

**REPORT
&
ACCOUNTS**

for the year ended 31st March, 2017

AIDING BUSINESS SINCE 1833

NOTICE

To All Members of the Chamber

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

Notice is hereby given that the Business Session of the 163rd Annual General Meeting of The Bengal Chamber of Commerce and Industry will be held on Tuesday, the 12th day of September, 2017 at the Premises of The Bengal Chamber of Commerce & Industry, Royal Exchange, 6, Netaji Subhas Road, Kolkata – 700 001 at 2.00 p.m to transact the following business :

ORDINARY BUSINESS

- i. To consider and adopt the Income and Expenditure Account for the year ended 31st March, 2017 and the Balance Sheet as at that date and Reports of the Auditors thereon.
- ii. To elect a new Committee in place of the retiring Committee.
- iii. Ratification of re-appointment of M/s. Dutta Ghosh & Associates, Chartered Accountants (FRN – 309088E), who were appointed for 5 years term commencing from Financial Year 2014-2015, for the Financial year 2017-2018 on existing terms and conditions. *(Please see paragraph 6 of Managing Committee Report)*
- iv. Any other business with permission of the Chair.

Place: Kolkata
Date: 22nd day of August, 2017

Subhodip Ghosh
Director General

The Bengal Chamber of Commerce and Industry Report and Accounts for the year ended 31st March, 2017

1. ACCOUNTS

The Audited accounts of the Chamber for the year ended 31st March, 2017 are attached.

As will be seen from the Statement of Income & Expenditure, the year's working has resulted in a net surplus of Rs 43,85,841.00 after making a provision for doubtful debts for Rs 38,14,395.00 and Provision for taxation Rs 10,00,000.00.

The accumulated surplus of Rs.10,268,907.00 brought forward from previous years after adjusting the surplus for the year of Rs. 43,85,841.00 shows a credit balance of Rs.14,654,748.00 which is shown under Reserve & Surplus in the Balance Sheet.

2. MANAGING COMMITTEE MEETINGS

During the year 2016-17, the Chamber had hold total nine Managing Committee Meetings. The said meetings were held on 12.04.2016, 09.06.2016, 26.07.2016, 31.08.2016, 14.09.2016, 29.10.2016 06.12.2016, 25.01.2017 and 09.03.2017.

3. CORPORATE SOCIAL RESPONSIBILITY

The Chamber is a Company which falls under section 8 of the Companies Act, 2013. Hence compliance with section 135 of the Act is not required.

4. CONSERVATION OF ENERGY

The Chamber has appointed Enfragy Solutions Pvt. Ltd. to conduct Energy Audit during 2015. After considering the recommendations as prescribed by Enfragy, the Chamber appointed EESL, a Delhi-based firm for implementation of some of the recommendations. The Chamber is following the recommendations as suggested by the said firm and earned benefit therefrom.

5. COMMITTEE MEMBERS' RESPONSIBILITY STATEMENT

As required by Section 134(5) OF the Companies Act, 2013, 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 and of the profit and loss of the Chamber for that period ;
- (c) The Committee Members had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this 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.

6. OTHER MATTERS

- * Pursuant to the provisions of Section 139 and such other applicable provisions, if any, of the Companies Act, 2013, and the Rules framed there under, as amended from time to time M/s. Dutta Ghosh & Associates. Chartered Accounts (FRN 309088E). has been appointed as Statutory Auditors of the Company, to hold office from the conclusion of the 160th Annual General Meeting held on 25.09.2014 till the conclusion of the next fifth (164th) Annual General Meeting of the Company to be held in 2018, subject to ratification of the appointment by the Members of the Managing Committee at every Annual General Meeting as per the provisions of the Companies Act, 2013, at a remuneration Of Rs.1 lakh plus GST. Their appointment was ratified in the 162nd Annual General Meeting held on 14.09.2016.

(Sutanu Ghosh)
President

(C . S . Ghosh)
President Designate

(Subhodip Ghosh)
Director General

Kolkata, dated the 17th day of August, 2017

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE BENGAL CHAMBER OF COMMERCE AND INDUSTRY

Report on the Financial Statements

We have audited the accompanying financial statements of **The Bengal Chamber of Commerce and Industry** (“the Association”), which comprise of the Balance Sheet as at 31st March, 2017, 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.

