R. K. PATODI & CO.
CHARTERED ACCOUNTANTS

2, Church Lane, 4th Floor, Suite No. 404A, Kolkata-700 001
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INDEPENDENT AUDITORS' REPORT

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

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, 2026, 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, 2026, its surplus 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 Committee of Administration 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 Committee of Administration 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 Committee of Administration 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, 2020, 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. A. 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 except for the matter stated in the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014;

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 Committee of Administration is disqualified as on March 31, 2026 from being appointed as a member of the Committee of Administration 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.

B. 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:

a) 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;

b) The Company did not have any such long-term contracts including derivatives contracts for which there were any material foreseeable losses;

c) There were no amounts which required to be transferred to the Investor Education and Protection Fund by the Company;

d) i) The Committee of Administration has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;



ii) The Committee of Administration has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

e) Since the Company has not declared or paid any dividend during the year, the provisions contained in section 123 of the Companies Act, 2013 are not applicable to it.

f) Based on our examination which included test checks, the Company, in respect of financial year commencing on 1st April 2025, has used accounting software for maintaining its books of account, which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all relevant transactions recorded in the software. During the course of our audit, we did not come across any instance of audit trail feature being tampered with. Further, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

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

SIDDHARTHA PATODI
PARTNER

Membership No. 059144
UDIN: 26059144JYYUEF3371

Place: Kolkata
Date: 28-09-2026

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 March 31, 2026 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 Committee of Administration 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 authorizations of management and directors of the company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorized 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 March 31 2026, 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

SIDDHARTHA PATODI
PARTNER

Membership No. 059144
UDIN: 26059144JYYUEF3371

Place: Kolkata
Date: 28-09-2026

SHELLAC AND FOREST PRODUCTS EXPORT PROMOTION COUNCIL
BALANCE SHEET AS AT 31ST MARCH, 2026

(Rupees in Hundreds)

Particulars	Note	As at 31st March, 2026	As at 31st March, 2025
EQUITY AND LIABILITIES			
Funds			
(a) Reserves & Surplus	1	2,355,756.14	2,168,671.79
Non-Current Liabilities			
(a) Long Term Provisions	2	55,227.29	55,227.29
Current Liabilities			
(a) Trade Payables	3		
i) Total outstanding dues of Micro Enterprises and Small Enterprises		-	-
ii) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		917.92	773.13
(b) Other Current Liabilities	4	173,627.34	88,467.17
(c) Short Term Provisions	5	87,500.00	334,309.98
TOTAL		**2,673,028.69**	**2,647,449.35**
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment & Intangible Assets			
(i) Property, Plant and Equipment	6	29,784.29	28,802.04
(b) Other Non-Current Assets	7	78,088.29	73,755.97
Current Assets			
(a) Trade Receivables	8	31,506.86	60,305.35
(b) Cash & Bank Balances	9	2,301,305.44	2,364,597.01
(c) Short Term Loans & Advances	10	168,633.92	54,738.89
(d) Other Current Assets	11	63,709.89	65,250.09
TOTAL		**2,673,028.69**	**2,647,449.35**

Additional regulatory information 16
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

R. K. PATODI & CO. KOLKATA Chartered Accountants

Siddhartha Patodi
Partner
Membership No. 059144

For and on behalf of the Board

Nandini S Merchant		**Anup Kumar Agarwala**
(Vice Chairman)		(Chairman)
(DIN 07566968)		(DIN 07689536)
P. K. Hissaria	**Veila K Raja**	**Dr. D Roy**
(Member)	(Member)	(Executive Director)
(DIN 01302890)	(DIN 00042519)	

Place: Kolkata
Date: 28-09-2026

SHELLAC AND FOREST PRODUCTS EXPORT PROMOTION COUNCIL
STATEMENT OF INCOME & EXPENDITURE FOR THE YEAR ENDED 31ST MARCH, 2026

(Rupees in Hundreds)

	Particulars	Note	For Year Ended 31st March, 2026	For Year Ended 31st March, 2025
	INCOME			
	Revenue From Operations (Net)	12	608,954.39	580,909.96
	Other Income	13	425,894.37	404,100.53
	Total Income (A)		**1,034,848.77**	**985,010.49**
	EXPENSES			
	Employee Benefits Expenses	14	282,284.35	308,210.47
	Depreciation	6	3,723.49	4,303.91
	Other Expenses	15	597,756.57	638,614.05
	Total Expenses (B)		**883,764.41**	**951,128.43**
	Surplus/(Deficit) for the period (A-B)		**151,084.35**	**33,882.06**

