

लेखा विवरण  
**Statement of Accounts**  
**2019-2020**



**SHEFEXIL**

**शेलाक एण्ड फाब्रेस्ट प्रोडाक्ट्स एक्सपोर्ट प्रमोशन काउंसिल**  
(भारत सरकार का वाणिज्य और मंत्रालय से प्रवर्तित)

**Shellac And Forest Products Export Promotion Council**

Formally Shellac Export Promotion Council  
(Sponsored by Ministry of Commerce & Industry, Govt. of India)

**1/1, Wood Street (2nd floor), Kolkata - 700 016**

**R. K. PATODI & CO.**  
**CHARTERED ACCOUNTANTS**

**Independent Auditor's Report**

**TO THE MEMBERS OF THE SHELLAC & FOREST PRODUCTS EXPORT PROMOTION COUNCIL**

We have audited the accompanying financial statements of **SHELLAC & FOREST PRODUCTS EXPORT PROMOTION COUNCIL** (Company Limited by Guarantee) ("the Company") which comprise the Balance Sheet as at March 31, 2020, the Statement of Income & Expenditure and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its deficit and Cash Flows for the year ended on that date.

**Basis for opinion**

We conducted our audit in accordance with the standards on auditing specified under section 143 (10) of the Companies Act, 2013. 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 Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics.

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

**Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

**Information other than the financial statements and auditors' report thereon**

The Company's Working Committee is responsible for the preparation of the other information. The other information comprises the information included in the Directors' Report including Annexures to Directors' Report but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially mis-stated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of Management and Those Charged With Governance for the Financial Statements**

The Company's Working Committee is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting

principles generally accepted in India, including the accounting standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The company's Working Committee is also responsible for overseeing the Company'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 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 SAs 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 SAs, 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. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- 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 Company'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 Company 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 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 we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that

may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

1. This report does not include a statement on the matters specified in paragraph 3 and 4 of the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, since in our opinion and according to the information and explanation given to us, the said order is not applicable to the Council, which is a Company licensed to operate under Section 25 of the Companies Act, 1956.
2. As required by section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) The Balance Sheet, the Statement of Income and Expenditure and the cash flow statement dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014
  - e) As reported to us, we report that none of the members of the Working Committee is disqualified as on 31 March, 2020 from being appointed as a member of the Working Committee in terms of Section 164(2) of the Companies Act, 2013;
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in Annexure - A; and
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit & Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Sub Notes 3, 4 and 5 of Note 17 to the financial statements.
    - ii) The company did not have any such long-term contracts including derivatives contracts for which there were any material foreseeable losses.
    - iii) There were no amounts which required to be transferred to the Investor Education and Protection Fund by the Company.

**For R. K. PATODI & CO.,**  
CHARTERED ACCOUNTANTS.  
FRN:305091E

**Sd/-**  
**(SIDDHARTHA PATODI)**  
PARTNER  
MEM. NO. 059144  
UDIN:

Place: Kolkata  
Date: 18 November 2020

# **Annexure - A to the Auditors' Report**

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

We have audited the internal financial controls over financial reporting of **SHELLAC & FOREST PRODUCTS EXPORT PROMOTION COUNCIL** (Company Limited by Guarantee) ("the Company") as of 31st March, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditors' Responsibility**

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

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

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

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

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of

financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

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

**For R. K. PATODI & CO.,**  
CHARTERED ACCOUNTANTS.  
FRN:305091E

**Sd/-**  
**(SIDDHARTHA PATODI)**  
PARTNER  
MEM. NO. 059144  
UDIN:

Place: Kolkata

Date: 18 November 2020



SHEFEXIL

**SHELLAC AND FOREST PRODUCTS EXPORT PROMOTION COUNCIL**  
**BALANCE SHEET AS AT 31ST MARCH, 2020**

(In Rs.)

