

The Centre for Internet & Society
Balance Sheet as at March 31, 2023

Particulars	Note	As at 31 March 2023		As at 31 March 2022	
		Amount (Rs.)		Amount (Rs.)	
FUNDS AND LIABILITIES					
I. Capital and other funds					
i) General fund	1(A)	37,98,661		62,09,658	
ii) Capital funds used for purchase of Property, plant and equipment	1(B)	7,76,842		85,73,046	
iii) Balance in undisbursed funds	2	4,38,59,814	4,84,35,317	5,98,25,528	7,46,08,232
II. Liabilities					
i) Provisions	3		22,94,710		
ii) Other current liabilities	4		6,713		57,000
Total			5,07,36,740		7,46,65,232
ASSETS					
i) Property, plant and equipment	1(B)	7,76,842		85,73,046	
ii) Cash and Bank balances	5	4,43,10,386		6,25,46,013	
iii) Loans and advances	6	41,85,513		20,82,175	
iv) Other Advances	7	14,63,998	5,07,36,740	14,63,998	7,46,65,232
Total			5,07,36,740		7,46,65,232

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

For Brahmayya & Co.,

Chartered Accountants

Firm Registration No. 000515S

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G. Srinivas

Partner

Membership Number: 086761

Place: Bengaluru

Date: 31-10-2023

For and on behalf of the Members of Society

Tanveer Hasan A.K.

Executive Director

Place: Bengaluru

Date: 31-10-2023

Vikram Hegde

Board Member and Nominee

Place: Bengaluru

Date: 31-10-2023

The Centre for Internet & Society
Statement of Income and Expenditure for the year ended March 31, 2023.

Particulars	Note	2022-23		2021-22	
		Amount (Rs.)		Amount (Rs.)	
INCOME					
i) Consultancy income		-		9,50,000	
ii) General donations		-		-	
iii) Other income		-		-	
iv) Interest income		-		16,775	
v) Unspent specific grant	2(d)	-		-	
vi) Membership fees/registration fees		1,550		850	
vii) Miscellaneous income		9		-	
viii) Untied project receipts		-	1,559	-	9,67,625
EXPENDITURE					
i) Expenditure against consultancy income		-		2,18,204	
ii) Untied project expenses		-		-	
iii) Bank charges		2,466		144	
iv) General administration		7,001		-	
v) Excess expenditure over specific funds	2(d)	-		-	
vi) Tax penalty	3	18,94,710		-	
vii) General expenses		5,08,376	24,12,553	26,75,549	28,93,897
Excess of expenditure over income transferred to general fund			(24,10,994)		(19,26,272)

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

For Brahmayya & Co.,

Chartered Accountants

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G. Srinivas

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Membership Number: 086761

Place: Bengaluru

Date: 31-10-2023

For and on behalf of the Members of Society

Tanveer Hasan A.K.

Executive Director

Place: Bengaluru

Date: 31-10-2023

Vikram Hegde

Board Member and Nominee

Place: Bengaluru

Date: 31-10-2023

The Centre for Internet & Society
Statement of Receipts and Payments for the year ended March 31, 2023

RECEIPTS			PAYMENTS				
Particulars	Note	2022-23 Amount (Rs.)	2021-22 Amount (Rs.)	Particulars	Note	2022-23 Amount (Rs.)	2021-22 Amount (Rs.)
To opening balance of recoverables				By opening balance of liabilities			
i) Cash and bank balances		6,25,46,013	4,51,69,402	i) Other current liabilities		57,000	4,42,055
ii) Loans and advances		20,82,175	18,39,320				
iii) Advance recoverable suspense		14,63,998	14,63,998				
				By expenditure against grant sanction during the financial year	2	5,38,31,676	5,50,69,396
To contributions received during the financial year			7,50,00,188				
				By other payments during the financial year			
i) Consultancy income		-	9,50,000	i) Expenditure against consultancy income		-	2,18,204
ii) Interest on short term deposit		-	16,775	ii) Bank charges		2,466	144
iii) General donations		-	-	iii) United project expenses		-	-
iv) Other income		-	-	iv) General administration		7,001	-
v) Membership fees/registration fees		1,550	850	v) General expenses		5,08,376	26,75,548
vi) United project income		-	-	vi) Tax penalty paid		18,94,710	28,93,896
vii) Interest income		-	9,67,625			24,12,553	
				By closing balance of recoverables			
To closing balance of liabilities				i) Cash and bank balances	5	4,43,10,386	6,25,46,013
i) Other current liability	4	6,718	57,000	ii) Loans and advances	6	41,85,513	20,82,175
ii) Provisions	3	22,94,710		iii) Advance recoverable suspense	7	14,63,998	14,63,998
						4,99,59,897	6,60,92,186
Total		10,62,61,127	12,44,97,533	Total		10,62,61,127	12,44,97,533

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached
For Brahmayya & Co.,
Chartered Accountants
Firm Registration No. 0005155

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G. Srinivas
Partner
Membership Number: 086761

Place: Bengaluru
Date: 31-10-2023


For and on behalf of the Members of Society



Tanveer Hasan A.K.
Executive Director

Place: Bengaluru
Date: 31-10-2023

Place: Bengaluru
Date: 31-10-2023


Vikram Hegde
Board Member and Nominee

The Centre for Internet & Society

Notes forming part of the Financial Statements for the year ended March 31, 2023

Note -1(A): General fund

Particulars	As at 31 March 2023 Amount (Rs.)	As at 31 March 2022 Amount (Rs.)
Opening balance	62,09,658	81,35,930
Excess of expenditure over income transferred to general fund	(24,10,994)	(19,26,272)
Closing balance	37,98,664	62,09,658

Note -1(B): Capital fund/ Property, plant and equipment

Particulars	As at 31 March 2023 Amount (Rs.)	As at 31 March 2022 Amount (Rs.)
Opening balance	85,73,046	70,99,795
Additions during the year	4,61,188	14,73,251
Less: Adjusted against Capital fund (refer note 2 below)	82,57,392	
Closing balance	7,76,842	85,73,046

Note:

1. Property, plant and equipment held in the books were purchased against specific projects and were accounted based on fund accounting system i.e. recorded as payment in the respective specific project. For the purpose of control, the Property, plant and equipment were notionally recorded in the Balance Sheet with a corresponding credit to 'Capital Fund' till the previous year.

2. The Society incorporated with effect from 04 July 2008, as on 31st March 2022 has Gross value of Property, plant and equipment amounting to Rs. 85,73,046. Property, plant and equipment purchased towards specific projects are accounted based on fund accounting system and are recognized at cost. The purchases are recorded as utilisation in the respective fund.

In the current period, Management of the Society decided to revalue its assets through certified surveyor. This revaluation led to a significant reduction in the recorded balances of Property, Plant, and Equipment. To account for this reduction in asset value, an adjustment was made to the Capital Fund. Further depreciation is accounted on the revalued amount.