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

S. Patodi

Siddhartha Patodi
Partner
Membership No. 059144

For and on behalf of the Board

Anup Agarwala

Anup Kumar Agarwala
(Chairman)
(DIN 07689536)

Nandini S Merchant
(Vice Chairman)
(DIN 07566968)

D Roy

Dr. D Roy
(Executive Director)

Veila K Raja
(Member)
(DIN 00042519)

P. K. Hissaria
(Member)
(DIN 01302890)

Place: Kolkata
Date: 28-09-2026

SHELLAC AND FOREST PRODUCTS EXPORT PROMOTION COUNCIL
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2026

(Rupees in Hundreds)

Particulars		Year Ended 31st March, 2026		Year Ended 31st March, 2025	
CASH FLOW FROM OPERATING ACTIVITIES:					
Surplus/(Deficit) as per Statement of Income & Expenditure			151,084.35		33,882.06
Adjustment for:					
Depreciation		1,723.49		4,303.91	
Received from participants towards Future Events		-		83,064.79	
Received from participants in earlier year		-		(112,117.36)	
Interest on Bank Deposits		(148,642.47)	(144,918.98)	(148,473.71)	(173,222.37)
Operating Profit Before Working Capital Changes			6,165.37		(139,340.32)
Adjustments for:					
(Increase)/Decrease in Trade Receivables		28,798.49		(39,670.66)	
(Increase)/Decrease in Other Current Assets		-		35,373.85	
(Increase)/Decrease in Other Non Current Assets		-		-	
(Increase)/Decrease in Loans & Advances		(97,982.00)		20,891.53	
Increase/(Decrease) in Provisions		(246,809.98)		179,339.33	
Increase/(Decrease) in Trade and Other Payables		85,304.96	(230,688.53)	(13,880.56)	182,053.49
			(224,523.16)		**42,713.17**
Less : Income Tax Paid (Net of Refund)			15,913.03		(36,873.03)
	[A]		**(240,436.19)**		**79,586.20**
CASH FLOW FROM INVESTING ACTIVITIES:					
Acquisition of property, plant & equipment		(4,705.73)			
Addition in Fixed Deposits				(95,930.00)	
Interest received on Bank Deposits		29,738.20	25,032.47	138,413.09	42,483.09
	[B]		**25,032.47**		**42,483.09**
CASH FLOW FROM FINANCING ACTIVITIES:					
Admission Fees for Membership			36,000.00		39,400.00
	[C]		**36,000.00**		**39,400.00**
Net Increase in Cash & Cash Equivalents (A+B+C)			(179,403.72)		161,469.29
Add: Opening Cash & Cash Equivalents			675,317.24		513,847.95
Closing Cash & Cash Equivalents			495,913.52		675,317.24
Notes:					
Cash & Cash Equivalents:					
Cash in hand			243.26		353.01
Balance with Scheduled Banks:					
In Savings/Current Accounts			110,646.21		51,250.18
In Auto Sweep Accounts			385,024.05		623,714.05
			495,913.52		675,317.24

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, 2026 and found the same in agreement therewith.

For R. K. PATODI & CO.
Chartered Accountants
F. R. N. 305093E

Siddhartha Patodi
Partner
Membership No. 059144

For and on behalf of the Board

Nandini S Merchant		**Anup Kumar Agarwala**
(Vice Chairman)		(Chairman)
(DIN 07566968)		(DIN 07689536)
P. K. Hissaria	**Vella K Raja**	**Dr. D Roy**
(Member)	(Member)	(Executive Director)
(DIN 01302890)	(DIN 00042519)	

Place: Kolkata
Date: 28.09.2026

SHELLAC AND FOREST PRODUCTS EXPORT PROMOTION COUNCIL
NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2026

(Rupees in Hundreds)

