

Elan Incorporated (FZE)
SAIF Zone, Sharjah – UAE.

Financial Statements and Auditors Report
For the year ended 31st December 2021.

Elan Incorporated (FZE)
SAIF Zone, Sharjah - UAE.

**Financial Statements and Auditors Report
For the year ended 31st December 2021.**

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Elan Incorporated (FZE)
SAIF Zone, Sharjah - UAE.

Establishment information

<i>Address</i>	:	Plot of Land M3-7, 9& 11, P.O. Box. 9410, Sharjah - UAE.
<i>Contact Details</i>		
Tel	:	+971 - 65576111
E-mail	:	george@uaecelan.com
<i>Tax Registration Number</i>	:	100045578000003
<i>Financial Year Ending</i>	:	31 st December 2021
<i>Owner</i> M/s. Time Technoplast Limited (India)	:	<i>Incorporated in</i> India
<i>Manager</i> Mr. Georgekutty Kochuthekkethil Thomas	:	<i>Nationality</i> Indian
<i>The Auditors</i>	:	M/s. ASP Auditing P.O. Box No: 103528 Dubai - UAE Tel: +971- 4 - 3353970 Email: aspa@emirates.net.ae
<i>The Main Bankers</i>	:	Bank of Baroda Sharjah Islamic Bank

Directors' Report and Management Discussion and Analysis

We have pleasure in presenting the financial statements for the year ended 31st December 2021.

BUSINESS OVERVIEW:

Elan incorporated FZE is a Free Zone entity located in SAIF Zone, Sharjah. It is having a Manufacturing Unit of Industrial packaging products. The company's product range covers blow-molded packaging products which include Intermediate Bulk Containers (IBC), Large size 200/235-liter drums, Medium, and Small size packaging, and Pails. We are also trading Polymer Raw Materials, Moulds, Techpaulin, etc.

BUSINESS OPERATIONS REVIEW AND FUTURE BUSINESS DEVELOPMENT:

The Establishment has been in operation from March 2005.

HIGHLIGHTS OF ELAN INCORPORATED (FZE) 's PERFORMANCE IN 2021:

Despite the difficult global business conditions, it pleases to inform you that the Establishment succeeded in achieving new businesses.

- The Establishment achieved a Turnover of AED. 66,936,233/- for the year ended 31st December 2021 as compared to AED. 48,607,128/- for the previous year ended 31st December 2020.
- The Establishment posted a Net Profit of AED. 4,177,921/- for the year ended 31st December 2021 as against a Net Profit of AED. 1,930,657/- for the previous year ended 31st December 2020.
- The Establishment experienced a smooth cash flow throughout the financial year and concluded with the liquidity in cash and bank balance equivalent worth AED. 670,047/-

AUDITORS:

The Auditors, M/s. ASP Auditing, Dubai, UAE are eligible for re-appointment and have expressed their willingness to continue as Auditors for the next year.

DIRECTOR'S RESPONSIBILITIES:


The Directors are responsible for keeping proper books of accounts and accounting records which disclose with reasonable accuracy at any time, the financial position of the Establishment and to enable them to ensure that the financial statements comply with Commercial Companies Law of 2015 (as amended).

ACKNOWLEDGEMENTS:

The Directors take this opportunity to convey their deep sense of gratitude for valuable assistance and Co-operation extended to the Establishment by all valued Customers, Bankers and various departments of government and local authorities.

The Directors also wish to place on record their sincere appreciation for the valued contribution, unstinted efforts and spirit of dedication shown by the Establishment employees, officers and the executives at all levels which contributed, in no small measure, to the progress and the high performance of the Establishment during the year under review.

For Elan Incorporated (FZE)


Mr. Georgekutty Kochuthekkethil Thomas

(Manager)

March 29, 2022.



To,
The Shareholders,
M/s. Elan Incorporated (FZE),
SAIF Zone, Sharjah - UAE.

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of M/s. Elan Incorporated (FZE), SAIF Zone, Sharjah - UAE which comprise the statement of financial position as at 31st December 2021, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended 31st December 2021, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Establishment as at 31st December 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the audit of the Financial Statements section of our report. We are independent of the Establishment in accordance with the ethical requirements that are relevant to our audit of the financial statements in, and we have fulfilled our 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 and Those Charged with Governance ("TCWG") for the Financial Statements

Management 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.



In preparing the financial statements, Management is responsible for assessing the Establishment 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 Establishment or to cease operations or has no realistic alternative but to do so.

Those Charged with Governance are responsible for overseeing the Establishment's financial reporting process.

Auditors' 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 Audit 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 to be 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 judgment 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 Establishment's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosure made by management.

- Conclude on the appropriateness of management 's use of going concern basis of Accounting and based on the audit evidence obtained, whether material uncertainty exists related to events or conditions that may cast significant doubt on the Establishment's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors Report. However, future events or conditions may cause the Establishment 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 transaction's and events in a manner that achieves fair presentation.

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

Report on the Legal and Regulatory Requirements

As required by the provisions of the Implementing Rules and Regulations issued by the Sharjah Airport International Free Zone Authority pursuant to Sharjah Emiri Decree No. 2 of 1995 as amended by Sharjah Executive Council Resolution No. (1) of 2000 applicable for entities in Sharjah Airport International Free Zone, Sharjah, we further confirm that,

- i. the Establishment has maintained proper books of accounts;
- ii. we have obtained all the information we considered necessary for the purposes of or audit;
- iii. the financial information included in the directors' report is in consistent with the books of accounts of the Establishment;
- iv. Further, based on the information made available to us, nothing has come to our attention which causes us to believe that the Establishment has contravened during the financial year ended 31st December 2021 any of the above mentioned provisions or its Articles of Association which would materially affect its activities or its financial position as at 31st December 2021.