Management's Responsibility for the Financial Statements

The Managing Committee is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and Cash flow of the Association in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We have conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Association's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Association's Managing Committee, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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 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 Association as at 31st March, 2017, and its surplus and Cash Flow for the year ended on that date.

Emphasis of Matters

The Chamber has been filing its Annual Income Tax Return in all the previous assessment years, on the basis that it is eligible for exemption under section 11 of the I.T. Act, and the aforesaid position was never challenged by the Income Tax Department. However, during the scrutiny case for Assessment of A.Y. 2010-11, the Income Tax Department

disallowed such exemption, as a Certificate u/s 12A of the I.T. Act was not in possession of the Chamber. The Chamber filed Appeal against such stand on the following grounds:

- (1) U/s 12A, to get the benefit of exemption, an application was required to be submitted before 1.7.73 by the then existing organisation, and the Chamber accordingly, had applied before the Commissioner of Income Tax for registration under Section 12A of the Act on 28th June, 1973.
- (2) The Issue of Certificate was prescribed by the Act w.e.f 1.4.1997 only u/s 12AA. Hence Chamber's case was not affected by the possession of any Certificate or lack of it.
- (3) The Chamber is of the view that the Order of the Hon'ble ITAT dt. 22.11.89, in which the Department's contention for disallowing the Chamber to be treated as Charitable Institution was nullified by ITAT for the AY 1974-75 and 1975-76, and this Order was never challenged further by the Department. Therefore, the Chamber is still eligible for Charitable Institution status.

The Chamber submitted the Order of Appellate Authority (ITAT) to the different Assessment authorities for different Assessment years on 10.6.2014. The gist of the order is:-

"For AY 1994-95, the Asstt Director, I.T.(Exemption) vide his order dt. 16.2.1996 had referred the order dt.13.6.1980, passed by Member, ITAT which was relating to AY 1974-75 and 1975-76, dismissing the I.T. Department's contention and allowed the Assessee to be treated as Exempted Establishment u/s 11(1)(b) of the Act." DDIT(Exemption) has asked for submission of the order, to be duly authenticated by the ITAT Office. The copy of the said ITAT order was sent to ITAT on 10.6.2014 for authentication. However, it is ascertained that ITAT destroys all records older than 6 years from any date of order. Hence, no authenticated copy of the order could be furnished to DDIT(Exemption)/ ITO (Exemption) only due to old age of the date of order. Hence, no authenticated copy of the order could be furnished to DDIT(Exemption)/ ITO (Exemption) by the Chamber. However, Chamber's submission to DDIT(Ex) still stands, since the matter has not been disposed of by the DDIT(Ex) till date and the Chamber has reminded for early disposal of the case on 31.5.2016.

During 2016-17 following development took place with regard to Income Tax matter for the Chamber:

1. For AY 2016-17, ITR-7 filed on 13.10.2016
2. For AY 2015-16, Intimation u/s 143(1) of I.T.Act, 1961 was received on 22.11.2016 against which a Rectification petition u/s 154 was filed with ITO (Exemption) on 24.3.2017.
3. For 2011-12 & 2012-13, for which Rectification petition was originally filed u/s 154 of I.Tax Act, 1961 on 29.4.2013, were rejected by ITO and an Appeal Application under Form-35 were filed before CIT (Appeal) on 13.1.2017.

Our opinion is not qualified in respect of the above matter.

Report on Other Legal and Regulatory Requirements

1. In view of the non-applicability of the Companies (Auditor's Report) Order, 2015 ("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 purpose 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, 2017 and taken on record by the Managing Committee, none of the Managing Committee Members

is disqualified as on 31st March, 2017 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 did not have any pending litigations which would 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.
 - iv. The Association has provided requisite disclosures in the financial statements (Annexure – B) as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Association and as produced to us by the Management.

For Dutta Ghosh & Associates
Chartered Accountants
Firm's registration number: 309088E

Place: Kolkata
Date: 17th August, 2017

Pranab Kumar Ghosh
Partner
Membership number: 052898

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 2017 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.