NOTE 1 - RESERVES & SURPLUS		As at 31st March, 2026	As at 31st March, 2025
General Fund			
As per Last Balance Sheet		15,55,941.43	15,05,059.37
Add: Transfer from Fund for Toxicity Study for Shellac (E904) & Research and Development on Guar Gum		17,880.76	50,000.00
Add: Transfer from Fund for Vitafoods Nutraceutical Exhibition 2025 at Barcelona, Spain		83,064.79	-
Add: Surplus/(Deficit) for the current year		1,51,084.35	33,882.06
		18,07,971.33	15,88,941.43
Less: Transfer to Export Development Fund		1,50,000.00	33,000.00
Total	**(A)**	**16,57,971.33**	**15,55,941.43**
Admission Fees for Membership Fund			
As per Last Balance Sheet		4,57,777.00	4,18,377.00
Add: Received for the year		36,000.00	39,400.00
Total	**(B)**	**4,93,777.00**	**4,57,777.00**
Building Fund			
As per Last Balance Sheet		14,261.45	14,261.45
Total	**(C)**	**14,261.45**	**14,261.45**
Fund for Toxicity Study for Shellac (E904) Fund & Research and Development on Guar Gum			
As per Last Balance Sheet		17,880.76	67,880.76
Less: Transferred to General Fund		17,880.76	50,000.00
Total	**(D)**	-	**17,880.76**
Fund for Toxicity Study of Guar Gum (E412)			
As per Last Balance Sheet		6,746.36	6,746.36
Total	**(E)**	**6,746.36**	**6,746.36**
Fund for Vitafoods Nutraceutical Exhibition 2024 at Geneva, Switzerland			
As per Last Balance Sheet		-	1,12,117.36
Less: Transferred to Statement of Income & Expenditure		-	1,12,117.36
Total	**(F)**	-	-
Fund for Vitafoods Nutraceutical Exhibition 2025 at Barcelona, Spain			
As per Last Balance Sheet		83,064.79	-
Add: Collected from participants		-	87,685.00
Less: Transferred to Income & Expenditure A/c to the extent expenditure incurred during the year		-	4,620.21
		83,064.79	83,064.79
Less: Transferred to General Fund		83,064.79	-
Amount to be utilised in the subsequent year	**(G)**	-	**83,064.79**
Export Development Fund			
As per Last Balance Sheet		33,000.00	-
Add: Amount transferred from General Fund		1,50,000.00	33,000.00
Total	**(H)**	**1,83,000.00**	**33,000.00**
Grand Total (A+B+C+D+E+F+G+H+I+J)		**23,55,756.14**	**21,68,671.79**



SHELLAC AND FOREST PRODUCTS EXPORT PROMOTION COUNCIL
NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2026

(Rupees in Hundreds)

NOTE 2 - LONG TERM PROVISIONS	As at 31st March, 2026	As at 31st March, 2025
Provision for Employee Benefits		
- For Leave Salary		
As per Last Account	55,227.29	50,387.96
Add: During the year	-	4,839.33
Less: Paid during the year	-	-
	55,227.29	**55,227.29**

Note 3 - TRADE PAYABLES	As at 31st March, 2026	As at 31st March, 2025
(i) Total outstanding dues of micro enterprises and small enterprises	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	917.92	773.13
	917.92	**773.13**

For Trade Payables ageing schedule refer to Note: 3.1 attached with this report

NOTE 4 - OTHER CURRENT LIABILITIES	As at 31st March, 2026	As at 31st March, 2025
Advances for Quality & Registration Certificate	29,471.99	13,970.62
Advance from Members towards Membership Fees for subsequent year(s)	36,050.00	42,275.00
Statutory Dues		
- TDS Payable	4,868.45	4,531.88
- GST Payable	92,257.48	4,864.91
- Employees P Tax Payable	10.00	12.00
- PF Payable	1,427.42	1,348.80
Audit Fees Payable	1,000.00	1,000.00
Expenses payable	42.00	17.44
Expenses re-imbursible to participants out of MAI grants	8,500.00	18,700.00
Other Liabilities	-	1,746.52
	1,73,627.34	**88,467.17**

NOTE 5 - SHORT TERM PROVISIONS	As at 31st March, 2026	As at 31st March, 2025
Provision for Export Awards	20,000.00	1,21,309.98
Provision for Cal Laboratory (Rent)	67,500.00	63,000.00
Provision for Bharat Nutraverse Expo 2025	-	1,50,000.00
	87,500.00	**3,34,309.98**

NOTE 7 - OTHER NON-CURRENT ASSETS	As at 31st March, 2026	As at 31st March, 2025
Fixed Deposits with Union Bank of India (Earmarked for Leave Encashment) (including interest accrued thereon)	77,753.44	73,421.12
Security Deposit	334.85	334.85
	78,088.29	**73,755.97**

NOTE 8 - TRADE RECEIVABLES	As at 31st March, 2026	As at 31st March, 2025
Uncecured & considered good	31,506.86	60,305.35
	31,506.86	**60,305.35**

For Trade Receivables ageing schedule refer to Note: 8.1 attached with this report



SHELLAC AND FOREST PRODUCTS EXPORT PROMOTION COUNCIL
NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2026

SUB-NOTE 3.1 - TRADE PAYABLES AGEING SCHEDULE

A) As at 31-03-2026

(Rupees in Hundreds)

Particulars	Outstanding for following periods from due date of payment/date of transaction				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	917.92	-	-	-	917.92
(ii) Others	-	-	-	-	-
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total	**917.92**	**-**	**-**	**-**	**917.92**

B) As at 31-03-2025

Particulars	Outstanding for following periods from due date of payment/date of transaction				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	744.63	-	28.50	-	773.13
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total	**744.63**	**-**	**28.50**	**-**	**773.13**

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.

