

REPORT & ACCOUNTS

for the Financial Year ended 31st March, 2021



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AIDING BUSINESS SINCE 1833

KOLKATA
2021

The Managing Committee (Elected Members)

President :

Mr. Deb A Mukherjee

Immediate Past President (Ex-Officio) :

Mr.B.B.Chatterjee

President-Designate:

Mr.Abraham George Stephanos

Senior Vice President :

Mr.Subir Chakraborty

Vice President :

Mr.Gautam Ray

Other Elected Members :

Mr. Abhijit Roy
Mr. Arnab Basu
Mr. Binod Kumar Homagai
Mr. Debashis Dutta
Mr. Dip Narayan Mitra
Mr. Indranil Dasgupta
Mr. Joydeep Bhattacharya
Ms. Manoshi Roy Chowdhury
Mr. P.K.Dixit
Wg. Cdr Pratul Show
Mr. Raghav Raj Kanoria
Mr. Satyam Roy Chowdhury
Dr. Suborno Bose
Ms. Sucharita Basu
Late Deb Kumar Basu (Till 27.04.2021)

Mr. Alok Gupta
Mr. Atanu Mukherjee
Mr. Chandan Bora
Mr. Dhruva Mukherjee
Mr. Gandharv Roy
Mr. Jahan Numazar Mehta
Mr. Joydeep Datta Gupta
Mr. Navarun Sen
Mr. Peeyush Gupta
Mr. Pulak Chamaria
Dr. Rupali Basu
Mr. Simarpreet Singh
Mr. Subrata Dutta
Mr. Sudip Chatterjee

Mr. Ardhendu Mandal
Mr. Bihari Kumar Newar
Mr. Chiranjib Bhattacharya
Mr. Dhruv Bhalla
Mr. Gopal Krishna Sharan
Mr. Jayanta Chakraborty
Mr. Kaushik Mukherjee
Mr. Nazeeb Arif
Mr. Prasanta Kumar Dutt
Mr. R N Lahiri
Mr. Sandeep Kumar
Mr. Subhasendu Chatterjee
Mr. Subrata Roy
Mr. Vivek Jalan

Director General :

Mr. Subhodip Ghosh

Auditors

Dutta Ghosh & Associates
Chartered Accountants,
4, Ripon Street, Kolkata - 700 016

Bankers

Bandhan Bank Ltd
4, Clive Row,
Kolkata – 700 001

Canara Bank
6, N S Road,
Kolkata – 700 001

Registered Office

Royal Exchange,
6, N S Road, Kolkata - 700 001
CIN : U67120WB1893NPL000761

Solicitors & Advocates

Victor Moses and Company
6, Old Post Office Street
Ground Floor, Kolkata - 700 001

NOTICE

To All Members of The Bengal Chamber of Commerce and Industry

THE ANNUAL GENERAL MEETING OF THE BENGAL CHAMBER OF COMMERCE AND INDUSTRY

Notice is hereby given that the Hundred and Sixty-seventh Annual General Meeting of The Bengal Chamber of Commerce & Industry will be held at 11:00 am on Wednesday, the 29th September, 2021 at the premises of 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 Statement of Income and Expenditure for the year ended 31st March, 2021 and the Balance Sheet as at that date together with the Report of the Managing Committee and Auditors thereon.
- II. To elect the Managing Committee in place of the retiring Committee.
- III. To fix the remuneration of Auditor for the year 2021-22 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 Annual General Meeting of 2019, 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 2021-2022.”

Place: Kolkata

Date : 6th September, 2021

By Order of the Managing Committee

Subhodip Ghosh
Director General

THE BENGAL CHAMBER OF COMMERCE AND INDUSTRY

REPORT OF THE MANAGING COMMITTEE AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021

Your Managing Committee is pleased to present their Report for the Financial Year ended 31st March 2021.

1. FINANCIAL HIGHLIGHTS

The Audited Financial Statements of The Chamber for the year ended 31st March 2021 are attached. The year's results from Ordinary Operations reflect an excess of Income over Expenditure of ₹56,25,344.00 after making provision for doubtful debts of ₹17,49,781.00.

An accumulated excess of Income over Expenditure of ₹2,83,72,155.00 was brought forward from previous years and after adjusting the excess of Income over Expenditure from Ordinary Operations, of ₹56,25,344.00, for the year, shows a credit balance of ₹3,39,97,499.00 which is reflected under Reserves & Surplus in the Balance Sheet.