Particulars	Note	As at 31st March, 2020	As at 31st March, 2019
<b>EQUITY AND LIABILITIES</b>			
<b>Funds</b>			
(a) Reserves & Surplus	1	141,486,861	140,254,228
<b>Non-Current Liabilities</b>			
(a) Long Term Provisions	2	3,405,900	3,470,094
<b>Current Liabilities</b>			
(a) Trade Payables	3	90,012	193,172
(b) Short Term Provisions	4	9,930,998	10,009,536
(c) Other Current Liabilities	5	13,617,938	4,575,105
<b>TOTAL</b>		<b>168,531,709</b>	<b>158,502,135</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Property, Plants and Equipments Tangible Assets	6	1,768,869	1,916,322
(b) Long Term Loans & Advances	7	8,550	408,550
(c) Other Non- Current Assets	8	5,331,701	5,012,329
<b>Current Assets</b>			
(a) Trade Receivables	9	774,243	1,242,581
(b) Cash & Bank Balances	10	137,676,511	132,607,572
(c) Short Term Loans & Advances	11	5,550,670	5,053,488
(d) Other Current Assets	12	17,421,165	<b>12,261,292</b>
<b>TOTAL</b>		<b>168,531,709</b>	<b>158,502,134</b>

Summary of significant accounting policies & other explanatory information.

17

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

As per our report of even date.

**For R. K. PATODI & CO.**

Chartered Accountants

F. R. N. 305091E

Sd/-

**(S. Patodi)**

Partner

Membership No. 059144

**For and on behalf of the Board**

Sd/-

**Ashvin K. Nayak**

(Chairman)

Sd/-

**P K Saraogi**

(Member)

Sd/-

**Dilip Soni**

(Vice Chairman)

Sd/-

**Sumit Kumar Ghosh**

(Member)

Sd/-

**Dr. D Roy**

(Executive Director)

Place : Kolkata

Date : 18 November 2020



**SHELLAC AND FOREST PRODUCTS EXPORT PROMOTION COUNCIL  
STATEMENT OF INCOME & EXPENDITURE FOR THE YEAR ENDED 31ST MARCH, 2020**

(In Rs.)

Particulars	Note	As at 31st March, 2020	As at 31st March, 2019
<b>Income :</b>			
Revenue From Operations (Net)	13	40,372,049	36,646,115
Other Income	14	9,521,640	8,992,323
<b>Total Revenue (A)</b>		<b>49,893,689</b>	<b>45,638,438</b>
<b>Expenses:</b>			
Employee Benefits Expense	15	9,664,528	8,067,933
Depreciation		167,754	233,466
Other Expenses (Code + Non - Code)	16	40,468,473	31,519,917
<b>Total Expenses (B)</b>		<b>50,300,755</b>	<b>39,821,316</b>
<b>Surplus Before Tax (A-B)</b>		<b>(407,066)</b>	<b>5,817,122</b>
Tax Expense:			
Current Tax		-	-
Income Tax for earlier years		20,302	-
<b>Surplus for the period</b>		<b>(427,368)</b>	<b>5,817,122</b>

Summary of significant accounting policies & other explanatory information.

17

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

As per our report of even date.

**For R. K. PATODI & CO.**

Chartered Accountants

F. R. N. 305091E

Sd/-

**(S. Patodi)**

Partner

Membership No. 059144

**For and on behalf of the Board**

Sd/-

**Ashvin K. Nayak**

(Chairman)

Sd/-

**P K Saraogi**

(Member)

Sd/-

**Dilip Soni**

(Vice Chairman)

Sd/-

**Sumit Kumar Ghosh**

(Member)

Sd/-

**Dr. D Roy**

(Executive Director)

Place : Kolkata

Date : 18 November 2020

# SHELLAC AND FOREST PRODUCTS EXPORT PROMOTION COUNCIL

## NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2020

(In Rs.)

