

## 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 (hereinafter "the Society"), which comprise the Balance Sheet as at March 31, 2022, 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 Societies Registration Act, 1860 ("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, 2022; and
- (b) In the case of the Income and Expenditure account, of the surplus of income over expenditure for the year ended on that date.

### Basis 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 the 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  
Membership No.: 517928



Date:  
Place: New Delhi

**Centre For Responsible Business (CRB)**  
Society Reg. No.: 0501/2011  
Balance Sheet as at March 31, 2022

Particular	Note No.	As at March 31, 2022 Amount (₹)	As at March 31, 2021 Amount (₹)
<b>LIABILITIES</b>			
General Fund	3	6,197,067	909,416
Reserves and Surplus		1,253,518	5,287,651
		<b>7,450,585</b>	<b>6,197,067</b>
<b>Non - Current Liabilities</b>			
Long Term Provision	6	1,069,972	-
		<b>1,069,972</b>	-
<b>Current Liabilities</b>			
Trade Payable	4	1,031,267	1,105,603
Other Liabilities	5	992,710	459,559
Short Term Provisions	6	978,037	1,043,508
		<b>3,002,014</b>	<b>2,608,670</b>
<b>Total Liabilities</b>		<b>11,522,571</b>	<b>8,805,737</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment and Intangible assets			
Property, Plant and Equipment	7	397,860	476,987
		<b>397,860</b>	<b>476,987</b>
Deferred Tax Assets	8	256,686	-
<b>Current Assets</b>			
Trade Receivable	9	1,816,414	1,580,353
Cash and Bank Balances	10	7,168,220	4,588,492
Short term Loan and Advance	11	1,836,230	2,123,945
Other Current Assets	12	47,161	35,960
		<b>10,868,025</b>	<b>8,328,750</b>
<b>Total Assets</b>		<b>11,522,571</b>	<b>8,805,737</b>

Summary of significant accounting policies (Note No. 1 & 2)

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

Membership No. 517928

Date: 15 Sep 2022

Place: New Delhi



For and on behalf of

Centre For Responsible Business (CRB)

Governing Body Member

Governing Body Member

**Centre For Responsible Business (CRB)**  
Society Reg. No.: 0501/2011  
**Income & Expenditure Account for the year ended March 31, 2022**

Particulars	Note No.	For the Year Ended March 31, 2022 Amount (₹)	For the Year Ended March 31, 2021 Amount (₹)
<b>Income</b>			
Fees and Subscriptions	13	22,009,202	19,615,342
Grants Received	13	6,814,052	7,824,910
Interest Income	14	203,557	190,924
Miscellaneous Income	14	32,790	83,096
<b>Total Income</b>		<b>29,059,601</b>	<b>27,714,272</b>
<b>Expenditure</b>			
Personnel Expenses	15	16,157,371	12,957,771
Consultancy Expenses	18	6,699,632	6,059,624
Workshop & Conference Expenses	18	1,001,670	964,025
Office Rent	18	1,230,000	1,100,000
Sponsorship Expenses	18	500,000	-
Communication and Outreach	18	224,725	164,602
Office Expenses	18	313,347	272,916
Web Designing & Maintenance	18	223,212	173,841
Depreciation	17	79,126	97,884
Travel Expenses	18	496,632	83,718
Rates & Taxes	18	231,756	4,581
Audit Fee	18	85,000	60,000
Printing and Stationery Expenses	18	21,255	23,123
Staff Welfare	15	36,712	-
Finance Cost	16	162,722	85,912
Other Expenses	18	196	-
<b>Total Expenditure</b>		<b>27,463,356</b>	<b>22,047,997</b>
<b>Excess of Income over Expenditure before tax</b>		<b>1,596,245</b>	<b>5,666,275</b>
<b>Income Tax:</b>			
Current Tax		639,511	378,624
Prior Year Tax Adjustments		(40,098)	-
Deferred Tax (Credited)/Charged	-	(256,686)	-
<b>Surplus/(deficit) carried to the Balance Sheet</b>		<b>1,253,518</b>	<b>5,287,651</b>

Summary of significant accounting policies (Note No. 1 & 2)

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

Membership No. 517928

Date: 15 Sep 2022

Place: New Delhi



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

Governing Body Member

Governing Body Member

**NOTE: BACKGROUND AND SIGNIFICANT ACCOUNTING POLICIES:**

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

Centre for Responsible Business (The 'Society') is located at USO House, USO Road, 6, Jeet Singh Marg, Special Institutional Area, New Delhi - 110067, 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**

*Donations and Subscriptions*

Revenue from other donations and subscriptions is recognized when such donation or subscription is received by the Society and conditions, if any, attached to it are fulfilled by the Society.

