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Members are requested to send any questions they may have regarding this Annual Report to the Chief Executive Officer by 05 July 2018



The Committee of The Bengal Club Limited

Shib Sanker Mukherji
President

Tapas Raychaudhury
Vice President

Ambarish Dasgupta

Anjan Chatterjee

Jayanti Prasad Khaitan

Kunal Sen

Partha Ranjan Das*

Rudrangshu Mukherjee+

Soumendra Nath Mookherjee

Subir Bose**

Sumantra Banerjee**

Sumit Mazumder

Sumit Ray*

Sutanu Ghosh

Sandip Chatterjee***

**Till August 2017*

***Till October 2017*

**Since November 24, 2017*

***Till December 31, 2017*

****Since May 25, 2018*



Notice

Notice is hereby given that the Annual General Meeting of the Members of The Bengal Club Limited will be held at the Registered Office at 33B Chowringhee Road, Kolkata 700 071 on Friday 20 July 2018 at 5.30 pm to transact the following business:

As Ordinary Business:

1. To consider and adopt the Audited Accounts for the year ended 31 March 2018 and the Report of the Committee and the Auditors thereon.
2. To elect a President, Vice President and the Committee Members.
3. To appoint Auditors and to fix their remuneration.

Registered Office:
33B Chowringhee Road
Kolkata 700 071

25 May 2018

By Order of the Committee

sd/-

Dipankar Chakravorty
Chief Executive Officer & Secretary



NOTE:

1. The Club requests members who have not yet registered their email Id with the Club to do so at the earliest so that the Statement of the Annual Accounts can be emailed at their registered email Id instead of sending physical copy. Support of the members will help the Club in participating in the Green Initiative in Corporate Governance and protect environment. Such members who still require physical copy of the Annual Accounts may indicate their preference in writing to the Club.
2. Nomination for the post of President, Vice President and the Committee Members shall be received by 6 July 2018. The last date for withdrawal of the nomination shall be on 7 July 2018. Final list of the candidates offering themselves to each of the above posts shall be displayed on the Notice Board of the Club on 9 July 2018.
3. Members are required to cast their vote personally. Members who have paid the Club bills till the month of May 2018 only shall be eligible to cast their vote on the business stated in this Notice. The last date for effecting payment is fixed at 14 July 2018. Vote cast by a Member who fails to effect payment by the said date is liable to be rejected.
4. In compliance with Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules 2014, the Club is pleased to provide Members with the facility to cast their votes through remote e-voting which shall be available to Members from 17 July 2018 (9.00 a.m.) until 19 July 2018 (5.00 p.m.). The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
5. Members who avail of the remote e-voting facility will not be able to vote at the AGM.
6. Members may note the following instructions for casting their votes by remote e-voting:-
 - A. In case a Member receives an e-mail from NSDL [for Members whose e-mail Ids are registered with the Club]:
 - (i) Open e-mail and open PDF file viz.: "Bengalclub_e-voting.pdf" with your Membership No as password. The said PDF file contains your User Id and password / PIN for remote e-voting. Please note that the password is an initial password;
 - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>;
 - (iii) Click on 'Shareholder – Login';
 - (iv) Put User Id and Password as 'Initial Password'/ PIN noted in step (i) above. Click 'Login';
 - (v) Password change menu will appear. Change the Password / PIN with new Password of your choice with minimum 8 digits / characters or combination thereof. Note your new Password. It is strongly recommended not to share your Password with any other person and take utmost care to keep your password confidential;
 - (vi) Home page of remote e-voting opens. Click on remote e-voting: 'Active Voting Cycles';
 - (vii) Select 'EVEN' of Bengal Club Limited;
 - (viii) Now you are ready for remote e-voting as 'Cast Vote' page opens;
 - (ix) Cast your vote by selecting appropriate option and click on 'Submit' and also 'Confirm' when prompted;
 - (x) Upon confirmation, the message 'Vote cast successfully' will be displayed;
 - (xi) Once you have voted on a Resolution, you will not be allowed to modify your vote.



- B. In case a Member receives physical copy of the Notice of AGM [for Members whose e-mail Ids are not registered with the Club], they may cast their vote at the AGM through ballot.
 - C. In case of any queries / grievances, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the 'Downloads' section of www.evoting.nsdl.com or call on Toll Free No.: 1800222990 or 022-24994738, or at e-mail id: evoting@nsdl.co.in.
 - D. You can also update your mobile number and e-mail Id in the user profile details of the folio which may be used for sending future communication(s).
7. Mr Shouryabrata Mandal and Mr Arunabha Deb have been appointed by the Committee of the Club as the Scrutinizers, to scrutinize the voting process in a fair and transparent manner.
 8. Members who are present at the AGM and did not cast their votes by availing the remote e-voting facility shall be permitted to cast their vote at the AGM.
 9. The Scrutinizers shall, immediately after the conclusion of voting at the AGM, unblock the votes cast through electronic voting system, if any provided at the AGM venue in the presence of at least two witnesses, not in the employment of the Club and make soon after the conclusion of the AGM, Scrutinizer's consolidated report of the total votes cast in favor or against on every resolution to the Chairman or a person authorized by him in writing who shall countersign the same and declare the results of the voting forthwith.
 10. The results of the voting along with the report of the Scrutinizers shall also be placed on the Club's website www.thebengalclub.com and on the website of NSDL. The results shall also be made available on the Notice Board of the Club at its Registered Office in Kolkata.



Report of The Committee of The Bengal Club Limited

The Committee is pleased to submit the annual report of the Club for the year ended 31 March 2018.

Summary of the Financial Results of the Club

	For the year ended 31 March 2018 (₹ in Lakh)	For the year ended 31 March 2017 (₹ in Lakh)
Total Income including Interest Income	1340.96	1377.71
Total Expenditure excluding Depreciation	<u>1268.16</u>	<u>1292.09</u>
Surplus before Depreciation & Taxation	72.80	85.62
Less: Depreciation	<u>50.51</u>	<u>49.47</u>
Surplus before Taxation	22.29	36.15
Less: Taxation	<u>19.12</u>	<u>20.56</u>
Net Surplus	<u><u>3.17</u></u>	<u><u>15.59</u></u>

Highlights

The Gross Receipts of the Club was ₹ 1258.61 lakhs as compared to ₹ 1300.94 lakhs in the previous year. During the year, the gross receipts got adversely affected due to closure of Salon 175 for a period of more than two and a half months for renovation. The overall usage of the Club facilities by the Members was also lower as compared to last year.

The total Investments including Fixed Deposits with the Bank stood at ₹ 1005.65 lakhs compared to ₹ 994.33 lakhs in the previous year. Due to some refund of investments on 31 March, 2018 the amount could not be reinvested within the year and remained in the current account. In April, 2018 an amount of ₹ 33.10 lakhs was invested, which made the effective investment more by ₹ 44.42 lakhs.

Apart from the shortfall in revenue, the employee cost also increased substantially. This has resulted into a lower net surplus of ₹ 3.17 lakhs as compared to ₹ 15.59 lakhs in the previous year.

Departmental Performance

Dining Hall

The gross revenue during the year was at ₹ 375.87 lakhs which is lower by ₹ 62.08 lakhs. The fall in revenue is significantly attributable to the closure of Salon 175 which could not be used for more than two and a half months for parties and functions. There have been substantial changes in the Menu Planning for various



buffets. This was done based on the suggestions and comments received from various Members. A new Chinese Buffet Lunch was introduced at the Dining Hall, which was very well accepted by the Members. The Bengali Buffet with additional items remained popular. The Club is taking all efforts to increase the footfall in the Dining Hall and needs support of the members.