SUB-NOTE 8.1 - TRADE RECEIVABLES AGEING SCHEDULE

A) As at 31-03-2026

(Rupees in Hundreds)

Particulars	Outstanding for following periods from due date of receipt/date of transaction					
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	31,225.80	120.14	91.80	62.92	6.20	31,506.86
(ii) Undisputed Trade receivables - considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade receivables - considered good	-	-	-	-	-	-
(iv) Disputed Trade receivables - considered doubtful	-	-	-	-	-	-
(v) Unbilled	-	-	-	-	-	-
Total	**31,225.80**	**120.14**	**91.80**	**62.92**	**6.20**	**31,506.86**

B) As at 31-03-2025

Particulars	Outstanding for following periods from due date of receipt/date of transaction					
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	60,107.68	60.60	16.64	6.20	114.23	60,305.35
(ii) Undisputed Trade receivables - considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade receivables - considered good	-	-	-	-	-	-
(iv) Disputed Trade receivables - considered doubtful	-	-	-	-	-	-
(v) Unbilled	-	-	-	-	-	-
Total	**60,107.68**	**60.60**	**16.64**	**6.20**	**114.23**	**60,305.35**

R. K. PATODIA & CO. KOLKATA Chartered Accountants

SHELLAC AND FOREST PRODUCTS EXPORT PROMOTION COUNCIL
NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2026

NOTE 6 - PROPERTY, PLANT AND EQUIPMENTS

(Rupees in Hundreds)

Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2025	Additions during the year	Deductions during the year	As at 31.03.2026	Upto 31.03.2025	Provided for the year	Adjustment on Sale	Upto 31.03.2026	As at 31.03.2026	As at 31.03.2025
GOVT. GRANT ITEMS										
Building	32,433.55	-	-	32,433.55	21,062.70	540.18	-	21,602.88	10,830.67	11,370.85
By-Cycle	4.26	-	-	4.26	4.25	-	-	4.25	0.01	0.01
Calculating Machine	17.72	-	-	17.72	16.95	-	-	16.95	0.77	0.77
Electric Equipment with Installation	851.07	-	-	851.07	813.42	-	-	813.42	37.65	37.65
Fire Extinguisher	9.17	-	-	9.17	9.14	-	-	9.14	0.03	0.03
Furniture and Fixtures	10,949.73	-	-	10,949.73	10,499.84	-	-	10,499.84	449.89	449.89
Library Books & Laboratory Equipment	523.23	-	-	523.23	499.79	-	-	499.79	23.44	23.44
Office Appliances	395.81	-	-	395.81	391.34	-	-	391.34	4.47	4.47
Water Cooler	112.10	-	-	112.10	110.27	-	-	110.27	1.83	1.83
Total (A)	**45,296.64**	**-**	**-**	**45,296.64**	**33,407.70**	**540.18**	**-**	**33,947.88**	**11,348.76**	**11,888.94**
Previous Year (I)	**45,296.64**	**-**	**-**	**45,296.64**	**32,840.58**	**567.12**	**-**	**33,407.70**	**11,888.94**	**12,456.06**
NON GOVT. GRANT ITEMS										
A.C.Machine	4,521.89	-	-	4,521.89	2,855.94	464.75	-	3,320.69	1,201.20	1,665.95
Calculator Machine	20.33	-	-	20.33	19.41	-	-	19.41	0.92	0.92
Camera	614.92	-	-	614.92	584.16	-	-	584.16	30.76	30.76
Computer	9,642.67	-	-	9,642.67	9,140.78	-	-	9,140.78	501.89	501.89
Furniture and Fixtures	3,922.80	4,540.56	-	8,463.36	3,729.77	952.52	-	4,682.29	3,781.07	193.03
Mobile Phones	6,567.30	-	-	6,567.30	5,039.95	640.09	-	5,680.04	887.26	1,527.35
Motor Car	31,187.18	-	-	31,187.18	18,397.50	1,000.14	-	19,397.64	11,789.54	12,789.68
Photocopy Machine	488.80	-	-	488.80	464.36	-	-	464.36	24.44	24.44
Office Appliances	1,966.77	165.17	-	2,131.94	1,787.69	125.81	-	1,913.50	218.44	179.08
Total (B)	**58,932.66**	**4,705.73**	**-**	**63,638.39**	**42,019.56**	**3,183.31**	**-**	**45,202.87**	**18,435.53**	**16,913.10**
Previous Year (II)	**58,932.66**	**-**	**-**	**58,932.66**	**38,282.77**	**3,736.79**	**-**	**42,019.56**	**16,913.10**	**20,649.89**
Total (A+B)	**1,04,229.30**	**4,705.73**	**-**	**1,08,935.03**	**75,427.26**	**3,723.49**	**-**	**79,150.75**	**29,784.29**	**28,802.04**
Total Previous Year (I+II)	**1,04,229.30**	**-**	**-**	**1,04,229.30**	**71,123.35**	**4,303.91**	**-**	**75,427.26**	**28,802.04**	**33,105.95**