For ASP AUDITING



April 01, 2022

License No.: 563810

Ministry Regn.: 245/29.04.1998

Huda Yousif Ali Ahmed Al Ansaari





Elan Incorporated (FZE)

SAIF Zone, Sharjah - UAE

STATEMENT OF FINANCIAL POSITION

As at 31st December 2021

ASSETS	Note	Dec-21 AED	Dec-20 AED
NON -CURRENT ASSETS			
Property, Plant and Equipment	5	24,285,729	27,112,350
Investments in Equity	6	17,820,443	17,820,443
Total Non-Current Assets	A	42,106,172	44,932,793
CURRENT ASSETS			
Cash and Cash Equivalents	7	670,047	1,640,437
Trade & Other Receivables	8	12,586,877	10,630,443
Inventory	9	17,059,767	11,904,226
Due from Related Parties	10	41,105,051	38,425,202
Other Current Assets	11	9,086,844	7,723,701
Total Current Assets	B	80,508,586	70,324,009
TOTAL ASSETS	A+B	122,614,758	115,256,802
EQUITY & LIABILITIES			
EQUITY			
Share Capital	4	11,100,000	11,100,000
Retained Earnings	18	66,732,940	62,555,019
Total Equity	C	77,832,940	73,655,019

(Cont.)



Elan Incorporated (FZE)

SAIF Zone, Sharjah - UAE

STATEMENT OF FINANCIAL POSITION (Cont.)

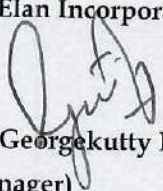
As at 31st December 2021

LIABILITIES	Note	Dec-21 AED	Dec-20 AED
NON CURRENT LIABILITIES			
Provision for Employee Benefits	17	817,435	689,417
Bank Borrowings	12 (ii)	2,265,142	5,006,166
Total Non Current Liabilities	D	3,082,577	5,695,583
CURRENT LIABILITIES			
Bank Borrowings	12 (i)	11,548,676	11,792,182
Due to Related Parties	13	19,130,781	15,745,450
Trade & Other Payables	14	10,291,571	8,003,538
Other Current Liabilities	15	88,955	44,503
Accruals and Provisions	16	639,258	320,527
Total Current Liabilities	E	41,699,241	35,906,200
TOTAL LIABILITIES	D+E	44,781,818	41,601,783
TOTAL EQUITY & LIABILITIES	C+D+E	122,614,758	115,256,802

The notes on pages 12 to 36 form an integral part of these financial statements.

These financial statements were approved on March 29, 2022.

For Elan Incorporated (FZE)


Mr. Georgekutty Kochuthekkethil Thomas
(Manager)



The report of the auditors is set on page 4 to 6



Elan Incorporated (FZE)
SAIF Zone, Sharjah - UAE

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31st December 2021

	Note	Dec-21 AED	Dec-20 AED
Continuing Operations			
Sales	F	66,936,233	48,607,128
Cost of Sales	G	(56,241,571)	(41,793,117)
Gross Profit		10,694,662	6,814,011
Other Income	H	164,931	734,730
Operating Expenses			
Employee Cost & Benefits	I	(2,370,491)	(1,883,911)
General & Administration Expenses	J	(3,016,133)	(2,369,006)
Selling and distribution expenses	K	(53,761)	(18,546)
Depreciation on Property, Plant and Equipment		(48,866)	(17,252)
Total Operating Expenses		(5,489,251)	(4,288,715)
Operating Profit for the year		5,370,342	3,260,026
Financial Charges	L	(1,192,421)	(1,329,369)
Profit for the year		4,177,921	1,930,657
Other Comprehensive Income		-	-
Total Comprehensive Income For the year		4,177,921	1,930,657
Profit for the year:			
Attributable to Shareholders		4,177,921	1,930,657

The notes on pages 12 to 36 form an integral part of these financial statements.

These financial statements were approved on March 29, 2022.

For Elan Incorporated (FZE)

Mr. Georgekutty Kochuthekkethal Thomas
(Manager)

The report of the auditors is set on page 4 to 6





Elan Incorporated (FZE)

SAIF Zone, Sharjah - UAE

CASH FLOW STATEMENT

For the year ended 31st December 2021

	Dec-21 AED	Dec-20 AED
Cash Flow from Operating Activities		
Net Profit as per Profit & Loss Account	4,177,921	1,930,657
Adjustment for non-cash items		
Depreciation	3,283,251	3,196,611
Operating Cash Flow before changes in net operating assets	7,461,172	5,127,268
Changes in :		
(Increase) / Decrease in Inventory	(5,155,541)	(2,229,663)
(Increase) / Decrease in Trade & Other Receivables	(1,956,434)	(1,732,516)
(Increase) / Decrease in Due from Related Parties	(2,679,849)	(2,408,067)
(Increase) / Decrease in Other Current Assets	(1,363,143)	1,330,547
Increase / (Decrease) in Due to Related Parties	3,385,331	4,802,435
Increase / (Decrease) in Trade & Other Payables	2,288,033	(1,197,837)
Increase / (Decrease) in Other Current Liabilities	44,452	(188,816)
Increase / (Decrease) in Accruals & Provisions	318,731	85,533
Increase / (Decrease) in Provision from Employee Benefits	128,018	169,335
Cash generated from Operating Activities	(4,990,402)	(1,369,049)
Net Cash Flow from / (used) from Operating Activities	2,470,770	3,758,219
Cash flow from Financing Activities		
Increase / (Decrease) of Bank Borrowings	(243,506)	661,156
Increase / (Decrease) of Non Current Liabilities	(2,741,024)	(2,231,446)
Net Cash Flow from / (used) in Financing Activities	(2,984,530)	(1,570,290)
Cash flow from Investing Activities		
Net Changes in Property, Plant and Equipment	(456,630)	(1,307,105)
Net Cash Flow from / (used) in Investing Activities	(456,630)	(1,307,105)
Net increase / (decrease) in cash & cash equivalents	(970,390)	880,824
Cash & Cash equivalents in the beginning of the year	1,640,437	759,613
Cash & Cash equivalents at the end of the year	670,047	1,640,437

The notes on pages 12 to 36 form an integral part of these financial statements.
These financial statements were approved on March 29, 2022.