Oriental Room

The Oriental Room is a very popular dining place amongst our members in the Club. However this year gross sales marginally decreased by ₹ 2.55 lakhs to ₹ 130.10 lakhs as compared to ₹ 132.65 lakhs in the previous year. The Oriental Room has recently been given a fresh look with change in linen, crockery and enhanced lighting which members have appreciated. Menus have also undergone changes with in-house training by expert chefs.

Bakery and Ice-cream Counter

The Club Bakery and the Ice Cream Counter remained very popular. However the surplus generated is lower this year by ₹ 8.29 lakhs as compared to the previous year. Recently a lot of new products have been introduced like the hard crust bread, pies, upgraded and modified gift hampers and chocolate based different kinds of desserts.

Barber Shop

The Barber Shop continues to be patronized by our members.

Bars

While Revenues have increased by ₹ 8.04 lakhs, Profits have shown a marginal decline of ₹ 2.74 lakhs. Gross Sales in the Bars for this year was ₹ 244.62 lakhs compared to ₹ 236.58 lakhs during the previous year. An abnormal increase in the License Fee of the Bars resulted in increased costs. The Club was therefore compelled to increase the prices of liquor by 5% effective 1 April, 2018 which is the lowest amongst the comparable clubs in Kolkata. Sports Bar has registered a positive change in the usage by members. Various promotions and events have made it popular amongst the members.

Residential Chambers

The overall occupancy was 58% compared to 61% during the corresponding period of previous year. Revenue decreased to ₹ 113.22 lakhs as compared to the previous year of ₹ 119.38 lakhs i.e. a shortfall of ₹ 6.16 lakhs owing to decrease in occupancy levels. Room Nos 15 & 16 was converted into a Suite, which is operational now and the erstwhile Suite No 7 has been converted into a Sports Lounge.

RoofTop

The Rooftop is a very popular rendezvous amongst members during the winter season. Lot of personal parties, club events and film shows are held at the rooftop during that time.

Reynolds Room

This heritage lounge is a quiet and a very popular outlet for having coffee, tea, sandwiches and snacks over a cosy atmosphere. Based on the feedback, recently rules have been amended for members to bring children, above 8 years, at the Reynolds Room only on Saturdays, Sundays and Holidays.



Entertainment and Sports

During the year, The Bengal Club Cup horse racing in association with Royal Calcutta Turf Club took place after a gap of two years. The Global Culinary Festival, which also could not be held last year, was held this year. For the first time, the Ladies Cocktail event happened along with 'Tombola', which was a grand success. A Vintage Car Exhibition in association with The Vintage and Classic Car Club of Bengal was held in the club grounds for the first time. These events enhance the brand value of the Club and need to continue in the years to come. The Club continued to have all the usual events like The Classical Music Evening, Hilsa Festival, Poila Boisakh, Agomoni, Diwali Night, Christmas Lunch, New Year's Eve etc. etc. which were all very well attended and appreciated.

The Annual Golf Tournament at the Tollygunge Club was very well attended by the members. The prize distribution and dinner were hosted at the Club premises. In order for our members to indulge in various indoor games and sports, a 'Sports Lounge' has been created on the second floor of the club premises. The 'Sports Lounge' will provide facilities of playing Billiards, Darts, Cards and Chess and is scheduled for a formal inauguration on the 5 June, 2018.

Library

Our Library events have achieved a great height during this year. Many interesting and informative talks by eminent personalities from varied professions were organised. Topics ranged from Mr Alapan Bandopadhyay's talk on "Rise and Fall of Bengalis and Rise Again" to Fabrice Etienne's interaction with Prof Hari Vasudevan on "Ghosts of Kolkata". A talk was also delivered by Prof Julie Banerjee Mehta in conversation with Prof Sucharita Chattopadhyay on Kazuo Ishiguro's works, as our tribute to the winner of Nobel Prize for Literature in 2017.

Captivating Annual Panel discussion, which could not be held last year, was held with eminent speakers such as Mani Shankar Aiyar, Pawan Varma, Jawhar Sircar, Nilotpal Basu, Paranjay Guha Thakurta, Prof Saugata Roy and Swati Bhattacharya on the topic "Honesty is the Prerogative of the Middle Class". The discussion was moderated by Dr Kunal Sarkar. For the first time in the Club, a Bengali Section was created in the library. This was inaugurated by the renowned poet Srijato. Annual Pataudi lecture was delivered by Courtney Walsh, former Captain of the West Indies Cricket team.

The Bengal Club Library happens to be the first social club Library in Kolkata to have digitized their archival records dating back to the Eighteenth Century. These are now available for members to access from the Library Reading Room. The library continues to acquire new books, journals and magazines both National and International.

General:

During the year, the Club introduced a new Website with "online payment facilities". This was launched in November, 2017. This has been widely appreciated by the members and is being used substantially. Members are requested to use this facility for payment of their bills.

Business Centre

The Business Centre continues to be used for meetings and conferences and is doing reasonably well.



Projects

During the year the following projects were completed:

- Renovation of Salon 175
- Renovation of select Chambers Rooms
- Conversion of Chambers Room Nos 15 & 16 into a Suite
- Creation of a Sports Lounge with the inauguration to be held on 5 June 2018

Membership

	<u>2018</u>	<u>2017</u>
Town Members	762	753
Life Members	210	214
Mofussil Members	221	221
Special Members	198	182
Non Resident / Supernumerary	86	84
Honorary	1	1
Corporate Nominees	84	82
Reciprocal	163	170
Total	<u>1725</u>	<u>1707</u>

Corporate Governance

During the period August 2017 to May 2018, 9 (nine) General Committee meetings were held.

Committee Member

	Meetings attended
Shib Sanker Mukherji	9
Tapas Raychaudhury	8
Ambarish Dasgupta	6
Anjan Chatterjee	2
Jayanti Prasad Khaitan	7
Kunal Sen	7
Partha Ranjan Das (since Dec 2017)	5
Soumendra Nath Mookherjee	5
Sumit Mazumder	9
Sumit Ray (since Dec 2017)	6
Sutanu Ghosh	5



Subcommittees

The various Subcommittees met as follows:

Subcommittee	Meetings held August 2017 to May 2018
Administration	1
Bar	2
Chambers	4
Entertainment & Sports	6
Finance & Systems	6
Food	2
Legal	1
Library	7
Membership	9
Project & Maintenance	4

Deceased Members

The Committee deeply regrets the sad demise of the following members since the last Annual General Meeting in July 2017:

Anvar Alikhan (BA 72)	Kalyan Kumar Datta Gupta (BD 16)
Amal Ganguli (BG 94)	KP Mukherjee (BM 122)
Amitabha Chattopadhyay (BC 59)	Lalit G Toolsidass (BT 7)
Anil Chandra Banerjee (BB 201)	Mukul Ray (BR 86)
Atma Ram Kanoria (BK 1)	Paramesh Ranjan Dhar (BD 107)
Avijit Mazumdar (BM 10)	Partha Talukdar (BT 21)
Dau Dayal Kothari (BK 73)	P M Kariappa (BK 40)
Devendra Bajoria (BB 5)	Rajarshi Sengupta (BS 286)
Dipak Sen (BS 386)	Shiv Kumar Parik (BP 65)
Ganesh Das Bhattar (BB 27)	Subimal Ghosh (BG 16)
Kallol Sen (BS 189)	Vijay Bhandari (BB 147)

The Committee

Mr Rudrangshu Mukherjee and Mr Sumantra Banerjee resigned from the Committee in August 2017 and October 2017 respectively. In the casual vacancy caused by the resignation of Mr Rudrangshu Mukherjee and Mr Sumantra Banerjee, Mr Partha Ranjan Das and Mr Sumit Ray were co-opted as members of the Committee. Mr Subir Bose resigned from the Committee in December 2017 after completing his tenure as Bengal Club



President. The Committee thanked Mr Subir Bose most warmly for his leadership and guidance. In the casual vacancy of Mr Subir Bose, Dr Sandip Chatterjee was co-opted as a member of the Committee.