Particulars	Note	As at 31st March, 2020	As at 31st March, 2019
<b>NOTE : 1 : RESERVES &amp; SURPLUS</b>			
<b>General Fund:</b>			
As per Last Account		90,336,434	91,597,039
Add: Surplus for the current year		-427,368	5,817,122
Add: Transferred from Fund for Cap India on utilisation		-	3,422,273
Less: Transferred to Fund for Toxicity Study for Shellac (E904) and Development on Guar Gum		-	8,500,000
Less: Transferred to Fund for Cap India		-	2,000,000
<b>Total</b>	<b>(A)</b>	<b>89,909,066</b>	<b>90,336,434</b>
<b>Admission Fees for Membership Fund:</b>			
As per Last Account		25,497,700	24,760,000
Add: Received during the year		1,660,000	737,700
<b>Total</b>	<b>(B)</b>	<b>27,157,700</b>	<b>25,497,700</b>
<b>Building Fund:</b>			
As per Last Account	<b>(C)</b>	<b>1,426,145</b>	<b>1,426,145</b>
<b>Fund for Toxicity Study for Shellac (E904) Fund &amp; Research and Development on Guar Gum :</b>			
As per Last Account		20,993,950	12,493,950
Add: Transferred from General Fund		-	8,500,000
Add: Contribution Received from Gum Manufacturers Association		-	-
Less: Expenditure incurred during the year		-	-
<b>Total</b>	<b>(D)</b>	<b>20,993,950</b>	<b>20,993,950</b>
<b>Fund for Cap India</b>			
As per Last Account		2,000,000	3,422,273
Add: Transferred from General Fund		-	2,000,000
Less: Expenditure incurred during the year for CAP(INDIA), 2018		-	-
Less : Transferred to General Fund on utilisation		-	3,422,273
<b>Total</b>	<b>(E)</b>	<b>2,000,000</b>	<b>2,000,000</b>
<b>Total (A+B+C+D+E)</b>		<b>141,486,861</b>	<b>140,254,229</b>
<b>NOTE : 2 : LONG TERM PROVISIONS</b>			
<b>Provision for Employee Benefits</b>			
for Leave Salary		3,470,094	3,314,179
Add :During the year		315,516	155,915
Less :Paid During the year		379,710	-
		<b>3,405,900</b>	<b>3,470,094</b>
<b>NOTE : 3 : TRADE PAYABLES</b>			
Dues of other than Micro Enterprises and Small Enterprises			
		90,012	193,172
		<b>90,012</b>	<b>193,172</b>
Amount due to Micro & Small Enterprises, as defined in the Micro, Small & Medium Enterprises Development Act,2006, has been determined to the extent such parties have been identified on the basis of information available with the company.			
<b>NOTE : 4 : SHORT TERM PROVISIONS</b>			
For Export Awards		5,730,998	5,730,998
For Cal Laboratory (Rent)		4,200,000	3,800,000
For Income Tax		-	478,538
		<b>9,930,998</b>	<b>10,009,536</b>
<b>NOTE : 5 : OTHER CURRENT LIABILITIES</b>			
Advance from Members for Quality & Registration Certificate		-	46,413
Advance from Members towards Membership Fees for subsequent year/s		1,768,438	1,654,174
Book Overdraft with Indian Overseas Bank		-	3,265
Audit Fees Payable		100,000	-
Other Liabilities		2,148	36,253
Refundable to Participants on cancellation of China Inerdye 2020 fair under MAI Scheme		2,835,000	-
Refundable to Participants & Grant Received on cancellation of FIC China Fair under MAI Scheme		2,254,800	-
Payable against China Inerdye 2019 fair under MAI Scheme		-	2,835,000
Refundable to Participants on cancellation of Vitafoods Switzerland Fair		730,000	-
GST Tax for previous Years Payable		5,927,552	-
		<b>13,617,938</b>	<b>4,575,105</b>

**SHELLAC AND FOREST PRODUCTS EXPORT PROMOTION COUNCIL  
NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2020**

(In Rs.)