An extra-ordinary item of expenditure during the year was the payment of arrears of property tax of ₹9,61,33,694.00 as demanded by Kolkata Municipal Corporation (KMC). The same occurred consequent to the Order dated 30th June 2020 by the Single-Judge Bench of the Hon'ble High Court disallowing The Chamber's Writ Application filed on 30th August 2017. The funds for such payment was arranged by securing a term loan of ₹8,93,00,000.00 from Canara Bank. The Chamber also incurred an initial borrowing expenditure of ₹26,16,046.00 to secure the loan. Therefore, the total extra-ordinary item for payment of arrears of property tax (after recovery of current KMC Property Tax from tenant of ₹24,80,000.00) and the initial cost of borrowing of funds for the same came to ₹9,62,69,740.00.

The Balance of Reserves and Surplus (excess of Income over Expenditure) prior to the afore-mentioned extra-ordinary expenses was ₹3,39,97,499.00. However, as a result of the above extra-ordinary item of expenditure, the closing balance of Reserves and Surplus (excess of Income over Expenditure) is reflecting a Debit Balance of ₹6,22,45,378.00. Consequently the total balance of Reserve and surplus is reflecting a debit balance of ₹4,76,02,686.00.

Notwithstanding the above, parallelly The Chamber has also moved an Appeal and Stay Petition before the Division Bench of the Calcutta High Court against the said Order on 30th June 2020 by the Single-Judge Bench of the Hon'ble Calcutta High Court as stated above.

2. MANAGING COMMITTEE MEETINGS

During the Financial Year (FY) 2020-21, The Chamber had held eight 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 have been followed and material departures thereto, if any, have been explained;
- b) The Committee Members have 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 2021 and of the income over expenditure of The Chamber for the Financial Year ended 31st March 2021;
- c) The Committee Members have 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 have prepared the annual accounts on a going concern basis; and
- e) The Committee Members have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and are 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 appreciates 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 165th Annual General Meeting (AGM), the Members have 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 ₹ 1,00,000.00 (Rupees One Lakh only) 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. At the 166th AGM, the audit fee of M/s. Dutta Ghosh & Associates, Statutory Auditors was fixed at ₹ 1,00,000.00 to conduct the audit for the financial year 2020-21, the resolution for which was carried unanimously.

Appropriate resolution seeking your approval to the audit fee of ₹ 1,00,000.00 (Rupees One Lakh only) to the Statutory Auditors to conduct the audit of The Chamber for the FY 2021-22 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 the FY 2020-21, prior to the AGM in 2020, Mr.Joydeep Bhattacharya (in place of Mr.Subrata Bagchi) and Mr.Subhasendu Chatterjee were appointed by the Managing Committee as additional members in the Managing Committee both effective 12th May 2020. Mr.Debasis Jana and Ms. Chand Tulal Mazumder, having resigned, ceased to be Members of the Managing Committee during the year.

In the newly constituted Managing Committee after the AGM on 7th November 2020, Dr.Rupali Basu and Mr.Dhruv Bhalla were appointed by the Managing Committee as additional members on 15th December 2020 and 26th April 2021 respectively.

The Managing Committee expresses their deepest condolences on the passing away of Managing Committee Members, Mr.Shaankar Sen, Chairman and Managing Director, Senco Gold Limited (28th July 2020) and Mr.Debkumar Basu, Director, Zetadel Technologies Pvt. Ltd (27th April 2021).

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. The Chamber also 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 and the Key Managerial Personnel (KMP) 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

The Chamber has availed a Term Loan of ₹ 8,93,00,000.00 from Canara Bank (as mentioned in the Financial Highlights and Notes on Financial Statements for the Year Ended 31st March 2021). No 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 2021.

9. FOREIGN EXCHANGE EARNING AND OUTGO

During the year under review, foreign exchange earning was ₹ 85,31,505.00 and foreign exchange outgo was ₹ 25,08,715.92.

10. PARTICULARS OF RELATED PARTY TRANSACTIONS

There was no related party transaction entered into by The Chamber during the financial year ended 31st March 2021.

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, The Chamber has received a favourable Order dated 2nd September 2020 from The Hon'ble Commissioner (Appeals-1), Kolkata in the matter of a Service Tax Dispute for The Financial Years 2011-12 to 2014-15 (4 Years). The main issue in the matter was a demand on The Chamber as service provider for sponsorship services, wherein the Service Tax was supposed to be paid by the Service Recipients under Reverse Charge Mechanism vide Notification No.30/2012-ST dated 20th June 2012. In the said order, the demand for the impugned sponsorship services was set aside on merits and limitation. The other demands for Renting of Immovable Property Services, Business Support Services, Club Membership Services, etc, were mainly on account of finding of correctness of facts and figures by the Department and hence were remanded back to the adjudicating authority. Status of Service Tax matters are provided in the Notes on Financial Statements for the Year Ended 31st March 2021.

