

**REPORT  
&  
ACCOUNTS**

**for the Financial Year ended 31st March, 2020**

**BCC&<sup>i</sup>**  
AIDING BUSINESS SINCE 1833

**KOLKATA  
2020**

**The Managing Committee (Elected Members)****President :**

Mr. B B Chatterjee

**Immediate Past President (Ex-Officio) :**

Mr. Indrajit Sen

**President Designate :**

Mr. Deb A Mukherjee

**Senior Vice President :**

Mr. Abraham George Stephanos

**Vice President :**

Mr. Subir Chakraborty

**Other Elected Members :**

Mr. Alok Gupta

Mr. Ashoke Banerjee

Mr. Deb Kumar Basu

Mr. Gautam Ray

Mr. Jahan Numazar Mehta

Mr. Kaushik Roy

Mr. Peeyush Gupta

Mr. Pulak Chamaria

Dr. Rupali Basu

Mr. Simarpreet Singh

Mr. Subrata Dutta

Late Shaankar Sen (Till 28th July, 2020)

Mr. Arnab Basu

Mr. Bihari Kumar Newar

Mr. Dip Narayan Mittra

Mr. Gopal Krishna Sharan

Mr. Joydeep Bhattacharya

Mr. Navarun Sen

Mr. Prasanta Kumar Dutt

Mr. R N Lahiri

Mr. Sandeep Kumar

Mr. Subhasendu Chatterjee

Mr. Sudip Chatterjee

Mr. Arun Kumar Mukherjee

Mr. Chiranjib Bhattacharya

Mr. Gandharv Roy

Mr. Indranil Dasgupta

Mr. Joydeep Datta Gupta

Mr. Pallav Gupta

Mr. Prodip Mukhopadhyay

Mr. Raghav Kanoria

Mr. Satyam Roychowdhury

Dr. Suborno Bose

Mr. Tapas Banerjee

**Director General :**

Mr. Subhodip Ghosh

**Auditors**

Dutta Ghosh & Associates

Chartered Accountants,

4 Ripon Street, Kolkata - 700 016

**Solicitors & Advocates**

Victor Moses and Company

6 Old Post Office Street

Ground Floor, Kolkata - 700 001

**Bankers**

Bandhan Bank Ltd

4, Clive Row,

Kolkata – 700 001

Canara Bank

6, N S Road,

Kolkata – 700 001

HDFC Bank Ltd.

Maddox Square Branch

6B, Ritchie Road,

Kolkata – 700 019

State Bank of India

14, N S Road,

Kolkata – 700 001

**Registered Office**

Royal Exchange,

6, N S Road, Kolkata - 700 001

CIN : U67120WB1893NPL000761

## NOTICE

**To All Members of The Bengal Chamber of Commerce and Industry**

**THE ANNUAL GENERAL MEETING OF THE BENGAL  
CHAMBER OF COMMERCE AND INDUSTRY – BUSINESS SESSION**

Notice is hereby given that the Business Session of the 166th Annual General Meeting of The Bengal Chamber of Commerce and Industry will be held at 1.30 p.m. on Saturday, 7th November, 2020 at The Bengal Chamber of Commerce & Industry, Royal Exchange, 6 Netaji Subhas Road, Kolkata 700 001, to transact the following business:

### **ORDINARY BUSINESS**

- I. To consider and adopt the Financial Statements of The Chamber for the financial year ended 31st March, 2020 and the Reports of the Managing Committee and the Auditors thereon.
- II. To elect the Managing Committee in place of the retiring Committee.
- III. To fix the remuneration of the Statutory Auditors for the financial year 2020-21 by passing the following Resolution :

“RESOLVED that in compliance with Section 142 of the Companies Act, 2013 and in consonance with the appointment of M/s Dutta Ghosh & Associates, Statutory Auditors, at the 165th Annual General Meeting, the Audit Fee of the Auditors be and is hereby fixed at ₹ 1,00,000/- (Rupees One Lakh) to conduct the audit for the financial year 2020-21”.

By Order of the Managing Committee

**Subhodip Ghosh**  
Director General

Place: Kolkata

Date: 9th October, 2020

**REPORT OF THE MANAGING COMMITTEE AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2020**

Your Managing Committee is pleased to present their Report for the Financial Year ended 31st March 2020.

**1. FINANCIAL HIGHLIGHTS**

The Audited Financial Statements of The Chamber for the year ended 31st March 2020 are attached. The year's results reflect excess of Income over Expenditure of ₹26,77,180.00 after making provision for doubtful debts of ₹13,71,797.00. No provision was required to be made for Income Tax as explained in the Notes on Accounts.

The accumulated excess of Income over Expenditure of ₹2,56,94,975.00 brought forward from previous years after adjusting the excess of Income over Expenditure of ₹26,77,180.00, for the year, shows a credit balance of ₹2,83,72,155.00 which is reflected under Reserves & Surplus in the Balance Sheet.

**2. MANAGING COMMITTEE MEETINGS**

During the Financial Year (FY) 2019-20, The Chamber had held six Managing Committee Meetings.

**3. COMMITTEE MEMBERS' RESPONSIBILITY STATEMENT**

As required under Section 134(5) of the Companies Act, 2013 ('Act'), your Committee Members confirm:

- a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- b) The Committee Members had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of The Chamber at the end of the Financial Year on 31st March 2020 and of the income over expenditure of The Chamber for the Financial Year ended 31st March 2020;
- c) The Committee Members had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of The Chamber and for preventing and detecting fraud and other irregularities;
- d) The Committee Members had prepared the annual accounts on a going concern basis; and
- e) The Committee Members had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**4. CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION**

The particulars as required under the provisions of Section 134(3)(m) of the Act in respect of conservation of energy and technology absorption have not been furnished, considering the nature of activities undertaken by The Chamber.

The Chamber however appreciated the need to conserve energy though energy consumption by The Chamber is insignificant. Based on recommendations of energy auditor, Enfragy Solutions Pvt Ltd (appointed in 2014) and EESL (a JV of PSUs under the Ministry of Power, Government of India), appointed thereafter for implementation, resulted in annual energy savings in lighting and cooling.