The following Committee Members retire at the forthcoming Annual General Meeting but being eligible, offer themselves for re-election.

Shib Sanker Mukherji	Tapas Raychaudhury
Ambarish Dasgupta	Anjan Chatterjee
Jayanti Prasad Khaitan	Kunal Sen
Partha Ranjan Das	Soumendra Nath Mookherjee
Sumit Mazumder	Sumit Ray
Sutanu Ghosh	Sandip Chatterjee

Tapas Raychaudhury and Sumit Mazumder have offered themselves for election as the President and Vice President of the Club respectively at the forthcoming Annual General Meeting.

Committee Members' Responsibility Statement

As stipulated under Section 134 Sub-sections 3 (C) and 5 of the Companies Act, 2013 your Committee states that:

- (a) in the preparation of the annual accounts, the applicable accounting standards has been followed;
- (b) they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Club as at 31 March 2018 and of the Statement of Income and Expenditure of the Club for the financial year ended 31 March 2018;
- (c) they have 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 Club and for preventing and detecting fraud and other irregularities;
- (d) they have prepared the annual accounts on a "going concern" basis;
- (e) they had devised proper systems to ensure compliance with the provisions of all applicable laws, less Internal Financial Control over Financial Reporting, which is under process. However, adequate internal control systems are in place and maintained effectively and operated in all respects to the financial reporting.

Secretariat and Staff Relations

The relationship between the Committee and the Staff remained cordial throughout the year.

The Committee would like to place on record its deep appreciation for the excellent and efficient work done by the Secretariat and the excellent services rendered by the Staff throughout the period.

The Bengal Club is one of the oldest social clubs in India and has enjoyed an iconic stature for close to 191 years. It is incumbent on all Members to ensure that the values and traditions of the Club remain, even while we embrace change and evolve with contemporary times.

For and on behalf of the Committee

Kolkata
25 May 2018

Shib Sanker Mukherji
President



Independent Auditor's Report

To
The Members of
The Bengal Club Limited

Report on the Financial Statements

We have audited the accompanying financial statements of THE BENGAL CLUB LIMITED ('the Club'), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Income and Expenditure and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The management of the club 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 Club 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 Club 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 there under.

We have conducted our audit of the Financial Statements 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 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 Club'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 accounting policies used and the reasonableness of the accounting estimates made by the Club's Management, 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 Club as at 31st March, 2018, its surplus and cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of sub-section 11 of Section 143 of the Act, we give in the 'Annexure A' a statement on the matters specified in the paragraph 3 and 4 of the said Order.
- (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 Club so far as appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Income and Expenditure and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of written representation received from the Members of the General Committee as on 31st March, 2018 taken on record by the management of the Club, none of the Committee Members are disqualified as on 31st March, 2018 from being appointed as a Committee Member in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of internal financial control over financial reporting of the Club and the operating effectiveness of such controls, refer to our separate report in 'Annexure B'.
 - (g) With respect to the other matters to be 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 Club has disclosed the impact of pending litigations on its financial position in its financial statements mentioned in Note 21 and 22 to the financial statements;
 - ii. The Club does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There are no amounts that are required to be transferred to the Investor Education and Protection Fund by the Club.

For **RAY & RAY**
Chartered Accountants
(Firm's Registration No.301072E)

(R. N. Roy)

Partner

Membership No.8608

Place: Kolkata

Date: May 25, 2018



'Annexure A' to the Auditor's Report

(The Annexure referred to in paragraph 1 "Report on Other Legal and Regulatory Requirements" of the Auditors' Report of even date).

- (i) (a) The Club has maintained records showing particulars, including quantitative details and situation of fixed assets which offers scope for improvement.
- (b) As explained to us, fixed assets have been physically verified by an independent firm of Chartered Accountants during the year on whose report we have relied upon and which in our opinion is reasonable having regard to the size of the Club and nature of the assets. Discrepancies observed in the course of such physical verification have been adjusted in the accounts.
- (c) The immovable properties of the Club are held in its name as verified from the Advocate's certificate in this regard.
- (ii) Physical verification of the inventory has been conducted at reasonable intervals by the management. Discrepancies which were noticed on such verification were not material and the same has been properly dealt with in the books of accounts.
- (iii) The Club has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, the Club has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of making investments as applicable. The Club has not granted any loans or provide guarantees.
- (v) According to the information and explanations given to us, the Club has not accepted any deposit during the year and had no unclaimed deposits at the beginning of the year as per the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013.
- (vi) As informed to us, the maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Club has been generally regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Customs Duty, Excise Duty, Service Tax, Value Added Tax, Goods and Service Tax, Cess and other material statutory dues applicable to it to the appropriate authorities.

There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods and Service Tax, Cess and other material statutory dues in arrears as at 31 March, 2018 for a period of more than six months from the date they became payable.
 - (b) As per the details provided by the Club, the dues of Income-tax, Sales Tax and Municipal Tax which have not been deposited as on 31 March, 2018 on account of disputes are given below:



Name of the Statute	Nature of dues	Amount (Rs in Lakhs.)	Forum where dispute is pending	Year to which the amount relates
Income Tax Act, 1961	Income Tax	0.16	Assistant Commissioner of Income Tax, Circle 8	A petition under section 154 has been filed in this respect.
West Bengal Sales Tax Act	Sales Tax and Interest	26.47	Appellate Forum before Assistant Commissioner of Commercial Taxes, South Circle, Kolkata	2005-2006
Calcutta Municipal Corporation Act, 1980	Commercial Surcharge of Municipal Tax	6.41	Division Bench of Calcutta High Court	1998-1999 to 2008-2009

Refer Note No. 22(b) of the Financial Statements

- (viii) According to the records of the Club examined by us and as per the information and explanations given to us, the Club has not availed of any loans or borrowings from any financial institution or banks or government and has not issued any debentures.
- (ix) The Club has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Club and no material fraud on the Club by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the provisions of section 197 of the Companies Act, 2013 do not apply to the Club.
- (xii) The Club is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the provisions of Section 188 and 177 of the Companies Act, 2013 do not apply to the Club.
- (xiv) The Club has not made any preferential allotment/private placement of shares or fully or partly convertible debentures during the year under review. Hence, the requirement of Section 42 of the Companies Act, 2013 is not applicable to the Club.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Club has not entered into any non-cash transactions with Committee members or persons connected with them and so the provisions of Section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Club is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **RAY & RAY**
Chartered Accountants
Firm Registration No.301072E

(R. N. Roy)

Partner

Membership No.8608

Place: Kolkata

Date: May 25, 2018



Annexure B

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 Club Limited ("the Club") as of 31st March, 2018 in conjunction with our audit of the financial statements of the Club for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Club's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Club 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 Club'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 Club'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"), issued by ICAI and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the 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 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 Club's internal financial controls system over financial reporting.