In Income Tax, The Chamber continues to be treated as a Charitable Organisation under Section 11 of The Income Tax Act 1961 not subject to tax, provided the conditions under the said law are fulfilled. This matter has been decided favourably by the Hon'ble Income Tax Appellate Tribunal for the Assessment Years 2011-12 & 2012-13. Until the drafting of this Annual Report, The Chamber, being already registered as a Charitable Organisation, has applied for grant of fresh registration, as applicable to all Charitable Organisations under the latest Income Tax Regulations. The relevant Order is yet to be received from the Income Tax Authorities. Further The Chamber, due to its Income being exempt, has also received a NIL-TDS deduction certificate from the Income Tax Authorities. The subject certificate allows The Chamber to avail the benefit of No Tax Deduction on payment received by it towards different services rendered by The Chamber during the Financial Year 2021-22. Status of Income Tax matters are provided in the Notes on Financial Statements for the Year Ended 31st March 2021.

In the matter of Kolkata Municipal Corporation (KMC), consequent to the Order dated 30th June 2020 by the Single-Judge Bench of the Hon'ble High Court disallowing The Chamber's Writ Application filed on 30th August 2017, The Chamber moved an Appeal against the said Order and filed a Stay Petition therein before the Division Bench of the Calcutta High Court. There was also an outstanding payment of property tax of ₹ 9,61,33,694.00 by The Chamber as demanded by Kolkata Municipal Corporation (KMC). Status of Property Tax matters are provided in the Notes on Financial Statements for the Year Ended 31st March 2021.

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. ANNUAL RETURN

Pursuant to section 92(3) read with Section 134(3)(a) of the Companies Act, the Annual Return as on 31st March 2021 is available on the website of The Chamber at the link:
<https://bengalchamber.com/accts/bengalchamber-MGT-7.pdf>

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

(Abraham G Stephanos)
President Designate

(Deb A Mukherjee)
President

Enclosed: As above.
Place: Kolkata
Date: 6th September, 2021.

**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, 2021, 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, 2021 and deficit 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, 2021 and taken on record by the Managing Committee, none of the Managing Committee Members is disqualified as on 31st March, 2021 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 does 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.

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

Dipak Kumar Dutta
Partner
Membership number: 016333

Place : Kolkata
Date : 6th September, 2021
UDIN: 21016333AAAAIU9411

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 2021 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, 2021, 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

Dipak Kumar Dutta
Partner
Membership number: 016333

Place : Kolkata

Date : 6th September, 2021

UDIN: 21016333AAAUIU9411

**Incorporated as a Company, Under Section 26 of the Companies Act, 1882
BALANCE SHEET AS AT 31ST MARCH, 2021**

Particulars	Note No.	(Amount in ₹)	(Amount in ₹)
		As at 31st March, 2021	As at 31st March, 2020
EQUITY AND LIABILITIES			
Shareholders' Funds			
a) Reserves and Surplus	2	(4,76,02,686)	4,27,33,847
Non Current Liabilities			
a) Long Term Borrowings	3	8,93,00,000	-
b) Deferred Tax Liabilities (Net)	4	1,08,793	1,35,656
c) Other Long Term Liabilities	5	48,72,108	69,01,058
d) Long Term Provisions	6	30,75,568	28,65,000
Current Liabilities			
a) Short Term Borrowings	7	-	14,43,935
b) Other Current Liabilities	8	1,22,59,279	1,54,76,737
TOTAL		6,20,13,062	6,95,56,233
ASSETS			
Non Current Assets			
a) Property, Plant and Equipments	9	94,01,796	1,00,45,092
b) Non Current Investments	10	28,750	28,750
c) Long Term Loans & Advances	11	26,32,866	26,32,866
d) Other Non Current Assets	12	1,45,65,284	1,55,50,229
Current Assets			
a) Inventories	13	57,983	59,626
b) Trade Receivables	14	1,99,88,644	2,80,53,315
c) Cash & Cash equivalents	15	1,25,53,398	1,16,94,060
d) Short Term Loans & Advances	16	23,23,716	9,10,727
e) Other Current Assets	17	4,60,625	5,81,568
TOTAL		6,20,13,062	6,95,56,233

**Significant Accounting Policies
Notes on Accounts**

1
2 to 33

Notes 1 to 33 form integral part of Financial Statements.
In terms of our attached report of even date.

For Dutta Ghosh & Associates
Chartered Accountants
(FRN 309088E)
UDIN: 21016333AAAAIU9411

(Dipak Kumar Dutta)
Partner
Membership No.016333

(Subhodip Ghosh)
Director General

(Abraham G Stephanos)
President Designate

(Deb A Mukherjee)
President

Place : Kolkata
Date : 6th September, 2021

Incorporated as a Company, Under Section 26 of the Companies Act, 1882
STATEMENT OF INCOME & EXPENDITURE FOR THE YEAR ENDED 31ST MARCH, 2021