SHELLAC AND FOREST PRODUCTS EXPORT PROMOTION COUNCIL
NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2026

(Rupees in Hundreds)

NOTE 9 - CASH & BANK BALANCES	As at 31st March, 2026	As at 31st March, 2025
(a) Cash & Cash Equivalants		
Cash in Hand	243.26	353.01
Balance with Scheduled Banks		
In Current Accounts with		
- Indian Overseas Bank	3,996.05	1,562.71
- State Bank of India	54,143.69	516.40
In Earmarked Accounts		
In Current Accounts with		
- Indian Overseas Bank	849.12	849.12
- Central Bank of India (MDA Assistance-Exporter Fund A/c)	1,033.08	1,040.33
In Savings Bank Accounts with		
- Indian Overseas Bank (Building A/c)	22,487.03	21,943.13
- State Bank of India (Gratuity A/c)	545.51	2,234.63
- Union Bank of India (Leave Salary A/c)	27,591.74	23,103.87
In Auto Sweep Deposit Accounts with		
- Indian Overseas Bank	1,59,000.00	4,01,500.00
- State Bank of India	2,26,024.05	2,22,214.05
	4,95,913.52	6,75,317.24
(b) Other Bank Balances		
Fixed Deposits having original maturity period exceeding twelve months		
- State Bank of India	18,05,391.92	16,89,279.77
	23,01,305.44	**23,64,597.01**

NOTE 10 - SHORT TERM LOANS & ADVANCES	As at 31st March, 2026	As at 31st March, 2025
Unsecured & Considered Good:		
TDS & Other Income Tax pending adjustment	66,383.79	50,470.77
GST Receivable	99,691.80	1,535.41
Advances Recoverable in cash or in kind or for value to be received	517.41	77.81
Prepaid expenses	73.75	73.75
Staff Advances	6.21	620.21
Doubtful:		
Advances Recoverable from Shri J. Ram including pending adjustment on settlement of suit:		
Against Salary	180.00	180.00
Committee of Administration Expenses	61.95	61.95
Quality Control Expenses	100.00	100.00
Travelling Expenses	500.00	500.00
Travelling for Crop. Product Development	100.00	100.00
House Building Loan	450.00	450.00
Staff Loan	60.00	60.00
Amount Defalcated	269.00	269.00
Suspense Account	240.00	240.00
	1,68,633.92	**54,738.89**

NOTE 11 - OTHER CURRENT ASSETS	As at 31st March, 2026	As at 31st March, 2025
Accured interest on deposits with Banks	63,709.89	65,250.09
Grant-In-Aid receivable	-	-
	63,709.89	**65,250.09**

R. K. PATODIA & CO. KOLKATA Chartered Accountants

SHELLAC AND FOREST PRODUCTS EXPORT PROMOTION COUNCIL
NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2026

(Rupees in Hundreds)

NOTE 12 - REVENUE FROM OPERATIONS	For Year Ended 31st March, 2026	For Year Ended 31st March, 2025
Membership Fees	98,235.00	95,070.00
Service Charges		
- For Quality Certificate	1,34,851.45	1,27,897.26
- For Registration	1,34,376.97	1,27,556.49
- For Shellac Testing	350.82	418.18
Processing Fees		
- For Official Certificate of Betel Leaves	12,705.00	12,705.00
- For Official Certificate of Food supplement containing botanical	1,27,185.00	1,04,460.00
- For Endorsement/Health Certificate of Guar Gum	1,00,585.00	1,09,167.50
- For Registration Certificate of Gum Karaya	665.16	1,180.70
Outreach Programme of DGFT	-	-
Grant-In-Aid from Govt. of India	-	2,454.82
	6,08,954.39	**5,80,909.96**