**5. STATUTORY AUDITORS**

Pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Act, read with the Companies (Audit & Auditors) Rules 2014, including any modification or re-enactment thereof, at the last – 165th Annual General Meeting (AGM), the Members had approved the appointment of M/s. Dutta Ghosh & Associates, Chartered Accountants – Registration Number 309088E, to hold office as the Statutory Auditors of The Chamber till the conclusion of the 170th AGM to be held in 2024 at an annual audit fee of ₹1,00,000/- (Rupees One Lakh) to conduct the audit of The Chamber. The Statutory Auditors have given their written consent and provided the Consent and Certificate to The Chamber as required under Section 139 read with Section 141 of the Act.

Appropriate resolution seeking your approval to the audit fee of ₹ One Lakh to the Statutory Auditors to conduct

the audit of The Chamber for the FY 2020-21 is appearing in the Notice of the AGM.

Report of the Statutory Auditors, including reference made therein to the Notes forming part of the Financial Statements, are self-explanatory. There are no qualifications or reservations made by the Auditors in their Report.

#### **6. CHANGES IN THE MANAGING COMMITTEE**

During FY 2020-21, Mr. Joydeep Bhattacharya (in place of Mr. Subrata Bagchi) and Mr. Subhasendu Chatterjee were appointed by the Managing Committee as Additional Members both effective 12th May 2020. Mr. Shaankar Sen, Chairman and Managing Director, Senco Gold Limited and Managing Committee Member passed away on 28th July 2020. The Managing Committee expresses their condolence on the demise of Mr. Sen. Mr. Debasis Jana and Ms. Chand Tulal Mazumder, having resigned, ceased to be Members of the Managing Committee during the year.

All Committee Members are liable to retire at the forthcoming AGM as per the Articles of Association of The Chamber.

#### **7. RISK MANAGEMENT AND INTERNAL FINANCIAL CONTROLS**

The Chamber has in place defined Risk Management Framework to identify, assess, monitor and mitigate various risks. During the year, The Chamber has implemented Standard Operating Procedures (SOP) on diverse areas to further strengthen internal controls.

The responsibility for management of risks vests with the Director General, who as Chief Executive Officer of The Chamber, supported by Secretariat officers and staff, is responsible for day-to-day conduct of the affairs of The Chamber. The Chamber has in place adequate financial controls with respect to the Financial Statements commensurate with its size and scale of operations, which has also been endorsed by the Statutory Auditors in their Report.

#### **8. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

No loan or guarantee was given by The Chamber during the financial year under review. The details of Investments have been provided in the Notes forming part of the audited Financial Statements of The Chamber for the financial year ended 31st March 2020.

#### **9. FOREIGN EXCHANGE EARNING AND OUTGO**

During the year under review, foreign exchange earning was ₹4,26,182.00 and foreign exchange outgo was ₹2,25,122.00.

#### **10. PARTICULARS OF RELATED PARTY TRANSACTIONS**

There was no related party transaction entered into by The Chamber during the financial year ended 31st March, 2020.

#### **11. PARTICULARS OF EMPLOYEES**

None of the officers and employees of The Chamber is covered by the provisions in Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

#### **12. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS / COURTS / TRIBUNALS**

During the year under review, Income Tax Appellate Tribunal (ITAT) has passed an Order on 20th September 2019 allowing The Chamber's Appeal for Assessment Years 2011-12 and 2012-13 filed against the Order of CIT (Appeals), disallowing exemptions available to Charitable Institutions u/s 11 of Income Tax Act, 1961. Status of other Income Tax matters are provided in the Notes on Accounts for the year ended 31st March 2020.

A Writ Application filed by The Chamber on 30th August 2017 against an order passed by the Joint Municipal Commissioner, Kolkata Municipal Corporation (KMC), has been disallowed by the Learned Single Bench of the Hon'ble Calcutta High Court on 30th June 2020. Further details on the said KMC matter is appearing in the Notes on Accounts for the year ended 31st March 2020. An Appeal has been preferred before the Division Bench of the Hon'ble Calcutta High Court against the said Order.

No other significant or material orders have been passed by the Regulators / Courts / Tribunals impacting the going concern status of The Chamber and its future operations.

**13. EXTRACT OF ANNUAL RETURN**

The information required under Section 134(3)(a) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is annexed to this Report.

**14. COST RECORDS**

The maintenance of Cost Records u/s 148(1) of the Act is not applicable to The Chamber.

**15. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

Your Chamber has zero tolerance towards any sexual harassment at the workplace. In line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder, The Chamber has in place an Internal Complaints Committee for conducting inquiry into any complaints received on harassments at the workplace. During the year under review, there were no complaints received by the Internal Complaints Committee.

**ACKNOWLEDGEMENT**

The Committee places on record the support received from all the Members towards the development of The Chamber. The Committee also places on record its appreciation for the services rendered by all employees and for their continued commitment despite the challenging times.

For and on behalf of the Managing Committee

(Subhodip Ghosh)  
Director General

(Deb A Mukherjee)  
President Designate

(B B Chatterjee)  
President

Enclosed : As above.

Place: Kolkata

Date : 8th September, 2020

**FORM NO. MGT 9  
EXTRACT OF ANNUAL RETURN**

**As on financial year ended on 31.03.2020**

**[Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company  
(Management & Administration) Rules, 2014.]**

<b>I. REGISTRATION &amp; OTHER DETAILS :</b>		
1.	CIN	U67120WB1893NPL000761
2.	Registration Date	20th June, 1893
3.	Name of the Company	The Bengal Chamber of Commerce & Industry
4.	Category/ Sub -category of the Company	Company Limited by Guarantee
		Company Licensed under Section 26 Act VI of 1882 L.C (The Indian Companies Act, 1882)
5.	Address of the Registered office & contact details	Royal Exchange, 6, N. S. Road, Kokata-700 001. bencham@bengalchamber.com
6.	Whether listed company	No
7.	Name, Address & contact details of Registrar & Transfer Agent, if any.	Not Applicable