Particulars	Note No.	(Amount in ₹)	(Amount in ₹)
		2020 - 21	2019 - 20
INCOME :			
Total Revenue	18	3,22,75,755	3,58,93,657
Other income	19	1,68,39,714	2,03,25,246
Total Income		4,91,15,469	5,62,18,903
EXPENSES :			
Manpower cost	20	2,95,34,078	3,00,77,489
Energy Cost	21	11,60,534	22,55,369
Repair & Maintenance	22	14,51,768	30,39,376
Cost of Security Services	23	30,51,631	32,85,025
Other Costs	24	73,52,592	1,39,63,140
Depreciation & Amortization Expenses	25	9,39,522	8,90,792
Total Expenses		4,34,90,125	5,35,11,191
Excess of Income over Expenditure before extra-ordinary item(s)		56,25,344	27,07,712
Less : Extra-ordinary Item	26	(9,62,69,740)	-
Excess of Income over Expenditure after extra-ordinary items		(9,06,44,396)	-
Tax Expenses :		-	-
Less : Current Tax		-	-
Add : Deferred Tax Asset /(Liability)		26,863	(30,532)
Excess of Income over Expenditure after Tax		(9,06,17,533)	26,77,180
Significant Accounting Policies	1		
Notes on Accounts	2 to 33		

Notes 1 to 33 form integral part of Financial Statements.
In terms of our attached report of even date.

For Dutta Ghosh & Associates
Chartered Accountants
(FRN 309088E)
UDIN: 21016333AAAAIU9411

(Dipak Kumar Dutta)
Partner
Membership No.016333

(Subhodip Ghosh)
Director General

(Abraham G Stephanos)
President Designate

(Deb A Mukherjee)
President

Place : Kolkata
Date : 6th September, 2021

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH , 2021

Particulars	31st March,2021 (Amount in ₹)	31st March,2021 (Amount in ₹)	31st March,2020 (Amount in ₹)	31st March,2020 (Amount in ₹)
(A) Cash Flow from Operating Activities				
Excess of Income over Expenditure before tax		(9,06,44,396)		27,07,712
Adjustment for				
Depreciation	9,39,522		8,90,792	
Interest Income	(6,31,247)		(7,10,691)	
Interest on Income Tax Refund received	(80,000)		(1,38,002)	
Provision for Doubtful Debts	17,49,781		13,71,797	
Provision for gratuity	2,09,668		6,10,655	
Provision for leave encashment	900		3,06,088	
Other non operating income	(3,21,027)		(4,53,543)	
		18,67,597		18,77,096
Excess of Income over Expenditure before working capital changes		(8,87,76,799)		45,84,808
(Increase) / Decrease in Inventory	1,643		(43,215)	
Decrease / (Increase) in Accrued Int. on Bank Fixed Deposits	2,22,736		(88,406)	
Decrease / (Increase) in Trade Receivables	80,64,671		(11,63,104)	
Increase / (Decrease) in Current Liabilities	(32,17,458)		31,76,778	
Entrance fees received	3,00,000		3,50,000	
Increase in Accrued Interest on Security Deposit	(1,01,793)		(1,09,860)	
(Decrease)/Increase in Bank Fixed Deposits including Interest	(40,70,668)		17,30,142	
Decrease of Advance Tax	9,84,945	21,84,076	-	38,52,335
Cash generated from operation		(8,65,92,723)		84,37,143
Income Tax Paid		-		(41,76,038)
Net Cash from Operating Activities		(8,65,92,723)		42,61,105
(B) Cash Flow From Investing Activities				
Interest on Income Tax Refund	80,000		1,38,002	
Other Non-Operating Income	3,21,027		4,53,543	
Purchase of Fixed Asset	(3,15,226)		(4,85,918)	
Interest received from Bank	1,26,156		89,475	
Proceeds / (Repayment) of Loans & Advances	14,12,989		(8,90,764)	
Net cash used in investing Activities		16,24,946		(6,95,662)
(C) Cash Flow from Financing Activities				
Proceeds / (Repayments) from Short Term Borrowings	(14,43,935)		(3,41,498)	
(Repayment)/ Proceeds of Long Term Loan	8,93,00,000		(2,14,171)	
(Repayment) / Proceeds of Deposit	(20,28,950)		4,74,300	
(Repayment) of Long Term Provision	-		(5,46,763)	
Net Cash from/ (used) in Financing Activities		8,58,27,115		(6,28,132)
Net Increase /(Decrease) in Cash and Cash Equivalents (A+B+C)		8,59,338		29,37,311
Opening Cash & Cash Equivalents		1,16,94,060		87,56,749
Closing Cash & Cash Equivalents		1,25,53,398		1,16,94,060

As per our report of even date

For Dutta Ghosh & Associates

Chartered Accountants

(FRN 309088E)

UDIN: 21016333AAAUI9411

(Dipak Kumar Dutta)
Partner

(Subhodip Ghosh)
Director General

(Abraham G Stephanos)
President Designate

(Deb A Mukherjee)
President

Membership No.016333

Place : Kolkata

Date : 6th September, 2021

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**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.