**Note: 6 : Property, Plants and Equipments**

Assets	GROSS BLOCK			
	As at 01.04.2019	Addition during the year	Deduction during the year	As at 31.03.2020
<b>GOVT. GRANT ITEMS</b>				
Building	3,243,355	-	-	3,243,355
By-Cycle	426	-	-	426
Calculating Machine	1,772	-	-	1,772
Electric Equipment with Installation	85,107	-	-	85,107
Fire Extinguisher	917	-	-	917
Furniture and Fixtures	1,094,973	-	-	1,094,973
Library Books & Laboratory Equipment	52,323	-	-	52,323
Office Appliances	39,581	-	-	39,581
Water Cooler	11,210	-	-	11,210
<b>Total (A)</b>	<b>4,529,664</b>	<b>-</b>	<b>-</b>	<b>4,529,664</b>
<b>Previous Year</b>	<b>4,529,664</b>	<b>-</b>	<b>-</b>	<b>4,529,664</b>
<b>NON GOVT. GRANT ITEMS</b>				
A.C.Machine	22,000	-	-	22,000
Calculator Machine	2,033	-	-	2,033
Camera	61,492	-	-	61,492
Computer	541,268	20,300	-	561,568
Furniture and Fixtures	392,280	-	-	392,280
Mobile Phones	214,254	-	-	214,254
Motor Car	1,556,033	-	-	1,556,033
Photocopy Machine	48,880	-	-	48,880
Office Appliances	58,712	-	-	58,712
<b>Total (B)</b>	<b>2,896,952</b>	<b>20,300</b>	<b>-</b>	<b>2,917,252</b>
<b>Previous Year</b>	<b>2,817,698</b>	<b>79,254</b>	<b>-</b>	<b>2,896,952</b>
<b>Total (A+B)</b>	<b>7,426,616</b>	<b>20,300</b>	<b>-</b>	<b>7,446,916</b>
<b>Previous Year</b>	<b>7,347,362</b>	<b>79,254</b>	<b>-</b>	<b>7,426,616</b>

**SHELLAC AND FOREST PRODUCTS EXPORT PROMOTION COUNCIL  
NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2020**

(In Rs.)

DEPRECIATION			NET BLOCK		
Upto 31.03.2019	Provided for the year	Adjustment on Sale	Upto 31.03.2020	As at 31.03.2020	As at 31.03.2019
1,720,640	72,338	-	1,792,978	1,450,377	1,522,715
425	-	-	425	1	1
1,695	-	-	1,695	77	77
81,342	-	-	81,342	3,765	3,765
914	-	-	914	3	3
1,049,984	-	-	1,049,984	44,989	44,989
49,979	-	-	49,979	2,344	2,344
39,134	-	-	39,134	447	447
11,027	-	-	11,027	183	183
				-	
<b>2,955,140</b>	<b>72,338</b>	<b>-</b>	<b>3,027,478</b>	<b>1,502,186</b>	<b>1,574,524</b>
<b>2,879,194</b>	<b>75,946</b>	<b>-</b>	<b>2,955,140</b>	<b>1,574,524</b>	<b>1,650,470</b>
20,900	-	-	20,900	1,100	1,100
1,941	-	-	1,941	92	92
58,416	-	-	58,416	3,076	3,076
482,884	33,660	-	516,544	45,024	58,384
335,997	15,548	-	351,545	40,735	56,283
109,110	21,711	-	130,821	83,433	105,144
1,443,693	24,496	-	1,468,189	87,844	112,340
46,436	-	-	46,436	2,444	2,444
55,776	-	-	55,776	2,936	2,935
<b>2,555,153</b>	<b>95,416</b>	<b>-</b>	<b>2,650,569</b>	<b>266,683</b>	<b>341,798</b>
<b>2,397,633</b>	<b>157,520</b>	<b>-</b>	<b>2,555,153</b>	<b>341,799</b>	<b>420,065</b>
<b>5,510,293</b>	<b>167,754</b>	<b>-</b>	<b>5,678,047</b>	<b>1,768,869</b>	<b>1,916,322</b>
<b>5,276,827</b>	<b>233,466</b>	<b>-</b>	<b>5,510,293</b>	<b>1,916,323</b>	<b>2,070,535</b>

**SHELLAC AND FOREST PRODUCTS EXPORT PROMOTION COUNCIL  
NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2020**

(In Rs.)