Meaning of Internal Financial Controls over Financial Reporting

A Club'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 Club'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 Club;
- (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 Club are being made only in accordance with authorisations of management and Members of the General committee of the Club; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Club'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

Based on our audit procedures, in our opinion, the Club 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 2018, based on the internal control over financial reporting criteria established by the Club 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 **RAY & RAY**
Chartered Accountants
Firm Registration No.301072E

(R. N. Roy)
Partner
Membership No.8608

Place: Kolkata
Date: May 25, 2018



Balance Sheet as at 31 March 2018

	Note	As at 31 March 2018		As at 31 March 2017	
		₹		₹	
I. FUNDS AND LIABILITIES					
Members' Funds					
Reserves and Surplus	2	184,619,158		172,422,550	
Non Current Liabilities					
Long Term Provisions	3	8,276,145	8,276,145	7,449,658	7,449,658
Current Liabilities					
Trade Payables	4	4,659,368		4,529,866	
Other Current Liabilities	5	8,586,970		5,825,194	
Short Term Provisions	6	5,600,290	18,846,628	4,281,468	14,636,528
Total			211,741,931		194,508,736
II. ASSETS					
Non Current Assets					
Fixed Assets					
a) Tangible Assets	7	66,805,682		58,035,318	
b) Intangible Assets		373,733		354,789	
Non Current Investments	8	38,979,581		18,194,950	
Long-Term Loans and Advances	9	11,809,614		12,038,591	
Other Non-Current Assets	10	16,204,484	134,173,094	10,705,860	99,329,508
Current Assets					
Inventories	11	2,560,605		3,481,714	
Trade Receivables	12	15,742,020		10,786,452	
Cash and Cash Equivalents	13	51,358,363		74,399,871	
Short Term Loans and Advances	14	5,189,271		3,895,472	
Other Current Assets	15	2,718,578	77,568,837	2,615,719	95,179,228
Total			211,741,931		194,508,736

Notes 1 to 15 and 21 to 32 are an integral part of the Balance Sheet

This is the Balance Sheet referred to in our report of even date

For RAY & RAY

Chartered Accountants
(Firm's Registration No. 301072E)

R.N.ROY

Partner
Membership No. 8608

Kolkata
25th May, 2018

For and On behalf of the Committee :

Shib Sanker Mukherji
(President)

Tapas Raychaudhury
(Vice President)

Dipankar Chakravorty
Chief Executive Officer & Secretary



Statement of Income & Expenditure for the year ended 31 March 2018

	Note	Year ended 31 March 2018 ₹	Year ended 31 March 2017 ₹
I. INCOME			
Subscriptions	16	19,942,263	19,275,104
Departmental Surplus	17	7,369,622	12,663,083
Other Income	18	20,769,491	18,007,004
Total		48,081,376	49,945,191
II. EXPENDITURE			
Administrative Expenses General	19	40,800,807	41,383,755
Depreciation and Amortisation Expenses	20	5,051,233	4,946,539
Total		45,852,040	46,330,294
SURPLUS BEFORE TAXATION		2,229,336	3,614,897
TAX EXPENSES			
Provision for Tax -Current Year		1,912,064	2,056,068
SURPLUS AFTER TAXATION		317,272	1,558,829

Notes 1 & 16 to 20 and 21 to 32 are an integral part of the Statement of Income & Expenditure
This is the Statement of Income & Expenditure referred to in our report of even date .

For RAY & RAY
Chartered Accountants
(Firm's Registration No. 301072E)

R.N.ROY
Partner
Membership No. 8608

Kolkata
25th May, 2018

For and On behalf of the Committee :

Shib Sanker Mukherji
(President)

Tapas Raychaudhury
(Vice President)

Dipankar Chakravorty
Chief Executive Officer & Secretary



Cash flow statement for the year ended 31 March 2018

	Year ended 31 March 2018	Year ended 31 March 2017
	₹	₹
A. Cash Flow from Operating Activities		
Profit before Taxation	2,229,336	3,614,897
Adjustments for:		
1. Depreciation and amortisation expenses	5,051,233	4,946,539
2. Loss on sale of Fixed Assets	165,354	57,688
3. Bad Debts written off	61,029	196,649
4. Interest income	(8,236,368)	(7,384,790)
5. Loss on Exchange Fluctuation	24,977	4,414
6. Loss on redemption of Investments	420,111	-
Operating Profit before working capital changes	(284,328)	1,435,397
Adjustments for:		
1. Trade & Other Receivables	6,335,374	5,223,986
2. Inventories	921,109	1,123,899
3. Trade Payables and other current liabilities	4,210,100	(1,772,793)
4. Long term Provisions	826,487	1,291,765
5. Non current assets	7,416	9,866
	(654,590)	7,312,120
Income from Corporate members fees	(7,300,000)	(6,400,000)
Cash generated from/ (used on) operations	(7,954,590)	912,120
Payment of direct taxes	(1,683,087)	(2,062,527)
Net Cash generated from/ (used on) operations	(9,637,677)	(1,150,407)
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(14,159,895)	(6,124,932)
Purchase of Investments	(30,454,741)	(6,274,575)
Sale of Fixed Assets	154,000	149,387
Sale proceeds on redemption of Investments	9,250,000	-
Interest received	8,133,509	8,341,278
Fixed Deposit Purchases	(5,506,040)	(7,673,197)
Net Cash flow from/(used in) Investing Activities	(32,583,167)	(11,582,039)
C. Cash Flow from Financing Activities		
Corporate members fees received	9,000,000	9,000,000
Entrance fees received	17,893,960	12,353,200
Development fund utilised	(7,714,624)	(1,247,297)
Net Cash flow from/(used in) Financing Activities	19,179,336	20,105,903
Net increase in Cash and Cash Equivalents during the year (A+B+C)	(23,041,508)	7,373,457
Cash & Cash Equivalents at the beginning of the year	74,399,871	67,026,414
Cash & Cash Equivalents at the end of the year	51,358,363	74,399,871

Notes:

The above Cash Flow Statement has been prepared under the indirect method as set out in the Accounting Standard-3 on Cash flow statement. This is the Cash Flow statement, in term of our report attached.

For RAY & RAY

Chartered Accountants

(Firm's Registration No. 301072E)

R.N.ROY

Partner

Membership No. 8608

Kolkata

25th May, 2018

For and On behalf of the Committee :

Shib Sanker Mukherji

(President)

Tapas Raychaudhury

(Vice President)

Dipankar Chakravorty

Chief Executive Officer & Secretary



Notes to the Financial Statements

1. Significant Accounting Policies

(a) Basis of Accounting

These financial statements have been prepared in accordance with the historical cost convention on accrual basis and in conformity with the relevant accounting standards as notified under the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013.

(b) Use of Estimates

The preparation of these financial statements is in conformity with the Generally Accepted Accounting principles which requires management to make estimates that affect the reported amount of assets and liabilities at the date of financial statements and the reported amount of revenues and expenses during the reporting period although these estimates are based on management's best knowledge of current events and actions. Actual results may ultimately differ from these estimates, which are recognized in the year in which the results are known / materialized.

(c) Fixed Assets

(i) Tangible Assets

Fixed Assets are stated at cost. Cost includes taxes, duties, freight and other incidental expenses related to acquisition and installation.

(ii) Intangible Assets

Software is expected to provide future enduring economic benefit and are stated at cost less amortization. All upgradation/enhancement are charged off as revenue expenditure unless they bring significant additional benefits. Software is amortized over a period of five years.