For Elan Incorporated (FZE)

Mr. Georgekutty Kochuthelkethil Thomas
(Manager)





Elan Incorporated (FZE)

SAIF Zone, Sharjah - UAE

STATEMENT OF CHANGES IN EQUITY

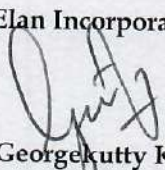
For the year ended 31st December 2021

Particulars	Share Capital	Retained Earnings	Total
	AED	AED	AED
Balance as on 01st January 2020	11,100,000	60,624,362	71,724,362
Net Movements of the year	-	-	-
Profit of the year	-	1,930,657	1,930,657
Balance as on 01st January 2021	11,100,000	62,555,019	73,655,019
Net Movements of the year	-	-	-
Profit of the year	-	4,177,921	4,177,921
Balance as on 31st December 2021	11,100,000	66,732,940	77,832,940

The notes on pages 12 to 36 form an integral part of these financial statements.

These financial statements were approved on March 29, 2022.

For Elan Incorporated (FZE)


Mr. Georgekutty Kochuthekkethil Thomas
(Manager)



The report of the auditors is set on page 4 to 6



Elan Incorporated (FZE)
SAIF Zone, Sharjah - UAE

Notes to the Financial Statements
As at 31st December 2021

1. Legal Status and Activities

- 1.1 M/s. Elan Incorporated (FZE), is a Free Zone Establishment with Limited Liability registered with the Sharjah Airport International Free Zone Authority, Government of Sharjah, UAE vide Commercial License No.: 09751 and Industrial License No. 02793. The original license was granted on the 28th day of March 2005.
- 1.2 The registered address of the Establishment is Plot of Land M3 - 7,9 & 11, P.O. Box 9410, Sharjah, UAE.
- 1.3 **The Owner of the Establishment is:**
M/s. Time Technoplast Limited (India), Incorporated in India : 100% Holder
- 1.4 **Mr. Georgekutty Kochuthekkethil Thomas, Indian National** has been appointed as the manager of the Establishment and shall take care of the day to day activities of the Establishment.
- 1.5 Elan incorporated FZE is a Free Zone entity located in SAIF Zone, Sharjah. It is having a Manufacturing Unit of Industrial packaging products. The company's product range covers blow-molded packaging products which include Intermediate Bulk Containers (IBC), Large size 200/235-liter drums, Medium, and Small size packaging, and Pails. We are also trading Polymer Raw Materials, Moulds, Techpaulin, etc.

2. Application of new and revised International Financial Reporting Standards (IFRS)

2.1 New and revised IFRSs effective for accounting periods beginning on or after 01st January 2021:

The following new and revised IFRSs which became effective for the annual years beginning on or after 01st January 2021 have been adopted in these financial statements.

Elan Incorporated (FZE)
SAIF Zone, Sharjah - UAE

<u>New and revised IFRSs</u>	<u>Summary of requirements</u>
<p>IAS 1 – Presentation of Financial Statements</p> <p>Effective January 1, 2011, earlier application is permitted. The amendments are effective for annual periods beginning on or after January 1, 2023. Earlier application is permitted.</p>	<p>IAS 1 "Presentation of Financial Statements" sets out the overall requirements for financial statements, including how they should be structured, the minimum requirements for their content and overriding concepts such as going concern, the accrual basis of accounting and the current/ non-current distinction. The standard requires a complete set of financial statements to comprise a statement of financial position, a statement of profit or loss and other comprehensive income, a statement of changes in equity and a statement of cash flows.</p>
<p>IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors</p> <p>Effective January 1, 2011, earlier application is permitted. The amendments are effective for annual periods beginning on or after January 1, 2023. Earlier application is permitted.</p>	<p>IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" is applied in selecting and applying accounting policies, accounting for changes in estimates and reflecting corrections of prior period errors. The standard requires compliance with any specific IFRS applying to a transaction, event or condition, and provides guidance on developing accounting policies for other items that result in relevant and reliable information. Changes in accounting policies and corrections of errors are generally retrospectively accounted for, whereas changes in accounting estimates are generally accounted for on a prospective basis.</p>
<p>IAS 16 – Property, Plant and Equipment</p> <p>Effective for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011, earlier application is permitted. The amendments are effective for annual periods beginning on or after January 1, 2022. Early application is permitted.</p>	<p>IAS 16 "Property, Plant and Equipment" outlines the accounting treatment for most types of property, plant and equipment. Property, plant and equipment is initially measured at its cost, subsequently measured either using a cost or revaluation model, and depreciated so that its depreciable amount is allocated on a systematic basis over its useful life.</p>
<p>IAS 37 – Provisions, Contingent Liabilities and Contingent Assets</p> <p>Effective for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011, earlier application is permitted. The amendments are effective for annual periods beginning on or after January 1, 2022. Early application is permitted.</p>	<p>IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" outlines the accounting for provisions (liabilities of uncertain timing or amount), together with contingent assets (possible assets) and contingent liabilities (possible obligations and present obligations that are not probable or not reliably measurable).</p>

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SAIF Zone, Sharjah – UAE

<p>IFRS 16 – Leases</p> <p>The amendment is effective for annual reporting periods beginning on or after 1 April 2021</p>	<p>On 31st March 2021, IASB Published COVID 19 Related Rent Concessions beyond 30 June 2021(Amendment to IFRS 16) that extends by one year, the May 2020 amendment that provides lessees with an exemption from assessing whether a COVID – 19 related rent concession is a lease modification.</p>
<p>IAS 41 – Agriculture</p> <p>Effective for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011, earlier application is permitted. The amendments are effective for annual periods beginning on or after January 1, 2022. Early application is permitted.</p>	<p>IAS 41 "Agriculture" sets out the accounting for agricultural activity – the transformation of biological assets (living plants and animals) into agricultural produce (harvested product of the entity's biological assets). The standard generally requires biological assets to be measured at fair value less costs to sell.</p>
<p>IFRS 1 – First-time Adoption of International Financial Reporting Standards</p> <p>Effective for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011, earlier application is permitted. The amendments are effective for annual periods beginning on or after January 1, 2022. Early application is permitted.</p>	<p>IFRS 1 "First-time Adoption of International Financial Reporting Standards" sets out the procedures that an entity must follow when it adopts IFRS for the first time as the basis for preparing its general purpose financial statements. The IFRS grants limited exemptions from the general requirement to comply with each IFRS effective at the end of its first IFRS reporting period.</p>
<p>IFRS 3 – Business Combinations</p> <p>Effective for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011, earlier application is permitted. The amendments are effective for annual periods beginning on or after January 1, 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier.</p>	<p>IFRS 3 "Business Combinations" outlines the accounting when an acquirer obtains control of a business (e.g. an acquisition or merger). Such business combinations are accounted for using the 'acquisition method', which generally requires assets acquired and liabilities assumed to be measured at their fair values at the acquisition date.</p>
<p>IFRS 17 – Insurance Contracts</p> <p>The IASB tentatively decided to defer the effective date of IFRS 17, Insurance Contracts to annual periods beginning on or after January 1, 2022. [The IASB has also published 'Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4)' to defer the fixed expiry date of the amendment also to annual periods beginning on or after January 1, 2023.]</p>	<p>IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. The objective of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows.</p>