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>NOTE : 7 : LONG TERM LOANS &amp; ADVANCES</b>		
Security Deposit	8,550	8,550
Loans to Staff	-	400,000
	<b>8,550</b>	<b>408,550</b>
<b>NOTE : 8 : OTHER NON-CURRENT ASSETS</b>		
Fixed Deposits with Andhra Bank (Earmarked for Leave Encashment)	5,331,701	5,012,329
	<b>5,331,701</b>	<b>5,012,329</b>
<b>NOTE : 9 : TRADE RECEIVABLES</b> (Unsecured & considered good by the Management)		
Debts due over six months	39,530	34,730
Other Debts	734,713	1,207,851
	<b>774,243</b>	<b>1,242,581</b>
<b>NOTE : 10 : CASH &amp; BANK BALANCES</b>		
<b>(a) Cash &amp; Cash Equivalants</b>		
Cash in Hand	40,394	92,941
<b>Balance with Scheduled Banks</b>		
<b>In Current Account with:</b>		
Indian Overseas Bank	367,728	-
State Bank of India	7,308,848	8,018,475
In Earmarked Account with		
Indian Overseas Bank	94,217	94,217
In Current A/c with Central Bank of India (MDA Assistance- Exporter Fund A/c)	104,287	104,639
In Savings Bank Account with IOB (Building A/c)	1,901,226	92,477
In Savings Bank Account with SBI ( Gratuity A/c)	36,441	34,513
In Savings Bank Account with Andhra Bank (Leave Salary A/c)	180,742	23,055
In Auto Sweep Deposit Account with		
Indian Overseas Bank	6,050,000	2,650,000
State Bank of India	208,010	112,637
<b>(b) Other Bank Balances</b>		
<b>Fixed Deposits having maturity period not exceeding twelve months as at the year end</b>		
With State Bank Of India	121,384,618	121,384,618
	<b>137,676,511</b>	<b>132,607,572</b>

**SHELLAC AND FOREST PRODUCTS EXPORT PROMOTION COUNCIL  
NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2020**

(In Rs.)

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>NOTE : 11 : SHORT TERM LOANS &amp; ADVANCES</b>		
<b>Unsecured &amp; Considered Good:</b>		
GST Credit	269,843	457,670
TDS & Other Income Tax pending adjustment	5,114,732	4,429,723
Advances Recoverable from Shri J. Ram:		
Against Salary	18,000	18,000
Committee of Administration Expenses	6,195	6,195
Quality Control Expenses	10,000	10,000
Travelling Expenses	20,000	20,000
Travelling for Crop.Product Development	10,000	10,000
House Building Loan	45,000	45,000
Staff Loan	6,000	6,000
Amount Defalcated	26,900	26,900
Suspense Account	24,000	24,000
	<b>5,550,670</b>	<b>5,053,488</b>
<b>NOTE : 12 : OTHER CURRENT ASSETS</b>		
Accrued Interest on Fixed Deposits with Banks	15,235,862	7,437,466
Advances Recoverable in cash or in kind or for value to be received	21,700	689,024
Prepaid expenses on China Interdye,2019	-	2,884,802
Receivable against FIC China fair	2,163,603	1,250,000
	<b>17,421,165</b>	<b>12,261,292</b>

**SHELLAC AND FOREST PRODUCTS EXPORT PROMOTION COUNCIL  
NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2020**

(In Rs.)

<b>Particulars</b>	<b>As at 31st March, 2020</b>	<b>As at 31st March, 2019</b>
<b>NOTE : 13 : REVENUE FROM OPERATIONS</b>		
Govt Grant in aid under MAI Scheme	7,156,530	12,318,033
Membership Fees	4,444,500	4,247,933
Service Charges- Quality	8,310,739	1,547,459
Service Charges- Registration	8,234,859	6,483,921
Service Charges Balrampur Laboratory	67,425	71,835
Processing Fee for Endorsement/ Health Certificate of Guar Gum	6,223,500	7,126,000
Processing Fee for Registration Certificate of Gum Karaya	183,358	55,074
Contribution for Trade Fair Participation outside India	5,605,000	4,565,360
Miscellaneous Income	146,138	230,500
	<b>40,372,049</b>	<b>36,646,115</b>
<b>NOTE : 14: OTHER INCOME</b>		
Bank Interest on Earmarked Building Fund A/c	8,802	45,942
Bank Interest on Earmarked Gratuity A/c	1,946	1,182
Bank Interest on Earmarked Leave Salary Accounts ( Including T.D.S. Rs. 35,487/-, P.Y. Rs.19,675 /-)	356,631	336,263
Interest on Income Tax Refund	246,979	-
Interest on Term Deposits with banks ( Including T.D.S. Rs. 9,04,310/-, P.Y. Rs.8,60,841/-)	8,907,282	8,608,936
	<b>9,521,640</b>	<b>8,992,323</b>
<b>NOTE : 15 : EMPLOYEE BENEFITS EXPENSE</b>		
<b>Salaries and wages</b>	<b>8,458,341</b>	<b>7,067,527</b>
Employers Contribution P.F and other funds	690,703	540,473
Premium paid to L.I.C.I. on Employees Gratuity Policy- {Note -17 (1)(G)(i)}	54,930	169,372
Provision for Leave Salary { Note-17 (1)(G)(ii)}	315,516	155,915
Leave Travel Concession	31,179	47,961
Staff Welfare Expenses	113,859	86,685
	<b>9,664,528</b>	<b>8,067,933</b>