NOTE 13 - OTHER INCOME	For Year Ended 31st March, 2026	For Year Ended 31st March, 2025
Bank Interest on Earmarked Savings Bank Accounts		
- Indian Overseas Bank (Building Fund A/c)	568.28	595.31
- State Bank of India (Gratuity A/c)	57.40	59.20
- Union Bank of India (Leave Salary A/c)	5,471.34	4,858.50
Interest on Term/Sweep Deposits with banks	1,43,171.13	1,43,615.21
Interest on Income Tax Refund	3,036.54	5,766.29
SHEFEXIL India Pavilion at Korea Pharm & Bio 2026,Gyeonnggi	208.02	-
Rounding Off	0.32	1.11
Fi Europe 2023 at Frankfurt, Germany	-	-
Supply Side West 2023, North America	-	-
Bharat Neutraverse Expo, 2025 New Delhi	1,51,827.07	-
Bharat Neutraverse Expo, 2026 New Delhi	32,940.00	-
Fi Europe 2024 at Frankfurt, Germany	19,323.26	1,04,438.00
Vitafoods Nutraceutical 2024 at Geneva, Switzerland	3,166.94	1,40,146.70
Vitafoods Nutraceutical 2025 at Barcelona, Spain	20,727.39	4,620.21
Vitafoods Europe 2026,Barcelona, Spain	44,341.70	-
Miscellaneous Income	10.00	-
Liabilities no Longer Required W/off	1,044.98	-
	4,25,894.37	**4,04,100.53**

NOTE 14 - EMPLOYEE BENEFITS EXPENSE	For Year Ended 31st March, 2026	For Year Ended 31st March, 2025
Salaries and wages	81,138.97	77,655.48
Employers Contribution PF and Other Funds	8,670.03	8,249.68
Payment to LICI for Employees Pension Policy	1,90,246.68	2,09,359.49
Premium paid to LICI on Employees Gratuity Policy {Note -17 (1)(g)(i)}	0.14	0.67
Provision for Leave Salary {Note-17 (1)(g)(ii)}	-	4,839.33
Staff Welfare Expenses	2,228.53	8,105.82
	2,82,284.35	**3,08,210.47**



SHELLAC AND FOREST PRODUCTS EXPORT PROMOTION COUNCIL
NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2026

(Rupees in Hundreds)

NOTE 15 - OTHER EXPENSES	For Year Ended 31st March, 2026	For Year Ended 31st March, 2025
Expenses for Development Activities:		
Bio Diversity Act Expenses	2,650.00	800.00
Creation of New ITC (HS) Classification	16,735.48	300.00
GI Tag For Bangla Paan	-	5,666.98
MAI Toxicity Study of Shellac (E-904)	72,500.00	-
Roadmap for Agarwood Export (Northeast India)	2,575.00	-
Study on Export Pilibhit District, UP	4,800.00	-
Research & Development on Guar Gum	-	50,000.00
Indian Institute of Technology Kharagpur Project	-	17,502.00
Visit to Chintan Shivir During 19-20 Jan'26 Udaipur	712.28	-
Visit to Natural Products Expo 2025 Auckland	3,004.98	
Visit to Vitafoods Asia, 2025, Bangkok, Thailand	1,554.91	
Natural Health Products NZ - Innovation Expo - 2025	228.95	-
Export Award Expenses 2025	10,051.75	-
Outreach programme at Chandarpur, Nagpur, Maharastra A/C	-	1,625.76
Vitafoods Nutraceutical 2025 at Barcelona, Spain	1,14,023.87	4,620.21
Bharat Nutraverse Expo, 2025, New Delhi	1,49,005.36	
Bharat Nutraverse Expo, 2026, New Delhi	4,018.00	-
Food Ingredients Europe 2025, Paris, France.	8,056.41	-
Sub-Total (A)	**3,89,916.99**	**80,514.95**
Code Activities:		
Fi Europe 2023 at Frankfurt, Germany	100.00	-
Supply Side West 2023, North America	100.00	50.00
Vitafoods Nutraceutical 2023 at Geneva, Switzerland	12,000.00	-
Fi Europe 2024 at Frankfurt, Germany	-	1,01,861.25
Vitafoods Nutraceutical 2024 at Geneva, Switzerland	-	1,34,513.64
Sub-Total (B)	**12,200.00**	**2,36,424.89**
Non - Code Activities:		
Bank Charges	89.93	162.70
Electricity Charges	1,973.59	2,039.53
Expenses for Council's Motor Cars	2,765.46	2,156.81
Expenses for Maintanance of Office Premises	3,893.85	4,933.75
Export promotion expenses	-	8,262.00
Hospitality Expenses	3,176.88	3,747.63
Interest on Late Payment of TDS, GST, etc	205.05	418.09
Internal Audit Fees	300.00	300.00
Nutraceuticals related Expenses	13,201.85	9,454.17
Irrecoverable balances written off	-	1,332.54
Legal & Professional Charges	8,365.23	15,022.92
Maintenance of Office Equipments	2,917.23	2,054.52
Market Research Expenses	26,345.00	11,245.00
Meeting Expenses including AGM/EGM/COA/Election Expenses	26,562.03	20,912.91
Miscellaneous Expenses	7,322.05	1,028.08
Penalty on P-Tax & Service Tax	0.56	-
Postage & Courier Charges	8,804.12	7,531.75
Printing and Stationery	3,018.85	3,313.53
Provision for Export Awards	-	20,000.00
Provision for Bharat Nutraverse Expo 2025	-	1,50,000.00
Publicity, Advertisement & Social Media Expenses	30,895.20	8,685.36
Rates & Taxes	1,918.54	794.65
Repairs & Maintenance	2,307.76	2,544.98
Retainership Fees	33,470.00	28,160.00
Reversal of Common GST Input	-	2,458.16
SHEFEXIL's Website Maintenance Expenses	650.00	518.00
Shellac Testing Laboratory Expenses	10,879.13	11,160.20
Statutory Audit Fees	700.00	700.00
Telecommunication Expenses	1,012.25	1,109.06
Travelling and Conveyance	4,865.02	1,627.88
Sub-Total (C)	**1,95,639.58**	**3,21,674.21**
Total (A + B + C)	**5,97,756.57**	**6,38,614.05**