(g) Duties and Taxes

Contingencies of Duties and Taxes arising out of demand against adverse orders of the Honourable Calcutta High Court are recognized as expenditure in the year of payment.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

	(Amount in ₹)	(Amount in ₹)
	As at 31st March 2021	As at 31st March 2020
2 RESERVES AND SURPLUS		
a) Capital Reserve - Opening Balance	2,00,000	2,00,000
	2,00,000	2,00,000
b) Revaluation Reserve - Opening Balance	43,39,091	43,58,091
Less : Withdrawal on account of depreciation on amount added on revaluation	19,000	19,000
	43,20,091	43,39,091
c) General Reserve - Opening Balance	98,22,601	94,72,601
Add : Entrance Fees received during the year	3,00,000	3,50,000
	1,01,22,601	98,22,601
d) Excess of Income over Expenditure - Opening Balance	2,83,72,155	2,56,94,975
Add : Excess of Income over Expenditure during the year	(9,06,17,533)	26,77,180
	(6,22,45,378)	2,83,72,155
Total	(4,76,02,686)	4,27,33,847
3 LONG TERM BORROWING		
Secured Term Loan from Bank	8,93,00,000	-
Total	8,93,00,000	-
4 DEFERRED TAX LIABILITY (NET)		
Deferred Tax - Opening Balance	1,35,656	1,05,124
Less : (Assets) & Liabilities during the year	(26,863)	30,532
Total	1,08,793	1,35,656
5 OTHER LONG TERM LIABILITIES		
a) Deposit from Members	2,17,000	2,17,000
b) Deposit from Others	16,05,476	36,34,426
c) Others (Note - C- 1)	30,49,632	30,49,632
Total	48,72,108	69,01,058
Note C -1		
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
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, 2021

	(Amount in ₹)	(Amount in ₹)
	As at 31st March 2021	As at 31st March 2020
6 LONG TERM PROVISIONS		
Provision for Gratuity	20,72,668	18,63,000
Provision for Leave Encashment	10,02,900	10,02,000
Total	30,75,568	28,65,000
7 SHORT TERM BORROWINGS		
Unsecured: Repayable on Demand		
Overdraft account with Bank		14,43,935
Total	-	14,43,935
8 OTHER CURRENT LIABILITIES		
a) Liabilities for Expenses	15,22,101	17,03,016
b) Liabilities for GST	6,19,238	22,872
c) Advance - Others	16,74,223	13,52,157
d) Sundry Creditors	83,86,119	1,23,98,692
e) Input TDS (IGST)	57,598	
Total	1,22,59,279	1,54,76,737

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

9 Property, Plant & Equipments

(Amount in ₹)

NAME/CATEGORY OF ASSETS	ORIGINAL COST			DEPRECIATION / AMORTISATION			NET BOOK VALUE		
	AS AT 1st APRIL, 2020	ADDITIONS DURING THE YEAR	DEDUCTION/ ADJUSTMENT DURING THE YEAR	AS AT 31st MARCH, 2021	AS AT 1st APRIL, 2020	FOR THE YEAR	DEDUCTION/ ADJUSTMENT DURING THE YEAR	AS AT 31st MARCH, 2021	AS AT 31st MARCH, 2020
Tangible 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	10,65,571	425	-	24,072	24,497
Do (Revalued)	26,71,539	-	-	26,71,539	21,20,535	19,000	-	5,32,004	5,51,004
c. Tubewell, Pumps & Motors	2,94,255	-	-	2,94,255	2,45,800	6,502	-	41,953	48,455
d. Air Conditioning Plant	58,03,469	-	-	58,03,469	29,05,832	3,11,280	-	25,86,357	28,97,637
e. Transformer	11,51,251	-	-	11,51,251	10,49,253	12,926	-	89,072	1,01,998
f. Furniture, Fixture & Equipment	45,80,473	1,84,294	-	47,64,767	28,84,783	2,87,531	-	15,92,453	16,95,690
g. Computer	28,08,008	1,30,932	-	29,38,940	22,74,166	2,48,054	-	4,16,720	5,33,842
h. Electrical Installation	10,43,066	-	-	10,43,066	9,51,097	72,804	-	19,165	91,969
TOTAL : -	2,35,42,129	3,15,226	-	2,38,57,355	1,34,97,937	9,58,522	-	1,44,55,559	1,00,45,092
Previous Year	2,30,56,211	4,85,918	-	2,35,42,129	1,25,87,245	9,09,792	-	1,00,45,092	1,00,45,092