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company shall be stated :

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Business Support	82199	6.75%
2	Convention	82300	39.87%
3	Membership	94110	17.38%
4	Rent & Others	-	36.00%

**III. PARTICULARS OF HOLDING , SUBSIDIARY AND ASSOCIATE COMPANIES: NIL**

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of total Equity)**

**COMPANY IS LIMITED BY GUARANTEE AND NOT HAVING SHARE CAPITAL**

- (i) Category-wise Share Holding : Not Applicable
- (ii) Shareholding of Promoter : Not Applicable
- (iii) Change in Promoters' Shareholding (please specify, if there is no change) : Not Applicable
- (iv) Shareholding Pattern of top ten Shareholders : Not Applicable
- (v) Shareholding of Directors and Key Managerial Personnel : Not Applicable

**V. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding / accrued but not due for payment.

Particulars	Secured Loans excluding deposits	*Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	NIL	30,49,632	33,77,126	64,26,758
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not paid	-	-	-	-
<b>Total (i+ii+iii)</b>				
<b>Change in Indebtedness during the financial year</b>				
Addition	NIL	-	4,74,300	4,74,300
Net Change	-	-	4,74,300	4,74,300
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	NIL	30,49,632	38,51,426	69,01,058
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not paid	-	-	-	-
<b>Total (i+ii+iii)</b>	-	30,49,632	38,51,426	69,01,058

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL**

- A. Remuneration to Managing Director, Whole-time Directors and / or Manager: Not Applicable
- B. Remuneration to other Directors: Not Applicable
- C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD : NIL

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES against the Company, Directors and other Officers in Default under the Companies Act, 2013 : None**

\*Denotes Unsecured Loan from different Trusts [Ref – Schedule 4(Note-C-1)]

For and on behalf of the Managing Committee

(Subhodip Ghosh)  
Director General

(Deb A Mukherjee)  
President Designate

(B B Chatterjee)  
President

Place : Kolkata  
Date : 8th September, 2020

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF THE BENGAL CHAMBER OF COMMERCE AND INDUSTRY**

**Report on Audit of the Financial Statements**

**Opinion**

We have audited the financial statements of **The Bengal Chamber of Commerce and Industry** (“the Association”), which comprise the Balance Sheet as at 31st March, 2020, the Statement of Income and Expenditure and Cash Flow Statement for the year then ended, and a summary of the 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 a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the **Association** as at 31st March, 2020 and surplus and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) 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 Association 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 Companies Act, 2013 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.

**Responsibilities of Management for the Financial Statements**

The Association’s Management 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 Association 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 Association 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 statements 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 Association’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 Chamber or to cease operations, or has no realistic alternative but to do so.

The Management is also responsible for overseeing the Association’s financial reporting process.

### **Auditor's Responsibility 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 Chamber has 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 Chamber'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 Chamber 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. In view of the non-applicability of the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government in terms of section 143(11) of the Act, to the Association, the requirements of paragraphs 3 and 4 of the said Order have not been dealt with in the report.
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 Association so far as it 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) on the basis of the written representations received from the Managing Committee Members as on 31st March, 2020 and taken on record by the Managing Committee, none of the Managing Committee Members is disqualified as on 31st March, 2020 from being appointed as a Managing Committee Member in terms of Section 164(2) of the Act.
  - (f) with respect to the adequacy of the internal financial controls over financial reporting of the Association and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and
  - (g) with respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Association is having a litigation pending in Hon'ble Calcutta High Court as mentioned in Note 26 which may impact its financial position.
    - ii. The Association does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Association.

Place : Kolkata  
Date : 8th September, 2020

For and on behalf of  
**Dutta Ghosh & Associates**  
**Chartered Accountants**  
**FRN : 309088E**

**Dipak Kumar Dutta**  
**Partner**  
**Membership number: 016333**  
**UDIN: 20016333AAAAAS7913**

**ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF THE BENGAL CHAMBER OF COMMERCE AND INDUSTRY****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 **The Bengal Chamber of Commerce and Industry** ("the Association") as of 31st March 2020 in conjunction with our audit of the Financial Statements of the Association for the year ended on that date.

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

The Association's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Association 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 Association'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.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Association'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 as specified 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 with reference to these financial statements 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 over financial reporting with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these financial statements, 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 judgement, 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 internal financial controls over financial reporting with reference to these financial statements.

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

The Association'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. The Association'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 Association; (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 Association are being made only in accordance with authorisation of management and Managing Committee of the Association; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Association'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 Association has, in all material respects, adequate internal financial controls over financial reporting with reference to these financial statements and such internal financial controls over financial reporting with reference to these financial statements were operating effectively as at 31st March, 2020, based on the internal control over financial reporting criteria established by the Association 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 and on behalf of

**Dutta Ghosh & Associates**  
**Chartered Accountants**  
**FRN: 309088E**

Place : Kolkata  
Date : 8th September, 2020

**Dipak Kumar Dutta**  
**Partner**  
**Membership number: 016333**  
**UDIN: 20016333AAAAAS7913**

**BALANCE SHEET AS AT 31ST MARCH, 2020**

Particulars	Note No.	(Amount in ₹)	(Amount in ₹)
		As at 31st March, 2020	As at 31st March, 2019
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
a) Reserves and Surplus	2	4,27,33,847	3,97,25,667
<b>Non Current Liabilities</b>			
b) Deferred Tax Liabilities (Net)	3	1,35,656	1,05,124
c) Other Long Term Liabilities	4	69,01,058	64,26,758
d) Long Term Provisions	5	28,65,000	24,95,000
<b>Current Liabilities</b>			
a) Short Term Borrowings	6	14,43,935	11,02,457
b) Other Current Liabilities	7	1,54,76,737	1,22,99,959
<b>TOTAL</b>		<b>6,95,56,233</b>	<b>6,21,54,965</b>
<b>ASSETS</b>			
<b>Non Current Assets</b>			
a) Property, Plant and Equipments	8	1,00,45,092	1,04,68,966
b) Non Current Investments	9	28,750	28,750
c) Long Term Loans & Advances	10	26,32,866	24,18,695
d) Other Non Current Assets	11	1,55,50,229	1,12,65,952
<b>Current Assets</b>			
a) Inventories	12	59,626	16,411
b) Trade Receivables	13	2,80,53,315	2,68,90,211
c) Cash & Cash equivalents	14	1,16,94,060	87,56,749
d) Short Term Loans & Advances	15	9,10,727	18,01,481
e) Other Current Assets	16	5,81,568	5,07,750
<b>TOTAL</b>		<b>6,95,56,233</b>	<b>6,21,54,965</b>

Significant Accounting Policies

1

Notes on Accounts

2 to 31

Notes 1 to 31 form integral part of Financial Statements.  
In terms of our attached report of even date.