(iii) Capital work in progress is stated at cost

(d) Depreciation

(i) Tangible Assets

Depreciation is provided on written down value method as prescribed in Schedule II of the Companies Act 2013, except in respect of certain assets mentioned below where the club has adopted useful lives longer than that specified in Schedule II of the Companies Act 2013, based on technical assessment made by an independent valuer.

Building-75 years | Tubewell-20 years | | Air Conditioning Plant- 40 years | Electrical Installation-45 years | Refrigeration & Cold Storage- 40 years | Kitchen Equipments -25 years | Lift - 40 years | Fire Fighting System-25 years | Office Equipment - 12 years. | Channel Music System-30 years | Furniture & Fittings - 40 years |

Depreciation on additions / disposals of the fixed assets is provided on pro-rata basis with reference to the date of additions/disposals. Any Profit/Loss arising out of sale/disposal of fixed assets is treated accordingly in the Profit and Loss Account.



(ii) Intangible Assets

Intangible assets are amortized as per management estimation over a period of maximum five years.

(e) Investments

Long-term investments are stated at cost. Diminution of permanent nature, if any, is provided for.

(f) Inventories

Inventories are valued at the lower of cost or net realizable value. Cost is determined on weighted average basis, which comprises of expenditure incurred in the normal course of business in bringing the inventory to their present location and condition.

(g) Crockery, Cutlery and Linen

(i) Crockery and cutlery are charged off in the year of purchase. Certain items of special nature, having enduring value, are charged off over a period of four years from the date of its initial purchase.

(ii) Linen is valued at the lower of cost (on weighted average basis) and net realizable value.

(h) Retirement and Other Employee Benefits

(i) Provident Fund and Employees State Insurance dues (Defined Contribution Schemes) are administered by the Government and contributions to the said funds are charged to Income and Expenditure Account on accrual basis.

(ii) Gratuity (Defined Benefit Scheme)

The Club has a Gratuity Fund administered by the Life Insurance Corporation (LIC) of India. The Club has taken a "Group Gratuity Policy" with the LIC for future payment of gratuities to all its retiring employees. The amount of annual contribution, as determined actuarially by LIC, is provided for in these accounts on accrual basis.

(iii) Leave encashment (Defined Benefit Scheme) is provided annually as per actuarial valuation.

(i) Revenue Recognition

(i) The Club follows the accrual basis of accounting in respect of its income and expenditure. The apportionment / allocation of various expenditure amongst the different departments have been made on such basis, as determined by the Committee from time to time.

(ii) Entrance Fees received from the members are initially credited to "Capital Reserve Account" and a fixed amount per member is transferred from "Capital Reserve Account" to "Development Fund Account". The amounts, so transferred, are utilized towards development and maintenance related expenses and / or such other expenses, as determined by the Committee from time to time.

(iii) Entrance Fees received from Corporate Members are initially credited to "Corporate Members Fees" under the head "Reserves and Surplus" and proportionate amount is credited to Subscription



Account, as income, in five equal installments over the period of Corporate Membership.

- (iv) Sales and Services, which exclude VAT and Service Tax & Goods & Services Tax, represent the invoiced value of goods sold and services rendered to the members.
- (v) Income accrued from the Investments, together with the related tax, are credited to Income and Expenditure Account on accrual basis.
- (vi) Interest on Deposits is recognized on a time proportionate basis taking into account the amounts outstanding and the rates applicable.

(j) Taxes on Income

Current Tax represents the amount computed on taxable income as per prevailing taxation laws.

(k) Foreign Currency Transactions

Membership Subscriptions and Entrance Fees received in foreign currencies are accounted for as and when received and on the basis of advices received from bank.

(l) Treatment of Prior Period and Extra Ordinary Items

- (i) Any material items (other than those arising out of over / under estimation in earlier years) arising as a result of error or omission in preparation of earlier years financial statements are separately disclosed.
- (ii) Any material gains / losses which arise from the events or transactions which are distinct from ordinary activities of the Club are separately disclosed.

(m) Provisions, Contingent Liabilities and Contingent Assets

A provision is made based on a reliable estimate when it is probable that an outflow of resources embodying economic benefits will be required to settle an obligation. Contingent liabilities, if material, are disclosed by way of notes to accounts. Contingent assets are not recognized or disclosed in the financial statements.



Notes to the Financial Statements (Contd.)

	As at		As at	
	31 March 2018		31 March 2017	
	₹		₹	
2 Reserves and Surplus				
A. Capital Reserve				
Balance at the beginning of the year	129,953,471		121,475,271	
Add: Entrance fees received	17,893,960		12,353,200	
	<u>147,847,431</u>		<u>133,828,471</u>	
Less: Transfer to Development Fund	6,300,000	141,547,431	<u>3,875,000</u>	129,953,47
B. General Reserve				
Balance at the beginning of the year	21,389,303		19,830,474	
Add: Balance transferred from the Statement of Income and Expenditure Account	317,272	21,706,575	<u>1,558,829</u>	21,389,303
C. Development Fund				
Balance at the beginning of the year	7,179,776		4,552,073	
Add: Transfer from Capital Reserve	6,300,000		<u>3,875,000</u>	
	<u>13,479,776</u>		<u>8,427,073</u>	
Less: Utilisation for development and maintenance related expenses.	7,714,624	5,765,152	<u>1,247,297</u>	7,179,776
D. Corporate Members Fees				
Balance at the beginning of the year	13,900,000		11,300,000	
Add: Received during the year	9,000,000		<u>9,000,000</u>	
	<u>22,900,000</u>		<u>20,300,000</u>	
Less: Income recognised for the year	7,300,000	15,600,000	<u>6,400,000</u>	13,900,000
			<u>184,619,158</u>	<u>172,422,550</u>



Notes to the Financial Statements (Contd.)

	As at 31 March 2018 ₹	As at 31 March 2017 ₹
3 Long Term Provisions		
Provision for Leave Encashment	8,276,145	7,449,658
	<u>8,276,145</u>	<u>7,449,658</u>
4 Trade Payables		
Total outstanding dues of creditors, other than Micro & Small Enterprises	4,659,368	4,529,866
	<u>4,659,368</u>	<u>4,529,866</u>
5 Other Current Liabilities		
Advance Subscriptions from Members	480,125	474,350
Members Credit Balances	3,821,395	2,540,655
Others Advances	100,000	250,257
Other Liabilities	3,572,818	1,959,282
Deposit Others	612,632	600,650
	<u>8,586,970</u>	<u>5,825,194</u>
6 Short Term Provisions		
Provision For Employee benefits :		
Gratuity	2,027,810	1,115,239
Leave Encashment	796,730	451,294
Bonus	2,775,750	2,714,935
	<u>5,600,290</u>	<u>4,281,468</u>



Notes to the Financial Statements (Contd.)