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, 2021

	(Amount in ₹)	(Amount in ₹)
	As at 31st March 2021	As at 31st March 2020
10 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
11 LONG TERM LOANS AND ADVANCES		
Unsecured and Considered Good		
Security Deposits	18,86,618	18,86,618
Deposit - Telephone	16,350	16,350
Deposit - Service Tax (Under Appeal)	7,29,898	7,29,898
Total	26,32,866	26,32,866
12 OTHER NON CURRENT ASSETS		
a) Advance Tax (Net of Provision for Taxation)	1,45,65,284	1,55,50,229
Total	1,45,65,284	1,55,50,229
13 INVENTORIES		
Stock of Paper & Other Stationery items	2,624	4,267
Stock of Ties And Tie Pins	55,359	55,359
Total	57,983	59,626
14 TRADE RECEIVABLES		
a) Outstanding for more than six months		
Unsecured, considered good	1,07,22,704	1,09,63,522
Unsecured, considered doubtful	1,58,63,923	1,41,14,142
	<u>2,65,86,627</u>	<u>2,50,77,664</u>
Less : Provision for doubtful Trade Receivables	1,58,63,923	1,41,14,142
	<u>1,07,22,704</u>	<u>1,09,63,522</u>
b) Other Trade Receivables		
Unsecured, considered good	92,65,940	1,70,89,793
Total	1,99,88,644	2,80,53,315

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

		(Amount in ₹)	(Amount in ₹)
		As at 31st March 2021	As at 31st March 2020
15 CASH AND CASH EQUIVALENTS			
a) Balances with Banks		67,66,455	2,44,855
b) Cash in hand		36,076	1,16,710
* c) Term Deposit with Banks		57,38,268	91,84,846
d) Earmarked Balance in ESCROW Account		12,599	21,47,649
Total		1,25,53,398	1,16,94,060
* Term Deposits with Banks are those Deposits which are having maturity within 12 months from Balance Sheet Date			
16 SHORT TERM LOANS AND ADVANCES			
Unsecured - Considered Good			
a) Advances Recoverable in Cash or in kind or for value to be received		22,66,134	7,56,914
b) Staff Advance		41,600	1,53,813
c) GST Recoverable (TDS)		15,982	-
Total		23,23,716	9,10,727
17 OTHER CURRENT ASSETS			
a) Accrued Interest on Fixed Deposit		3,58,832	5,81,568
b) Interest Receivable on Security Deposit		1,01,793	-
Total		4,60,625	5,81,568
		(Amount in ₹) For the year 2020-21	(Amount in ₹) For the year 2019-20
18 OPERATIONAL REVENUE			
a) Revenue from services rendered		1,30,30,663	1,35,31,967
b) Excess of Income over Expenditure from Seminar, Events, etc		1,55,05,121	1,91,93,421
	2020-21	2019-20	
Income	2,27,93,696	4,91,54,700	
Expenses	72,88,575	2,99,61,279	
c) Excess of Income over Expenditure from Survey/ Research Projects		37,39,971	31,68,269
	2020-21	2019-20	
Income	1,01,77,390	88,14,915	
Expenses	64,37,419	56,46,646	
Total		3,22,75,755	3,58,93,657
19 OTHER INCOME			
a) Interest		6,31,247	7,10,691
b) Interest on Income Tax Refund		80,000	1,38,002
c) Rent from Building		1,56,23,372	1,84,40,383
d) Hall Rent		1,84,068	5,82,627
e) Other Non Operating Income		3,21,027	4,53,543
Total		1,68,39,714	2,03,25,246

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

	(Amount in ₹)	(Amount in ₹)
	For the year 2020-2021	For the year 2019-2020
20 MANPOWER COST		
a) Salaries, Wages, Bonus and Other Benefits	2,59,25,520	2,65,01,555
b) Contribution to Provident Fund	7,67,614	7,13,348
c) Provision for Gratuity	2,09,668	6,10,655
d) Staff Welfare Expenses (including Medical Benefits)	26,31,276	22,51,931
Total	2,95,34,078	3,00,77,489
21 ENERGY COST		
Electricity Charges	11,60,534	22,55,369
	11,60,534	22,55,369
22 REPAIR & MAINTENANCE		
- Building	65,275	11,02,788
- Plant & Machinery	4,86,776	5,42,260
- Others including electricals	8,99,717	13,94,328
Total	14,51,768	30,39,376
23 COST OF SECURITY SERVICES	30,51,631	32,85,025
	30,51,631	32,85,025
24 OTHER COSTS		
a) Printing and Stationery	3,73,237	8,38,256
b) Travelling, Conveyance and Motor Car Expenses	9,33,117	19,66,151
c) Professional Fees	5,78,726	8,55,900
d) Telephone Expenses	8,29,055	6,93,268
e) PR Retainership	90,000	10,80,000
f) Meeting Expenses	9,91,032	7,79,775
g) Commission	-	3,20,000
h) Provision for Doubtful Debts	17,49,781	13,71,797
i) Miscellaneous Expenses	10,82,443	40,96,663
j) Payment to Auditors		
- Statutory Audit	1,00,000	1,00,000
- Out of Pocket Expenses	2,750	6,320
k) Promotional expenses	96,906	9,80,309
l) Computer Maintenance & Other Charges	5,25,545	3,74,701
m) Fees for renewal of Licence - Rates & Taxes	-	5,00,000
Total	73,52,592	1,39,63,140
25 DEPRECIATION AND AMORTISATION EXPENSES		
Depreciation on Tangible Fixed Assets	9,58,522	9,09,792
Less : Transferred to Revaluation Reserve	19,000	19,000
Total	9,39,522	8,90,792
26 EXTRA ORDINARY ITEMS		
Payment of KMC Property Tax Demand	9,61,33,694	-
Less : Recovery of current KMC Property Tax (Payment received from tenant)	24,80,000	-
	9,36,53,694	-
Add : Charges for secured Term Loan availed for payment of KMC Property Tax Demand	26,16,046	-
Total	9,62,69,740	-