SHELLAC AND FOREST PRODUCTS EXPORT PROMOTION COUNCIL
NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2026

NOTE 16 - ADDITIONAL REGULARITY INFORMATION

i) The title deed of Immovable Property held by the company is in its own name.

ii) The company has not revalued its property, plant & equipment during the year.

iii) The company has no intangible assets.

iv) The company has not granted any loans or advances to promotors, directors, KMPs and the related parties (as defined under companies Act, 2013), either severally or jointly with any other person, that are repayable on demand or are without specifying any terms or period of repayment.

v) There is no capital-work-in progress at the year-end.

vi) There is no intangible assets under development at the year-end.

vii) The company has no benami property and no proceedings has been initiated or pending against the company for holding any benami property under The Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made there under.

viii) The company has no borrowings from banks or financial institutions on the basis of security of current assets.

ix) The company has not been declared as a wilful defaulter by any bank or financial institution or other lenders.

x) The company has no transactions with companies struck off u/s 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

xi) There is no pending case of any charge or satisfaction thereof, which is yet to be registered with ROC, beyond the statutory period.

xii) The company has not made any investment beyond the number of layers prescribed under clause 87 of section 2 of the Companie Act,2013 read with the Companies(Restriction on number of Layers) Rules, 2017

xiii) Ratio Analysis : Please refer Sub-Note 16.1 attached herewith

xiv) The company has not entered into any scheme of arrangement, approved by competent authority in terms of sections 230 to 237 of the Companies Act, 2013.

xv) (A) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.



(B) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

xvi) The Company does not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the year in its tax assessments or under any other provisions

xvii) The provisions contained in Section 135 of the Companies Act, 2013 relating to CSR Activities are not applicacable to the company for the year under review.

xviii) The Company has not traded or invested in Crypto currency or Virtual Currency during the year.



NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2026

SUB-NOTE 16.1 - RATIO ANALYSIS

(Rupees in hundred)

Ratio	Formula	Particulars		31st March, 2026		31st March, 2025		Ratio as on		Variation	Reason (If variation is more than 25%)
		Numerator	Denominator	Numerator	Denominator	Numerator	Denominator	31st March, 2026	31st March, 2025		
Current Ratio	Current Assets / Current Liabilities	Current Assets = Trade Receivable + Cash & Bank Balances + Short Term Loans & Advances + Other Current Assets	Current Liability = Trade Payables + Other Current Liabilities + Short Term Provisions	25,65,156.11	2,62,045.26	25,44,891.34	4,23,550.27	9.79	6.01	63%	Due to decrease in current liabilities as on 31-03-2026.
Debt-Equity Ratio	Debt / Equity	Not applicable, as there are no borrowings.									
Debt Service Coverage Ratio	Net Operating Income / Debt Service	Not applicable, as there are no borrowings.									
Return on Equity Ratio	(Profit after tax less pref. Dividend / Shareholder's Equity)*100	Not Applicable, as it is a Company Limited by Gurantee not having any shareholder's equity.									
Inventory Turnover Ratio	Sales / Average Inventory	Not applicable, as there are no Inventory.									
Trade Receivables Turnover Ratio	Sales / Average Trade Receivables	Revenue from operations	(Opening Trade Receivables + Closing Trade Receivables)/2	6,08,954.39	45,906.11	5,80,909.96	15,424.33	13.27	37.66	-65%	Due to increase in average trade receivables for the current year.
Trade Payables Turnover Ratio	Purchases / Average Trade Payables	Not applicable, as there are no purchases.									
Net Capital Turnover Ratio	Revenue / Average Working Capital	Revenue = Revenue from Operations + Other Income	Average Working Capital = Average of Current assets - Current liabilities	10,34,848.77	22,12,225.96	9,85,010.49	19,94,093.13	0.47	0.49	-5%	
Net Profit Ratio	Net Profit / Net Sales	Net Profit	Revenue from operations	1,51,084.35	6,08,954.39	33,882.06	5,80,909.96	0.25	0.06	325%	Due to increase in profit for the FY 2025-26
Return on Capital Employed	EBIT / Capital Employed	Not Applicable, as it is a Company Limited by Gurantee not having any share capital.									
Return on Investment	(Income from Investments / Average Investments)*100	Not Applicable, as no invetsments are being held.									