7. Fixed Assets

ITEMS	GROSS BLOCK - AT ORIGINAL COST				DEPRECIATION				NET BLOCK	
	As at 1st April 2017	Additions during the year	Sales/ adjus. during the year	As at 31st March 2018	As at 1st April 2017	For the year	Sales/ Ad-justment	As at 31st March 2018	As at 31st March 2018	As at 31st March 2017
A. TANGIBLE ASSETS :										
Land										
Freehold Land	631,347			631,347					631,347	631,347
Total	631,347			631,347					631,347	631,347
Building										
Buildings	34,189,004	7,342,780		41,531,784	9,758,933	1,345,485		11,104,418	30,427,366	24,430,071
Tube Well	895,284			895,284	602,628	46,563		649,191	246,093	292,656
Total	35,084,288	7,342,780		42,427,068	10,361,561	1,392,048		11,753,609	30,673,459	24,722,727
Plant and Machinery										
Air Conditioning Plant	9,246,073	728,579	1,050,180	8,924,472	4,329,974	212,539	943,602	3,598,911	5,325,561	4,916,099
Electrical installation	25,978,989	2,965,791	130,483	28,814,297	15,243,380	1,080,190	99,901	16,223,669	12,590,628	10,735,609
Refrigeration Cold storage	3,214,981	37,734	53,250	3,199,465	1,908,171	132,905	50,588	1,990,488	1,208,977	1,306,810
Kitchen Equipments	11,374,541	89,080	103,701	11,359,920	5,338,125	762,740	88,719	6,012,146	5,347,774	6,036,416
Lift	2,358,255			2,358,255	1,617,488	35,274		1,652,762	705,493	740,767
Bakery Oven	11,500			11,500	11,320			11,320	180	180
Fire Fighting system	3,444,970			3,444,970	1,628,291	201,028		1,829,319	1,615,651	1,816,679
Misc Assets & Equipments Others	1,740,111	2,500		1,742,611	1,056,229	111,591		1,167,820	574,791	683,882
Total	57,369,420	3,823,684	1,337,614	59,855,490	31,132,978	2,536,267	1,182,810	32,486,435	27,369,055	26,236,442
Office Equipment										
Office Equipment	1,957,759	47,130		2,004,889	1,165,989	192,790		1,358,779	646,110	791,770
Telephone	56,986			56,986	33,771	4,030		37,801	19,185	23,215
Computer	3,365,007	29,690	58,096	3,356,601	3,138,422	85,318	57,128	3,166,612	169,989	226,585
Channel Music & Television set	1,062,750		82,239	980,511	860,415	19,397	78,607	801,205	179,306	202,335
Total	6,442,502	76,820	140,335	6,378,987	5,198,597	301,535	135,735	5,364,397	1,014,590	1,243,905
Furniture and Fittings										
Furniture and Fittings	15,958,945	2,647,861	1,084,074	17,522,732	10,758,048	571,577	924,124	10,405,501	7,117,231	5,200,897
Total	15,958,945	2,647,861	1,084,074	17,522,732	10,758,048	571,577	924,124	10,405,501	7,117,231	5,200,897
Total Tangible Assets	115,486,502	13,891,145	2,562,023	126,815,624	57,451,184	4,801,427	2,242,669	60,009,942	66,805,682	58,035,318
Previous Year	110,370,277	6,074,932	958,707	115,486,502	53,452,661	4,750,155	751,632	57,451,184	58,035,318	
B. INTANGIBLE ASSETS :										
Software										
Software	1,160,782	268,750		1,429,532	805,993	249,806		1,055,799	373,733	354,789
Total Intangible Assets	1,160,782	268,750		1,429,532	805,993	249,806		1,055,799	373,733	354,789
Previous Year	1,110,782	50,000		1,160,782	609,609	196,384		805,993	354,789	
Grand Total (A+B)	116,647,284	14,159,895	2,562,023	128,245,156	58,257,177	5,051,233	2,242,669	61,065,741	67,179,415	58,390,107
Previous Year	111,481,059	6,124,932	958,707	116,647,284	54,062,270	4,946,539	751,632	58,257,177	58,390,107	



Notes to the Financial Statements (Contd.)

	<u>As at</u> <u>31 March 2018</u> ₹	<u>As at</u> <u>31 March 2017</u> ₹
8 Non Current Investments		
Long Term - Non-Trade (At Cost)		
Quoted -		
Investments in Bonds		
● Power Finance Corporation 1 Unit (P. Yr 1 Unit) of 8.80% Tax Free Bonds 2025	1,007,000	1,007,000
● Indian Railway Finance Corporation 3 Units (P. Yr 3 Units) of 8.55% Tax free Bonds 2019	3,006,000	3,006,000
● Power Finance Corporation 2 Units (P. Yr 2 Units) of 8.70% Tax Free Bonds 2020	2,008,000	2,008,000
● Power Grid Corporation of India Ltd Nil (P.Yr 1 Unit) of 9.47% Tax Free Bonds 2018	–	1,336,875
● Canara Bank RRLOA perpetual 2020 2 Units (P. Yr 2 Units) of 9.05% Tax Free Bonds	2,031,000	2,031,000
● Rural Electrification Corporation Nil (P.Yr 1 Unit) of 9.07% Tax Free Bonds 2018	–	1,058,500
● Housing Urban Development Corporation 701 No (P. Yr 701 No) of 7.02% Tax Free Bonds 2026	701,000	701,000
● National Highways Authorities 771 No.(P. Yr 771 No) of 7.04% Tax Free Bonds 2026	771,000	771,000
● Uco Bank Perpetual Bonds 1 Unit(P. Yr.1 Unit) of 11.70% Taxable Bonds 2021	1,042,966	1,042,966
● IDBI Bank Perpetual Bonds Nil (P. Yr 5 Units) of 10.75% Taxable Bonds 2024	–	5,231,610
● TATA STEEL Perpetual Bonds 9 Units (P. Yr Nil) of 11.80% Taxable Bonds 2021	10,131,886	–
● National Highways Authorities- N1 2000 Units (P. Yr Nil) of 8.20% Tax Free Bonds 2022	2,380,937	–
● Power Finance Corporation 1000 Units (P. Yr Nil) of 8.20% Tax Free Bonds 2022	1,171,295	–
● Power Finance Corporation 4000 Units (P. Yr Nil) of 8.30% Tax Free Bonds 2027	4,852,770	–
● Housing Urban Development Corporation 1000 Units (P. Yr Nil) of 8.20% Tax Free Bonds 2027	1,210,036	–
● National Housing Bank 300 Units (P. Yr Nil) of 8.93% Tax Free Bonds 2029	1,939,254	–
● National Highways Authorities- N2 4600 Units (P. Yr Nil) of 8.30% Tax Free Bonds 2027	5,509,055	–
● National Highways Authorities- N6 1000 Units (P. Yr Nil) of 8.75% Tax Free Bonds 2029	1,216,382	–
	<u>38,978,581</u>	<u>18,193,950</u>
Un-Quoted		
5% Non-redeemable Registered Debenture Stock of Woodland Hospital and Medical Research Centre Limited (Formerly East India Clinic)	1,000	1,000
	<u>38,979,581</u>	<u>18,194,950</u>
Notes :		
Aggregate Book value of Quoted Investments	38,979,581	18,194,950
Aggregate market price / NAV of Quoted Investments	38,189,042	19,097,000
Aggregate Book value of Unquoted Investments	1,000	1,000



Notes to the Financial Statements (Contd.)

	As at 31 March 2018	As at 31 March 2017
	₹	₹
9 Long Term Loans and Advances (Unsecured - Considered Good)		
Security Deposits	2,504,858	2,504,858
Advance Payment for :		
Income Tax (Net of Provision of ₹ 1,49,46,632 – Previous Year ₹ 1,30,34,568)	406,068	635,045
Fringe Benefit Tax (Net)	75,000	75,000
Municipal Tax	1,303,845	1,303,845
WB Sales Tax	7,519,843	7,519,843
	<u>11,809,614</u>	<u>12,038,591</u>
10 Other Non-Current Assets (Unsecured - Considered Good)		
Sundry Recoverable	25,247	32,663
Fixed Deposits- Maturity period beyond 12 Months	16,179,237	10,673,197
	<u>16,204,484</u>	<u>10,705,860</u>
11 Inventories (Valued at lower of cost or net realisable value)		
Stores	319,747	825,175
Wine, Cigars, Cigarettes etc.	1,973,650	2,359,602
Empty Bottles etc.	71,263	69,707
Stock of Memorabilia etc.	195,945	227,230
	<u>2,560,605</u>	<u>3,481,714</u>
12 Trade receivables (Unsecured - Considered Good)		
Receivable from Members:		
Over six months	31,612	39,605
Others	13,465,100	9,914,132
	<u>13,496,712</u>	<u>9,953,737</u>
Receivable from Others:		
Over six months	80,600	-
Others	2,164,708	832,715
	<u>2,245,308</u>	<u>832,715</u>
	<u>15,742,020</u>	<u>10,786,452</u>



Notes to the Financial Statements (Contd.)

