

## INDEPENDENT AUDITOR'S REPORT

To the Governing Board of Centre for Responsible Business,  
(A Society registered under Societies Registration Act, 1860)

### Report on the Financial Statements

We have audited the accompanying Financial Statements of Centre for Responsible Business (herein after the Society), which comprise the Balance Sheet as at March 31, 2019, and the Income and Expenditure Account for the year ended on that date and a summary of significant accounting policies and other explanatory information.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- (a) In the case of the Balance Sheet, of the state of affairs of the Society as at March 31, 2019; and
- (b) In the case of the Income and Expenditure account, of the excess of expenditure over income for the year ended on that date.

### Basic of Opinion

We conducted our audit in accordance with Standards on Auditing (SAs). 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 entity in accordance with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

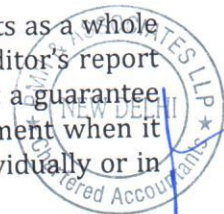
Management is responsible for the preparation of these financial statements in accordance with Societies Registration Act, 1860 and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the entity'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 entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity's financial reporting process.

### Auditor's Responsibility

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 controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- 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 Society'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 entity to cease to continue as a going concern.

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.

**For P M H & Associates LLP**  
**Chartered Accountants**  
**FRN: 026443N/N500054**  
**UDIN: 19517928AAAACO6177**

  
**Manas Piyush**  
**Partner**  
**M. No.: 517928**



**Date: August 22nd, 2019**  
**Place: New Delhi**

Centre For Responsible Business (CRB)  
Society Reg. No.: 0501/2011  
Balance Sheet

	Notes	As at March 31, 2019 ₹	As at March 31, 2018 ₹
<b>LIABILITIES</b>			
General Fund	1	(81,382)	5,43,132
		<b>(81,382)</b>	<b>5,43,132</b>
<b>Current Liabilities</b>			
Trade Payable		21,91,858	13,74,839
Other Liabilities	2	9,27,635	12,01,469
		<b>31,19,493</b>	<b>25,76,308</b>
<b>Total</b>		<b>30,38,111</b>	<b>31,19,440</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets			
Tangible Assets	3	4,83,176	5,39,384
		<b>4,83,176</b>	<b>5,39,384</b>
<b>Current Assets</b>			
Trade Receivable	4	2,44,707	15,73,664
Cash and Bank Balances	5	6,49,173	64,034
Short term Loan and Advance	6	16,61,055	9,42,358
		<b>25,54,935</b>	<b>25,80,056</b>
<b>TOTAL</b>		<b>30,38,111</b>	<b>31,19,440</b>

Summary of Significant Accounting Policies  
The accompanying notes are an integral part of the financial statements

As per our report of even date  
For PMH & Associates LLP  
Chartered Accountants  
Firm Reg. No. 026443N/N-500054

*Manas Piyush*  
Manas Piyush  
Partner  
M. No.: 517928



Place : New Delhi  
Date : August 22nd, 2019

For and on behalf of  
Centre For Responsible Business (CRB)

*Farhad Varia*      *[Signature]*  
Governing Body Member      Governing Body Member

Centre For Responsible Business (CRB)  
Society Reg. No.: 0501/2011  
Income & Expenditure Account

Notes	For the Year Ended March 31, 2019 ₹	For the Year Ended March 31, 2018 ₹
<b>Income</b>		
Professional Fee	1,60,39,722	1,46,32,105
Interest Income	25,425	10,776
Other Income	4,29,574	5,81,161
<b>Total Revenue</b>	<b>1,64,94,721</b>	<b>1,52,24,042</b>
<b>Expenditure</b>		
Personnel Expenses	67,09,386	67,58,784
Consultancy Expenses	14,16,750	24,27,934
Workshop & Conference Expenses	54,49,749	37,43,704
Rent	9,24,000	8,35,450
Adminstration Expenses	8,42,571	5,99,300
Travel Expenses	10,19,656	5,44,505
Rates & Taxes	2,99,802	3,18,078
Web Designing/Software Expenses	52,800	1,39,855
Foreign Exchange Gain/loss	98,872	91,135
Depreciation	62,798	73,027
Audit Fee	60,000	60,000
Stationery Expenses	1,15,575	36,243
Office Expenses	9,051	31,775
Staff Welfare	23,678	39,664
Bank Charges/Interest Expenses	34,547	18,842
Income Tax Provision	-	-
<b>Total</b>	<b>1,71,19,235</b>	<b>1,57,18,296</b>
<b>Excess of Expenditure over Income c/f to Balance Sheet</b>	<b>(6,24,514)</b>	<b>(4,94,254)</b>