*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 recognized on a time proportion basis taking into account the amount outstanding and the applicable rate.

#### *Government and Other Grants*

Revenue from government and other grants is recognized when such grant is received by the Society and conditions, if any, any attached to it are fulfilled 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.

#### **l. 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.



3 General Fund and Reserves and Surplus				Amount (₹)	
Particulars	As at 1st April 2021 (Opening Balance)	Additions during the year	Withdrawals during the year	As at 31st March 2022 (Closing Balance)	
General Fund	909,416	-	-	909,416	
Surplus from Income and Expenditure Account	5,287,651	1,253,518		6,541,169	
	6,197,067	1,253,518	-	7,450,585	
Previous Year	909,416	5,287,651	-	6,197,067	

4 Trade Payables	As at March 31, 2022 ₹	As at March 31, 2021 ₹
Total outstanding dues of micro, small and medium enterprises (Refer Note 21)	-	-
Total outstanding dues of creditors other than micro, small and medium enterprises	1,031,267	1,105,603
	<u>1,031,267</u>	<u>1,105,603</u>

5 Other Current Liabilities	As at March 31, 2022 ₹	As at March 31, 2021 ₹
Statutory Liabilities	815,203	264,482
Expenses Payable	177,507	195,077
	<u>992,710</u>	<u>459,559</u>

6 Provisions	Long term		Short term	
	As at March 31, 2022 ₹	As at March 31, 2021 ₹	As at March 31, 2022 ₹	As at March 31, 2021 ₹
Provision for employee benefits				
Provision for Gratuity	1,069,972	-	-	-
Provision for Income Tax	-	-	978,037	1,043,508
	<u>1,069,972</u>	<u>-</u>	<u>978,037</u>	<u>1,043,508</u>





7 Property, Plant and Equipment

PARTICULARS	FY 2020-21										FY 2021-22				Amount (₹)				
	GROSS BLOCK					DEPRECIATION					NET BLOCK					DEPRECIATION		NET BLOCK	
	W.D.V AS ON 01.04. 2020	ADDITION BEFORE 03.10. 2020	ADDITION AFTER 03.10. 2020	SALES/ ADJUSTME NT	W.D.V. AS ON 31.03. 2021	FOR THE YEAR	SALES/ ADJUST MENT	AS AT 31.03. 2021	W.D.V. AS ON 31.03. 2021	ADDITION BEFORE 03.10. 2021	ADDITION AFTER 03.10. 2021	SALES/ ADJUST MENT	FOR THE YEAR	W.D.V. AS ON 31.03. 2022	FOR THE YEAR	SALES/ ADJUST MENT	AS AT 31.03. 2022	W.D.V AS AT 31.03. 2022	
COMPUTERS & ACCESSORIES	83,662	29,490	34,766	2,500	145,418	51,214	-	94,204	-	-	-	37,682	94,204	51,214	-	37,682	56,522		
OFFICE EQUIPMENTS	74,491	-	-	-	74,491	11,174	-	63,317	-	-	-	9,498	63,317	11,174	-	9,498	53,819		
FURNITURE AND FITTING	51,631	-	-	-	51,631	5,163	-	46,468	-	-	-	4,647	46,468	5,163	-	4,647	41,821		
BUILDING RENOVATION	303,331	-	-	-	303,331	30,333	-	272,998	-	-	-	27,300	272,998	30,333	-	27,300	245,698		
<b>Total</b>	<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>476,987</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>97,884</b>	<b>476,987</b>	<b>97,884</b>	<b>-</b>	<b>79,127</b>	<b>397,860</b>		