	As at 31 March 2018	As at 31 March 2017
	₹	₹
13 Cash and Cash Equivalents		
Cash and Cash Equivalents :		
Cash on Hand	8,323	13,398
Bank Balances with Current Accounts	5,944,406	3,821,186
Fixed Deposits- Maturity period upto 12 Months	45,405,634	70,565,287
	<u>51,358,363</u>	<u>74,399,871</u>
14 Short term loans and advances (Unsecured - Considered Good)		
Advance recoverable in cash in kind or value to be received	3,874,593	3,401,673
Prepaid Expenses	1,314,678	493,799
	<u>5,189,271</u>	<u>3,895,472</u>
15 Other Current Assets		
Interest Accrued on Deposits	1,671,084	1,785,440
Interest Accrued on Bonds	1,047,494	830,279
	<u>2,718,578</u>	<u>2,615,719</u>



Notes to the Financial Statements (Contd.)

	Year ended 31 March 2018 ₹	Year ended 31 March 2017 ₹
16 Subscriptions		
Annual Subscription	1,578,747	1,572,980
Monthly Subscription	10,993,516	11,232,124
Life Members Subscription	70,000	70,000
Corporate Members Fees	7,300,000	6,400,000
	<u>19,942,263</u>	<u>19,275,104</u>
17 Departmental Surplus		
From Club Premises (Note - 17A)	2,101,136	2,220,757
From Coffee Room (Note - 17B)	731,000	4,715,049
From Bar (Note - 17C)	2,026,025	2,299,934
From Oriental Room (Note - 17D)	560,821	1,087,635
From Bakery & Icecream Counter (Note - 17E)	1,950,640	2,339,708
	<u>7,369,622</u>	<u>12,663,083</u>
17A Surplus from Club Premises		
Receipts	<u>11,321,704</u>	<u>11,937,923</u>
Expenditure :		
Rates and taxes	201,312	201,312
Salaries, Wages and Bonus	5,640,645	5,348,992
Insurance	51,478	41,074
Contribution to Provident Fund	458,770	444,879
Contribution to Employees State Insurance	113,519	68,516
Repair & Maintenance		
Building	156,330	433,949
Plant & Machinery	33,680	112,396
Others	42,555	232,597
Linen	86,011	4,517
Power & Fuel	2,316,216	2,429,374
General Charges	120,052	399,560
	<u>9,220,568</u>	<u>9,717,166</u>
Surplus	<u>2,101,136</u>	<u>2,220,757</u>



Notes to the Financial Statements (Contd.)

	Year ended 31 March 2018 ₹	Year ended 31 March 2017 ₹
17B Surplus from Coffee Room		
Receipts	37,586,503	43,794,173
Expenditure :		
Consumption		
Opening Stock	792,859	750,288
Add : Purchases	16,944,395	19,180,608
	<u>17,737,254</u>	<u>19,930,896</u>
Less : Closing Stock	222,556	792,859
	<u>17,514,698</u>	<u>19,138,037</u>
Salaries, Wages and Bonus	14,679,836	14,551,122
Contribution to Provident Fund	1,148,210	1,057,914
Contribution to Employees State Insurance	397,610	255,410
Power & Fuel	2,413,284	2,560,297
Tablewares	228,739	219,463
Repairs & Maintenance		
Building	61,912	295,107
Plant & Machinery	64,349	397,520
Others	15,201	156,478
Linen	258,565	295,859
Miscellaneous	73,099	151,917
	<u>36,855,503</u>	<u>39,079,124</u>
Surplus	731,000	4,715,049
17C Surplus from Bar		
Receipts	24,462,110	23,658,381
Expenditure :		
Consumption:		
Opening Stock	2,359,602	3,331,730
Add: Purchases	13,962,230	11,943,363
	<u>16,321,832</u>	<u>15,275,093</u>
Less :Closing Stock	1,973,650	2,359,602
	<u>14,348,182</u>	<u>12,915,491</u>
Salaries, Wages and Bonus	5,333,435	5,287,530
Contribution to Provident Fund	460,497	439,975
Contribution to Employees State Insurance	120,505	71,787
Power & Fuel	1,286,272	1,347,315
Tableware	76,241	80,018
Repairs & Maintenance		
Building	76,990	100,992
Plant & Machinery	43,139	48,802
Others	16,284	146,134
Literage Fees	320,000	320,000
Miscellaneous	354,540	600,403
	<u>22,436,085</u>	<u>21,358,447</u>
Surplus	2,026,025	2,299,934



Notes to the Financial Statements (Contd.)

	Year ended 31 March 2018 ₹	Year ended 31 March 2017 ₹
17D Surplus from Oriental Room		
Receipts	<u>13,010,138</u>	<u>13,264,817</u>
Expenditure :		
Consumption	4,984,655	4,842,012
Salaries, Wages and Bonus	5,103,461	4,895,337
Contribution to Provident Fund	447,666	411,083
Contribution to Employees State Insurance	224,036	123,214
Tableware	48,184	14,100
Power & Fuel	1,532,580	1,607,235
Repairs & Maintenance		
Building	71,702	177,985
Plant & Machinery	20,971	53,122
Others	16,062	53,094
	<u>12,449,317</u>	<u>12,177,182</u>
Surplus	<u><u>560,821</u></u>	<u><u>1,087,635</u></u>

17E Surplus from Bakery & Ice Cream Counter

Receipts	<u>7,005,086</u>	<u>7,834,123</u>
Expenditure :		
Consumption	3,427,988	3,637,221
Salaries, Wages and Bonus	1,474,521	1,732,670
Contribution to Provident Fund	58,711	52,778
Contribution to Employees State Insurance	16,827	8,884
Power & Fuel	12,000	12,000
Repairs & Maintenance		
Building	40,025	19,200
Plant & Machinery	23,504	14,600
Others	870	17,062
	<u>5,054,446</u>	<u>5,494,415</u>
Surplus	<u><u>1,950,640</u></u>	<u><u>2,339,708</u></u>



Notes to the Financial Statements (Contd.)

	Year ended 31 March 2018 ₹	Year ended 31 March 2017 ₹
18 Other Income		
Interest (Gross) :		
On Fixed Deposit with Bank	4,862,986	6,234,090
On Bond (Tax Free)	2,048,459	1,022,743
On Bond	1,196,613	291,894
On Security Deposit with CESC	128,310	127,957
Hire of Guest Rooms Charges	7,520,435	5,744,015
Business Centre	508,300	575,853
Cover Charges	2,233,794	2,069,797
Miscellaneous income	2,270,594	1,940,655
	<u>20,769,491</u>	<u>18,007,004</u>
19 Administrative Expenses General		
Employment Cost and benefit :		
Salaries, Wages and Bonus	13,351,165	11,937,675
Contribution to Provident Fund	1,063,897	1,005,978
Contribution to Employees State Insurance	160,035	79,769
Gratuity	2,027,810	1,181,678
Leave Encashment	2,034,309	1,947,974
Staff Welfare	4,872,991	5,128,675
Staff Uniforms	1,398,779	545,608
Conveyance	7,217,261	7,236,293
	<u>32,126,247</u>	<u>29,063,650</u>
Repair and Maintenance :		
Building	353,259	2,526,239
Plant & Machinery	1,020,645	1,733,511
Others	584,668	635,036
	<u>1,958,572</u>	<u>4,894,786</u>



Notes to the Financial Statements (Contd.)