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

27 Extra-Ordinary Item:

An extra-ordinary item of expenditure during the year was the payment of arrears of property tax of ₹ 9,61,33,694.00 as demanded by Kolkata Municipal Corporation (KMC). The same occurred consequent to the Order on 30th June 2020 by the Single-Judge Bench of the Hon'ble High Court disallowing The Chamber's Writ Application filed on 30th August 2017. The funds for such payment was arranged by securing a term loan of ₹ 8,93,00,000.00 from Canara Bank. The Chamber also incurred an initial borrowing expenditure of ₹ 26,16,046.00 to secure the loan. Therefore, the total extra ordinary item for payment of arrears of property tax (after recovery of current KMC Property Tax from tenant of ₹ 24,80,000.00) and the initial cost of borrowing of funds for the same came to ₹ 9,62,69,740.00.

The Balance of Reserves and Surplus (excess of Income over Expenditure) prior to the afore-mentioned extra-ordinary expenses was ₹ 3,39,97,499.00. However, as a result of the above Extra Ordinary Item of Expenditure, the closing balance of Reserves and Surplus (excess of Income over Expenditure) is reflecting a Debit Balance of ₹ 6,22,45,378.00. Consequently the total balance of Reserves and Surplus is reflecting a debit balance of ₹ 4,76,02,686.00

Parallely The Chamber has also moved an Appeal and Stay Petition before the Division Bench of the Calcutta High Court against the said Order on 30th June 2020 by the Single-Judge Bench of the Hon'ble Calcutta High Court as stated above.

28 Contingencies Not Acknowledged as Debts

A. Income Tax

- The Chamber continues to be treated as a tax free Charitable Organisation under Section 11 of The Income Tax Act 1961 in accordance with Order Nos 705 & 706 dated 20th September 2019, passed by The Hon'ble Income Tax Appellate Tribunal (ITAT) for The Assessment Years 2011-12 & 2012-13.
- For Assessment Year 2010-11, the matter is under appeal before The CIT (Appeals) since long although the appeal orders of CIT (Appeals) including orders of the Hon'ble ITAT for the subsequent years have been received. The matter is being followed up and early hearing petitions have also been filed. It may be noted that the matters covered under the instant year's appeal are identical to appeals for the Assessment Years 2011-12 and 2012-13, the order of which has been passed in favour of The Chamber by the Hon'ble Tribunal.
- A Bank Guarantee of ₹ 4,00,000.00 continues to be outstanding as on 31st March 2021, being 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): ₹4,00,000.00).
- An adjustment Notice under Section 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 ₹ 3,51,980.00 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.
- Apart from AY 2010-11, for all other AYs also, Notices / Intimations received from Income Tax Authority/ CPC are being suitably addressed / taken-up with the Income Tax Department. Further, in recognition of the exemption status of The Chamber Income Tax refunds are also being sanctioned by The Income Tax Authorities for current years.
- Until the drafting of this Annual Report, The Chamber, being already registered as a Charitable Organisation, has applied for grant of fresh registration, as applicable to all Charitable Organisations under the latest

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

Income Tax Regulations. The relevant Order is yet to be received from the Income Tax Authorities. Further The Chamber, due to its Income being exempt, has also received a NIL-TDS deduction certificate from the Income Tax Authorities. The subject certificate allows The Chamber to avail the benefit of No Tax Deduction on payment received by it towards different services rendered by The Chamber during the Financial Year 2021-22.

The afore-stated management views were arrived at in consultation with The Chamber's Direct Tax Committee and Ease of Doing Business Committee.