Elan Incorporated (FZE)
SAIF Zone, Sharjah – UAE

2.2 New and revised IFRSs in issue but not effective:

The Establishment has not yet applied the following new and revised IFRSs that have been issued but are not yet effective:

New and Revised IFRSs	Effective for annual periods beginning on or after
IFRS 1 First Time Adoption of International Financial Reporting Standards	01 st January 2022
IFRS 3 Business Combinations	01 st January 2022
IAS 1 - Presentation of Financial statements	01 st January 2023
IAS 16 - Property, Plant & Equipment	01 st January 2022
IAS 37 - Provisions, Contingent Liabilities & Contingent Assets	01 st January 2022

Management anticipates that these new standards, interpretations and amendments will be adopted in the Establishment's financial statements as and when they are applicable and the adoption of these new standards, interpretations and amendments may have no material impact on the financial statements of the Establishment in the year of initial application.

3. Significant Accounting Policies

Basis of Preparation

These financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) and applicable rules and regulation of the UAE Law and SAIF Zone Rules and Regulations. The significant accounting policies, which have been applied, are set out below:

a) Going concern basis of accounting

The financial statements have been prepared on a going concern basis, which assumes that the Establishment will be able to meet the mandatory repayment terms.

Elan Incorporated (FZE)
SAIF Zone, Sharjah – UAE

b) Application of IFRS 9 Financial Instruments

The Establishment has adopted IFRS 9 effective from 1 January 2018. IFRS 9 replaces IAS 39 and addresses the accounting for financial instruments including hedge accounting. IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, FVTOCI and FVTPL. IFRS 9 classification is generally based on the business model in which a financial asset is managed and its contractual cash flows. The business model assessment was completed based on the facts and circumstances which existed at the initial date of application. IFRS 9 eliminates the existing IAS 39 categories of held-to-maturity, loans and receivables and available-for-sale. Under IFRS 9, derivative embedded contracts where the host is a financial asset in the scope of IFRS 9 are never bifurcated. Instead, the whole hybrid instrument is assessed for classification.

The requirements for classification and measurement of financial liabilities under IFRS 9 are largely as existing under IAS 39.

IFRS 9 replaces the “incurred loss” model under IAS 39 with “expected credit loss” model as it relates to the impairment of financial assets. The new impairment model does not apply to equity investments.

IFRS 9 amends the requirements for hedge effectiveness and consequently the application of hedge accounting. The IAS 39 effectiveness test is replaced with a requirement for an economic relationship between the hedged item and the hedging instrument, and for the “hedged ratio” to be the same as that used by the Establishment for risk management purposes.

The new standard requires alignment between the risk management objective of an individual hedging relationship and the risk management strategy of the Establishment. When assessing hedge effectiveness under IFRS 9, the Establishment is required to ensure credit risk due to counterparty or own creditworthiness does not dominate the change in fair value of either the hedged item or the hedging instrument. Generally, the mechanics of hedge accounting remain unchanged.

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SAIF Zone, Sharjah – UAE

Impairment of financial assets

The Establishment has financial assets under “trade and other receivables” that are subject to the expected credit loss model under IFRS 9. The Establishment has applied the simplified approach to measuring the expected credit losses which uses lifetime expected loss allowance for all trade receivables and financial investments. To measure the expected credit losses, trade receivables have been grouped based on similar credit risk characteristics and days past due. The revised impairment methodology has not resulted in additional credit loss in trade receivables and financial investments.

Changes in accounting policies resulting from the adoption of IFRS 9 have been applied retrospectively. However in accordance with transition provisions under IFRS 9, the Establishment has elected not to restate the comparative years.

c) Accounting Convention:

These financial statements have been prepared under the historical Cost convention. The accounting policies have been consistently applied by the Establishment.

d) Revenue recognition:

Income is recognized when it is earned, not necessarily when received. Expenses and charges have been recognized when it was incurred, not necessarily when paid.

Revenue from contracts with customers

IFRS 15 Revenue from Contracts with Customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found across several Standards and Interpretations within IFRSs.

It establishes a new five-step model that will apply to revenue arising from contracts with customers.

Step 1: Identify the contract with a customer.

Step 2: Identify the performance obligations in the contract.

Step 3: Determine the transaction price.

Step 4: Allocate the transaction price to the performance obligations in the contract.

Step 5: Recognize revenue as and when the Establishment satisfies a performance obligation.

Elan Incorporated (FZE)
SAIF Zone, Sharjah - UAE

e) Leases:

IFRS 16 supersedes IAS 17 Leases, IFRIC 4 Determining whether and Arrangement contains a Lease, SIC - 15 Operating Leases - Incentives and SIC - 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model.

The Establishment also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option and lease contracts for which the underlying asset is of low value.

f) Other Income

Other Income is recognized on an accrual basis or when the Establishment's right to receive payment is established.

g) Property, Plant & Equipment:

Property, Plant & Equipment is stated at historical cost less accumulated depreciation and identified impairment loss, if any. The cost comprises 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 are depreciated using the Straight Line Value method after considering the economic lives of the Assets as follows.

• Furniture and Fittings	5 Years
• Factory Building	5 Years
• Moulds	5 Years
• Plant & Machinery	5 Years
• Motor Vehicles	5 Years
• Office Equipments	5 Years

The Carrying value of Property, Plant & Equipment is viewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying value exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their fair value less costs to sell and their value in use.



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Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining net profit.