For Dutta Ghosh & Associates  
Chartered Accountants  
(FRN 309088E)  
UDIN: 20016333AAAAAS7913

**(Dipak Kumar Dutta)**  
Partner  
Membership No.016333

**(Subhodip Ghosh)**  
Director General

**(Deb A Mukherjee)**  
President Designate

**(B B Chatterjee)**  
President

Place : Kolkata  
Date : 8th September, 2020

**STATEMENT OF INCOME & EXPENDITURE FOR THE YEAR ENDED 31ST MARCH, 2020**

Particulars	Note No.	(Amount in ₹)	(Amount in ₹)
		2019 - 20	2018 - 19
<b>INCOME :</b>			
Total Revenue	17	3,58,93,657	3,44,38,385
Other income	18	2,03,25,246	1,94,76,392
<b>Total Income</b>		<b>5,62,18,903</b>	<b>5,39,14,777</b>
<b>EXPENSES</b>			
Manpower cost	19	3,00,77,489	2,52,61,720
Energy Cost	20	22,55,369	15,61,289
Repair & Maintenance	21	30,39,376	16,62,403
Cost of Security Services	22	32,85,025	29,83,808
Other Costs	23	1,39,63,140	1,39,09,159
Depreciation & Amortization Expenses	24	8,90,792	7,76,051
<b>Total Expenses</b>		<b>5,35,11,191</b>	<b>4,61,54,430</b>
Excess of Income over Expenditure before tax		27,07,712	77,60,347
Tax Expense :		-	10,25,000
Less : Deferred tax Liability		30,532	34,950
<b>Excess of Income over Expenditure after tax</b>		<b>26,77,180</b>	<b>67,00,397</b>
<b>Significant Accounting Policies</b>	1		
<b>Notes on Accounts</b>	2 to 31		

Notes 1 to 31 form integral part of Financial Statements.  
In terms of our attached report of even date.

**For Dutta Ghosh & Associates**  
Chartered Accountants  
(FRN 309088E)  
UDIN: 20016333AAAAAS7913

**(Dipak Kumar Dutta)**  
Partner  
Membership No.016333

**(Subhodip Ghosh)**  
Director General

**(Deb A Mukherjee)**  
President Designate

**(B B Chatterjee)**  
President

Place : Kolkata

Date : 8th September, 2020

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH , 2020**

Particulars	31st March,2020 (Amount in ₹)	31st March,2020 (Amount in ₹)	31st March,2019 (Amount in ₹)	31st March,2019 (Amount in ₹)
<b>(A) Cash Flow from Operating Activities</b>				
Excess of Income over Expenditure before tax		27,07,712		77,60,347
<b>Adjustment for</b>				
Depreciation	8,90,792		7,76,051	
Interest Income	(7,10,691)		(6,08,422)	
Interest on Income Tax Refund received	(1,38,002)		-	
Provision for Doubtful Debts	13,71,797		14,36,695	
Provision for gratuity	6,10,655		4,82,981	
Provision for leave encashment	3,06,088		3,26,630	
Other non operating income	(4,53,543)		(4,33,805)	
Previous years liabilities written back	-		(4,33,936)	
Advance written off	-		2,88,974	
		18,77,096		18,35,168
<b>Excess of Income over Expenditure before working capital changes</b>		45,84,808		95,95,515
(Increase) / Decrease in Inventory	(43,215)		79,173	
Increase in Accrued Interest on Bank Fixed Deposits	(88,406)		(71,677)	
Increase in Trade Receivables	(11,63,104)		(27,10,474)	
Increase / ( Decrease) in Current Liabilities	31,76,778		(11,89,926)	
Entrance fees received	3,50,000		4,50,000	
Increase in Accrued Interest on Security Deposit	(1,09,860)		(94,359)	
Increase in Input Tax Credit to be availed	-		(3,846)	
Increase in Bank Fixed Deposits including Interest	23,40,687	44,62,880	(2,29,610)	(37,70,719)
<b>Cash generated from operation</b>		90,47,688		58,24,796
Income Tax Paid		(41,76,038)		(41,35,024)
<b>Net Cash from Operating Activities</b>		48,71,650		16,89,772
<b>(B) Cash Flow From Investing Activities</b>				
Purchase of Fixed Assest	(4,85,918)		(3,78,237)	
Interest received from Bank	89,475		1,50,854	
Proceeds / ( Repayment) of Loans & Advances	(8,90,764)		6,62,974	
<b>Net cash used in investing Activities</b>		(12,87,207)		4,35,591
<b>(C) Cash Flow from Financing Activities</b>				
Proceeds / (Repayments) from Short Term Borrowings	(3,41,498)		(1,74,635)	
Repayment / (Proceeds) of Long Term Loan	(2,14,171)		(67,235)	
(Repayment) / Proceeds of Deposit	4,74,300		4,90,320	
Repayment of Long Term Provision	(5,46,763)		(15,86,621)	
Revaluation Reserve	(19,000)		(19,000)	
<b>Net Cash from/ (used) in Financing Activities</b>		(6,47,132)		(13,57,171)
<b>Net Increase /(Decrease) in Cash and Cash Equivalents (A+B+C)</b>		29,37,311		7,68,192
<b>Opening Cash &amp; Cash Equivalents</b>		87,56,749		79,88,557
<b>Closing Cash &amp; Cash Equivalents</b>		1,16,94,060		87,56,749

As per our report of even date

**For Dutta Ghosh & Associates**

Chartered Accountants

(FRN 309088E)

UDIN: 20016333AAAAAS7913

**(Dipak Kumar Dutta)**

Partner

Membership No.016333

**(Subhodip Ghosh)**

Director General

**(Deb A Mukherjee)**

President Designate

**(B B Chatterjee)**

President

Place : Kolkata

Date : 8th September, 2020

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020****Annexure – 1****1. Significant Accounting Policies**

Significant accounting policies are summarised below :

**(a) Accounting Convention**

The financial statements have been prepared in accordance with the historical cost convention modified by revaluation of certain fixed assets.