# SHELLAC AND FOREST PRODUCTS EXPORT PROMOTION COUNCIL

## NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2020

(In Rs.)

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>NOTE : 16 : OTHER EXPENSES :</b>		
<b>Export Promotion Activities (Code)</b>	-	-
Participation in China Interdye 2019 under MAI Scheme	3,087,783	1,374,485
Participation in Moscow Russia Fair 2019 under MAI Scheme	2,256,270	-
Participation in Victam International, Germany 2019 under MAI Scheme	2,371,467	2,818,354
Participation in Vitafoods Europe Switzerland-2018 under MAI Scheme	10,000	3,124,029
Participation in Food Europe France Fair-2019 under MAI Scheme	4,034,628	3,542,221
Reimbursement of Airfare to Exporters under MAI Scheme	-	5,164
Toxicity Study of Shellac (E 904 ) under MAI Scheme	3,333,500	2,729,624
Toxicity Study of Shellac (E 412) under MAI Scheme	42,051	-
R & D on Guar Gum	-	56,221
Govt. Grant Refunded	2,500,000	-
	<b>17,635,699</b>	<b>13,650,098</b>
<b>Administrative Expenses (Non - Code)</b>		
Airfare for Members of Committee of Administration	562,410	914,116
Bank Charges	22,965	27,704
Department Related Parliamentary Standing Committee Expenses	-	100,691
Cap India, 2018/2019	-	538,169
Cap India, 2019	239,835	3,060,362
Cap India, 5th 2019	4,071,395	-
Expenses for Maintenance of Office Premises Including Electricity	533,915	549,872
Expenses for Council's Motor-Car	207,388	195,185
Expenses for Task Force for Medicinal Plant/Herbs	1,125,025	662,000
Hospitality Expenses	206,970	38,448
Internal Audit Fees	30,000	30,000
Statutory Audit Fees - for current year	70,000	70,000
Statutory Audit Fees - for previous year -	-	10,000
Legal & Professional Charges	1,034,242	955,030
Liveries Expenses	-	2,600
Maintenance of Office Equipments	78,875	93,971
Meeting Expenses including AGM/EGM/COA/Election Expenses	890,165	1,023,769
Membership Subscription to other organisations	-	6,250
Miscellaneous Expenses	92,957	73,461
Postage & Telegraph	288,895	282,985
Printing and Stationery	298,201	224,563
Provision for Export Award	-	2,000,000
Provision for GST Expenses For Previous Years	5,927,552	-
Publicity, Advertisement & Social Media Expenses	232,767	321,600
Rates & Taxes	21,125	96,853
Repairs & Renewals	22,469	109,680
Shellac Testing Laboratory Expenses	1,321,079	1,321,633
SHEFEXIL's Website Maintenance Expenses	50,600	48,800
Telecommunication Expenses	115,169	119,196
Subscription to Books and Journals	-	6,670
Travelling and Conveyance	465,741	660,391
Market Research Expenses	1,964,500	1,403,020
Study On Embedded Tax	-	1,261,748
Online RCMC	132,752	259,651
MSME Abhiyan	-	416,677
Service Tax Written Off	-	3,600
Interest on Late Payment of TDS, etc	23,877	49,176
GST Ineligible u/s. 17(5), 42 & 43 of CGST Act	1,653,517	931,946
Bio Diversity Act Expenses	798,813	-
Swatchh Pakhwada	84,870	-
E. Sanchit	60,250	-
Mahatma Gandhi 150 Yrs	16,000	-
Outreach Programme	184,504	-
Late Fee On GST	3,950	-
	<b>22,832,774</b>	<b>17,869,817</b>
<b>Total (Code + Non-Code)</b>	<b>40,468,473</b>	<b>31,519,915</b>



**SHELLAC AND FOREST PRODUCTS EXPORT PROMOTION COUNCIL  
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020**

(In Rs.)