As per our report of even date  
For PMH & Associates LLP  
Chartered Accountants  
Firm Reg. No. 026443N/N-500054

Manas Piyush  
Partner  
M. No.: 517928



For and on behalf of  
Centre For Responsible Business (CRB)

Fachal Varia

Governing Body Member

Governing Body Member

Place : New Delhi  
Date : August 22nd, 2019

Centre for Responsible Business (CRB)

Society Reg. No.: 0501/2011

Notes

1 General Fund

	As at March 31, 2019	As at March 31, 2018
	₹	₹
Opening Balance	5,43,132	10,37,386
Add: Income as per Income & Expenditure Statement	(6,24,514)	(4,94,254)
	<u>(81,382)</u>	<u>5,43,132</u>

2 Other Current Liabilities

	As at March 31, 2019	As at March 31, 2018
	₹	₹
<b>Statutory Liabilities</b>		
TDS Payable	5,78,904	5,24,673
GST Payable	-	3,28,138
Service Tax payable	-	51,000
Krishi Kalyan Cess payable	-	1,806
Swachh Bharat Cess Payable	-	1,806
<b>Other Liabilities</b>		
Audit Fee Payable	53,990	1,32,750
Expenses Payable	2,94,741	1,61,296
	<u>9,27,635</u>	<u>12,01,469</u>



## 3 Tangible Assets

PARTICULARS	GROSS BLOCK			W.D.V. AS ON 31.03.2019	DEPRECIATION		NET BLOCK WDV AS AT 31.03.2019
	W.D.V AS ON 01.04.2018	ADDITION / SALE BEFORE 03.10.2018	ADDITION / SALE AFTER 03.10.2018		FOR THE YEAR	SALES/ ADJUSTMENT	
COMPUTERS & ACCESSORIES	13,227	-	-	13,227	5,291	-	7,936
OFFICE EQUIPMENTS	87,932	-	6,589	94,521	13,684	-	80,837
FURNITURE AND FITTING	63,742	-	-	63,742	6,374	-	57,368
BUILDING RENOVATION	3,74,483	-	-	3,74,483	37,448	-	3,37,035
	<b>5,39,384</b>	<b>-</b>	<b>6,589</b>	<b>5,45,973</b>	<b>62,797</b>	<b>-</b>	<b>4,83,176</b>



**Centre for Responsible Business (CRB)**

Society Reg. No.: 0501/2011

**Notes****4 Trade Receivable**

	As at March 31, 2019	As at March 31, 2018
	₹	₹
Rainforest Alliance	-	7,85,706
Green Electronic Council	-	3,90,285
MVO Netherlands	-	3,56,036
Save the children India	-	23,601
Eric R Beil	-	13,536
Pooja Internattional	-	3,000
Supreme Texmart Ltd.	-	1,500
Roundtable on Sustainable Palm Oil	2,44,707	-
	<b>2,44,707</b>	<b>15,73,664</b>

**5 Cash and Bank Balances**

	As at March 31, 2019	As at March 31, 2018
		₹
Cash in hand	7,139	1,886
Balances with banks in current accounts	5,15,294	62,148
Balances with banks in FCRA account	1,26,740	-
	<b>6,49,173</b>	<b>64,034</b>

**6 Short Term Loan and advances**

	As at March 31, 2019	As at March 31, 2018
	₹	₹
Advance Tax & TDS	6,79,777	8,41,525
Service Tax Receivable	-	54,803
GST Receivable	8,04,788	-
Advance Recoverable in Cash and Kind	1,76,490	46,030
	<b>16,61,055</b>	<b>9,42,358</b>

**7 Related Party Disclosures****Key Management Personnel**

Executive Director	Mr. Arun Asthana
Chief Executive Officer	Mr. Rijit Sengupta
Director (Programmes)	Mrs. Devyani Hari

**Particulars****Key Management Personnel  
2018-19                      2017-18****Managerial Remuneration**

Mr. Arun Asthana	15,75,450	21,00,600
Mr. Rijit Sengupta	21,53,001	20,04,000
Mrs. Devyani Hari	1,97,322	

**Year End Balances**

(Recoverable From)/Payable to:		
Mr. Arun Asthana	-	-
Mr. Rijit Sengupta	-	-
Mrs. Devyani Hari	-	-



**Centre for Responsible Business (CRB)**

**Society Reg. No.: 0501/2011**


**Notes**

**8 Operating Leases**

The Society has taken the office premises under cancellable operating lease agreements. The Society intends to renew such leases in the normal course of business. Total rental expenses under cancellable operating leases amounted to Rs. 924,000/- (previous year: Rs. 835,940/-). The same has been shown under Rent in other expenses in the Statement of Profit and Loss. The Society has no non-cancellable operating leases during the year ended 31 March 2019.