**(b) Property, Plant and Equipments and Depreciation**

Tangible Property, Plant and Equipments are stated at cost except for Land and Building which have been stated at revalued cost. Cost includes inward freight, duties, taxes and incidental expenses related to acquisition and installation. Since the dates of acquisition of many of the assets were not available with The Chamber which was necessary to determine the useful life of the assets, The Chamber, based on report of a professional valuer, determined the future useful life of its assets. Such useful life was adopted for calculation of depreciation on the assets under Companies Act 2013.

**(c) Investments**

Non current Investments are stated at cost.

**(d) Inventories**

Inventories representing Stock of Stores is valued at cost or net realisable value, whichever is lower. Cost is calculated on FIFO basis and includes inward freight, duties, taxes. Where necessary, provision is made for obsolete, slow-moving and defective stocks.

**(e) Employee Benefit**

(i) Accrued liability for gratuity has been actuarially determined on Projected Unit Credit Actuarial Method and provided for in these Accounts.

(ii) Leave encashment benefits on retirement has been actuarially determined on Projected Unit Credit Actuarial Method and provided for in these Accounts.

**(f) Deferred Tax**

Deferred Tax is calculated as per Accounting Standard 22 on accounting for taxes on income issued by The Institute of Chartered Accountants of India, on all timings differences to the extent it is probable that a liability or asset will crystallize.

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

	(Amount in ₹)	(Amount in ₹)
	As at 31st March 2020	As at 31st March 2019
<b>2 RESERVES AND SURPLUS</b>		
a) Capital Reserve - Opening Balance	2,00,000	2,00,000
	2,00,000	2,00,000
b) Revaluation Reserve - Opening Balance	43,58,091	43,77,091
Less : Withdrawal on account of depreciation on amount added on revaluation	19,000	19,000
	43,39,091	43,58,091
c) General Reserve - Opening Balance	94,72,601	90,22,601
Added : Entrance Fees received during the year	3,50,000	4,50,000
	98,22,601	94,72,601
d) Excess of Income over Expenditure - Opening Balance	2,56,94,975	1,89,94,578
Added : Excess of Income over Expenditure during the year	26,77,180	67,00,397
	2,83,72,155	2,56,94,975
<b>Total</b>	4,27,33,847	3,97,25,667
<b>3 DEFERRED TAX LIABILITY ( NET )</b>		
Deferred Tax - Opening Balance	1,05,124	70,174
Added : Liabilities during the year	30,532	34,950
<b>Total</b>	1,35,656	1,05,124
<b>4 OTHER LONG TERM LIABILITIES</b>		
a) Deposit from Members	2,17,000	2,17,000
b) Deposit from Others	36,34,426	31,60,126
c) Others ( Note - C- 1 )	30,49,632	30,49,632
<b>Total</b>	69,01,058	64,26,758
<b>Note C -1</b>		
The Bengal Chamber of Commerce & Industry Centenary Scholarship Trust	21,02,820	21,02,820
The Bengal Chamber of Commerce Education Trust	71,812	71,812
The Bengal Chamber of Commerce National Defence Fund	1,95,000	1,95,000
The Bengal Chamber of Commerce & Industry Trust Fund	6,80,000	6,80,000
	30,49,632	30,49,632

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

	(Amount in ₹)	(Amount in ₹)
	As at 31st March 2020	As at 31st March 2019
<b>5 LONG TERM PROVISIONS</b>		
Provision for Gratuity	18,63,000	17,26,000
Provision for Leave Encashment	10,02,000	7,69,000
<b>Total</b>	<b>28,65,000</b>	<b>24,95,000</b>
<b>6 SHORT TERM BORROWINGS</b>		
Unsecured: Repayable on Demand		
Other Borrowing	-	10,683
Overdraft account with Bank	14,43,935	10,91,774
<b>Total</b>	<b>14,43,935</b>	<b>11,02,457</b>
<b>7 OTHER CURRENT LIABILITIES</b>		
a) Liabilities for Expenses	17,03,016	18,03,174
b) Liabilities for GST	22,872	5,60,834
c) Advance - Others	13,52,157	6,09,340
d) Sundry Creditors	1,23,98,692	93,26,611
<b>Total</b>	<b>1,54,76,737</b>	<b>1,22,99,959</b>

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

8 Property, Plant & Equipments

(Amount in ₹)

NAME/CATEGORY OF ASSETS	ORIGINAL COST			DEPRECIATION / AMORTISATION			NET BOOK VALUE	
	AS AT 1st APRIL, 2019	ADDITIONS DURING THE YEAR	DEDUCTION/ ADJUSTMENT DURING THE YEAR	AS AT 31st MARCH, 2020	AS AT 1st APRIL, 2019	FOR THE YEAR	AS AT 31st MARCH, 2020	AS AT 31st MARCH, 2019
<b>Trangible Assets :</b>								
a. Land	41,00,000	-	-	41,00,000	-	-	41,00,000	41,00,000
b. Royal Exchange Building	10,90,068	-	-	10,90,068	425	425	24,497	24,922
Do ( Revalued )	26,71,539	-	-	26,71,539	19,000	19,000	5,51,004	5,70,004
c. Tubewell, Pumps & Motors	2,94,255	-	-	2,94,255	6,502	6,502	48,455	54,957
d. Air Conditioning Plant	58,03,469	-	-	58,03,469	3,14,321	3,14,321	28,97,637	32,11,958
e. Transformer	11,51,251	-	-	11,51,251	12,926	12,926	1,01,998	1,14,924
f. Furniture, Fixture & Equipment	45,62,590	17,883	-	45,80,473	26,07,445	2,77,338	16,95,690	19,55,145
g. Computer	23,39,973	4,68,035	-	28,08,008	20,76,846	1,97,320	5,33,842	2,63,127
h. Electrical Installation	10,43,066	-	-	10,43,066	8,69,137	81,960	91,969	1,73,929
<b>TOTAL : -</b>	<b>2,30,56,211</b>	<b>4,85,918</b>	<b>-</b>	<b>2,35,42,129</b>	<b>1,25,87,245</b>	<b>9,09,792</b>	<b>1,34,97,037</b>	<b>1,04,68,966</b>
<b>Previous Year</b>	<b>2,26,77,974</b>	<b>3,78,237</b>	<b>-</b>	<b>2,30,56,211</b>	<b>1,17,92,194</b>	<b>7,95,051</b>	<b>1,25,87,245</b>	<b>-</b>