Note - 2: Balance in undischursed funds
 a) Foreign

Projects	Donor	Opening balance (Rs.)	Receipts during the year (Rs.)	Total funds available for utilisation (Rs.)	Expenses during the year / (Balance recoverable from the donor) (Rs.)	Closed projects transferred to income & expenditure (Rs.)	Balance as at 31 March 2023		
							Total (Rs.)	Excess applied (Rs.)	Undischursed funds (Rs.)
		[A]	[B]	[C]=[A+B]	[D]	[E]	[F]=[C-D-E]	[G]	[H]
Develop educational content under a free license	Wikimedia Foundation	1,05,14,242	24,81,962	1,29,96,204	77,38,909	-	52,57,295	-	52,57,295
Mozilla research grant (Making voice Heard) 2019	Mozilla Voice	-45,222	-	-45,222	-45,221	-	-1	-1	Excess Applied
Digital identity	Omidyar Fund	51,487	-	51,487	-	-	51,487	-	51,487
Tiger project 2.0	Wikimedia Foundation	25,30,363	-	25,30,363	9,28,601	-	16,01,762	-	16,01,762
Contributing to public interest copyright policy at the WIPO	American University Fund	-5,05,343	5,64,017	58,674	19,03,271	-	-18,44,597	-18,44,597	Excess Applied
2021 Local Networks (LoNet) research policy and regulatory measures for community networks in India	Association for Progressive Communications telecom	39,540	2,42,610	2,82,150	2,68,484	-	13,666	-	13,666
Ford Technology Policy Landscape Grant	Ford Technology Policy Landscape Grant	88,913	-	88,913	-	-	88,913	-	88,913
Feminist Internet Research Network (FIRN) dissemination activities	Association for Progressive Communications FIRN	6,737	-	6,737	-	-	6,737	-	6,737
Feminist Internet Research Network (FIRN) dissemination activities	Association for Progressive Communications FIRN 2.0	10,48,219	4,06,161	14,54,380	13,55,256	-	99,124	-	99,124
Feminist Internet Research Network (FIRN) dissemination activities	Association for Progressive Communications OCHS Fund	368	-	368	-	-	368	-	368
Feminist Internet Research Network (FIRN) dissemination activities	Association for Progressive Communications OVOF Grant	-7,799	92,979	85,180	-8,655	-	93,835	-	93,835
Media market scoping and review	Global Disinformation Index	2,59,440	-	2,59,440	2,00,000	-	59,440	-	59,440
General operating support	Hewlett Foundation	6,91,365	38,135	7,29,500	7,15,892	-	13,608	-	13,608
Support of leadership transition and training	Hewlett Foundation	8,04,094	-	8,04,094	8,04,094	-	-	-0	Excess Applied
Research on digital platform	Internet Society Foundation Fund	72,27,509	16,89,416	89,16,925	66,28,563	-	22,88,362	-	22,88,362
Study of security ramifications of open-source software and areas of targeted intervention	Open Collective Foundation Fund	17,80,291	25,00,149	40,80,440	41,30,004	-	-49,564	-49,564	Excess Applied
Mozilla Core Grant	Mozilla Core Grant (Mozilla Foundation)	37,37,643	69,367	38,07,010	10,95,915	-	27,11,095	-	27,11,095
Mozilla Open Telecom Data India	Mozilla Foundation	13,53,603	24,782	13,78,385	3,89,152	-	9,89,233	-	9,89,233

Omidyar Digital Society Challenge		7,38,492	-	7,38,492	7,35,370	-	3,122	-	3,122
Omidyar Network Core Grant		1,32,55,017	-	1,32,55,017	42,27,507	-	90,27,510	-	90,27,510
Omidyar Vision Grant		41,00,994	-	41,00,994	25,96,796	-	15,04,198	-	15,04,198
PI Surveillance Drivers		-54,745	-	-54,745	-54,745	-	-	-	-

Privacy International	3,97,912	6,43,591	6,25,125	-	18,466	-	18,466
The International Labour Organisation Fund	7,87,539	13,02,730	7,84,137	-	5,18,593	-	5,18,593
Digital identity systems: Developing a dynamic evaluation framework tool	51,389	55,14,296	54,58,498	-	55,798	-	55,798
Research on facial recognition technology in India	8,10,908	8,38,198	1,992	-	8,36,206	-	8,36,206
Research on the state of the internet's languages	9,46,725	9,46,725	9,46,725	-	0	-	0
Research on technical standards for artificial intelligence in the Indo-Pacific	43,57,194	43,57,194	37,39,623	-	6,17,571	-	6,17,571
To promote and safeguard Internet freedoms through better civil society understanding of internet censorship, digital rights and safety in advocacy	17,52,815	17,52,815	4,74,303	-	12,78,512	-	12,78,512
To conduct a mixed methods research study to comprehensively understand digital safety in India, and inform interventions beneficial for at-risk communities.	1,21,98,771	1,21,98,771	4,76,095	-	1,17,22,676	-	1,17,22,676
charitable, scientific, literary, religious or educational purposes and digital resilience in social justice research in South Asia	76,64,280	76,64,280	60,93,731	-	15,70,549	-	15,70,549
To conduct research and host workshops in the area of transgressive technologies in an India-EU Context, and trends in data governance in India and the EU	6,06,344	6,06,344	2,56,999	-	3,49,346	-	3,49,346
Social Protection Project- To research on the National Digital Health Mission ("NDHM") ecosystem, potentially leading to proactive deliberations on the steps that may need to be taken to modify/strengthen the NDHM ecosystem.	11,09,233	11,09,233	8,53,543	-	2,55,690	-	2,55,690
Total - (A)	5,48,13,000	9,24,58,963	5,33,19,964	-	3,91,38,999	-18,94,161	4,10,33,160

b) Local

Projects	Donor	Opening balance (Rs.)	Receipts during the year (Rs.)	Total funds available for utilisation (Rs.)	Expenses during the year (Rs.)	Closed projects transferred to income & expenditure [Refer note (e) below]	Balance as at 31 March 2023		
							Total (Rs.)	Excess applied (Rs.)	Undisbursed funds (Rs.)
		[A]	[B]	[C]=[A+B]	[D]	[E]	[F]=[C-D-E]	[G]	[H]
Regulatory practices lab	Facebook India Online Services Pvt Ltd	23,40,000	-	23,40,000	-	-	23,40,000	-	23,40,000
Facebook 2019 fund	Facebook India Online Services Pvt Ltd	16,024	-	16,024	-	-	16,024	-	16,024
Research on artificial intelligence and privacy, RPL	Google India Pvt Ltd	18,97,504	-	18,97,504	5,11,712	-	13,85,792	-	13,85,792
MSR grant 2020	Microsoft Research Lab India Pvt Ltd	7,59,000	-	7,59,000	-	-	7,59,000	-	7,59,000
Nectar Grant Fund	North East Centre for Technology AR	-	2,20,000	2,20,000	-	-	2,20,000	-	2,20,000
Total - (B)		50,12,528	2,20,000	52,32,528	5,11,712	-	47,20,816	-	47,20,816
Total (A+B)		5,98,25,528	3,78,65,963	9,76,91,491	5,38,31,676	-	4,38,59,814	(18,94,161)	4,57,53,976

(c) The undischursed funds of Rs. 4,57,53,974/- as at 31 March 2023 is subject to confirmation by the respective donors.

(d) During the year, the excess expenditure over specific grants amounting to Rs. 18,94,161 is recoverable from the respective donors

(e) From time to time, the Society receives grants from private corporations like Facebook India Online Services Pvt Ltd and Mozilla Core Grant carry out research. Unlike foundations which provide grant letters for research, companies provide 'gift letters' or 'letters of support' for the disbursement of funds. Though structured as a 'gift letter' or 'letter of support', the work has defined outputs and deliverables, timelines, and a budget just like a grant letter. The gifts or support are not given in exchange of services or products but to support research and/or educational endeavours similar to Grants from foundations. The Society uses the funds towards salaries and research costs as well as administrative costs of furthering the research and academic goals as per the specific requirements of the project. Any funds from the gift/support remaining beyond the timeframe in the letter of gift/support is used towards furthering project and organisational requirements in similar areas of research, as per the understanding with the corporates. Accordingly, these funds are considered as earmarked grants and are accounted under the fund accounting system as per Note 12 (c).