Repairs and renewals are charged to the statement of profit or loss and other comprehensive income when the expenditure is incurred.

h) Related Party Transactions:

The Establishment, in its normal course of business, enters in to transactions with the companies that fall under the definition of "Related Party" of International Accounting Standard 24. Related parties comprise companies and entities under the common ownership and/or common management and in which control and management vested with the share holders or the key managerial personnel.

Balances with Related Parties included in the Statement of financial position are as follows:

<i>Entities Owned and Controlled by the Major Shareholder</i>	Due from 2021 AED	Due from 2020 AED
M/s. Al Nour Plastic Industrial Company	521,742	384,719
M/s. Core Plastic International	1,031,190	736,361
M/s. Ecotech Life Cycle Management LLC	2,504,003	1,121,182
M/s. Gulf Powerbeat W.L.L	1,175,308	499,979
M/s. Nile Egypt Plastech Industries S.A.E	663,143	625,490
M/s. Time Technoplast Limited	305,349	232,950
M/s. Gnxt Investment Holdings Pte Ltd	22,775,870	22,775,870
M/s. Ikon Investment Holdings Ltd	3,459,186	3,459,186
M/s. Nile Egypt Plastech	1,285,375	1,285,375
M/s. Noor Plastic Industrial LLC	956,731	956,731
M/s. Tech Complast LLC	404,887	359,887
M/s. Technika Corporation FZE	5,992,839	5,958,044
M/s. PT Novo Complast	29,428	29,428
TOTAL	41,105,051	38,425,202



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<i>Entities Owned and Controlled by the Major Shareholder</i>	Due to	Due to
	2021	2020
	AED	AED
M/s. Al Nour Plastic Industrial Company	-	181,991
M/s. Avion Exim Pvt. Ltd.	785,539	1,941,654
M/s. Ecotech Lifecycle Management LLC	4,845,601	1,233,850
M/s. Gulf Power Beat W.L.L	7,805,179	6,096,771
M/s. Pack Delta Public Company Limited	1,758,638	370,411
M/s. Q-Pack Industries Sdn.Bhd.	-	206,402
M/s. Time Technoplast Limited	3,852,675	5,608,547
M/s. YPA Thailand Ltd	-	22,675
M/s. Yung Hsin Contain Industry Co. Ltd	83,149	83,149
TOTAL	19,130,781	15,745,450

Outstanding Balances at the year-end arise in the normal course of business. For the year ended 31st December 2021, the Establishment has not recorded any impairment of amounts owed by related parties. (2020: Nil/-)

i) 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 into 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.

j) Revenue:

Income represents the invoiced value of goods sold/services rendered during the year, net of discounts and returns.



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k) Inventory:

Inventory is stated at cost or net realizable value, whichever is lower. The cost of closing inventory is determined on the basis of FIFO method. Net Realizable Value represents the estimated selling price less all estimated cost of completion and cost of disposal. A general provision for slow moving items has been made and adjusted with the value of the closing stock. These provisions valued and determined by the management.

l) Trade receivables:

The schedule of Trade receivables represents amounts falling due as on the date of Statement of financial position. Trade receivables are normally requiring the amounts to be received above 90 days from the date of invoice. Bad debts are written off as and when they arise. The Management considers the all the trade receivables as good and hence has not made any provision for bad and Doubtful debts as on the date of Statement of Financial Position.

m) Employees' Terminal benefits:

Provision is made in accounts for end of service benefits due to employees in accordance with UAE federal labour Laws No (8) year 1980 and as per SAIF Zone rules & regulations. Provision is made for amounts payable under the UAE Labour Law applicable to employees Accumulated year of service at the statement of financial position date.

n) Rounding off:

The figures stated in the attached financial statements are rounded off to the nearest UAE Dirham.

o) 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.

p) 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 Establishment contingent or otherwise not included in the above financial statements.

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q) Profit and Loss account:

The Establishment's profit is arrived at after charging all expenses, incurred in day to day operations of the business and in maintaining property, plant & equipment.

r) Trade payables:

The schedule of Trade payables represents amounts falling due as on the date of statement of financial position. Trade payables are normally settled above 90 days. Liabilities are recognized for amounts to be paid in the future for goods of services whether or not billed to the Establishment.

s) Inflationary Factor:

No adjustments have been made in these financial statements to identify the inflationary factor.

t) Key Sources of Estimation Uncertainty

The entity management set out the entity's overall business strategies and its risk management policy. The Entity's overall financial risk management program seeks to minimize potential adverse effects on the financial performance of the entity. The entity policies include financial risk management policies covering specific areas, such as market risk (including foreign exchange risk, interest risk, liquidity risk and credit risk). Periodic reviews are undertaken to ensure that the entity's policy guidelines are complied with.

There has been no change to the entity's exposure to the financial risks or the manner in which it manages and measures the risk.

The entity is exposed to the following risks related to financial instruments. The entity has not framed formal risk management policies; however, the risks are monitored by management on a continuous basis. The entity does not enter into or trade in financial instruments, investment in securities, including derivative financial instruments, for speculative or risk management purposes.

a) Foreign Currency risk management

The entity undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise.

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b) Liquidity risk management

Ultimate responsibility for liquidity risk management rest with the management which has built an appropriate liquidity risk management framework for the management of the entity's short, medium and long term funding and liquidity management requirements. The entity manages liquidity risk by maintaining adequate reserves, continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The table below summarizes the maturity profile of the entity's financial assets and financial liabilities. The contractual maturities of the financial assets and financial liabilities have been determined on the basis of the remaining period at the financial position date based on contractual repayment agreements were as follows:

	Interest Bearing			Non Interest Bearing			
Particulars	On Demand or Less than 3 Months	Within 1 Year	More than 1 Year	On Demand or Less than 3 Months	Within 1 Year	More than 1 Year	Total
As at 31 st December 2021							
Financial Assets							
Trade receivables	-	-	-	11,693,258	893,619	-	12,586,877
Cash and Bank Balances	-	-	-	670,047	-	-	670,047
TOTAL	-	-	-	12,363,305	893,619	-	13,256,924
Financial Liabilities							
Bank Borrowings	-	11,548,676	2,265,142	-	-	-	13,813,818
Trade payables	-	-	-	5,883,093	4,408,478	-	10,291,571
TOTAL	-	11,548,676	2,265,142	5,883,093	4,408,478	-	24,105,389

c) Credit Risk Management

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the entity. The entity has adopted a policy of only dealing with the credit worthy counterparties. The Entity's exposure are continuously monitored and their credit exposure is reviewed by the management regularly and the entity maintains and allowances for doubtful debts based on expected collectability of all trade receivables.