NOTE - Land & Building in Premises No 6. Netaji Subhas Road , Kolkata were revalued in May, 1988 by a firm of Professional Valuer which resulted in an increase in gross value by ₹37,88,088 and ₹26,71,539 respectively which were credited to Revaluation Reserve.

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

	(Amount in ₹)	(Amount in ₹)
	As at 31st March 2020	As at 31st March 2019
<b>9 NON CURRENT INVESTMENTS</b>		
Investment in Equity Shares ( 2875 Nos shares of Rs 10 each fully paid up in Woodlands Multispeciality Hospital Ltd )	28,750	28,750
<b>Total</b>	28,750	28,750
<b>10 LONG TERM LOANS AND ADVANCES</b>		
<b>Unsecured and Considered Good</b>		
Security Deposits	18,86,618	18,83,508
Deposit - Telephone	16,350	16,350
Deposit - Service Tax (Under Appeal)	7,29,898	5,18,837
<b>Total</b>	26,32,866	24,18,695
<b>11 OTHER NON CURRENT ASSETS</b>		
a) Advance Tax ( Net of Provision )	1,55,50,229	1,12,65,952
<b>Total</b>	1,55,50,229	1,12,65,952
<b>12 INVENTORIES</b>		
Stock of Paper & Other Stationery items	4,267	6,661
Stock of Ties And Tie Pins	55,359	9,750
<b>Total</b>	59,626	16,411
<b>13 TRADE RECEIVABLES</b>		
<b>a) Outstanding for more than six months</b>		
Unsecured, considered good	1,09,63,522	1,13,91,003
Unsecured, considered doubtful	1,41,14,142	1,27,42,345
	<u>2,50,77,664</u>	<u>2,41,33,348</u>
Less : Provision for doubtful Trade Receivables	1,41,14,142	1,27,42,345
	<u>1,09,63,522</u>	<u>1,13,91,003</u>
<b>b) Other Trade Receivables</b>		
Unsecured, considered good	1,70,89,793	1,54,99,208
<b>Total</b>	2,80,53,315	2,68,90,211

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

		(Amount in ₹)	(Amount in ₹)
		As at 31st March 2020	As at 31st March 2019
<b>14 CASH AND CASH EQUIVALENTS</b>			
a) Balances with Banks		2,44,855	1,25,300
b) Cash in hand		1,16,710	46,820
* c) Term Deposit with Banks		91,84,846	68,44,159
d) Earmarked Balance in ESCROW Account		21,47,649	17,40,470
<b>Total</b>		<b>1,16,94,060</b>	<b>87,56,749</b>
* Term Deposits with Banks are those Deposits having maturity within 12 months from Balance Sheet Date			
<b>15 SHORT TERM LOANS AND ADVANCES</b>			
<b>Unsecured - Considered Good</b>			
a) Advances Recoverable in Cash or in kind or for value to be received		7,56,914	16,11,223
b) Staff Advance		1,53,813	1,69,513
c) GST Recoverable (TDS)		-	20,745
<b>Total</b>		<b>9,10,727</b>	<b>18,01,481</b>
<b>16 OTHER CURRENT ASSETS</b>			
a) Accrued Interest on Fixed Deposit		5,81,568	4,93,162
b) Interest Receivable on Security Deposit		-	10,742
c) Input Tax Credit Available		-	3,846
<b>Total</b>		<b>5,81,568</b>	<b>5,07,750</b>
		(Amount in ₹) For the year 2019-20	(Amount in ₹) For the year 2018-19
<b>17 OPERATIONAL REVENUE</b>			
a) Revenue from services rendered		1,35,31,967	1,44,28,333
b) Excess of Income over Expenditure from Seminar, Events, etc		1,91,93,421	1,65,99,984
		2019-20	2018-19
Income	4,91,54,700	5,16,63,234	
Expenses	2,99,61,279	3,50,63,250	
c) Excess of Income over Expenditure from Survey/ Research Projects		31,68,269	34,10,068
		2019-20	2018-19
Income	88,14,915	45,30,000	
Expenses	56,46,646	11,19,932	
<b>Total</b>		<b>3,58,93,657</b>	<b>3,44,38,385</b>
<b>18 OTHER INCOME</b>			
a) Interest		7,10,691	6,08,422
b) Interest on Income Tax Refund		1,38,002	-
c) Rent from Building		1,84,40,383	1,77,62,093
d) Hall Rent		5,82,627	2,38,136
e) Other Non Operating Income		4,53,543	4,33,805
f) Previous years' Liability written back		-	4,33,936
<b>Total</b>		<b>2,03,25,246</b>	<b>1,94,76,392</b>