R. K. PATODI & CO. KOLKATA Chartered Accountants

SHELLAC AND FOREST PRODUCTS EXPORT PROMOTION COUNCIL
NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2026

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 under the accrual system of accounting.

b) Revenue is recognized to the extent that the economic benefits will flow to the Company and the revenue can be reliably measured.

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) **Property, Plant & Equipment and Intangible Assets:**

(i) Property, Plant & Equipment are stated at actual cost as reduced by the amount of Grant received, if any, less depreciation.

(ii) Depreciation is being provided under the written down value method over the useful life of the assets prescribed in Schedule II to the Companies Act, 2013.

e) **Government Grants:**
The Council receive various government grants that require compliance with certain conditions related to the Council's operating activities or are provided to the Council by way of financil assistance on the basis of certain qualifying criteria. Government Grants are recognised when there is reasonable assurance that the grant will be received upon the Council complying with the conditions attached to the grant.

f) As per the Council's decision, the admission fee collected from Members is being capitalized from the Financial Year 2005-06.

g) Stationery purchased during the year is charged to Income & Expenditure Account and, hence, no closing stock is considered.

h) **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.

i) Current Tax is determined at the amount of tax payable on the taxable Income, if any, for the year.

j) A provision is recognized when the company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle obligation, in respect of which a reliable estimate can be made.



SHELLAC AND FOREST PRODUCTS EXPORT PROMOTION COUNCIL
NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2026

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 'Short Term Loans & 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 'Short Term Loans & Advances' in the Balance Sheet.

5 An amount of Rs. 24,000/- shown in 'Suspense A/c' under the head 'Short Term Loans & 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:

		(Rupees in Hunderds)
	Current Year	**Previous Year**
(a) **Office Salary and Wages**		
Salaries	73,458.97	70,243.48
Driver's Wages	6,480.00	6,412.00
Ex-gratia	1,200.00	1,000.00
Total	**81,138.97**	**77,655.48**
(b) **Contribution to PF and Other Funds**		
Council's Contribution to PF	8,340.14	7,909.60
PF Inspection Charges	317.14	329.58
Deposit Link Insurance	12.75	10.50
Total	**8,670.03**	**8,249.68**
(c) **Staff Welfare Expenses**		
Staff Welfare Expenses	2,027.46	1,131.74
Medical Reimbursement	201.07	6,974.08
Total	**2,228.53**	**8,105.82**
(d) **Salary at Laboratory (included in Shellac Testing Laboratory Expenses)**	4,200.00	4,200.00
Grand Total (a+b+c+d)	**96,237.53**	**98,210.98**

R. K. PATODI & CO. KOLKATA Chartered Accountants

SHELLAC AND FOREST PRODUCTS EXPORT PROMOTION COUNCIL
NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2026

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 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.

9 The previous year's figures have been rearranged/regrouped whenever found necessary.

As per our report of even date.

For R. K. PATODI & CO.
Chartered Accountants
F. R. N. 305091E

S. Patodi

Siddhartha Patodi
Partner
Membership No. 059144

R. K. PATODI & CO. KOLKATA Chartered Accountants

For and on behalf of the Board

Nandini S Merchant
(Vice Chairman)
(DIN 07566968)

Anup Kumar Agarwala
(Chairman)
(DIN 07689536)

P. K. Hissaria
(Member)
(DIN 01302890)

Veila K Raja
(Member)
(DIN 00042519)

D. Roy

Dr. D Roy
(Executive Director)

Place: Kolkata
Date: 28-09-2026