
Value added tax receivable	356,990	505,232
	<u>4,378,009</u>	<u>3,736,890</u>

**10 Related parties transactions**

The Establishment enters into transactions with companies and entities that fall within the definition of a related party. Such transactions are in normal course of business and at terms that correspond to those on normal arms-length transactions with third parties. Related parties comprise companies and entities under common ownership and/or common management and control; their partners and key management personnel.

The management decides on the terms and conditions of the transactions and services rendered to related parties as well as other charges, if applicable.

The Establishment receives funds from related parties as and when required as working capital facilities.





**Elan Incorporated (FZE)**  
**SAIF Zone, Sharjah - United Arab Emirates**

**Notes to the Financial Statements (continued)**  
**For the year ended December 31, 2023 and 2022**

**10 Related parties transactions (continued)**

At the statement of financial position date, trade and nontrade balances with related parties were as follows:

**a) Amounts due from related parties**

	<b>As on December 31,</b>	
	<b>2023</b>	<b>2022</b>
	<b>AED</b>	<b>AED</b>
M/S. Core Plastic International Inc.	-	1,941,137
M/S. Nile Egypt Plastech Industries S.A.E., Egypt	<b>625,490</b>	628,950
	<b>625,490</b>	<b>2,570,087</b>

At the statement of financial position date, due to related parties were as follows:

**b) Amounts due to related parties**

	<b>As on December 31,</b>	
	<b>2023</b>	<b>2022</b>
	<b>AED</b>	<b>AED</b>
M/S. Al Nour Plastic Industrial Company, KSA	<b>44,376</b>	48,589
M/S. Avion Exim Pvt. Ltd, India	<b>343,566</b>	193,930
M/S. Ecotech Life Cycle Management LLC, Umm Al Quwain - UAE	<b>3,640,562</b>	2,452,379
M/S. Gulf Power Beat W.L.L, Bahrain	<b>15,194,486</b>	5,913,834
M/S. Pack Delta Public Company Limited, Thailand	<b>430,709</b>	431,059
M/S. Time Technoplast Limited, India	<b>5,917,103</b>	10,584,670
M/S. Core Plastech International Inc., USA	<b>145,178</b>	-
	<b>25,715,980</b>	<b>19,624,461</b>



**Elan Incorporated (FZE)**  
**SAIF Zone, Sharjah - United Arab Emirates**  
**Notes to the Financial Statements (continued)**  
**For the year ended December 31, 2023 and 2022**

**10 Related parties transactions (continued)**  
**c) Loans to related parties**

	<b>As on December 31,</b>	
	<b>2023</b>	<b>2022</b>
	<b>AED</b>	<b>AED</b>
M/S. Ecotech Life Cycle Management LLC, Umm Al Quwain - UAE	<b>1,556,518</b>	-
M/S. Nile Egypt Plastech Industries S.A.E., Egypt	<b>1,285,375</b>	1,285,375
M/S. Gnxt Investment Holdings Pte Ltd	<b>31,483,400</b>	22,775,870
M/S. Ikon Investment Holding Ltd	<b>3,459,186</b>	3,459,186
M/S. Noor Al- Plastic Industrial Company, KSA	<b>7,112,965</b>	956,731
M/S. Tech Complast LLC	<b>404,887</b>	404,887
M/S. Technika corporation (FZE), Sharjah, UAE	<b>3,254,614</b>	6,028,255
	<b>48,556,945</b>	<b>34,910,304</b>

The above loan is free of interest and no repayment schedule.

d) The nature of significant related-party transactions during the year and the amounts involved were as follows:

	<b>As on December 31,</b>	
	<b>2023</b>	<b>2022</b>
	<b>AED</b>	<b>AED</b>
Sales	<b>5,122,224</b>	12,136,848
Purchase	<b>11,153,739</b>	19,242,813
Advance payment	<b>145,177</b>	40,224
Expenses & reimbursement	<b>98,328</b>	55,033
Cash margin	<b>2,498,988</b>	1,948,976
Working capital loan	<b>13,646,643</b>	35,415

**11 Cash and bank balance**

	<b>As on December 31,</b>	
	<b>2023</b>	<b>2022</b>
	<b>AED</b>	<b>AED</b>
Cash in hand	<b>112,928</b>	171,462
Cash at banks	<b>5,444,058</b>	3,069,664
	<b>5,556,986</b>	<b>3,241,126</b>





**Elan Incorporated (FZE)**  
**SAIF Zone, Sharjah - United Arab Emirates**  
**Notes to the Financial Statements (continued)**  
**For the year ended December 31, 2023 and 2022**