Auditors' 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, 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 issued by ICAI. 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 judgement, including the assessment of the risks of material misstatement in 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 Association's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A 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. A 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, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2017, 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 ICAI.

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

Pranab Kumar Ghosh
Partner
Membership No. 052898

Place: Kolkata
Date: 17th August, 2017

Annexure-B

**ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON
THE FINANCIAL STATEMENTS OF
THE BENGAL CHAMBER OF COMMERCE AND INDUSTRY**

Details of Specified Bank Notes (SBN) held and transferred during the period from 8th November 2016 to 30th December 2016 are stated below

Particulars	SBNs	Other denomination notes	Total(Rs)
Closing cash in hand as on 08.11.2016	80500	3670	84,170.00
(a) Permitted receipts	-	100000	1,00,000.00
(b) Permitted payments	-	100000	1,00,000.00
(c) Amount deposited to banks	80500	-	80,500.00
Closing cash in hand as on 30.12.2016	-	3670	3,670.00

The Bengal Chamber of Commerce and Industry
Incorporated as a Company, Under Section 26 of the Companies Act, 1882
Balance Sheet As At 31st March, 2017

Particulars	Note No.	(Amount in Rs.)	(Amount in Rs.)
		As at 31st March, 2017	As at 31st March, 2016
EQUITY AND LIABILITIES			
Shareholders' Funds			
a) Reserves and Surplus	2	2,79,48,440	2,30,31,599
Non Current Liabilities			
a) Other Long Term Liabilities	4	54,66,247	65,84,047
b) Long Term Provisions	5	37,36,000	40,18,000
c) Deferred Tax Liabilities (Net)	3	40,814	
Current Liabilities			
a) Short Term Borrowings	6	32,86,678	1,53,286
b) Other Current Liabilities	7	75,84,206	88,79,175
TOTAL		4,80,62,385	4,26,66,107
ASSETS			
Non Current Assets			
a) Fixed Assets	8	1,07,79,535	90,44,045
b) Non Current Investments	9	28,750	28,750
c) Long Term Loans & Advances	10	17,47,891	16,58,448
d) Other Non Current Assets	11	54,93,849	37,69,186
e) Deferred Tax Assets (Net)	3	-	6,556
Current Assets			
a) Inventories	12	32,839	66,437
b) Trade Receivables	13	2,14,19,871	1,97,42,130
c) Cash & Cash equivalents	14	68,84,898	64,04,115
d) Short Term Loans & Advances	15	9,66,708	12,63,934
e) Other Current Assets	16	7,08,044	6,82,506
TOTAL		4,80,62,385	4,26,66,107

Significant Accounting Policies

1

Notes on Accounts

2 to 25

Notes 1 to 25 form integral part of Financial Statements .

In terms of our attached report of even date.

For Dutta Ghosh & Associates

Chartered Accountants

(FRN 309088E)

(Pranab Kumar Ghosh)

Partner

Membership No.052898

[Sutanu Ghosh]

President

(C . S. Ghosh)

President Designate

(Subhodip Ghosh)

Director General

PLACE : Kolkata

DATE : 17th August, 2017

The Bengal Chamber of Commerce and Industry
Incorporated as a Company, Under Section 26 of the Companies Act, 1882
Statement of Income & Expenditure for the Year ended 31ST March, 2017

Particulars	Note No.	(Amount in Rs.)	(Amount in Rs.)
		2016 - 17	2015 - 16
INCOME :			
Revenue from operations	17	2,94,88,843	2,84,76,992
Other income	18	2,10,88,664	1,39,37,153
Total Revenue		5,05,77,507	4,24,14,145
EXPENSES			
Employee Benefit Expenses	19	2,30,69,521	2,24,97,364
Depreciation & Amortization Expenses	20	6,37,067	9,47,286
Other Expenses	21	2,14,37,708	1,57,96,108
Total Expenses		4,51,44,296	3,92,40,758
Surplus before tax		54,33,211	31,73,387
Tax Expense :		10,00,000	NIL
Deferred tax Liability Written Back		47,370	13,258
Surplus after tax		43,85,841	31,86,645
Significant Accounting Policies	1		
Notes on Accounts	2 to 25		

Notes 1 to 25 form integral part of financial Statements.
In terms of our attached report of even date.