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Trade receivables consist of a number of customers. Ongoing credit evaluation is performed on the financial condition of trade receivables. Further details of credit risk on trade and other receivable are disclosed in the notes to financial statements.

The credit risk on liquid funds is limited because the counterparties are banks with high credit- ratings assigned by international credit-ratings agencies.

The Establishment is exposed to credit risk on its bank balances, Trade receivables, Fixed Deposits and Advance to Suppliers as follows:

Particulars	31 st December 2021	31 st December 2020
	AED	AED
Cash at Bank	613,253	1,517,172
Trade Receivables	12,586,877	10,630,443
Fixed Deposits	1,441,274	1,420,002
Advance to Suppliers	1,350,031	682,132
TOTAL	15,991,435	14,249,749

The Establishment seeks to limit its credit risk with respect to banks by only dealing with reputable banks and with respect to customers by setting limits for individual customers and monitoring outstanding trade receivable.

With respect to credit risk arising from the other financial assets of the Establishment, including cash and cash equivalents, the Establishment's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

d) Capital risk management

The Establishment's objectives when managing capital to safeguard the Establishment's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The director's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

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Consistent with others in the industry, the Establishment monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total liabilities less Cash at Bank.

The Establishment manages its capital structure and makes adjustments to it, in light of changed in economic conditions. No Changes were made in the objectives, Policies or Processes during the years ended 31st December 2021 and 31st December 2020. Capital Consists of Share Capital and Retained Earnings measured at AED. 77,832,940/- as at 31st December 2021. (2020: AED. 73,655,019/-).

e) Impairment of Trade Receivable

An estimate of the collectible amount of trade receivables is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and a provision applied according to the length of time past due, based on historical recovery rates.

At the reporting date, gross trade receivable was AED. 12,586,877/- (2020: AED. 10,630,443/-), with provision for doubtful debts AED. NIL/- (2020: AED. NIL/-). Any difference between the amounts actually collected in future periods and the amounts expected will be recognized in the statement of comprehensive income.

f) Impairment of Inventories

Inventories are held at the lower of cost and net realizable value. When inventories become old and obsolete, an estimate is made of their net realizable value. For individually significant amounts this estimation is performed on an individual basis. Amounts which are not individually significant, but which are obsolete, are assessed collectively and a provision applied according to the inventory type and the degree of ageing or obsolescence, based on historical selling prices.

At the reporting date, inventories were AED. 17,059,767/- (2020: AED. 11,904,226/-). Provision for old and obsolete inventories has been made for the year amounting to AED. NIL/-. (2020: NIL/-).

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g) Useful Lives of Property and Equipment

The Establishment's management determines the estimated useful lives of its property and equipment for calculating depreciation. This Estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual value and useful lives annually and future depreciation charge would be adjusted where the management believes the useful lives differ from previous estimates.

u) Contingencies and commitments:

As at 31st December 2021 the Establishment doesn't have any commitment other than the cheques issued which is not yet presented in the bank.

v) Exchange Rate Risk:

Since the main currencies of the financial instruments, other assets, liabilities and trading transactions including purchase and sales are UAE Dirhams and US Dollars, the Establishment is not exposed to any significant exchange rate risk.

w) Financial Charges:

The Financial Charges includes finance cost charges, interest on loans, other charges related to finance and bank charges.

x) Corresponding Figures:

The corresponding figures of the previous year are comparable as these comprise the financial position and operating results for the year ended 31st December 2020, while the current figures comprised the financial position and operating results for the year ended 31st December 2021. Reclassification has been made wherever necessary, for the purpose of better presentation of financial information.

y) Subsequent Events:

There were no significant events subsequent to the year ended 31st December 2021 and occurring before the date of signing of the financial statements that would have a significant impact on these financial statements.



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4. Share Capital Account:

31st December 2021

Authorized, Subscribed, Issued, Paid up Share Capital;

- (74 shares of AED. 150,000/- each)

AED 11,100,000/-

Held By

M/s. Time Technoplast Limited, Incorporated in India

74 Shares

AED 11,100,000/-

Total

74 Shares

AED 11,100,000/-

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Notes to the Financial Statements

31st December 2021

5. Property, Plant and Equipment

	Furnitures & Fittings AED	Capital Work- In Progress AED	Factory Building AED	Moulds AED	Plant & Machinery AED	Motor Vehicles AED	Office Equipments AED	Total AED
Cost								
Opening Value	356,721	597,291	9,354,054	15,989,794	23,321,779	1,798,231	395,353	51,813,223
Additions	-	-	-	27,315	117,074	308,051	4,190	456,630
Total Cost	356,721	597,291	9,354,054	16,017,109	23,438,853	2,106,282	399,543	52,269,853
Depreciation								
Accumulated as on 01st January 2021	356,721	-	4,066,719	9,216,032	8,867,817	1,798,231	395,353	24,700,873
Charge for the year	-	-	467,703	1,599,277	1,167,405	48,276	590	3,283,251
Accumulated as on 31st December 2021	356,721	-	4,534,422	10,815,309	10,035,222	1,846,507	395,943	27,984,124
Closing Value								
As on 31st December 2020	-	597,291	5,287,335	6,773,762	14,453,962	-	-	27,112,350
As on 31st December 2021	-	597,291	4,819,632	5,201,800	13,403,631	259,775	3,600	24,285,729
Allocation of Depreciation								
Cost of Revenue	3,234,385							
Operating Expenses	48,866							
	3,283,251							



Elan Incorporated (FZE)

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Notes to the Financial Statements