The Centre for Internet & Society

Notes forming part of the Financial Statements for the year ended March 31, 2023

Note -3: Provisions

Particulars	As at 31 March 2023 Amount (Rs.)	As at 31 March 2022 Amount (Rs.)
i) Provision for Tax penalty	18,94,710	-
ii) Provision for Audit fees	4,00,000	-
Total	22,94,710	-

Note -4: Other current liabilities

Particulars	As at 31 March 2023 Amount (Rs.)	As at 31 March 2022 Amount (Rs.)
i) Statutory liabilities	2,200	57,000
ii) Other current liabilities	4,513	-
Total	6,713	57,000

Note -5: Cash and Bank balances

Particulars	As at 31 March 2023 Amount (Rs.)	As at 31 March 2022 Amount (Rs.)
i) Cash in hand	-	-
ii) Balance in bank accounts	63,32,055	6,21,41,308
iii) Balance in FCRA Account	3,75,73,625	
iv) Term deposits (Refer note below)	4,04,706	4,04,705
Total	4,43,10,386	6,25,46,013

Note:

Term deposit has been maintained with M/s. Kotak Mahindra Bank towards corporate credit cards issued to select management staff.

Note -6: Loans and advances

Particulars	As at 31 March 2023 Amount (Rs.)	As at 31 March 2022 Amount (Rs.)
i) TDS recoverable	14,49,065	14,49,076
ii) Rent deposits	6,00,000	6,00,000
iii) Staff advances	1,04,035	22,000
iv) Other advances	1,37,703	11,099
v) Advance paid under protest (refer note 11('c'))	18,94,710	
Total	41,85,513	20,82,175

Note -7: Other Advances

Particulars	As at 31 March 2023 Amount (Rs.)	As at 31 March 2022 Amount (Rs.)
i) To be recoverable from the ex-employee(refer note (a) below)	14,63,998	14,63,998
Total	14,63,998	14,63,998

(a) Advance recoverable suspense represent amounts suspected to have been misappropriated by one of its employees who was in charge of finance and accounting function during the FYs 2013-14 and 2014-15. The Society is confident of recovering the entire amount in view of the legal proceedings initiated against the party (Refer note 10(a)). Accordingly, the entire advance is considered as good and recoverable.

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The Centre for Internet & Society

Notes forming part of the Financial Statements for the year ended March 31, 2023

Note-10: Background and Operations of CIS

The CIS is registered as a society under the Karnataka Societies Registration Act, 1960 w.e.f. 04 July 2008. It has also been granted the status of “Charitable Trust” w.e.f. 05 February 2010 under section 12A of the Income Tax Act, 1961. Along with that, it has also obtained registration under the Foreign Contribution (Regulation) Act, 2010 and the nature of its activities are described as Cultural, Educational and Social.

The primary aim and object of the Centre for Internet and Society (CIS) is to educate the general Indian public and spread awareness about the developments in the field of Internet. It further aims to promote the usage of the Internet and conduct research in the same field.

Note-11: Other explanatory notes

(a) Advance recoverable suspense

During the financial year 2014-15, the Society had identified misappropriation of funds alleged to have been committed by an employee in charge of finance and accounts function at the Society. The employment contract with this individual has been terminated in 2015. Further the Board had also conducted a forensic investigation of the financial irregularities with the assistance of external consultants M/s. Deloitte Touche Tohmatsu India LLP.

The Society had, during the year 2014-15, initiated criminal proceedings against the ex-employee alleged of the misappropriation and the proceedings are in progress. Meanwhile, the Society had initiated civil recovery procedures during the financial year 2018-19 in connection with the alleged misappropriation. The Society is confident of recovering the entire amount of alleged misappropriation and accordingly 'Advance Recoverable Suspense' of Rs. 14,63,998/- is considered good and recoverable.

The management of the Society believes that identified / required adjustments and disclosures arising from the financial irregularities pertaining to the above, to the extent of the information available with the management, had been made in financial statements of financial year 2014-15. Based on the information available with the society, no adjustment is required to be made in the financial statements for the year ended 31 March 2023.

(b) Income tax

The Society is currently registered under section 12A of the Income Tax Act, 1961 with Director of Income tax (exemptions) vide registration no .DIT(E)BLR/12A/C-713/AAABC0380R/ ITO(E)-Vol 2009-2010 dated 25 February 2010 w.e.f. 05 February 2010 and this registration was renewed, a new Certificate was issued by the ITO, with Unique Registration Number AAABC0380RE20173, dated 29.09.2021 by name FORM NO.10AC, Order for registration, which is now valid from AY 2022-23 up to AY 2026-27. This newly issued registration makes the Society eligible for tax exemption on total income subject to compliance with Specific provisions of the Indian Income tax, 1961.

(c) Advance paid against protest

The Society had received a demand notice on 7 April 2021 from the Income Tax Department amounting to Rs.19,86,148 for AY 2018-19. The Society has disputed with the demand raised and has appealed to the Income Tax Department on 3 May 2021. Further, based on the advice received from the consultants, the Society has paid a Tax Penalty of Rs 18,94,710 on 10-06-2022. As the appeal made to the Income Tax Department is not yet settled and Further, the society is confident of winning the appeal and accordingly the said amount was recognised as an advance paid against protest and also correspondingly recognised a provision for Tax penalty.

Note -12: Significant accounting policies

(a) Basis for preparation of financial statements

The Financial Statements of the Society, consisting of Balance Sheet, Receipts & Payments Account and Income & Expenditure Account, are prepared by the Society under historical cost convention, on cash basis of accounting. In the absence of any authoritatively established accounting principles for the specialised aspects related to Societies which do not carry out any commercial activity, the statements have been prepared in accordance with the significant accounting policies as described below.

(b) Property, plant and equipment

Property, plant and equipment purchased towards specific projects are accounted based on fund accounting system and are stated at cost. The purchases are recorded as utilisation in the respective fund. Further depreciation is accounted on the revalued amount.

(c) Donations and grants

Donations and grants received are recognised as income on receipt of such donation. Donations made with a specific direction that they shall form part of the corpus of the Trust are classified as corpus donations and are directly accounted as society fund receipts in the Balance Sheet.

Grants received from donors which are earmarked with specific budget (specific grants) are accounted based on fund accounting system. The receipts and payments pertaining to the specific fund is accounted in the fund account and the unutilized amount is shown as a liability. Salary cost is allocated to the specific project based on the time spent on specific project estimated on reasonable basis in line with the budget agreed with the donors. Administration and other common expenses are apportioned to the projects to the extent allowable as per the MOU's agreed with the donors.

Unspent amount, if any, at the end of the project period will be returned to the donors if so required by the MOU agreed with the donors, or adjusted against Reserves in the absence of instructions from the donors to the contrary.

(d) Reimbursement of expenses

Expenses incurred by the Society which are reimbursed by the donors, are recognized as expenses on actual payment. The reimbursement received from the donors is recognized as income on actual receipt of the amount. Any amount reimbursed in excess of the actual expenses incurred is considered as income and recognized accordingly in the Income & Expenditure account.