	Year ended 31 March 2018 ₹	Year ended 31 March 2017 ₹
Other Expenditure :		
Library	274,036	255,030
Power & Fuel	1,635,849	1,717,669
Insurance	51,480	43,105
Stationery & Printing	408,157	768,373
Postage & Telephone	967,791	1,119,416
Professional Fees	554,731	318,324
Audit Fees	200,000	150,000
Loss on Exchange Fluctuation	24,977	4,414
Loss on Sale / Discard of Assets	165,354	57,688
Bad Debts	61,029	196,649
Loss on Redemption of Investments	420,111	-
Miscellaneous Expenses	1,952,473	2,794,652
	<u>6,715,988</u>	<u>7,425,320</u>
	<u>40,800,807</u>	<u>41,383,755</u>

20 Depreciation And Amortisation Expenses

Tangible Assets	4,801,427	4,750,155
Intangible Assets	249,806	196,384
	<u>5,051,233</u>	<u>4,946,539</u>



Notes to the Financial Statements (Contd.)

21. The Hon'ble Calcutta High Court, vide its Order dated 13 December 2005, had delivered its decision in favour of the Club against Writ Petition by which the constitutional validity of levying commercial surcharge for the Club's premises was challenged, being used not for any non-residential or commercial purpose. However, the Kolkata Municipal Corporation (KMC) has preferred an appeal against the said Order at a Division Bench of the Hon'ble Calcutta High Court. In view of this, amounts paid to KMC on different occasions aggregating to ₹ 13,03,845/- (Previous Year - ₹ 13,03,845/-), net of liabilities ₹ 3,12,090/- (Previous Year - ₹ 3,12,090/-), is being reflected as an advance. In view of KMC's appeal against the aforesaid Order, commercial surcharge amounting to ₹ 7,83,360/- (Previous year - ₹ 7,83,360/-), net of payment in earlier years under protest amounting to ₹ 2,76,480/- (Previous Year - ₹ 2,76,480), has not been recognized in these accounts. The appeal has not yet been disposed off.

22. (a) The Club had received demands aggregating to ₹ 74,15,402/- (Previous Year - ₹ 74,15,402/-) from West Bengal Sales Tax Authorities for the period from 1st April 2000 to 31st March 2003. The said demands were made on account of Sales Tax payable on sale of food to the Permanent Members of the Club during that period. The Club has preferred appeals before the Assistant Commissioner, Commercial Taxes, South Circle, Kolkata, against such levy. However, the Club has deposited ₹ 75,19,843/- (Previous Year - ₹ 75,19,843/-) under protest with the Sales Tax Authorities against the demands which have been reflected as long term advance in the accounts pending disposal of the appeals.

The Hon'ble Calcutta High Court in its judgment dated 16th May 2008, in one of the Clubs of Kolkata case, confirmed against the order of the West Bengal Sales Tax Tribunal, holding the sale of food to the Permanent Members of the Club is exempted from levy of any Sales Tax. The Club has written to the Sales Tax Authorities for immediate disposal of appeals and for refund of the amounts already paid for the above mentioned years in view of that judgment.

(b) There are demands on account of Sales Tax, Kolkata Municipal Corporation and Income Tax amounting to ₹ 26.47 lacs (Previous Year - ₹ 26.47 lacs), ₹ 6.41 lacs (Previous Year - ₹ 6.41 lacs) and ₹ 0.16 lacs (Previous Year - ₹ 0.16 lacs) respectively against which the Club has preferred appeals.

23. Disclosure of actuarial assumptions made by Life Insurance Corporation of India in accordance with the requirements of Accounting Standard 15 (Revised):

Gratuity:

- a) Mortality Rate : LIC (2006-08) ultimate;
- b) Withdrawal Rate : 1% to 3% depending on age
- c) Discount Rate: 7.5% p.a.
- d) Salary Escalation : 3%



Notes to the Financial Statements (Contd.)

Leave Encashment:

- a) Discount Rate 7.33%
- b) Future Salary Increase 3% p.a.
- c) Withdrawal Rate 2% p.a.
- d) Mortality Rate : IALM 2006-08 ultimate

- 24.** The Club has provided for the annual contribution towards gratuity fund on accrual basis as determined actuarially by LIC. However, it is advised by the Corporation that the fund value has been ascertained on a provisional basis as the amount of interest to be credited to the fund value is provisional in nature due to server and network breakdown and may undergo some modification when finally determined.
- 25.** Trade receivable include amounts due from Committee Members and Secretary as on 31st March 2018 ₹ 8,55,956/- (Previous Year – ₹ 8,23,353/-).
- 26.** Staff welfare includes ₹ 9,60,968/- (Previous Year – ₹ 9,44,147/-) being amount of indigenous stores issued to staff members during the year.
- 27.** There are no micro, small and medium enterprises, as required to be disclosed under "The Micro Small and Medium Enterprise Development Act, 2006" identified by the Club on the basis of available information.
- 28.** Provision for deferred taxation has not been recognised in these accounts, as there were no timing differences between taxable and accounting income as at the Balance Sheet date.
- 29.** Earnings in foreign currencies during the year on account of Members' subscription / other charges and Credit Card settlements – ₹ 35,73,415/- (Previous year – ₹ 11,16,494/-).
- 30.** The Club is a Small and Medium-sized Company (SMC), as defined in the Companies (Accounting Standards) Rules 2006. Accordingly the Club is exempted from certain disclosures like Retirement Benefits disclosures and has complied with the relevant Accounting Standards, as applicable to a SMC.



Notes to the Financial Statements (Contd.)

31. Additional Information as required by Part II of Schedule III to the Statement of Income and Expenditure;

Particulars	<u>2017-18</u> ₹	<u>2016-17</u> ₹
INCOME		
Gross Departmental Receipts:	9,33,85,541	10,04,89,417
EXPENSES		
Gross Departmental Consumption:	4,02,75,523	4,05,32,761
Employee Cost and Benefits:		
Salaries, Wages and Bonus	4,55,83,063	4,37,53,326
Contribution to Provident and Other Funds	66,98,093	52,01,865
Leave Encashment	20,34,309	19,47,974
Staff Welfare	62,71,770	56,74,283
Conveyance	72,17,261	72,36,293
	<u>6,78,04,495</u>	<u>6,38,13,741</u>
Power & Fuel:	91,96,201	96,73,890
Repairs and Maintenance:		
Building	7,60,218	35,53,472
Plant & Machinery	12,06,288	23,59,951
Others	6,75,640	12,40,401
	<u>26,42,146</u>	<u>71,53,824</u>



32. Previous year figures have been regrouped and re-arranged, wherever necessary.

For THE BENGAL CLUB LIMITED

Signature to note 1 to 32 of the Financial Statements

Shib Sanker Mukherji
(President)

Tapas Raychaudhury
(Vice President)

Kolkata
25th May 2018

Dipankar Chakravorty
Chief Executive Officer & Secretary

