

# **P M H & ASSOCIATES LLP**

Chartered Accountants

## **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, 2021, 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, 2021; and
- (b) In the case of the Income and Expenditure account, of the excess of income over expenditure 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



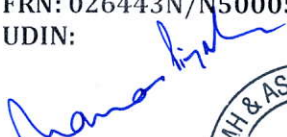
the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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:**

  
Manas Piyush  
Partner  
M. No.: 517928



Date: 29 DEC 2021  
Place: New Delhi

UDIN: 21517928 AAAA 2R9633

Centre For Responsible Business (CRB)  
Society Reg. No.: 0501/2011  
Balance Sheet as at March 31st, 2021

	Note No.	As at March 31, 2021 ₹	As at March 31, 2020 ₹
<b>LIABILITIES</b>			
General Fund	1	6,197,066	909,415
		<b>6,197,066</b>	<b>909,415</b>
<b>Current Liabilities</b>			
Trade Payable		1,105,603	2,866,875
Short Term Provisions	2	1,043,508	178,547
Other Liabilities	3	459,559	675,873
		<b>2,608,670</b>	<b>3,721,295</b>
<b>Total</b>		<b>8,805,736</b>	<b>4,630,710</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets			
Tangible Assets	4	476,987	513,114
		<b>476,987</b>	<b>513,114</b>
<b>Current Assets</b>			
Trade Receivable	5	1,580,353	-
Cash and Bank Balances	6	4,588,492	2,097,315
Short term Loan and Advance	7	2,123,945	2,020,281
Other Current Asset	8	35,960	-
		<b>8,328,750</b>	<b>4,117,596</b>
<b>TOTAL</b>		<b>8,805,737</b>	<b>4,630,710</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  
UDIN:

Manas Piyush  
Partner  
M. No. 517928



Date: 29 SEP 2021  
Place: New Delhi

UDIN: 21517928AAAA DR 9633

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

*Reheem*  
Governing Body Member

*Fahad Vania*  
Governing Body Member

Centre For Responsible Business (CRB)

Society Reg. No.: 0501/2011

Income & Expenditure Account for the year ended March 31st, 2021

Note No.	For the Year Ended March 31, 2021 ₹	For the Year Ended March 31, 2020 ₹
<b>Income</b>		
Professional Fee	27,643,650	23,086,979
Interest Income	-	-
Other Income	70,622	817,343
<b>Total Revenue</b>	<b>27,714,272</b>	<b>23,904,322</b>
<b>Expenditure</b>		
Personnel Expenses	12,957,771	10,517,948
Consultancy Expenses	6,059,624	3,175,322
Workshop & Conference Expenses	964,025	5,545,420
Rent	1,100,000	958,550
Communication and outreach	202,102	-
Administration Expenses	268,912	1,056,026
Web Designing/Software Expenses	136,341	208,175
Depreciation	97,884	103,860
Travel Expenses	62,326	628,277
Rates & Taxes	4,581	176,224
Foreign Exchange Gain/loss	77,293	150,854
Audit Fee	60,000	60,000
Stationery Expenses	23,123	90,799
Sponsorship Expenses	-	200,000
Office Expenses	25,396	17,527
Staff Welfare	-	9,841
Bank Charges/Interest Expenses	8,619	14,702
Other Expenses	-	-
<b>Total</b>	<b>22,047,997</b>	<b>22,913,525</b>
<b>Excess of Income over Expenditure</b>	<b>5,666,275</b>	<b>990,797</b>
<b>Income Tax:</b>		
Current Tax		
Alternative Minimum Tax Payable	1,043,508	178,547
Less: Alternative Minimum Tax Credit	(664,884)	(178,547)
<b>Surplus/(deficit) carried to the Balance Sheet</b>	<b>5,287,651</b>	<b>990,797</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

UDIN:

Manas Piyush

Partner

M. No. 517928

Date:

Place: New Delhi



29 SEP 2021

For and on behalf of

Centre For Responsible Business (CRB)

Rehera

Governing Body Member

Farhad Tania

Governing Body Member

UDIN: 24517928AAAA DR9633

**1 General Fund**

	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Opening Balance	909,415	(81,382)
Capital Loss	-	-
Add: Income as per Income & Expenditure Statement	5,287,651	990,797
	<u>6,197,066</u>	<u>909,415</u>