The Centre for Internet & Society
Balance Sheet as at March 31, 2023

Particulars	Note	As at 31 March 2023		As at 31 March 2022	
		Amount (Rs.)		Amount (Rs.)	
FUNDS AND LIABILITIES					
I. Capital and other funds					
i) General fund	1(A)	10,79,594		34,81,777	
ii) Capital funds used for purchase of property, plant and equipment	1(B)	7,76,842		72,86,656	
iii) Balance in undisbursed funds	2	3,91,38,999	4,09,95,434	5,48,13,000	6,55,81,433
II. Liabilities					
i) Provisions	3	22,94,710			
ii) Other current liabilities	4	1,400		57,000	
Total		4,32,91,544		6,56,38,433	
ASSETS					
i) Property, plant and equipment	1(B)	7,76,842		72,86,656	
ii) Cash and Bank balances	5	3,88,15,740		5,67,56,156	
iii) Loans and advances	6	22,34,964		1,31,623	
iv) Other Advances	7	14,63,998	4,32,91,544	14,63,998	6,56,38,433
Total		4,32,91,544		6,56,38,433	

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

For Brahmaya & Co.,
Chartered Accountants
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Partner
Membership Number: 086761

For and on behalf of the Members of Society

Tanveer Hasan A.K.
Executive Director

Vikram Hegde
Board Member and Nominee

Place: Bengaluru
Date: 31-10-2023

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The Centre for Internet & Society
Statement of Income and Expenditure for the year ended March 31, 2023.

Particulars	Note	2022-23 Amount (Rs.)		2021-22 Amount (Rs.)	
INCOME					
i) Consultancy income		-		-	
ii) Project receipts		-		-	
iii) Interest income		-		16,775	
iv) Unspent specific grant	2(c)	-		-	
v) Other income		-	-	-	16,775
v) Miscellenous income		-			
			-		
EXPENDITURE					
i) Expenditure against consultancy income		-		-	
ii) Bank charges		1,772		-	
iii) Project expenses		-		-	
iv) General administration		-		-	
v) Excess expenditure over specific grant	2(c)	-		-	
vi) Tax penalty	3	18,94,710			
vii) General expenses		5,05,701	24,02,183	15,45,805	15,45,805
Excess of expenditure over income transferred to general fund			(24,02,183)		(15,29,030)

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

For Brahmayya & Co.,

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Partner

Membership Number: 086761

Place: Bengaluru

Date: 31-10-2023

For and on behalf of the Members of Society

Tanveer Hasan A.K.

Executive Director

Place: Bengaluru

Date: 31-10-2023

Vikram Hegde

Board Member and Nominee

Place: Bengaluru

Date: 31-10-2023

The Centre for Internet & Society
Statement of Receipts and Payments for the year ended March 31, 2023.

RECEIPTS				PAYMENTS			
Particulars	Note	2022-23 Amount (Rs.)	2021-22 Amount (Rs.)	Particulars	Note	2022-23 Amount (Rs.)	2021-22 Amount (Rs.)
To opening balance of recoverables				By Opening Balance of Liabilities			
i) Cash and cash equivalents		5,67,56,156	4,07,04,883	i) Current Liabilities	3	57,000	4,41,155
ii) Loans and advances		1,31,623	1,48,470				
iii) Advance recoverable suspense		14,63,998	14,63,998				
		5,83,51,777	4,23,17,351				
To foreign contribution received during the financial year				By expenditure against grant sanction during the financial year			
	2	3,76,45,963	7,26,60,188		2	5,33,19,964	5,47,12,577
To other receipts during the financial year				By other payments during the financial year			
i) Consultancy income		-	-	i) Expenditure against consultancy income		-	-
ii) Interest on short term deposit		-	16,775	ii) Bank charges		1,772	-
iii) Unfitted project income		-	-	iii) Unfitted project expenses		-	-
iv) Other income		-	16,775	iv) General administration		-	-
		-	-	v) Tax penalty paid		18,94,710	-
		-	-	vi) General expenses		5,05,701	15,45,805
		-	-				
To closing balance of liabilities				By closing balance of recoverables			
i) Other current liability	3	1,400	57,000	i) Cash and bank balances	5	3,88,15,740	5,67,56,156
ii) Provisions		22,94,710		ii) Loans and advances	6	22,34,964	1,31,623
				iii) Other Advances	7	14,63,998	14,63,998
						4,25,14,702	5,83,51,777
Total		9,82,93,850	11,50,51,314	Total		9,82,93,850	11,50,51,314

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached
For Brahmayya & Co.,
Chartered Accountants
Firm Registration No. 000515S

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G. Srinivas
Partner
Membership Number: 086761

Place: Bengaluru
Date: 31-10-2023

For and on behalf of the Members of Society



Tanveer Hasan A.K.
Executive Director



Vikram Hegde
Board Member and Nominee

Place: Bengaluru
Date: 31-10-2023

Place: Bengaluru
Date: 31-10-2023

The Centre for Internet & Society

Notes forming part of the Financial Statements for the year ended March 31, 2023

Note 1(A): General fund

Particulars	As at 31 March 2023	As at 31 March 2022
	Amount (Rs.)	Amount (Rs.)
Opening balance	34,81,777	50,10,807
Excess of expenditure over income transferred to general fund	(24,02,183)	(15,29,030)
Closing balance	10,79,594	34,81,777

Note 1(B): Capital fund/ property, plant and equipment

Particulars	As at 31 March 2023	As at 31 March 2022
	Amount (Rs.)	Amount (Rs.)
Opening balance	72,86,656	58,13,405
Additions during the year	4,61,188	14,73,251
Less: Depreciation and Fair value impairment	69,71,002	-
Closing balance	7,76,842	72,86,656

Note:

1. Property, plant and equipment held in the books were purchased against specific projects and were accounted based on fund accounting system i.e. recorded as payment in the respective specific project. For the purpose of control, the property, plant and equipment were notionally recorded in the balance sheet with a corresponding credit to 'capital fund' till the previous year.

2. The Society incorporated with effect from 04 July 2008, as on 31st March 2022 Gross value of Property, plant and equipment amounting to Rs. 85,73,046. Property, plant and equipment purchased towards specific projects are accounted based on fund accounting system and are recognized at cost. The purchases are recorded as utilisation in the respective fund.

In the current period, Management of the Society decided to revalue its assets through certified surveyor. This revaluation led to a significant reduction in the recorded balances of Property, Plant, and Equipment. To account for this reduction in asset value, an adjustment was made to the Capital Fund. Further depreciation is accounted on the revalued amount.

The Centre for Internet & Society
Notes forming part of the Financial Statements for the year ended March 31, 2023