Particulars	Year Ended 31st March, 2019		Year Ended 31st March, 2018	
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>				
Surplus before tax as per Income & Expenditure A/c		(407,066)		5,817,121
Adjustment for :				
Depreciation	167,754		233,466	
Interest on Term Deposits	(8,907,282)		(8,608,936)	
		(8,739,528)		(8,375,470)
<b>Operating Profit Before Working Capital Changes</b>		<b>(9,146,594)</b>		<b>(2,558,349)</b>
Adjustments for :				
(Increase) / Decrease in Trade & other Receivables	(445,265)		(793,948)	
(Increase) / Decrease in Loans & Advances	4,139,954		(4,027,232)	
Increase / (Decrease) in Provisions	(142,732)		(4,188,172)	
Increase / (Decrease) in Trade and other payables	8,939,673	12,491,630	(3,038,218)	(12,047,571)
		<b>3,345,036</b>		<b>(14,605,920)</b>
Less : Income Tax Paid (Net of Refund)		705,311		1,743,021
<b>[A]</b>		<b>2,639,726</b>		<b>(16,348,940)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>				
Acquisition of Fixed Assets	(20,300)		(79,254)	
Net Investment in Fixed Deposits	(319,372)		7,378,753	
Interest received on Term Deposits Deposits	1,108,886	769,214	5,429,274	12,728,773
<b>[B]</b>		<b>769,214</b>		<b>12,728,773</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>				
Admission Fees for Membership		1,660,000		737,700
<b>[C]</b>		<b>1,660,000</b>		<b>737,700</b>
Net Increase in Cash & Cash Equivalents (A+B+C)		5,068,940		(2,882,467)
Opening Cash & Cash Equivalents		11,222,954		14,105,422
<b>Closing Cash &amp; Cash Equivalents</b>		<b>16,291,893</b>		<b>11,222,954</b>
<b>Notes:</b>				
<b>Cash &amp; Cash Equivalents:</b>				
Cash		40,394		92,941
Balance with Scheduled Banks:				
In Savings/Current Accounts		9,993,489		8,367,376
In Auto Sweep Accounts		6,258,010		2,762,637
		<b>16,291,893</b>		<b>11,222,954</b>

## AUDITORS' CERTIFICATE

We have verified the above Cash Flow Statement of SHELLAC AND FOREST PRODUCTS EXPORT PROMOTION COUNCIL derived from the audited financial statements and the records maintained by the company for the year ended 31st March, 2019 and found the same in agreement therewith.

**For R. K. PATODI & CO.**

Chartered Accountants

F. R. N. 305091E

Sd/-

**(S. Patodi)**

Partner

Membership No. 059144

**For and on behalf of the Board**

Sd/-

**Ashvin K. Nayak**

(Chairman)

Sd/-

**P K Saraogi**

(Member)

Sd/-

**Dilip Soni**

(Vice Chairman)

Sd/-

**Sumit Kumar Ghosh**

(Member)

Sd/-

**Dr. D Roy**

(Executive Director)