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

	(Amount in ₹)	(Amount in ₹)
	For the year 2019-2020	For the year 2018-2019
<b>19 MANPOWER COST</b>		
a) Salaries, Wages, Bonus and Other Benefits	2,65,01,555	2,23,17,130
b) Contribution to Provident Fund	7,13,348	6,52,893
c) Provision for Gratuity	6,10,655	4,82,991
d) Staff Welfare Expenses (including Medical Benefits)	22,51,931	18,08,706
<b>Total</b>	<b>3,00,77,489</b>	<b>2,52,61,720</b>
<b>20 ENERGY COST</b>		
Electricity Charges	22,55,369	15,61,289
<b>Total</b>	<b>22,55,369</b>	<b>15,61,289</b>
<b>21 REPAIR &amp; MAINTENANCE</b>		
- Building	11,02,788	1,80,050
- Plant & Machinery	5,42,260	3,79,375
- Others including electricals	13,94,328	11,02,978
<b>Total</b>	<b>30,39,376</b>	<b>16,62,403</b>
<b>22 COST OF SECURITY SERVICES</b>	32,85,025	29,83,808
<b>Total</b>	<b>32,85,025</b>	<b>29,83,808</b>
<b>23 OTHER COSTS</b>		
a) Printing and Stationery	8,38,256	5,91,924
b) Travelling , Conveyance and Motor Car Expenses	19,66,151	30,73,055
c) Professional Fees	8,55,900	7,36,999
d) Telephone Expenses	6,93,268	6,93,692
e) Media & P R	10,80,000	9,00,000
f) Meeting Expenses	7,79,775	85,483
g) Commission	3,20,000	-
h) Provision for Doubtful Debts	13,71,797	14,36,695
i) Miscellaneous Expenses	40,96,663	44,70,747
j) Payment to Auditors		
- Statutory Audit	1,00,000	1,00,000
- Tax Audit	-	50,000
- Out of Pocket Expenses	6,320	4,907
k) Promotional expenses	9,80,309	9,82,617
l) Computer Maintenance & Other Charges	3,74,701	2,83,040
m) Fees for renewal of Licence - Rates & Taxes	5,00,000	5,00,000
<b>Total</b>	<b>1,39,63,140</b>	<b>1,39,09,159</b>
<b>24 DEPRECIATION AND AMORTISATION EXPENSES</b>		
Depreciation on Tangible Fixed Assets	9,09,792	7,95,051
Less : Transferred to Revaluation Reserve	19,000	19,000
<b>Total</b>	<b>8,90,792</b>	<b>7,76,051</b>
<b>25</b> Special Subscription received during the year (₹ 88,750.00) towards Heritage Building Maintenance has been adjusted with Repair and Maintenance of Building (See 21).		

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

**26. Notes related to Contingent Liabilities not provided for**

**A. Income Tax Matters**

The Bengal Chamber received a letter dated 25th March 2019 from ITO(EX) for recovery of arrear demand for the following :-

1. AY-2010-11 for	₹	13,68,684.00
2. AY-2011-12 for	₹	30,54,163.00
3. AY-2012-13 for	₹	4,28,406.00
Total	₹	48,51,253.00

The status of above three Assessment Years (AYs) and others is explained below :-

- i. The Income Tax Appellate Tribunal (ITAT) has passed an Order no. 705 & 706 dated 20th September 2019 allowing The Chamber's Appeals for AY 2011-12 and AY 2012-13 (i.e. eligibility of The Chamber as exempted unit u/s 11 of the Income Tax Act, 1961 as Charitable Institution) against the order by Commissioner of Income Tax (Appeals) (CIT(A)) who had disallowed The Chamber's said appeals.
- ii. For AY-2010-11, the matter is under appeal since long although the appeal orders of CIT(A) including order of the Hon'ble ITAT for the subsequent years has been received.

Several hearings had taken place before the Learned CIT(A) but final order has not yet been passed by the Department so far. The matters covered under this year's appeal are identical to appeals for the AYs 2011-12 and 2012-13, the order of which has been passed in favour of The Chamber by the Hon'ble Tribunal.

On 9th May 2020, a Notice u/s 245 was received wherein it appeared that the Department has proposed to adjust the refund receivable in AY 2010-11 against dues for the AYs 2018-19 and 2019-20 amounting to ₹ 3,51,980 without giving any details and opportunity for personal hearing and even without disposing the main appeal pending before the Learned CIT(A). On 13th July 2020, an objection was filed with Central Processing Centre (CPC) through e-Nirvana mechanism. The matter is being actively followed up by The Chamber.

- iii. Apart from AY 2010-11, for all other AYs from 2013-14 till 2019-20, Notices / Intimations received from Income Tax Authority/ CPC are being suitably addressed / taken-up with the Income Tax Department.

It is expected that The Chamber's "Charitable Institution" status u/s 11 of the Income Tax Act, 1961 will continue to be upheld by virtue of the said ITAT Order in disposal of The Chamber's appeals in the other Assessment Years as stated in i, ii and iii above.

- iv. Bank Guarantee outstanding as on 31st March 2020: ₹4,00,000/- provided to Income Tax Department as per direction of Hon'ble Calcutta High Court in the matter pertaining to AY 2010-11 (Previous Year (2018-19): ₹ 4,00,000/).

The afore-stated management views were arrived at in consultation with The Chamber's Direct Tax Committee.

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020****B. Property Tax Matters**

An update on Property Tax dispute with the Kolkata Municipal Corporation (KMC) is provided below :-

- I. A Judgement has been delivered on 30th June 2020 by the Hon'ble Justice Ravi Krishan Kapur on the Writ Application filed by The Bengal Chamber on 30th August 2017 challenging the Order passed by the Joint Municipal Commissioner of KMC on 22nd February 2016. The Order disallowed the Chamber's Writ Application and held that,

*".....no final or binding or enforceable agreement was entered into by and between the petitioner and the respondent authorities whereby the petitioner could claim exemption from payment of any municipal rates, taxes or fees in respect of the premises"*