	As at March 31, 2022 ₹	As at March 31, 2021 ₹
<b>8 Deferred Tax Assets</b>		
<b>Deferred Tax Assets</b>	256,686	-
Tax impact of expenses charged in financial statements but allowable as deductions in future years under Income Tax Act, 1961		
	<b>256,686</b>	-
Deferred taxes (Credited)/Charged to statement of Income and Expenditure	<b>(256,686)</b>	-
<b>9 Trade Receivable</b>		
(Unsecured, considered good)	-	-
- Outstanding for a period exceeding six months from the due date of payment	1,816,414	1,580,353
- Other receivables		
	<b>1,816,414</b>	<b>1,580,353</b>
<b>10 Cash and Cash Equivalent</b>		
Cash in hand	1,070	6,517
Balances with banks in current accounts	5,453,559	4,460,787
Balances with banks in FCRA account	1,713,591	121,188
	<b>7,168,220</b>	<b>4,588,492</b>
<b>11 Short Term Loan and advances</b>		
Advance Tax & TDS	863,080	1,240,647
GST Receivable	948,150	853,295
Advance Recoverable in Cash and Kind	25,000	30,000
	<b>1,836,230</b>	<b>2,123,942</b>
<b>12 Other Current Assets</b>		
Accrued Interest	-	6,266
Prepaid Expenses	47,161	29,694
	<b>47,161</b>	<b>35,960</b>



	For the year ended March 31, 2022 ₹	For the year ended March 31, 2021 ₹
<b>13 Revenue from Operations</b>		
Fees and Subscriptions	22,009,202	19,615,342
Grants Received	6,814,052	7,824,910
<b>Total</b>	<b>28,823,254</b>	<b>27,440,252</b>
<b>14 Other income</b>		
Interest income on bank deposits	203,557	190,924
Miscellaneous income	32,790	83,096
	<b>236,347</b>	<b>274,020</b>
<b>15 Employee benefits expense</b>		
Salaries, wages, bonus and other allowances	16,157,371	12,957,771
Staff welfare expenses	36,712	-
	<b>16,194,083</b>	<b>12,957,771</b>
<b>16 Finance cost</b>		
Bank Charges	44,451	8,619
Loss on foreign exchange transactions considered as finance cost (net)	118,271	77,293
<b>Total Finance cost</b>	<b>162,722</b>	<b>85,912</b>
<b>17 Depreciation and Amortization Expense</b>		
Depreciation on Property, Plant and Equipment	79,126	97,884
Amortization on Intangible Assets	-	-
	<b>79,126</b>	<b>97,884</b>
<b>18 Other Expenses</b>		
Rent (refer note 20)	1,230,000	1,100,000
Office Expenses	277,540	243,415
Repair and maintenance:		
-Office	2,930	-
- Computer and hardware	32,877	29,501
Workshop & Conference Expenses	1,001,670	964,025
Legal and professional fee	6,699,632	6,059,624
Sponsorship Expenses	500,000	-
Rates and taxes	231,756	4,581
Traveling and conveyance	496,632	83,718
Payment to auditor (refer details below)	85,000	60,000
Printing and Stationery	21,255	23,123
Software expenses	223,212	173,841
Telephone and communication	224,725	164,602
Miscellaneous expenses	196	-
	<b>11,027,425</b>	<b>8,906,430</b>
<b>Payment to auditor</b>		
As auditor:		
-Statutory audit	60,000	60,000
-Tax audit	25,000	-
	<b>85,000</b>	<b>60,000</b>



19 Related Party Disclosures

Key Management Personnel

Chief Executive Officer  
Director (Programmes)  
Associate Director

Mr. Rijit Sengupta  
Mrs. Devyani Hari  
Ms. Nandini Sharma

Particulars

Key Management Personnel  
2021-22 2020-21

Managerial Remuneration

Mr. Rijit Sengupta  
Mrs. Devyani Hari  
Ms. Nandini Sharma

2,603,105	2,600,004
2,004,004	1,885,201
1,886,410	1,677,000

Year End Balances

(Recoverable From)/Payable to:

Mr. Rijit Sengupta  
Mrs. Devyani Hari

-	-
31,994	15,193

20 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. 1,230,000/- (previous year: Rs. 1,100,000/-). 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

21 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

The Society has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure relating to amounts unpaid as at March 31, 2022 together with interest paid / payable under this Act has not been given.

22 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*

Manas Piyush  
Partner  
Membership No. 517928



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

*Deviyani Hari*

Governing Body Member

*Rishu*

Governing Body Member

Date: 15 Sep 2022  
Place: New Delhi