B. Property Tax Matters

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

1. Consequent to the Order on 30th June 2020 by the Single-Judge Bench of the Hon'ble Calcutta High Court disallowing The Chamber's Writ Application filed on 30th August 2017, The Chamber moved an Appeal and Stay Petition before the Division Bench of the Calcutta High Court against the said Order.
2. Concurrently, The Chamber's representatives including the President, President Designate, Past Presidents, Director General, Deputy Director and other senior officers of the Secretariat held a number of meetings with the Chairman, Board of Directors, Special Municipal Commissioner – Revenue and Chairman, Hardship Redressal Committee of KMC and submitted several representations on prospective resolution of the matter pertaining to property taxes that were being demanded by KMC. The Past Presidents of The Chamber and the Managing Committee were consulted and apprised. The consensus decision was towards settling the property tax demanded by KMC given the KMC's Waiver Scheme – 2020, which waived all due interests and penalty and made possible a one-time settlement of all pending tax as demanded as on 31st March 2020 by only paying the principal tax amount. This was in line with the feedback received from the KMC officials during The Chamber's meetings with them.
3. The deadline under the Waiver Scheme – 2020 for payments settling all pending tax claims by KMC was extended by a month to 31st March 2021 following The Chamber's appearance before a hearing of the KMC's Hardship Redressal Committee.
4. In order to settle the entire amount of tax demanded by KMC, The Chamber secured a term loan of ₹ 8,93,00,000.00 from Canara Bank, after ascertaining and correctly forecasting the ways and means to repay the loan over a 15-year time period as agreed with the Bank. On 31st March 2021, The Bengal Chamber (declared by the Ministry of Finance, Government of India as a charitable organization under the Income Tax Act 1961) made a payment of ₹ 9,61,33,694.00 to KMC. By making this payment, The Bengal Chamber paid and settled all accumulated property tax dues under the ambit of Kolkata Municipal Corporation Incentive (Waiver of Interest & Penalty to the property tax payers) Scheme 2020 extended till 31st March 2021.
5. KMC has subsequently acknowledged receipt of the same and has raised the Property Tax Bill for 2021-22, which The Chamber has been clearing on a quarterly basis with the tenants of The Chamber's building, "Royal Exchange" contributing their share of quarterly property taxes apart from remitting to The Chamber their share of the arrears tax payment, which The Chamber settled with KMC on 31st March 2021.
6. The Chamber has also applied for reassessment of property tax till 2019-20 given that the assessment by KMC was found to be erroneously high. Necessary papers and self-assessment form have been submitted by The Chamber to KMC, which the latter has been working on and expected to revert with a favourable decision for The Chamber and therefore The Chamber is contemplating a considerable refund of taxes already paid.

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

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

29 The amount due to Micro, Small and Medium Enterprises is ₹ Nil (2019-2020: ₹ Nil).

30 Notes on Service Tax Matter

Until the last year, three demands have been raised by the Service Tax Department, out of which the first case was disposed of by the Appellate Authority on 2nd September 2020. In the second case, an Appeal was filed, which has not yet been heard and hence is pending before the Commissioner (Appeal 1) CGST & CX Kolkata. In the third case, a reply was submitted before the Assistant Commissioner of CGST and Central Tax BBD Bag I Division Kolkata North Commissionerate against the Show Cause-cum- Demand Notice (SCN).

The facts of cases in all the years are similar and are stated in brief as follows -

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

DEMAND RAISED BY THE SERVICE TAX AUTHORITY -

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 a Show-Cause-cum-Demand Notice dated 19th October 2016. The Department disputed 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.

During the year 2020-21, the Chamber has received a favourable Order dt. 2nd September 2020 from The Hon'ble Commissioner (Appeals-1), Kolkata in the matter. In the said order, the demand for the impugned sponsorship services was set aside on merits and limitation. The other demands for Renting of Immovable Property Services, Business Support Services, Club Membership Services, etc, were mainly on account of finding of correctness of facts and figures by the department and hence were remanded back to the adjudicating authority.

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, 2021

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 Sponsorship Service, no liability of any kind is acknowledged in the said matter for any of the years. The same has also been confirmed by The Hon'ble Commissioner (Appeals-1), Kolkata in the matter for the Period- FY- 2011-12 To 2014-15 (4 Years). Even for other demands for Renting of Immovable Property Services, Business Support Services, Club Membership Services, etc, on account of dispute in facts and figures by the department, no liability of any kind is acknowledged.

The afore-stated management views were arrived at in consultation with The Chamber's Ease of Doing Business Committee.

31. Old Non-Operating Trusts of The Bengal Chamber

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.

32. 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.

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

For Dutta Ghosh & Associates

Chartered Accountants

(FRN 309088E)

UDIN: 21016333AAAAIU9411

(Dipak Kumar Dutta)
Partner

Membership No.016333

(Subhodip Ghosh)
Director General(Abraham G Stephanos)
President Designate(Deb A Mukherjee)
President

Place : Kolkata

Date : 6th September, 2021

N O T E S