For Dutta Ghosh & Associates
Chartered Accountants
(FRN 309088E)

(**Pranab Kumar Ghosh**)
Partner
Membership No.052898

[**Sutanu Ghosh**]
President

(**C . S. Ghosh**)
President Designate

(**Subhodip Ghosh**)
Director General

PLACE : Kolkata
DATE : 17th August, 2017

**The Bengal Chamber of Commerce and Industry
Cash Flow Statement for the year ended 31ST March , 2017**

Particulars	31st March,2017 (Amount in Rs.)	31st March,2017 (Amount in Rs.)	31st March,2016 (Amount in Rs.)	31st March,2016 (Amount in Rs.)
(A) Cash Flow from Operating Activities				
Surplus before tax		54,33,211		31,73,387
Adjustment for				
Depreciation	6,37,067		9,47,286	
Interest Income	(6,02,682)		(7,01,158)	
Provision for bad debt	38,14,395		8,40,788	
Provision for gratuity	9,29,580		6,94,038	
Provision for leave encashment	2,32,867		5,48,078	
Profit on sale of assests	NIL		(95,000)	
Other non operating income	(9,64,811)		(9,82,495)	12,51,537
		40,46,416		
Operating profit before working capital changes		94,79,627		44,24,924
Increase in inventory	33,598		91,800	
Increase in accrued interest on Fixed Deposits	(25,538)		(32,920)	
Increase in trade receivable	(26,77,741)		(37,59,239)	
Decrease in current liabilities	(12,94,969)		43,04,888	
Increase in accrued interest on security deposit	(99,382)		(88,538)	
Increase in Fixed deposits (accrued interest transferred)	(4,01,418)	(44,65,450)	(5,15,297)	694
Cash generated from operation		50,14,177		44,25,618
Income tax paid		(27,24,633)		(16,83,175)
Net Cash form Operating Activities		22,89,544		27,42,443
(B) Cash Flow From Investing Activities				
Purchase of fixed assest	(23,91,557)		(34,19,314)	
Interest received	26,015		6,158	
Sale of fixed asset	NIL		95,000	
Repayment of Loans and Advances	(2,97,226)			
Net cash used in investing Activities		(26,62,768)		(33,18,156)
(C) Cash Flow from Financing Activities				
Proceeds from Short Time Borrowings	18,96,164			
Repayment of Short term loan	(13,800)		(13,740)	
Proceedes of long term Loan	89,443		(1,00,000)	
Repayment of Deposit	(11,17,800)		(59,500)	
			(7,80,198)	
Net Cash from/ (used) in Financing Activities		8,54,007		(9,53,438)
Net Increase /(Decrease) in Cash and Cash Equivalents (A+B+C)		4,80,783		(15,29,151)
Cash & Cash Equivalents on 1st April 2016		64,04,115		79,33,266
Cash & Cash Equivalents on 31st March 2017		68,84,898		64,04,115

As per our report of even date

For Dutta Ghosh & Associates
Chartered Accountants
(FRN 309088E)

(Pranab Kumar Ghosh)
Partner
Membership No.052898

[Sutanu Ghosh]
President

(C . S. Ghosh)
President Designate

(Subhodip Ghosh)
Director General

PLACE : Kolkata
DATE : 17th August, 2017

The Bengal Chamber of Commerce and Industry
Notes on Accounts for the Year ended 31st March 2017

1. Significant Accounting Policies

Some of the 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) **Fixed Assets and Depreciation**

Tangible fixed assets 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 date 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 obtained the future useful life of its assets from a professional valuer. Such useful life, as determined by the professional valuer, was adopted for calculation of depreciation on the assets under Companies Act 2013.

(c) **Investments**

Long Term Investments are stated at face value.

(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 and provided for in these Accounts. Actuarial valuation has been done on Projected Unit Credit Actuarial Method.

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

(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.