9 Previous year figures have been regrouped, wherever considered necessary

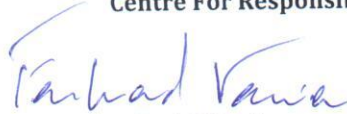
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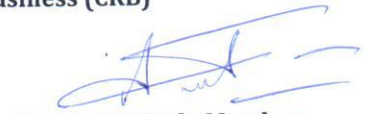
  
Manas Piyush  
Partner  
M. No.: 517928



Place : New Delhi  
Date : August 22nd, 2019

For and on behalf of  
Centre For Responsible Business (CRB)

  
Tarhad Vawa  
Governing Body Member

  
Governing Body Member



**SCHEDULE 1: BACKGROUND AND SIGNIFICANT ACCOUNTING POLICIES:**

**1. BACKGROUND AND OVERVIEW OF THE SOCIETY'S OPERATIONS:**

Centre for Responsible Business (CRB) was incorporated on November 14, 2011 under the "Societies Registration Act XXI of 1860" with the objective to promote responsible business strategies, policies and practices and to perform customized advisory services, action and policy research, training and capacity building and convening knowledge forums in CSR and Sustainability domains.

Nature of present activities are:

- a. To promote responsible business strategies, policies and practices
- b. To perform the following activities organized under four verticals in CSR and Sustainability domains:
  - Customized Advisory Services
  - Action and Policy Research
  - Training and Capacity Building
  - Convening Knowledge Forums

**2. SIGNIFICANT ACCOUNTING POLICIES:**

**a. Basis of Preparation of Financial Statements**

The financial statements of the Society have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Society has prepared these financial statements to comply in all material respects with the accounting standards specified by the Institute of Chartered Accounts of India. The financial statements are prepared under historical cost convention, on accrual basis of accounting and in accordance with the normally accepted accounting principles and accounting standards, unless otherwise stated.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

**b. Use of Estimates**

The preparation of the financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Future results could differ from these estimates.



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**Accounting Policies**

**c. Revenue Recognition**

*Rendering of Services*

Revenue is recognised only when risks and rewards incidental to ownership are transferred to the customer, it can be reliably measured and it is reasonable to expect ultimate collection.

*Interest*

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the applicable rate.

*Government Grants*

Revenue from duty drawback is recognized when there is a reasonable assurance that the Society will comply with the conditions attached to it and it is reasonably certain that ultimate collection will be made.

Revenue from other government grants is recognized when such grant is received by the Society.

**d. Fixed Assets**

Fixed assets are stated at cost less accumulated depreciation. Cost comprises the purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use. Expenditure for additions, modifications, improvements and renewals are capitalized and expenditure for maintenance and repairs are charged to income and expenditure account. Financing costs relating to acquisition of fixed assets are also included to the extent they relate to the period till such assets are ready to be put to use.

**e. Depreciation**

Depreciation on other assets is calculated using the Written - Down Value Method (WDV) as per the rates prescribed by the Income Tax Act, 1961.

**f. Leases**

*Where the Society is the lessee*

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognized as an expense in the Income and Expenditure account on a straight-line basis over the lease term.

**g. Foreign Currency Transactions**

a) *Initial Recognition*



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**Accounting Policies**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

*b) Conversion*

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

*c) Exchange Differences*

Exchange differences arising on the settlement of monetary items or on reporting society's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise except those arising from investments in non-integral operations.

**h. Income Taxes**

Tax expense comprises of current taxes. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with Income Tax Act, 1961.

**i. Investments**

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost. However, any decline, other than temporary, in the value of the investments is charged to the income and expenditure account.

**j. Intangible Assets**

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortisation/depletion. The cost comprises purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use and net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.

**k. Provisions, Contingent Liabilities and Contingent Assets**

*Provisions*

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at



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**Accounting Policies**

the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Provision for expenditure relating to voluntary retirement is made when the employee accepts the offer of early retirement.

*Contingent Liability*

A contingent liability is disclosed where, as a result of past events, there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

*Contingent Assets*

Contingent Assets are not recognised in the financial statements.

**1. Cash and cash equivalents**

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