	Dec-21 AED	Dec-20 AED
6. Investments in Equity		
M/s. Technika Corporation FZE , Sharjah	5,976,750	5,976,750
M/s. Nile Egypt Plastic Industries	3,708,527	3,708,527
M/s. Noor Plastic Industrial LLC	6,278,648	6,278,648
M/s. Ecotech Life Cycle Management LLC	1,856,518	1,856,518
	17,820,443	17,820,443
<i>Proportion of Equity Interest in above subsidiaries:</i>		
M/s. Technika Corporation FZE , Sharjah	100.00%	100.00%
M/s. Nile Egypt Plastic Industries	63.14%	63.14%
M/s. Noor Plastic Industrial LLC	99.00%	99.00%
M/s. Ecotech Life Cycle Management LLC	49.00%	49.00%
7. Cash and Cash Equivalents		
Cash in hand	56,794	123,265
Cash at Bank	613,253	1,517,172
	670,047	1,640,437
Cash and Cash Equivalents are items, which are readily convertible to known amounts of Cash and which are subject to insignificant risk of change in value.		
<i>Bank Reconciliation :</i>		
Bank Balance as per bank statement	820,798	1,556,156
Add: Cheque deposited but not cleared by bank	228,328	61,653
Less: Cheque Issued but not cleared	(435,873)	(100,637)
Bank balance as per books of Accounts	613,253	1,517,172
8. Trade & Other Receivable		
Trade Receivables*	12,586,877	10,630,443
	12,586,877	10,630,443
<i>Ageing Analysis:</i>		
0 - 30 days	11,124,183	9,414,557
31 - 60 days	528,524	526,032
61 - 90 days	40,551	192,150
Above 90 days	893,619	497,704
	12,586,877	10,630,443

* Trade Receivables are confirmed by the customers.



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Notes to the Financial Statements

	Dec-21	Dec-20
	AED	AED
The company uses an allowance account when recognizing impairment losses on its receivables unless otherwise determined that the likelihood of collection is remote, in which the Company directly charges the loss against its receivables. The company writes off receivables if after exhausting prudent collection procedures, the Management assessed that the possibility of collection is remote.		

The Management considers the all the trade receivables as good and hence has not made any provision for bad and Doubtful debts as on the date of Statement of Financial Position.

9. Inventory

Value of Stock of Materials	14,632,217	9,879,508
Finished Goods	2,427,550	2,024,718
	17,059,767	11,904,226

Verification of stocks were carried out by the management at regular intervals to ascertain the existence of slow-moving items, etc. No Provision for slow moving items have been made in the books of accounts as there are no slow moving items forming part of the inventory.

** The above inventories are kept as lien against the facilities mentioned in Note No. 12*

10. Due from Related Parties

M/s. Al Nour Plastic Industrial Company	521,742	384,719
M/s. Core Plastic International	1,031,190	736,361
M/s. Ecotech Life Cycle Management LLC	2,504,003	1,121,182
M/s. Gulf Powerbeat W.L.L	1,175,308	499,979
M/s. Nile Egypt Plastech Industries S.A.E	663,143	625,490
M/s. Time Technoplast Limited	305,349	232,950
M/s. Gnxt Investment Holdings Pte Ltd	22,775,870	22,775,870
M/s. Ikon Investment Holdings Ltd	3,459,186	3,459,186
M/s. Nile Egypt Plastech	1,285,375	1,285,375
M/s. Noor Plastic Industrial LLC	956,731	956,731
M/s. Tech Complast LLC	404,887	359,887
M/s. Technika Corporation FZE	5,992,839	5,958,044
M/s. PT Novo Complast	29,428	29,428
	41,105,051	38,425,202



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Notes to the Financial Statements

	Dec-21 AED	Dec-20 AED
<p>The company, in its normal course of business, enters in to transactions with companies that fall under definition of "Related Party" of International Accounting Standard 24. Related parties comprise companies & entities under common ownership and/or common management & in which control & management is vested with shareholders or key managerial personnel. Such transactions are in normal course of business and at terms that correspond to those on normal arms-length transactions with third parties.</p>		
<i>Transactions related to Related Parties Included in financial statements are as follows:</i>		
Receivables Against Revenue	6,230,163	3,600,682
Receivables Against Loans & Advances	34,874,888	34,824,520
	41,105,051	38,425,202
11. Other Current Assets		
Refundable Deposits	3,625,193	2,721,011
Fixed Deposits	1,441,274	1,420,002
Advance to Staff	6,150	7,877
Advance to Suppliers	1,350,031	682,132
VAT Receivable	233,828	469,681
Loans, Advances & Prepayments	2,430,368	2,422,998
	9,086,844	7,723,701
12. Bank Borrowings		
Overdraft	8,641,660	8,845,570
Term Loan	5,010,445	7,866,833
Vehicle Loan	161,713	85,945
	13,813,818	16,798,348
(i) Bank Borrowings - Current Portion		
Overdraft	8,641,660	8,845,570
Term Loan	2,862,222	2,860,667
Vehicle Loan	44,794	85,945
	11,548,676	11,792,182
(ii) Bank Borrowings - Non Current Portion		
Term Loan	2,148,223	5,006,166
Vehicle Loan	116,919	-



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Notes to the Financial Statements

Bank Borrowings are secured by :

- (i) Pledge of 30% equity of M/s. Elan Incorporated FZE owned by Corporate Guarantor the company.
- (ii) Cash Margin of 15% on OD, Sight LC and DALC/TR.
- (iii) Additional Cash Margin of AED 2.4 Million and build up cash margin of AED 0.1 Million per month for 12 months.
- (iv) Assignment of insurance on stock in favour of bank
- (v) Corporate Guarantee of M/s. Gulf Powerbeat WLL, M/s. Time Technoplast Limited, India and M/s. Technika Corp FZE, Sharjah
- (vi) Undated Security cheque equivalent to exposure not covered by cash collateral.
- (vii) Pledge of present & future stock and assignment of receivables of the company
- (viii) Pledge over fixed and moveable assets (present & future) of M/s. Gulf Powerbeat WLL and M/s. Elan Incorporated FZE

13. Due to Related Parties

M/s. Al Nour Plastic Industrial Company	-	181,991
M/s. Avion Exim Pvt. Ltd.	785,539	1,941,654
M/s. Ecotech Lifecycle Management LLC	4,845,601	1,233,850
M/s. Gulf Power Beat W.L.L	7,805,179	6,096,771
M/s. Pack Delta Public Company Limited	1,758,638	370,411
M/s. Q-Pack Industries Sdn.Bhd.	-	206,402
M/s. Time Technoplast Limited	3,852,675	5,608,547
M/s. YPA Thailand Ltd	-	22,675
M/s. Yung Hsin Contain Industry Co. Ltd	83,149	83,149
	19,130,781	15,745,450

The company, in its normal course of business, enters in to transactions with the companies that fall under the definition of "Related Party" of International Accounting Standard 24. Related parties comprise companies and entities under the common ownership and/or common management and in which control and management is vested with the shareholders or key managerial personnel. Such transactions are in the normal course of business and at terms that correspond to those on normal arms-length transactions with third parties.