**The Bengal Chamber of Commerce and Industry
Notes on Accounts for the Year ended 31st March 2017**

	(Amount in Rs.)	(Amount in Rs.)
	As at 31st March 2017	As at 31st March 2016
2. RESERVES AND SURPLUS		
a) Capital reserve - Opening Balance	200000	200000
	200000	200000
b) Revaluation Reserve - Opening Balance	44,15,091	44,48,091
Less ; Withdrawal on account of depreciation on amount added on revaluation	19,000	33,000
	43,96,091	44,15,091
c) General Reserve - Opening Balance	81,47,601	77,72,601
Add ; Entrance Fees received during the year	5,50,000	3,75,000
	86,97,601	81,47,601
d) Building Maintenance Fund - Received during the year	NIL	4,85,223
Less ; Transferred to Repairs - Building	NIL	4,85,223
	NIL	NIL
e) Surplus - Opening Balance	1,02,68,907	70,82,262
Add : Surplus during the year	43,85,841	31,86,645
	1,46,54,748	1,02,68,907
Total	2,79,48,440	2,30,31,599
3 DEFERRED TAX LIABILITY (NET)		
Deferred Tax - Opening Balance	-6,556	6,702
Less : Liabilities during the year	47,370	-13,258
	40,814	-6,556
4 OTHER LONG TERM LIABILITIES		
a) Deposit from Members	2,17,000	2,17,000
b) Deposit from Others	21,99,615	33,17,415
c) Others (Note - C- 1)	30,49,632	30,49,632
	54,66,247	65,84,047
Note C -1		
BCCI Centenary Scholarship Fund	21,02,820	21,02,820
BCCI Education Fund	71,812	71,812
BCCI National Defence Fund	1,95,000	1,95,000
BCCI Trust Fund	6,80,000	6,80,000
	30,49,632	30,49,632

The Bengal Chamber of Commerce and Industry
Notes on Accounts for the Year ended 31st March 2017

	(Amount in Rs.)	(Amount in Rs.)
	As at 31st March 2017	As at 31st March 2016
5 LONG TERM PROVISIONS		
Provision for Gratuity	30,73,000	34,53,000
Provision for Leave Encashment	6,63,000	5,65,000
Total	37,36,000	40,18,000
6 SHORT TERM BORROWINGS		
Unsecured: Repayable on Demand		
Calcutta Hydraulic Press Association	39,003	52,803
Overdraft account with Bank (Syndicate Bank)	32,47,675	1,00,483
Total	32,86,678	1,53,286
OTHER CURRENT LIABILITIES		
a) Advance Rent	7,29,161	19,79,165
b) Advance - Others	22,600	22,600
c) Advance for Generator expenses	4,16,936	4,16,936
d) Liabilities for Expenses	61,60,004	58,82,501
e) Advance India Golf Business	NIL	3,50,000
f) Advance Hall Rent	NIL	3,371
g) Advance Contribution	26,250	26,250
h) Steel Sector Skill Development	46,685	46,685
i) Advance Special Subscription	1,16,667	1,16,667
j) Advance Subscription - Siliguri Office	NIL	35,000
k) Asian Hotels North	65,903	NIL
Total	75,84,206	88,79,175

**The Bengal Chamber of Commerce and Industry
Notes on Financial Statement for the Year ended 31st March, 2017**

8 FIXED ASSETS

(Amount in Rs.)