The Chamber reiterated before the said Hon'ble Court the following :-

- a. Public Private Partnership (PPP) Agreement between the KMC and The Bengal Chamber was duly acted upon and given effect to by both the parties through various correspondence and various meetings. The said issue has not been considered however by the Hon'ble Court.
- b. Non-fulfilment of commitment by KMC towards the PPP Agreement, draft of which was sent by KMC for The Chamber's signature, and which was duly signed and sent back by The Chamber to KMC, has also not been considered.
- c. Besides, The Chamber maintains its heritage property at a considerable cost, which deserved consideration of the Hon'ble Court.
- d. The letter from KMC exempting The Chamber from payment of property tax, arbitrary/disputed periodic increases in valuation of the heritage property, the various legal positions allowing exemptions in property taxes for heritage property, documents, acts and deeds, which also constituted Agreement between KMC and The Chamber and many other such supporting facts were raised appropriately by The Chamber in the said application, which deserved consideration of the Hon'ble Court.
- II. On the above justifiable grounds, The Chamber moved an Appeal and Stay Petition before the Division Bench of the Calcutta High Court against the order passed by the Single-Judge Bench.
- III. In view of the current status of the matter, liability in respect of Property Tax, if any, at this stage is not ascertainable.
- IV. Based on property tax bills raised by the KMC, as on 31st March 2020, the tax amount demanded aggregates to ₹27,22,23,446/- comprising Principal ₹9,54,07,266/-, Interest ₹16,25,05,090/- and Penalty ₹1,43,11,090/- with a credit balance of ₹5,15,921/-, which is lying with KMC in suspense.

The afore-stated management views were arrived at in consultation with The Chamber's Legal Committee.

**27 The amount due to Micro, Small and Medium Enterprises is ₹Nil (2018-2019 ₹Nil).**

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

**28 Notes on Service Tax Matter**

Presently three demands have been raised by the Service Tax Department:

**1. PERIOD- FY- 2011-12 TO 2014-15 (4 YEARS)**

**DEMAND RAISED BY THE SERVICE TAX AUTHORITY ALLEGEDLY FOR-**

i. Service tax	₹	69,17,822.00
ii. Interest	₹	69,17,822.00
iii. Penalty u/s 78	₹	69,17,822.00
iv. Penalty u/s 77(2)	₹	10,000.00
Total	₹	2,07,63,466.00

The Service Tax Authority (CGST & CX BBD Bag I Division) issued Show-Cause-cum-Demand Notice dated 19th October 2016. The Department did not agree to The Chamber's contention made in its reply dated 10th March 2017 following which The Chamber filed an Appeal before the Commissioner (Appeal 1), CGST & CX Kolkata, contesting that Service Tax on Sponsorship-backed events are to be borne by the service recipients, i.e., the sponsors, under Notification No - 30/2012 - ST dated 20th June 2012 on Reverse Charge Mechanism (RCM), and not by the service provider, i.e., The Bengal Chamber. The Chamber also submitted a number of declarations received from reputed organisations, which have sponsored different programmes / seminars of The Chamber.

The Chamber has not heard from the Department after the Hearing on this matter on 12th March 2020 before the Commissioner (Appeal 1) CGST & CX Kolkata.

**2. PERIOD- FY- 2015-16 TO 2016-17 (2 YEARS)**

**DEMAND RAISED BY THE SERVICE TAX AUTHORITY ALLEGEDLY FOR-**

i. Non-payment of Service tax	₹	29,04,527.00
ii. Interest at appropriate rate	₹	29,04,527.00
iii. Penalty u/s 78	₹	2,90,453.00
iv. Penalty u/s 77(2)	₹	10,000.00
Total	₹	61,09,507.00

The case is identical to that stated in (1) above.

The Chamber filed an Appeal before the Commissioner (Appeal 1) CGST & CX Kolkata on 28th May 2019 contesting the Show-Cause-cum-Demand Notice received from Commissioner, CGST & CX BBD Bag I Division dated 27th March 2018. The Chamber, in its Appeal, contested that Service Tax on Sponsorship-backed events are to be borne and actually borne by the service recipients, i.e., the Sponsors under Notification No - 30/2012 - ST dated 20th June 2012 on RCM, and not a liability of the service provider, i.e., The Bengal Chamber. The Chamber is yet to hear from the Department.

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

**3. PERIOD- 1st APRIL 2017 TO 30th JUNE 2017 (3 months)**

**DEMAND RAISED BY THE SERVICE TAX AUTHORITY ALLEGEDLY FOR**

i. Non-payment of Service tax	₹	5,85,720.00
ii. Interest at appropriate rate	₹	Not specified
Total	₹	5,85,720.00

Nature of the dispute is identical to that stated in (1) and (2) above. The Chamber's defence is similar to the position taken in the said two cases. The Chamber has filed its reply dated 4th March 2020 to the Show-Cause-cum-Demand Notice dated 31st January 2020. The Chamber, along with its reply, has submitted documents on various programmes / events held during the said months supporting its contention.

After submission of reply, there have been no further developments.

The Chamber, being the provider of service, no liability of any kind is acknowledged in the aforesaid Service Tax matters.

The afore-stated management views were arrived at in consultation with The Chamber's Indirect Taxes Committee.

**29. Old Non-Operating Trusts**

As reported in the previous year, The Chamber has searched its records extensively and finds neither any mention of activities of old non-operating Trusts of The Bengal Chamber, nor the original Trust deeds or Banking details of the Trusts. These Trusts had been in existence for decades, some going back to nearly a century. No mention has also been observed in The Bengal Chamber's Managing Committee Meetings since 1991 with respect to the activities or transactions of these Trusts. The Chamber's Legal Committee is seized of the matter and suitable steps to close the matter will be considered by the Committee and taken as appropriate.

**30.** On appeal, the ITAT Order dated 20th September 2019 upheld the status of The Chamber as an exempted unit u/s 11 of the Income Tax Act 1961 as a "Charitable Institution", and accordingly provision for Income Tax has not been made in the financial statements.

**31. Previous Year's figures have been regrouped/ rearranged wherever necessary**

**For Dutta Ghosh & Associates**

Chartered Accountants

(FRN 309088E)

UDIN: 20016333AAAAAS7913

**(Dipak Kumar Dutta)**  
Partner

**(Subhodip Ghosh)**  
Director General

**(Deb A Mukherjee)**  
President Designate

**(B B Chatterjee)**  
President

Membership No.016333

Place : Kolkata

Date : 8th September, 2020