Note - 2: (a) FC - Balance in undisbursed funds

Projects	Donor	Opening balance (Rs.)	Receipts during the year (Rs.)	Total funds available for utilisation (Rs.)	Expenses during the year / (Balance recoverable from the donor) (Rs.)	Closed projects transferred to income & expenditure [Refer note (c) below]	Balance as at 31 March 2023		
							Total(Rs.)	Excess applied (Rs.)	Undisbursed funds (Rs.)
		[A]	[B]	[C]=[A + B]	[D]	[E]	[F] = [C - D- E]	[G]	[H]
Develop educational content under a free license	Wikimedia Foundation	1,05,14,242	24,81,962	1,29,96,204	77,38,909	-	52,57,295	-	52,57,295
Mozilla research grant (Making voice Heard) 2019	Mozilla Voice	-45,222	-	-45,222	-45,221	-	(1)	(1)	Excess Applied
Digital identity	Omidyar Fund	51,487	-	51,487	-	-	51,487	-	51,487
Tiger project 2.0	Wikimedia Foundation	25,30,363	-	25,30,363	9,28,601	-	16,01,762	-	16,01,762
Contributing to public interest copyright policy at the WIPO	American University Fund	-5,05,343	5,64,017	58,674	19,03,271	-	(18,44,597)	(18,44,597)	Excess Applied
2021 Local Networks (LoeNet) research policy and regulatory measures for community networks in India	Association for Progressive Communications telecom	39,540	2,42,610	2,82,150	2,68,484	-	13,666	-	13,666
Ford Technology Policy Landscape Grant	Ford Technology Policy Landscape Grant	88,913	-	88,913	-	-	88,913	-	88,913
Feminist Internet Research Network (FIRN) dissemination activities	Association for Progressive Communications FIRN	6,737	-	6,737	-	-	6,737	-	6,737
Feminist Internet Research Network (FIRN) dissemination activities	Association for Progressive Communications FIRN 2.0	10,48,219	4,06,161	14,54,380	13,55,256	-	99,124	-	99,124
Feminist Internet Research Network (FIRN) dissemination activities	Association for Progressive Communications OCHS Fund	368	-	368	-	-	368	-	368,00
Feminist Internet Research Network (FIRN) dissemination activities	Association for Progressive Communications OVOF Grant	-7,799	92,979	85,180	-8,655	-	93,835	-	93,835
Media market scoping and review	Global Disinformation Index	2,59,440	-	2,59,440	2,00,000	-	59,440	-	59,440
General operating support	Hewlett Foundation	69,1,365	38,135	7,29,500	7,15,892	-	13,608	-	13,608
Support of leadership transition and training	Hewlett Foundation	8,04,094	-	8,04,094	8,04,094	-	(0)	(0)	Excess Applied
Research on digital platform	Internet Society Foundation Fund	72,27,509	16,89,416	89,16,925	66,28,363	-	22,88,362	-	22,88,362
Study of security ramifications of open-source software and areas of targeted intervention	Open Collective Foundation Fund	17,80,291	23,00,149	40,80,440	41,30,004	-	(49,564)	(49,564)	Excess Applied
Mozilla Core Grant	Mozilla Core Grant (Mozilla Foundation)	37,37,643	69,367	38,07,010	10,95,915	-	27,11,095	-	27,11,095
Mozilla Open Telecom Data India	Mozilla Foundation	13,53,603	24,782	13,78,385	3,89,152	-	9,89,233	-	9,89,233

The Centre for Internet & Society
Notes forming part of the Financial Statements for the year ended March 31, 2023

Note - 2: (a) FC - Balance in undisbursed funds

Projects	Donor	Opening balance (Rs.)	Receipts during the year (Rs.)	Total funds available for utilisation (Rs.)	Expenses during the year / (Balance recoverable from the donor) (Rs.)	Closed projects transferred to income & expenditure (Rs.) [Refer note (c) below]	Balance as at 31 March 2023		
							Total(Rs.)	Excess applied (Rs.)	Undisbursed funds (Rs.)
		[A]	[B]	[C]=[A + B]	[D]	[E]	[F] = [C - D- E]	[G]	[H]
Omidyar Digital Society Challenge	Omidyar Fund	7,38,492	-	7,38,492	7,35,770	-	3,122	-	3,122
Omidyar Network Core Grant	Omidyar Fund	1,32,55,017	-	1,32,55,017	42,27,507	-	90,27,510	-	90,27,510

The Centre for Internet & Society
Notes forming part of the Financial Statements for the year ended March 31, 2023

Note - 2: (a) FC - Balance in undischursed funds

Projects	Donor	Opening balance (Rs.)	Receipts during the year (Rs.)	Total funds available for utilisation (Rs.)	Expenses during the year / (Balance recoverable from the donor) (Rs.)	Closed projects transferred to income & expenditure [Refer note (c) below]	Balance as at 31 March 2023		
							Total(Rs.)	Excess applied (Rs.)	Undischursed funds (Rs.)
		[A]	[B]	[C]=[A + B]	[D]	[E]	[F] = [C - D - E]	[G]	[H]
	Omidyar Fund	41,00,994	-	41,00,994	25,96,796	-	15,04,198	-	15,04,198
	Privacy International	-54,745	-	-54,745	-54,745	-	-	-	-
	Privacy International	2,45,679	3,97,912	6,43,591	6,25,125	-	18,466	-	18,466
	The International Labour Organisation Fund	5,15,191	7,87,539	13,02,730	7,84,137	-	5,18,593	-	5,18,593
	Research ICT Africa Fund	54,62,907	51,389	55,14,296	54,58,498	-	55,798	-	55,798
	University of Essex Fund	27,290	8,10,908	8,38,198	1,992	-	8,36,206	-	8,36,206
	Whose Knowledge Fund	9,46,725	-	9,46,725	9,46,725	-	0	-	0
	Australian Strategic Policy Institute	-	43,57,194	43,57,194	37,39,023	-	6,17,571	-	6,17,571
	East West Management Institute	-	17,52,815	17,52,815	4,74,303	-	12,78,512	-	12,78,512
	Google Org (Tides) Digital Safety	-	1,21,98,771	1,21,98,771	4,76,095	-	1,17,22,676	-	1,17,22,676
	New Venture Fund	-	76,64,280	76,64,280	60,93,731	-	15,70,549	-	15,70,549
	Tilburg University	-	6,06,344	6,06,344	2,56,999	-	3,49,346	-	3,49,346
	PI Digital Health & Social Protection in India	-	11,09,233	11,09,233	8,53,543	-	2,55,690	-	2,55,690
Total		5,48,13,000	3,76,45,963	9,24,58,963	53,31,964	-	3,91,38,999	(18,94,161)	4,10,33,160

The Centre for Internet & Society
Notes forming part of the Financial Statements for the year ended March 31, 2023

Note - 2: (a) FC - Balance in undisbursed funds

Projects	Donor	Opening balance (Rs.)	Receipts during the year (Rs.)	Total funds available for utilisation (Rs.)	Expenses during the year / (Balance recoverable from the donor) (Rs.)	Closed projects transferred to income & expenditure (Rs.) [Refer note (c) below]	Balance as at 31 March 2023		
							Total (Rs.)	Undisbursed funds (Rs.)	
		[A]	[B]	[C]=[A + B]	[D]	[E]	[F] = [C - D - E]	[G]	[H]

(b) The undisbursed funds of Rs. 4,10,33,160/- as at 31 March 2023 is subject to confirmation by the respective donors.

(c) During the year, the excess expenditure over specific grants amounting to Rs. 18,94,161 is recoverable from the respective donors.

(d) From time to time, the Society receives grants from private corporations like Mozilla Core Grant carry out research. Unlike foundations which provide grant letters for research, companies provide 'gift letters' or 'letters of support' for the disbursement of funds. Though structured as a 'gift letter' or 'letter of support', the work has defined outputs and deliverables, timelines, and a budget just like a grant letter. The gifts or support are not given in exchange of services or products but to support research and/or educational endeavours similar to Grants from foundations. The Society uses the funds towards salaries and research costs as well as administrative costs of furthering the research and academic goals as per the specific requirements of the project. Any funds from the gift/support remaining beyond the timeframe in the letter of gift/support is used towards furthering project and organisational requirements in similar areas of research, as per the understanding with the corporates. Accordingly, these funds are considered as earmarked grants and are accounted under the fund accounting system as per Note 12 (c).