Transactions related to Related Parties Included in financial statements are as follows:

Payables against Purchase of Goods	19,130,781	15,745,450
	19,130,781	15,745,450

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31st December 2021

Notes to the Financial Statements

	Dec-21 AED	Dec-20 AED
14. Trade & Other Payables		
Trade Payables	10,291,571	8,003,538
	10,291,571	8,003,538
<i>Ageing Analysis:</i>		
0 - 30 days	2,611,832	2,221,436
31 - 60 days	974,920	659,286
61 - 90 days	2,296,341	1,426,755
Above 90 days	4,408,478	3,696,061
	10,291,571	8,003,538
15. Other Current Liabilities		
Advance from Customers	53,955	9,503
Refundable Deposits	35,000	35,000
	88,955	44,503
16. Accruals & Provisions		
Accrued Expenses	639,258	320,527
	639,258	320,527
17. Provision for Employee Benefits		
Provision for Employee Benefits	817,435	689,417
	817,435	689,417
<i>Provision for Employee Benefits</i>		
Balance as at the beginning of the year	689,417	520,082
Add: Additions made during the year	171,182	260,981
Less: Payments made during the year	(43,164)	(91,646)
Balance as at the end of the year	817,435	689,417

The Provision for end of service benefits for employees is made in accordance with the requirements of the UAE Labour Laws. This is an unfunded defined benefits retirement plan. Employees are entitled to benefits based on the length of service and final remuneration. Accrued employees' terminal benefits are payable on termination of employment.



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Notes to the Financial Statements

	Dec-21 AED	Dec-20 AED
18. Retained Earnings		
Balance at the beginning of the year	62,555,019	60,624,362
Add: Net profit for the year	4,177,921	1,930,657
Balance at the end of the year	66,732,940	62,555,019
F. Sales		
Sales	66,936,233	48,607,128
	66,936,233	48,607,128
VAT Analysis:		
Standard Rated Sales	750,200	503,277
Zero Rated	-	2,068,166
Out of Scope	66,186,033	46,035,685
	66,936,233	48,607,128
G. Cost of Sales		
Opening Stock of Finished Goods	2,024,718	1,920,172
Raw Material Consumed (i)	37,963,240	27,243,051
Direct Expenses (Wages, Utility, Lease Rent and Other Exp)	10,926,669	8,183,825
Depreciation (Schedule 5)	3,234,385	3,179,359
Packing, Clearing & Forwarding Charges	4,520,109	3,291,428
	58,669,121	43,817,835
Closing Stock of Finished Goods	2,427,550	2,024,718
	56,241,571	41,793,117
(i) Raw Material Consumed		
Opening Stock of Raw Materials	9,879,508	7,754,391
Add: Purchases	42,715,949	29,368,168
	52,595,457	37,122,559
Closing Stock of Raw Materials	14,632,217	9,879,508
	37,963,240	27,243,051



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31st December 2021

Notes to the Financial Statements

	Dec-21 AED	Dec-20 AED
H. Other Income		
Interest Income	47,873	7,752
Consultancy Fees Received	-	367,250
Discount Received	38,986	130,620
Quality Claim Receivable	21,594	64,509
Insurance Claim	-	38,648
Bad Debts Recovered	10,750	88,847
Miscellaneous income	45,728	37,104
	164,931	734,730
I. Employee Cost & Benefits		
Salaries & Benefits	2,370,491	1,883,911
	2,370,491	1,883,911
J. General and Administration Expenses		
Rent, Storage & Accommodation	105,250	113,094
Electricity & Water Charges & Other Utility Charges	144,067	139,057
Insurance Charges	171,721	164,465
Repairs & Maintenance	387,846	404,972
Communication Cost	21,375	24,541
Foreign Exchange Loss	48,089	-
License, Professional, Visa & Other Legal Charges	1,913,704	1,268,663
Printing & Stationery	60,536	47,332
Prepaid Exp Written Off	44,682	482
Claims Paid	42,046	114,614
Travelling & Conveyance Expenses	49,765	64,350
General Expenses	27,052	27,436
	3,016,133	2,369,006
K. Selling and distribution expenses		
Business Promotion Expenses	53,761	18,546
	53,761	18,546
L. Financial Charges		
Finance Cost *	1,192,421	1,329,369
	1,192,421	1,329,369

Elan Incorporated (FZE)
SAIF Zone, Sharjah - UAE

31st December 2021

Performance Analysis

Particulars	Dec-21 AED	Dec-20 AED
Sales	66,936,233	48,607,128
Cost of Sales	56,241,571	41,793,117
Gross Profit	10,694,662	6,814,011
Gross Profit Ratio	15.98%	14.02%
Other Income	164,931	734,730
Indirect Expenses	6,681,672	5,618,084
Net Profit	4,177,921	1,930,657
Net Profit Ratio	6.24%	3.97%
Depreciation	3,283,251	3,196,611
Cash Profit	7,461,172	5,127,268
Liquidity Ratios		
Current Ratio	1.93	1.96
Current Assets/ Current Liabilities		
Quick Ratio or Liquid Ratio	0.32	0.34
(Cash + Marketable Securities + Accounts receivables) / Current Liabilities		
Leverage		
Debt-to-Equity Ratio	0.58	0.56
Total Debt/ Shareholders Equity		
Debt-to-Asset Ratio	0.37	0.36
Total Liabilities / Total Assets		
RATES OF RETURN		
Return on Equity	0.05	0.03
Net Income/ Total Shareholders Equity		
Return on Assets	0.07	0.03
Net Income/ Total Average Assets		