---

**12 Fixed deposit with banks**

	<b>As on December 31,</b>	
	<b>2023</b>	<b>2022</b>
	<b>AED</b>	<b>AED</b>
Fixed deposits	<u>7,223,091</u>	<u>5,392,187</u>
	<u>7,223,091</u>	<u>5,392,187</u>



**Elan Incorporated (FZE)**  
**SAIF Zone, Sharjah - United Arab Emirates**  
**Notes to the Financial Statements (continued)**  
**For the year ended December 31, 2023 and 2022**

**13 Retained earnings**

	<b>As on December 31,</b>	
	<b>2023</b>	<b>2022</b>
	<b>AED</b>	<b>AED</b>
Opening balance	70,536,868	66,732,940
Total comprehensive income for the year	6,400,579	3,803,928
Closing balance	<u>76,937,447</u>	<u>70,536,868</u>

**14 End of service benefits**

	<b>As on December 31,</b>	
	<b>2023</b>	<b>2022</b>
	<b>AED</b>	<b>AED</b>
Opening balance	946,946	610,657
Add: Provision during the year	279,413	384,561
Less: Paid during the year	(91,469)	(48,272)
Closing balance	<u>1,134,890</u>	<u>946,946</u>

**15 Accounts payable**

	<b>As on December 31,</b>	
	<b>2023</b>	<b>2022</b>
	<b>AED</b>	<b>AED</b>
Accounts payable	8,646,964	9,478,120
	<u>8,646,964</u>	<u>9,478,120</u>

**16 Other payables**

	<b>As on December 31,</b>	
	<b>2023</b>	<b>2022</b>
	<b>AED</b>	<b>AED</b>
Refundable deposit	35,000	35,000
Leave salary payable	256,893	206,778
Salary & wages payable	333,054	322,832
Accrued expenses	349,031	105,610
Advance from customers	43,785	36,555
	<u>1,017,763</u>	<u>706,775</u>





**Elan Incorporated (FZE)**  
**SAIF Zone, Sharjah - United Arab Emirates**  
**Notes to the Financial Statements (continued)**  
**For the year ended December 31, 2023 and 2022**

**17 Due to banks**

<b>As on December 31,</b>	
<b>2023</b>	<b>2022</b>
<b>AED</b>	<b>AED</b>
Bank overdraft	8,794,669
Trust receipts	-
<b>4,439,133</b>	<b>8,794,669</b>
<b>4,898,905</b>	<b>8,794,669</b>

**18 Vehicle loan**

<b>As on December 31,</b>	
<b>2023</b>	<b>2022</b>
<b>AED</b>	<b>AED</b>
Vehicle loan closing balance	116,919
Current portion of vehicle loan	47,993
Vehicle loan due after one year	68,926
<b>68,926</b>	<b>116,919</b>
<b>51,409</b>	<b>47,993</b>
<b>17,517</b>	<b>68,926</b>

**19 Term loan**

<b>As on December 31,</b>	
<b>2023</b>	<b>2022</b>
<b>AED</b>	<b>AED</b>
Term loan closing balance	2,154,056
Current portion of term loan	2,154,056
Term loan due after one year	-
<b>-</b>	<b>2,154,056</b>
<b>-</b>	<b>2,154,056</b>
<b>-</b>	<b>-</b>

**20 Revenue**

<b>For the year ended December 31,</b>	
<b>2023</b>	<b>2022</b>
<b>AED</b>	<b>AED</b>
Sales	71,210,292
<b>79,828,897</b>	<b>71,210,292</b>
<b>79,828,897</b>	<b>71,210,292</b>



**Elan Incorporated (FZE)**  
**SAIF Zone, Sharjah - United Arab Emirates**  
**Notes to the Financial Statements (continued)**  
**For the year ended December 31, 2023 and 2022**

**20 Revenue (continued)**  
**Segmentwise breakup**

	<b>For the year ended December 31,</b>	
	<b>2023</b>	<b>2022</b>
	<b>AED</b>	<b>AED</b>
Drum	21,389,176	17,776,967
Jerry can	13,302,320	11,490,949
GNXT IBC	22,326,260	25,982,251
COBO IBC	6,161,609	4,533,822
Pails	3,253,733	2,729,149
Raw material	968,025	691,885
Others / Accessories	12,427,774	8,005,269
<b>Total revenue</b>	<b>79,828,897</b>	<b>71,210,292</b>