The Centre for Internet & Society

Notes forming part of the Financial Statements for the year ended March 31, 2023

Note -3: Provisions

Particulars	As at 31 March 2023 Amount (Rs.)	As at 31 March 2022 Amount (Rs.)
i) Provision for Tax penalty	18,94,710	-
ii) Provision for Audit fees	4,00,000	-
Total	22,94,710	-

Note -4: Other current liabilities

Particulars	As at 31 March 2023 Amount (Rs.)	As at 31 March 2022 Amount (Rs.)
i) Advance from Creative Commons	-	-
ii) Statutory liabilities	1,400	57,000
iii) Other current liabilities	-	-
Total	1,400	57,000

Note -5: Cash and Bank balances

Particulars	As at 31 March 2023 Amount (Rs.)	As at 31 March 2022 Amount (Rs.)
i) Cash in hand	-	-
ii) Cash at bank	8,37,409	5,63,51,450
iii) Other bank balances	3,75,73,625	-
iv) Term deposits (Refer note below)	4,04,706	4,04,706
Total	3,88,15,740	5,67,56,156

Note:

Term deposit has been maintained with M/s. Kotak Mahindra Bank towards corporate credit cards issued to select management staff.

Note -6: Loans and advances

Particulars	As at 31 March 2023 Amount (Rs.)	As at 31 March 2022 Amount (Rs.)
i) TDS recoverable	98,524	98,524
ii) Staff Advances	1,04,030	22,000
iii) Other Advances	1,37,700	11,099
iv) Advance paid against protest (refer note 11(c))	18,94,710	-
Total	22,34,964	1,31,623

Note -7: Other Advances

Particulars	As at 31 March 2023 Amount (Rs.)	As at 31 March 2022 Amount (Rs.)
i) Funds recoverable (refer note (a) below)	14,63,998	14,63,998
Total	14,63,998	14,63,998

Note:

(a) Advance recoverable suspense represent amounts suspected to have been misappropriated by one of its employees who was in charge of finance and accounting function during the FYs 2013-14 and 2014-15. The Society is confident of recovering the entire amount in view of the legal proceedings initiated against the party. Accordingly, the entire advance is considered as good and recoverable.

The Centre for Internet & Society

Notes forming part of the Financial Statements for the year ended March 31, 2023

Note -8: Untied Project Receipts

Particulars	2022-23 Amount (Rs.)	2021-22 Amount (Rs.)
i) Hewlett	-	-
ii) City University of London	-	-
iii) University of Munich	-	-
Total	-	-

Note -9: Untied project expense

Particulars	2022-23 Amount (Rs.)	2021-22 Amount (Rs.)
i) Hewlett	-	-
ii) Facebook	-	-
iii) City University of London	-	-
iv) University of Munich	-	-
Total	-	-

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The Centre for Internet & Society

Notes forming part of the Financial Statements for the year ended March 31, 2023

Note-10: Background and Operations of CIS

The CIS is registered as a society under the Karnataka Societies Registration Act, 1960 w.e.f. 04 July 2008. It has also been granted the status of “Charitable Trust” w.e.f. 05 February 2010 under section 12A of the Income Tax Act, 1961. Along with that, it has also obtained registration under the Foreign Contribution (Regulation) Act, 2010 and the nature of its activities are described as Cultural, Educational and Social.

The primary aim and object of the Centre for Internet and Society (CIS) is to educate the general Indian public and spread awareness about the developments in the field of Internet. It further aims to promote the usage of the Internet and conduct research in the same field.

Note-11: Other explanatory notes

(a) Advance recoverable suspense

During the financial year 2014-15, the Society had identified misappropriation of funds alleged to have been committed by an employee in charge of finance and accounts function at the Society. The employment contract with this individual has been terminated in 2015. Further the Board had also conducted a forensic investigation of the financial irregularities with the assistance of external consultants M/s. Deloitte Touche Tohmatsu India LLP.

The Society had, during the year 2014-15, initiated criminal proceedings against the ex-employee alleged of the misappropriation and the proceedings are in progress. Meanwhile, the Society had initiated civil recovery procedures during the financial year 2018-19 in connection with the alleged misappropriation. The Society is confident of recovering the entire amount of alleged misappropriation and accordingly 'Advance Recoverable Suspense' of Rs.14,63,998/- is considered good and recoverable.

The management of the Society believes that identified / required adjustments and disclosures arising from the financial irregularities pertaining to the above, to the extent of the information available with the management, had been made in financial statements of financial year 2014-15. Based on the information available with the society, no adjustment is required to be made in the financial statements for the year ended 31 March 2023.

(b) Income tax

The Society is currently registered under section 12A of the Income Tax Act, 1961 with Director of Income tax (exemptions) vide registration no .DIT(E)BLR/12A/C-713/AAABC0380R/ ITO(E)-Vol 2009-2010 dated 25 February 2010 w.e.f. 05 February 2010 and this registration was renewed, a new Certificate was issued by the ITO, with Unique Registration Number AAABC0380RE20173, dated 29.09.2021 by name FORM NO. 10AC, (See rule 17A/11AA/2C), Order for registration, which is now valid from AY 2022-23 up to AY 2026-27. This newly issued registration makes the Society eligible for tax exemption on total income subject to compliance with Specific provisions of the Indian Income tax, 1961.

(c) Advance paid against protest

The Society had, on 7 April 2021 received a demand notice from the Income Tax Department amounting to Rs.19,86,148 for AY 2018-19. The Society has disputed with the demand raised and has appealed to the Income Tax Department on 3 May 2021. Further, based on the advice received from Tax Auditors, the Society has paid a Tax Penalty of Rs 18,94,710 on 10-06-2022. As the appeal made to the Income Tax Department is not yet settled and Further, the society is confident of winning the appeal and accordingly the said amount was recognised as an advance paid against protest in the Financial year 2022-23.

Note -12: Significant accounting policies

(a) Basis for preparation of financial statements

The Financial Statements of the Society, consisting of Balance Sheet, Receipts & Payments Account and Income & Expenditure Account, are prepared by the Society under historical cost convention, on cash basis of accounting. In the absence of any authoritatively established accounting principles for the specialised aspects related to Societies which do not carry out any commercial activity, the statements have been prepared in accordance with the significant accounting policies as described below.

(b) Property, plant and equipment

Property, plant and equipment purchased towards specific projects are accounted based on fund accounting system and are stated at cost. The purchases are recorded as utilisation in the respective fund. Further depreciation is accounted on the revalued amount.

(c) Donations and grants

Donations and grants received are recognised as income on receipt of such donation. Donations made with a specific direction that they shall form part of the corpus of the Trust are classified as corpus donations and are directly accounted as society fund receipts in the Balance Sheet.

Grants received from donors which are earmarked with specific budget (specific grants) are accounted based on fund accounting system. The receipts and payments pertaining to the specific fund is accounted in the fund account and the unutilized amount is shown as a liability. Salary cost is allocated to the specific project based on the time spent on specific project estimated on reasonable basis in line with the budget agreed with the donors. Administration and other common expenses are apportioned to the projects to the extent allowable as per the MOU's agreed with the donors.

Unspent amount, if any, at the end of the project period will be returned to the donors if so required by the MOU agreed with the donors, or adjusted against Reserves in the absence of instructions from the donors to the contrary.

(d) Reimbursement of expenses

Expenses incurred by the Society which are reimbursed by the donors, are recognized as expenses on actual payment. The reimbursement received from the donors is recognized as income on actual receipt of the amount. Any amount reimbursed in excess of the actual expenses incurred is considered as income and recognized accordingly in the Income & Expenditure account.