NAME / CATEGORY OF ASSETS	ORIGINAL COST			DEPRECIATION / AMORTISATION			NET BOOK VALUE		
	AS AT 1ST APRIL, 2016	ADDITIONS DURING THE YEAR	DEDUCTION/ ADJUSTMENT DURING THE YEAR	AS AT 31ST MARCH, 2017	AS AT 1ST APRIL, 2016	FOR THE YEAR	DEDUCTION/ ADJUSTMENT DURING THE YEAR	AS AT 31ST MARCH, 2017	AS AT 31ST MARCH, 2016
Trangible Assets :									
a. Land	41,00,000	-	-	41,00,000	-	-	-	41,00,000	41,00,000
b. Royal Exchange Building	10,90,068	-	-	10,90,068	10,63,789	466	-	25,813	26,279
Do (Revalued)	26,71,539	-	-	26,71,539	20,44,535	19,000	-	6,08,004	6,27,004
c. Tubewell, Pumps & Motors	2,94,255	-	-	2,94,255	2,13,290	9,753	-	71,212	80,965
d. Air Conditioning Plant	48,51,513	20,000	-	48,71,513	17,54,741	2,52,566	-	28,64,206	30,96,772
e. Transformer	11,51,251	-	-	11,51,251	9,84,621	19,390	-	1,47,240	1,66,630
f. Furniture, Fixture & Equipment	23,85,833	21,48,800	-	45,34,633	19,46,461	90,977	-	24,97,195	4,39,372
g. Computer	19,24,322	91,205	-	20,15,527	16,99,945	1,87,566	-	1,28,016	2,24,377
h. Electrical Installation	9,11,514	1,31,552	-	10,43,066	6,28,868	76,349	-	3,37,849	2,82,646
TOTAL	1,93,80,295	23,91,557		2,17,71,852	1,03,36,250	6,56,067		1,09,92,317	90,44,045
Previous Year	1,59,60,981	34,19,314		1,93,80,295	93,55,964	9,80,286		90,44,045	90,44,045

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 Rs.3,788,088 and Rs.2,671,539 respectively which were credited to Revaluation Reserve.

The Bengal Chamber of Commerce and Industry
Notes on Accounts for the Year ended 31st March 2017

	(Amount in Rs.) As at 31st March 2017	(Amount in Rs.) As at 31st March 2016
9 NON CURRENT INVESTMENTS		
Investment in Equity Shares (2875 Nos shares of Rs 10 each fully paid up in Woodlands Multispeciality Hospital Ltd)	28,750	28,750
Total	28,750	28,750
10 LONG TERM LOANS AND ADVANCES		
Unsecured and Considered Good		
Security Deposits	16,60,364	16,16,949
Deposits - Telephone	16,350	16,350
Security Deposit Receivable	71,177	25,149
Total	17,47,891	16,58,448
11 OTHER NON CURRENT ASSETS		
a) Advance Tax (Net of Provision)	54,93,849	37,69,186
Total	54,93,849	37,69,186
12 INVENTORIES		
Stock of Paper & Other Stationery items	8,089	7,887
Stock of Ties And Tie Pins	24,750	58,550
Total	32,839	66,437
13 TRADE RECEIVABLES		
a) Outstanding for more than six months		
Unsecured , considered good	77,63,175	74,22,960
Unsecured , considered doubtful	96,60,940	58,46,545
	<u>1,74,24,115</u>	<u>1,32,69,505</u>
Less : Provision for doubtful Trade Receivables	96,60,940	58,46,545
	<u>77,63,175</u>	<u>74,22,960</u>
b) Other Trade Receivables		
Unsecured , considered good	1,36,56,696	1,23,19,170
Total	2,14,19,871	1,97,42,130

**The Bengal Chamber of Commerce and Industry
Notes on Accounts for the Year ended 31st March 2017**

	(Amount in Rs.)	(Amount in Rs.)
	As at 31st March 2017	As at 31st March 2016
14 CASH AND CASH EQUIVALENTS		
a) Balances with Banks	3,16,112	2,29,186
b) Cash in hand	53,880	61,441
c) Term Deposit with Banks	65,14,906	61,13,488
Total	68,84,898	64,04,115
14.1 Term Deposits with Banks are those Deposits which are having maturity within 12 months from Balance Sheet Date		
15 SHORT TERM LOANS AND ADVANCES		
Unsecured - Considered Good		
a) Advances Recoverable in Cash or in kind or for value to be received	8,14,918	6,14,370
b) Staff Advance	151790	58350
c) Preoperation Expenses for siliguri Office	NIL	5,91,214
Total	9,66,708	12,63,934
16 OTHER CURRENT ASSETS		
a) Accrued Interest on Fixed Deposit	4,55,051	4,29,513
b) Accrued Interest on Security Deposit	2,52,993	2,52,993
Total	7,08,044	6,82,506
	(Amount in Rs.)	(Amount in Rs.)
	For the year 2016-17	For the year 2015-16
17 REVENUE FROM OPERATIONS		
a) Revenue from Sale of Services	1,53,81,350	1,52,09,875
b) Surplus from Seminar	1,41,07,493	1,32,67,117
Total	2,94,88,843	2,84,76,992
18 OTHER INCOME		
a) Interest Income	6,02,681	7,01,158
b) Rent received from Building	1,86,70,096	1,21,22,655
c) Hall Rent	8,32,202	35,845
d) Other Non Operating Income	9,83,685	10,77,495
Total	2,10,88,664	1,39,37,153
19 EMPLOYEES BENEFIT EXPENSES		
a) Salaries,Wages,Bonus and Other Amenities	1,94,91,252	1,92,17,886
b) Contribution to Provident Fund	7,44,537	6,52,306
c) Provision for Gratuity	9,29,580	6,94,038
d) Staff Welfare Expenses	19,04,152	19,33,134
Total	2,30,69,521	2,24,97,364