**Geo geographical markets**

	<b>For the year ended December 31,</b>	
	<b>2023</b>	<b>2022</b>
	<b>AED</b>	<b>AED</b>
Within UAE	60,387,922	58,988,978
Outside UAE	19,440,975	12,221,314
<b>Total revenue</b>	<b>79,828,897</b>	<b>71,210,292</b>

**21 Cost of sales**

	<b>For the year ended December 31,</b>	
	<b>2023</b>	<b>2022</b>
	<b>AED</b>	<b>AED</b>
Opening stock	17,893,861	17,059,767
Add: Purchase (including direct expenses)	58,536,675	58,699,991
Add: Depreciation on property, plant & machinery (note 4)	3,220,214	3,268,331
	79,650,750	79,028,089
Less: Inventories, end of the year	(13,356,291)	(17,893,861)
	<b>66,294,459</b>	<b>61,134,228</b>





**Elan Incorporated (FZE)**  
**SAIF Zone, Sharjah - United Arab Emirates**  
**Notes to the Financial Statements (continued)**  
**For the year ended December 31, 2023 and 2022**

**22 Other income**

During the year, this was derived from the following sources:

	<b>For the year ended December 31,</b>	
	<b>2023</b>	<b>2022</b>
	<b>AED</b>	<b>AED</b>
Discount received	58,858	65,447
Profit on sale of vehicle	22,850	11,600
Interest from fixed deposit	130,904	24,311
Miscellaneous	4,342	684
	<b>216,954</b>	<b>102,042</b>

**23 General and administrative expenses**

	<b>For the year ended December 31,</b>	
	<b>2023</b>	<b>2022</b>
	<b>AED</b>	<b>AED</b>
Salaries & other related benefits	2,654,169	2,335,189
Legal, visa, license and professional fees	1,926,243	1,909,351
Rent and accommodation	108,519	108,109
Communication & utilities	141,054	155,637
Consultancy fees	311,492	-
Printing & stationery	47,754	31,078
Office expense	16,326	-
Travelling & conveyance	218,525	206,934
Insurance	158,739	138,842
Repair & maintenance	248,293	252,630
Depreciation (note 4)	211,169	61,722
Write off	48,343	7,595
Bad debts	-	7,125
Exchange loss	24,069	12,066
Miscellaneous	26,386	47,667
	<b>6,141,081</b>	<b>5,273,945</b>



**Elan Incorporated (FZE)**  
**SAIF Zone, Sharjah - United Arab Emirates**  
**Notes to the Financial Statements (continued)**  
**For the year ended December 31, 2023 and 2022**

**24 Selling and distribution costs**

	<b>For the year ended December 31,</b>	
	<b>2023</b>	<b>2022</b>
	<b>AED</b>	<b>AED</b>
Business promotion	26,268	62,702
Miscellaneous	13,000	-
	<u>39,268</u>	<u>62,702</u>

**25 Finance cost**

	<b>For the year ended December 31,</b>	
	<b>2023</b>	<b>2022</b>
	<b>AED</b>	<b>AED</b>
Bank charges	1,170,464	1,037,531
	<u>1,170,464</u>	<u>1,037,531</u>

**26 Financial instruments**

Financial instruments of the Establishment comprise of bank account, accounts & other receivables, amount due from/to related parties, loan to related parties, accounts & other payables and due to bank.

**Credit risk**

Financial assets which potentially expose the Establishment to concentration of credit risk comprise principally bank account, amount due from related parties, loan to related parties, and accounts & other receivable.

The Establishment's bank account are placed with high credit quality financial institutions.

Accounts and other receivables are stated net of allowance for doubtful recoveries.

**Currency risk**

There are no significant exchange rate risks as substantially all financial assets and financial liabilities are denominated in Arab Emirates Dirhams or US Dollars to which the conversion of Dirhams into US Dollar is fixed.





**Elan Incorporated (FZE)**  
**SAIF Zone, Sharjah - United Arab Emirates**  
**Notes to the Financial Statements (continued)**  
**For the year ended December 31, 2023 and 2022**

---

**26 Financial instruments (continued)**

**Interest rate risk**

The bank borrowings were at floating rates of interest, at levels which are generally obtained in the United Arab Emirates.

**Fair values**

At the statement of financial position date, the fair values of financial assets and liabilities, approximate to their carrying amounts.

**27 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 known contingent liability on Establishment's account, as of statement of financial position date.

**28 Comparative amounts**

Certain amounts for the prior year were reclassified to conform to current year presentation. However, such reclassification do not have any material impact on the results of the operations or financial position, previously reported.

  
\_\_\_\_\_  
**Director**  
**Elan Incorporated (FZE)**