The Centre for Internet & Society
Balance Sheet as at March 31, 2023

Particulars	Note	As at March 31 2023		As at March 31 2022	
		Amount (Rs.)		Amount (Rs.)	
FUNDS AND LIABILITIES					
I. Capital and other funds					
i) General fund	1(A)	27,19,060		27,27,871	
ii) Capital funds used for purchase	1(B)	-		12,86,390	
of property, plant and equipment					
iii) Balance in undisbursed funds	2	47,20,816	74,39,875	50,12,528	90,26,790
II. Liabilities					
i) Other current liabilities	3	5,312	5,312	-	-
Total			74,45,187		90,26,790
ASSETS					
i) Property, plant and equipment	1(B)	-		12,86,390	
ii) Cash and Bank balances	4	54,94,646		57,89,858	
iii) Loans and advances	5	19,50,541	74,45,187	19,50,542	90,26,790
Total			74,45,187		90,26,790

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached
For Brahmayya & Co.,
Chartered Accountants
Firm Registration No.000515S

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SRINIVAS
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Date: 2023.10.31
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G. Srinivas
Partner
Membership Number: 086761

Place: Bengaluru
Date: 31-10-2023

For and on behalf of the Members of Society


Tanveer Hasan A.K.
Executive Director

Place: Bengaluru
Date: 31-10-2023


Vikram Hegde
Board Member and Nominee

Place: Bengaluru
Date: 31-10-2023

The Centre for Internet & Society
Statement of Income and Expenditure for the year ended March 31, 2023.

Particulars	Note	2022-23 Amount (Rs.)	2021-22 Amount (Rs.)
INCOME			
i) Consultancy Income		-	9,50,000
ii) Other Income		-	-
iii) General Donations		-	-
iv) Income from Projects		-	-
vi) Membership Fees		1,550	850
vii) Advance due to FC Books Written back*		-	-
viii) Miscellaneous Income		9	
ix) Unspent specific grant	2(c)	-	9,50,850
EXPENDITURE			
i) Expenditure against consultancy Income		-	2,18,204
ii) Bank Charges		694	144
iii) Untied Project Expenses		-	
- Lepuana		-	-
- Facebook		-	-
- Hockey Event		-	
iv) Excess expenditure over specific funds	2(c)	-	
v) General Expenses		2,675	11,29,744
vi) General Administration		7,001	
		10,370	13,48,092
Excess of expenditure over income transferred to General Fund		(8,811)	(3,97,242)

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

For Brahmayya & Co.,
Chartered Accountants
Firm Registration No.000515S

For and on behalf of the Members of Society

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GOGINENI
Date: 2023.10.31
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G. Srinivas
Partner
Membership Number: 086761

Tanveer Hasan A.K.
Executive Director

Vikram Hegde
Board Member and Nominee

Place: Bengaluru
Date: 31-10-2023

Place: Bengaluru
Date: 31-10-2023

Place: Bengaluru
Date: 31-10-2023

The Centre for Internet & Society
Statement of Receipts and Payments for the year ended March 31, 2023

RECEIPTS		PAYMENTS	
Particulars	Note	2022-23 Amount (Rs.)	2021-22 Amount (Rs.)
To opening balance of recoverables			
i) Cash and cash equivalents		57,89,858	44,64,520
ii) Loans and advances		19,50,541	77,40,399
		16,90,850	61,55,370
To project contribution received during the financial year			
i) Funds received against specific projects	2	2,20,000	23,40,000
To other receipts			
i) Consultancy income		-	9,50,000
ii) General donations		-	-
iii) United project receipts		-	-
iv) Other income		-	-
v) Miscellaneous income	9	-	-
vi) Membership fees		1,550	850
		850	9,50,850
Advances due to FC accounts transferred to general fund			
		-	-
To closing balance of liabilities			
i) Current liabilities	3	-	-
ii) Other current liabilities		5,312	5,312
		5,312	5,312
Total		79,67,270	94,46,220
To opening balance of liabilities			
i) Current liabilities		-	900
By Expenditure against grant sanction during the financial year			
i) Expenditure against specific projects	2	5,11,712	3,56,819
ii) Capital expenses		-	5,11,712
By other payments			
i) Expenditure against consultancy income		-	2,18,204
ii) Bank charges		694	144
iii) General expenses		2,675	11,29,754
iv) General Admin Expenses		7,001	-
v) United project expenses		-	13,48,101
Advances due from FC accounts transferred to general fund			
		-	-
By closing balance of recoverables			
i) Cash and cash equivalents	4	54,94,646	57,89,858
ii) Loans and advances	5	19,50,541	74,45,187
		74,45,187	19,50,541
Total		79,67,270	94,46,220

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached
For Brahmayya & Co.,
Chartered Accountants
Firm Registration No.000515S

SRINIVAS Digitally signed by
SRINIVAS GOGINENI
Date: 2023.10.31
GOGINENI 230268+05 310

G. Srinivas
Partner
Membership Number: 086761

Place: Bengaluru
Date: 31-10-2023

For and on behalf of the Members of Society

Tanveer Hasan A.K.
Executive Director

Place: Bengaluru
Date: 31-10-2023

Vikram Hegde
Board Member and Nominee

Place: Bengaluru
Date: 31-10-2023

The Centre for Internet & Society

Notes forming part of the Financial Statements for the year ended March 31, 2023

Schedule I(A) : General Fund

Particulars	As at 31 March 2023 Amount (Rs.)	As at 31 March 2022 Amount (Rs.)
Opening balance	27,27,871	31,25,113
Excess of expenditure over income transferred to general fund	(8,811)	(3,97,242)
Closing balance	27,19,060	27,27,871

Note 1(B): Capital fund/ property, plant and equipment

Particulars	As at 31 March 2023 Amount (Rs.)	As at 31 March 2022 Amount (Rs.)
Opening Balance	12,86,390	12,86,390
Additions during the year	-	-
Less: Depreciation on fair value impairment	12,86,390	
Closing Balance	-	12,86,390

Note:

1. Property, plant and equipment held in the books were purchased against specific projects and were accounted based on fund accounting system i.e. recorded as payment in the respective specific project. For the purpose of control, the Property, plant and equipment were notionally recorded in the Balance Sheet with a corresponding credit to 'Capital Fund' till the previous year.

2. The Society incorporated with effect from 04 July 2008, as on 31st March 2022 Gross value of Property, plant and equipment amounting to Rs. 85,73,046. Property, plant and equipment purchased towards specific projects are accounted based on fund accounting system and are recognized at cost. The purchases are recorded as utilisation in the respective fund.

In the current period, Management of the Society decided to revalue its assets through certified surveyor. This revaluation led to a significant reduction in the recorded balances of Property, Plant, and Equipment. To account for this reduction in asset value, an adjustment was made to the Capital Fund. Further depreciation is accounted on the revalued amount.