**2 Short-Term Provisions**

	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Provision for Alternative Minumum Tax	1,043,508	178,547
	<u>1,043,508</u>	<u>178,547</u>

**3 Other Current Liabilities**

	As at March 31, 2021 ₹	As at March 31, 2020 ₹
<b>Statutory Liabilities</b>		
TDS Payable	264,482	227,180
<b>Other Liabilities</b>		
Audit Fee Payble	55,500	54,000
Expenses Payable	139,577	394,693
	<u>459,559</u>	<u>675,873</u>



4 Tangible Assets

PARTICULARS	GROSS BLOCK					DEPRECIATION			NET BLOCK
	W.D.V AS ON 01.04.2020	ADDITION BEFORE 03.10.2020	ADDITION AFTER 03.10.2020	SALES/ ADJUSTMENT	W.D.V. AS ON 31.03.2021	FOR THE YEAR	SALES/ ADJUSTMENT	AS AT 31.03.2021	WDV AS AT 31.03.2021
COMPUTERS & ACCESSORIES	83,662	29,490	34,766	2,500	145,418	51,214	-	51,214	94,204
OFFICE EQUIPMENTS	74,491	-	-	-	74,491	11,174	-	11,174	63,317
FURNITURE AND FITTING	51,631	-	-	-	51,631	5,163	-	5,163	46,468
BUILDING RENOVATION	303,331	-	-	-	303,331	30,333	-	30,333	272,998
	<b>513,115</b>	<b>29,490</b>	<b>34,766</b>	<b>2,500</b>	<b>574,871</b>	<b>97,884</b>	<b>-</b>	<b>97,884</b>	<b>476,987</b>



**5 Trade Receivable**

	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Cargill India Private Limited	1,000,000	-
Roundtable on Sustainable Palm Oil	580,846	-
Purpose Campaigns (India) Private Limited	(493)	-
	<u>1,580,353</u>	<u>-</u>

**6 Cash and Cash Equivalent**

	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Cash in hand	6,517	4,496
Balances with banks in current accounts	4,460,787	1,467,392
Balances with banks in FCRA account	121,188	625,427
	<u>4,588,492</u>	<u>2,097,315</u>

**7 Short Term Loan and advances**

	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Advance Tax & TDS	575,763	571,737
MAT Credit entitlement	664,884	178,547
GST Receivable	853,295	1,135,797
Advance Recoverable in Cash and Kind	30,000	134,200
	<u>2,123,942</u>	<u>2,020,281</u>

**8 Other Current Assets**

	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Accrued Interest	6,266	-
Prepaid Expenses	29,694	-
	<u>35,960</u>	<u>-</u>

**9 Related Party Disclosures**

**Key Management Personnel**

Chief Executive Officer	Mr. Rijit Sengupta
Director (Programmes)	Mrs. Devyani Hari
Associate Director	Ms. Nandini Sharma

**Particulars**

	Key Management Personnel 2020-21	2019-20
<b>Managerial Remuneration</b>		
Mr. Rijit Sengupta	2,600,004	2,600,004
Mrs. Devyani Hari	1,885,201	1,720,032
Ms. Nandini Sharma	1,677,000	1,300,000
<b>Year End Balances</b>		
(Recoverable From)/Payable to:		
Mrs. Devyani Hari	15,193	-

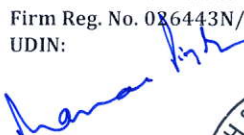


**10 Operating Leases**

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. 11,00,000/- (previous year: Rs. 9,58,550/-). The same has been shown under Rent in other expenses in the Income and Expenditure. The Society has no non-cancellable operating leases during the year ended 31 March 2021.

11 Previous year figures have been regrouped, wherever considered necessary

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


  
Manas Piyush  
Partner  
M. No. 517928



Date: 29 SEP 2021  
Place: New Delhi

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

  
Governing Body Member

  
Governing Body Member

UDIN: 21517928 AAAADR9633

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

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

Centre for Responsible Business (The 'Society') is located at B-5/1, Safdarjung Enclave, New Delhi-110029 and has been registered on 14<sup>th</sup> November, 2011 under the "Societies Registration Act XXI of 1860".

Nature of present activities:

- (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.

#### **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*

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 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.