The Bengal Chamber of Commerce and Industry
Notes on Accounts for the Year ended 31st March 2017

	(Amount in Rs.)	(Amount in Rs.)
	For the year 2016-17	For the year 2015-16
20 DEPRECIATION AND AMORTISATION EXPENSES		
Depreciation on Tangible Fixed Assets	6,56,067	9,80,286
Less : Transferred to Revaluation Reserve	19,000	33,000
Total	6,37,067	9,47,286
21 OTHER EXPENSES		
a) Electricity Charges	4,01,378	Nil
b) Repair & Maintenance		
- Building	67,107	7,78,637
- Plant & Machinery	5,48,605	4,47,554
- Others including electricals	6,67,439	6,50,413
c) Consumption of Stationery	1,15,754	1,64,378
d) Travelling & Conveyance Expenses	26,90,477	21,25,873
e) Professional Fees	6,06,669	12,15,929
f) Telephone Expenses	7,85,997	7,26,328
g) P R Retainership	7,93,500	7,07,250
h) Meeting Expenses	4,65,645	4,29,652
i) Service Charges	24,48,981	19,34,389
j) Commission	3,20,000	3,20,000
k) Motor Car Expenses	10,63,258	15,13,816
l) Provision for Doubtful Debts	38,14,395	8,40,788
m) Miscellaneous Expenses	17,59,402	12,34,135
n) Payment to Auditors		
- Statutory Audit	1,00,000	1,00,000
- Tax Audit	50,000	50,000
- Out of Pocket Expenses	3,094	4,205
o) Event Promotion Expenses	2,98,376	2,14,192
p) Advertisement	10,000	33,594
q) Computer Maintenance & Other Charges	5,25,879	3,37,675
r) Printing Charges	7,78,261	6,67,885
s) Promotional Expenses	256376	558132
t) Operational Expenses	21,92,228	7,41,283
u) Project Expenses	674887	NIL
Total	2,14,37,708	1,57,96,108

**The Bengal Chamber of Commerce and Industry
Notes on Accounts for the Year ended 31st March, 2017**

22 Contingent Liabilities not provided for

- a) There was a demand of Rs.800,400.00 (including interest of Rs.234,322.00) by income Tax Authority for the Assessment Year 2010-2011 which has been denied by the Association and appeal is pending before Appellate Authority.

Further the Chamber has received demands of Rs.1,786,060.00 (including interest of Rs.409,848.00) and Rs.250,530.00 (including interest of Rs.102353.00) for the Assessment years 2011-2012 and 2012-13 and Rs.410240 for 2013-14 respectively against which the Chamber has filed Rectification Petitions Under Section 154 of the Income Tax Act, 1961. Decision and adjudication from the respective Authorities are, however, awaited. Since AY 2010-11 DDIT (Exemption) had taken a stand of disallowing the Chamber as an Exempted Entity U/S 11 of I.T. Act. The Chamber contested the matter and submitted a copy of ITAT Order dated 13.06.80. DDIT (Exemption) asked for authenticated copy of ITAT. However, it appears from the ITAT Rules that old cases are not preserved by the ITAT office beyond 6 years and as the case was adjudged on 22.11.1989, ITAT didn't have the copy of the order and it's submission to the concerned ITO could not be possible. Meanwhile on 15.4.2016 a notice was received from CPC, Income Tax notifying that the Refund claim of A.Y. 2014-15 will be adjusted with the claim raised by them for the A.Y.2010-11,2011-12,2012-13 and 2013-14. From the said notice of CPC, it appears that, no cognizance was taken by CPC about the existing undisposed pending appeal for A.Y.2010-11 and other pending decision on Rectification Petition filed for A.Y.2011-12,2012-13 & 2013-14. Against the CPC's claim, the chamber has filed reply online to CPC on 31.5.2016. Since then no further development occurred.