The Centre for Internet & Society
Notes forming part of the Financial Statements for the year ended March 31, 2023

Note - 2:(a) LC-Balance in undisbursed funds

Projects	Donor	Opening balance (Rs)	Receipts during the year (Rs)	Total funds available for utilisation (Rs)	Expenses during the year / (Balance recoverable from the donor) (Rs.)	Closed projects transferred to income & expenditure (Rs.) [Refer note (e) below]	Balance as at 31 March 2023		
							Total (Rs)	Excess applied (Rs)	Undisbursed Funds (Rs)
		[A]	[B]	[C]=[A + B]	[D]	[E]	[F] = [C - D]	[G]	[H]
Regulatory practices lab	Facebook India Online Services Pvt Ltd II. 2019 Fund	23,40,000	-	23,40,000	-	-	23,40,000	-	23,40,000
Regulatory practices lab	Facebook India Online Services Pvt Ltd	16,024	-	16,024	-	-	16,024	-	16,024
Research on artificial intelligence and privacy, RPL	Google India Pvt Ltd	18,97,504	-	18,97,504	5,11,712	-	13,85,792	-	13,85,792
MSR grant 2020	Microsoft Research Lab India Pvt Ltd	7,59,000	-	7,59,000	-	-	7,59,000	-	7,59,000
Nectar Grant Fund	North East Centre for Technology AR	-	2,20,000	2,20,000	-	-	2,20,000	-	2,20,000
Total		50,12,528	2,20,000	52,32,528	5,11,712	-	47,20,816	-	47,20,816

(b) The undisbursed funds of Rs. 47,20,814/- as at 31 March 2023 is subject to confirmation by the respective donors.

(c) From time to time, the Society receives grants from private corporations like Facebook India Online Services Pvt Ltd carry out research. Unlike foundations which provide grant letters for research, companies provide 'gift letters' or 'letters of support' for the disbursement of funds. Though structured as a 'gift letter' or 'letter of support', the work has defined outputs and deliverables, timelines, and a budget just like a grant letter. The gifts or support are not given in exchange of services or products but to support research and/or educational endeavours similar to Grants from foundations. The Society uses the funds towards salaries and research costs as well as administrative costs of furthering the research and academic goals as per the specific requirements of the project. Any funds from the gift/support remaining beyond the timeframe in the letter of gift/support is used towards furthering project and organisational requirements in similar areas of research, as per the understanding with the corporates. Accordingly, these funds are considered as earmarked grants and are accounted under the fund accounting system as per Note 10 (c).

The Centre for Internet & Society
Notes forming part of the Financial Statements for the year ended March 31, 2023

Note -3: Other current liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
	Amount (Rs.)	Amount (Rs.)
i) Statutory Liabilities	800	-
ii) Other Current Liabilities	4,513	-
	5,313	-

Note -4: Cash and Bank balances

Particulars	As at 31 March 2023	As at 31 March 2022
	Amount (Rs.)	Amount (Rs.)
i) Cash in hand	-	-
ii) Cash at bank	54,94,646	57,89,858
	54,94,646	57,89,858

Note -5: Loans and advances

Particulars	As at 31 March 2023	As at 31 March 2022
	Amount (Rs.)	Amount (Rs.)
i) TDS Recoverable	13,50,541	13,50,541
ii) Rent Deposits	6,00,000	6,00,000
iii) Other Deposits	-	-
iv) Staff Advances	-	-
v) Other Advances	-	-
	19,50,541	19,50,541

The Centre for Internet & Society
Notes forming part of the Financial Statements for the year ended March 31, 2023

Note-8: Background and Operations of CIS

The CIS is registered as a society under the Karnataka Societies Registration Act, 1960 w.e.f. 04 July 2008. It has also been granted the status of “Charitable Trust” w.e.f. 05 February 2010 under section 12A of the Income Tax Act, 1961. Along with that, it has also obtained registration under the Foreign Contribution (Regulation) Act, 2010 and the nature of its activities are described as Cultural, Educational and Social.

The primary aim and object of the Centre for Internet and Society (CIS) is to educate the general Indian public and spread awareness about the developments in the field of Internet. It further aims to promote the usage of the Internet and conduct research in the same field.

Note-9: Other explanatory notes

(a) Advance recoverable suspense

During the financial year 2014-15, the Society had identified misappropriation of funds alleged to have been committed by an employee in charge of finance and accounts function at the Society. The employment contract with this individual has been terminated in 2015. Further the Board had also conducted a forensic investigation of the financial irregularities with the assistance of external consultants M/s. Deloitte Touche Tohmatsu India LLP.

The Society had, during the year 2014-15, initiated criminal proceedings against the ex-employee alleged of the misappropriation and the proceedings are in progress. Meanwhile, the Society had initiated civil recovery procedures during the financial year 2018-19 in connection with the alleged misappropriation. The Society is confident of recovering the entire amount of alleged misappropriation and accordingly 'Advance Recoverable Suspense' of Rs. 14,63,998/- is considered good and recoverable.

The management of the Society believes that identified / required adjustments and disclosures arising from the financial irregularities pertaining to the above, to the extent of the information available with the management, had been made in financial statements of financial year 2014-15. Based on the information available with the society, no adjustment is required to be made in the financial statements for the year ended 31 March 2023.

(b) Contingent liability

The Society had, on 7 April 2021 received a demand notice from the Income Tax Department amounting to Rs. 19,86,148 for AY 2018-19. The Society has disputed with the demand raised and has appealed to the Income Tax Department on 3 May 2021. The Society, in a Special Board Meeting held on 8th May, 2022 had taken up this matter for discussion, and based on the advice received from its tax auditors, it was resolved to remit the said dues to the Department immediately and follow up on the matter through due procedures. Further, The Society is confident of winning the appeal and accordingly no provision is required.

(c) Income tax

The Society is currently registered under section 12A of the Income Tax Act, 1961 with Director of Income tax (exemptions) vide registration no .DIT(E)BLR/12A/C-713/AAABC0380R/ ITO(E)-Vol 2009-2010 dated 25 February 2010 w.e.f. 05 February 2010 and this registration was renewed, a new Certificate was issued by the ITO, with Unique Registration Number AAABC0380RE20173, dated 29.09.2021 by name FORM NO. 10AC, (See rule 17A/11AA/2C), Order for registration, which is now valid from AY 2022-23 up to AY 2026-27. This newly issued registration makes the Society eligible for tax exemption on total income subject to compliance with Specific provisions of the Indian Income tax, 1961.

Note -10: Significant accounting policies

(a) Basis for preparation of financial statements

The Financial Statements of the Society, consisting of Balance Sheet, Receipts & Payments Account and Income & Expenditure Account, are prepared by the Society under historical cost convention, on cash basis of accounting. In the absence of any authoritatively established accounting principles for the specialised aspects related to Societies which do not carry out any commercial activity, the statements have been prepared in accordance with the significant accounting policies as described below.

(b) Property, plant and equipment

Property, plant and equipment purchased towards specific projects are accounted based on fund accounting system and are stated at cost. The purchases are recorded as utilisation in the respective fund. Further depreciation is accounted on the revalued amount.

(c) Donations and grants

Donations and grants received are recognised as income on receipt of such donation. Donations made with a specific direction that they shall form part of the corpus of the Trust are classified as corpus donations and are directly accounted as society fund receipts in the Balance Sheet.

Grants received from donors which are earmarked with specific budget (specific grants) are accounted based on fund accounting system. The receipts and payments pertaining to the specific fund is accounted in the fund account and the unutilized amount is shown as a liability. Salary cost is allocated to the specific project based on the time spent on specific project estimated on reasonable basis in line with the budget agreed with the donors. Administration and other common expenses are apportioned to the projects to the extent allowable as per the MOU's agreed with the donors.

Unspent amount, if any, at the end of the project period will be returned to the donors if so required by the MOU agreed with the donors, or adjusted against Reserves in the absence of instructions from the donors to the contrary.

(d) Reimbursement of expenses

Expenses incurred by the Society which are reimbursed by the donors, are recognized as expenses on actual payment. The reimbursement received from the donors is recognized as income on actual receipt of the amount. Any amount reimbursed in excess of the actual expenses incurred is considered as income and recognized accordingly in the Income & Expenditure account.