Place : Kolkata

Date : 18 November 2020

# **SHELLAC & FOREST PRODUCTS EXPORT PROMOTION COUNCIL (A COMPANY LIMITED BY GUARANTEE)**

## **NOTE: 17**

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION**

#### **1. SIGNIFICANT ACCOUNTING POLICIES:**

- A. The accounts are kept under Historical cost convention and prepared on a going concern basis.
  - B. Income and expenses are considered under the mercantile system of accounting.
  - C. Expenditure related to various code activities and other activities together with apportionment of operational expenses are booked under the functional heads to conform to the budgets, as approved by the Government of India. As such, the expenses shown under various nominal heads are not necessarily the total expenditure incurred under these particular heads.
  - D. Fixed Assets:
    - (i) Fixed assets are stated at actual cost as reduced by the amount of Grant received less depreciation.
    - (ii) Depreciation is being provided under the written down value method over the useful life of the Fixed assets prescribed in Schedule II of the Companies Act, 2013.
  - E. As per the Council's decision, the admission fee collected from Members is being capitalized from the year 2005-06.
  - F. Stationery purchased during the year is charged to Income & Expenditure Account and, hence, no closing stock is considered.
  - G. Retirement benefits:
    - (i) The Council has taken a policy of L.I.C.I. for providing Gratuity benefit to its employees.
    - (ii) Provision for Leave Salary is made not on actuarial valuation but on the basis of computation made by the management after taking into account the value of accumulated leave to the credit of its existing employees at the year end.
  - H. Current Tax is determined at the amount of tax payable on the taxable Income for the year.
2. The Council is a Company licensed to operate under Section 25 of the Companies Act, 1956. Every Member of the Company, other than the officials of Government, undertakes to contribute to the assets of the Company in the event of its being wound up while he is a Member, or within one year afterwards, for payment of the debts and liabilities of the Company contracted before he ceases to be a Member, and of the costs, charges and expenses of winding up, and for adjustment of the rights of the contributories amongst themselves, such amount as may be required, not exceeding Rs. 500/-.
3. Loans and advances aggregating to Rs.1,15,195/- drawn by Shri J. Ram (Ex-Acting Secretary/Junior Officer) for various purposes including House Building Loan and Staff Loan have been shown as recoverable from him and exhibited under the head 'Loans and Advances' in the Balance Sheet, The said advance will be adjusted upon settlement of the pending suit filed by him against his dismissal and non-payment of his dues.

4. Pending settlement of the case of defalcation of Rs. 26,900/- by Shri J. Ram (Ex-Acting Secretary/ Junior Officer) the amount has been shown as recoverable from him, and exhibited under the head 'Loans & Advances' in the Balance Sheet.
5. An amount of Rs. 24,000/- shown in 'Suspense A/c' under the head 'Loan and Advances' represents payment made by the Shri J. Ram against Bill No. 0961 dt. 15/11/1999 of M/s. Ansari & Sons, Daltongunj, which according to the management, is a fake one. The amount will be adjusted upon completion of enquiry in the matter and the settlement of pending suit of Sri J. Ram.
6. Details of Salary and Allowances paid to employees during the year:

	Rs.	P.
<b>(a) Office Salary and Wages :</b>		
Salaries	80,23,337.00	
Driver's wages	3,35,004.00	
Ex gratia	1,00,000.00	
<b>TOTAL</b>	<b>84,58,341.00</b>	
<b>(b) Contribution to PF and Other Funds :</b>		
Council's Cont. to P.F.	6,28,057.00	
P.F. Adm. charge	304.00	
P.F. Inspection charge	27,892.00	
Deposit Link Insurance	1,950.00	
Employees Pension Cont	32,500.00	
<b>TOTAL</b>	<b>69,07,03.00</b>	
<b>(c) Staff Welfare Expenses :</b>		
Staff Welfare Expenses	81,383.00	
Medical reimbursement	32,476.00	
<b>TOTAL</b>	<b>1,13,859.00</b>	
<b>(d) Salary at Lab Employees (Included in Shellac Testing Laboratory Expenses)</b>	<b>7,16,000.00</b>	
<b>(e) Others - Leave Travel Concession</b>	<b>31,179.00</b>	
<b>GRAND TOTAL (a+b+c+d+e)</b>	<b>1,00,10,082.00</b>	

7. Provision for disputed Liabilities, contingent upon settlement of cases pending before various forums, have not been made since nothing has crystallized so far.
8. The previous year's figures have been rearranged / regrouped whenever found necessary.
9. The Council has no deferred tax liability at the year end. Provisions for expenses to be claimed by the Council in the subsequent years on the basis of actual payment/incurrence have not been recognized as deferred tax assets in view of the exemption available to it u/s. 11 of the Income-tax Act.



SHEFEXIL