- b) In respect of demands for Urban Land Tax disputes by the Association Rs.5,15,973.00 (last year Rs.5,15,973.00)
- c) Further to the development of the case as reported in the Notes on Accounts for the year-ended 31.03.16 under paragraph 22 (c) that is, Contingent Liabilities not provided for, the members may note that

The KMC matter came for final Order in the list of Division Bench on 08.10.2015 (APO 250 of 2015) where the Learned Bench directed BCC&I to make Representation with regard to PPP arrangement and Agreement Under Section 425K of the KMC Act, 1980 to the Municipal Commissioner to dispose of the same in accordance with the law by passing reasoned order thereof. Representation was made before the Joint Municipal Commissioner (Revenue & Supply) on 23.12.2015 followed by personal appearance on 22.01.2016. Joint Municipal Commissioner (Revenue & Supply) in his order stated that there was only proposal for the PPP between the KMC and BCC&I and accordingly, meetings had taken place. He further observed that the letter of KMC dated 06.05.2005 communicating exemption from Property Tax to BCC&I in consideration of partnership arrangement "... though not found in the record of the Department and is unstamped" also reveals that the PPP arrangement was under consideration. The Agreement was never executed. Hence, it can be stated that arrangement was at negotiation stage.

With regard to the exemption Under Section 425K of the KMC Act, 1980 Joint Municipal Commissioner mentioned that PPP Agreement has not yet been made and even if it would have been made, it would not fall in the ambit of Section 425K of the KMC Act.

Resultantly prayer for exemption of Municipal Tax and surcharges in respect of the subject premises stand refused.

On receipt of the Order, BCC&I has applied on 15.03.2016 seeking information on the following Under Section 6 of the RTI Act, 2005 before the KMC Authorities;

- i) If in the year 2006 Municipal Commissioner was maintaining any file for granting relief in taxes and surcharges regarding application of BCC&I
- ii) To specify whether any letter/s dated 06.05.2005 were issued by the Municipal Commissioner addressed to BCC&I.

BCC&I are yet to receive reply seeking information on RTI Act from Municipal Authorities despite sending another letter dated 09.05.2016 on the subject.

In view of the foregoing, BCC&I is contemplating filing of Writ in the Calcutta High Court after consultation with and advice of our Legal Consultant. The preparation of Writ Application is on the final Stage and will be filed very shortly.

In view of the High Court's order to set aside all property tax related to the bills raised by KMC and the Division Bench's aforesaid decision, the liability in respect of the Property Tax, if any, at this stage is not ascertainable.

- d) Bank Guarantee outstanding as on 31st March, 2017 – Rs.4,00,000/-

23. The amount due to Micro, Small and Medium Enterprises Rs.Nil (2015-2016 Rs.Nil)

24. Rent received from Building (under head "Other Income" in Note 18) includes Rs.54,46,000.00 received as arrear rent collected from Indian Jute Mills Association. In the financial year 2016-17 which are as follows -

For the FY 2013-14	Rs.	17,11,600.00
For the FY 2014-15	Rs.	18,67,200.00
For the FY 2015-16	Rs.	18,67,200.00
TOTAL	Rs.	<u>54,46,000.00</u>

25. Previous year's figures have been regrouped / rearranged wherever necessary.

For Dutta Ghosh & Associates

Chartered Accountants
(FRN 309088E)

(**Pranab Kumar Ghosh**)
Partner

Membership No.052898

[**Sutanu Ghosh**]
President

(**C . S. Ghosh**)
President Designate

(**Subhodip Ghosh**)
Director General

PLACE : Kolkata
DATE : 17th August, 2017

