



C-MET, PUNE

AUDITED

FINANCIAL STATEMENTS

FOR THE YEAR 2013-2014

PATKI & SOMAN
Chartered Accountants
639, Sadashiv Peth, Kumathekar Road,
Opp. Sweet Home, Pune – 411 030.

AUDITORS' REPORT

We have audited the accompanying financial statements of **Centre for Materials for Electronics Technology, C-MET**, which comprise the Balance Sheet as at 31st March, 2014, and Income & Expenditure Account for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Management of Centre for Materials for Electronics Technology, is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance in accordance with the Accounting Standards applicable to non corporate entities issued by Institute of Chartered Accountants of India in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Society's preparation and presentation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give a true and fair view in conformity with the accounting principles to the extent applicable to the Society:

- a) In the case of the Balance Sheet, of the state of affairs of the Society as at 31st March, 2014; and
- b) In the case of the Income & Expenditure Account, of the surplus of the Society for the year ended on that date;

For M/s **Patki & Soman**,
Chartered Accountants,

Sd/-
CA S. M. Patki,
(M. No.: 037315)
(Partner)

Place : Pune.
Date : 15th September 2014

**ANNEXURE Forming part of the Audit Report
of Centre for Materials for Electronics Technology
for the Year ended 31st March 2014.**

1) Fixed Assets pertaining to projects:

At present, the fixed assets pertaining to projects are shown in the books as project expenses. We suggest that such assets should be reflected as project assets separately in the Balance Sheet.

In respect of those assets, which relate to the projects that are completed & the fixed assets which are not to be returned to the sponsorers, feasibility to dispose off such assets may be assessed.

2) Valuation of Inventory:

Pursuant to the management policy with regard to valuation of lab-wares, chemicals and consumables, the purchases are charged to consumption irrespective of stock thereof at the end of the year. We are of the opinion that the stock at the end of the year may be valued and brought into account.

3) Capital Work –in – progress:

This accounts shows Rs. 2,02,06,613/- debit balance during the current year.
(Previous Year Rs.59,93,489/-).

4) Prior period income and expenditure:

Expenses amounting to Rs 1,86,091.24/- pertaining to previous year have been accounted for in the current year.

5) Contingent liability :

Contingent liability not provided in the books of account :-

	Current Year (Rs.)	Previous Year (Rs.)
For Capital goods	Nil	Nil
For Others	81,532.98	81,532.98

For M/s **Patki & Soman**,
Chartered Accountants,

Sd/-
CA S. M. Patki,
(M. No.: 037315)
(Partner)

Place : Pune.
Date : 15th September 2014

Centre for Materials for Electronics Technology, Pune

BALANCE SHEET AS AT 31st MARCH, 2014

(Amount -Rs.)

<u>CORPUS / CAPITAL FUND AND</u> <u>LIABILITIES :</u>	Schedule	As at 31.3.2014	As at 31.3.2013
CORPUS/ CAPITAL FUND	1	453,632,209	371,143,489
CURRENT LIABILITIES AND PROVISIONS (Including sponsored project)	2	194,300,717	214,198,154
TOTAL		647,932,926	585,341,643
<u>ASSETS :</u>			
FIXED ASSETS	3	96,760,892	72,292,974
CURRENT ASSETS, LOANS AND ADVANCES	4	551,172,034	513,048,669
MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)		-	-
TOTAL		647,932,926	585,341,643
SIGNIFICANT ACCOUNTING POLICIES	5		
CONTINGENT LIABILITIES AND NOTES ON ACCOUNTS	6		

We hereby certify the above balance sheet to be true & correct to the best of our knowledge & belief, subject to notes on accounts and schedules attached hereto.

Sd/-

Dr. D. P. Amalnerkar
Executive Director

Sd/-

G. B. Rao
Sr. Finance Officer

As per our report of even date attached.
for M/s Patki & Soman
Chartered Accountants

Sd/-

CA S. M. Patki, M. No. 037315
PARTNER

PLACE: PUNE
DATE : 15th September 2014

Centre for Materials for Electronics Technology, Pune
INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2014

(Amount -Rs.)

<u>INCOME :</u>	Schedule	Current Year 2013-14	Previous Year 2012-13
Revenue Grants	7	153,442,769	145,557,440
Income from Services	8	10,728,209	2,957,295
Interest Earned	9	31,356,698	24,901,050
Other Income	10	361,188	3,987,621
TOTAL (A)		195,888,864	177,403,406
<u>EXPENDITURE :</u>			
Establishment Expenses Laboratory and Administrative Expenses etc.	11	87,677,087	78,834,093
Depreciation	12	35,977,851	55,652,218
		12,302,437	9,951,706
TOTAL (B)		135,957,375	144,438,017
Surplus / (Deficit) for the year (A - B)		59,931,489	32,965,389
Balance transferred to / from Corpus/Capital Fund		59,931,489	32,965,389
SIGNIFICANT ACCOUNTING POLICIES	5		
CONTINGENT LIABILITIES & NOTES ON ACCOUNTS	6		

We hereby certify the above Income & Expenditure account to be true & correct to the best of our knowledge & belief, subject to notes on accounts and schedules attached hereto.

Sd/-

Dr. D. P. Amalnerkar
Executive Director

Sd/-

G. B. Rao
Sr. Finance Officer

As per our report of even date attached.
for M/s Patki & Soman
Chartered Accountants

Sd/-

CA S. M. Patki, M.No.: 037315
PARTNER

PLACE: PUNE

DATE : 15th September 2014

Centre for Materials for Electronics Technology, Pune

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31st MARCH, 2014

(Amount -Rs.)

	As at 31.3.2014		As at 31.3.2013	
<u>SCHEDULE 1 - CORPUS/CAPITAL FUND:</u>				
Balance as at the beginning of the year	263,313,497		257,970,937	
Add:Contribution towards Corpus/Capital Fund	22,557,231		5,342,560	
	285,870,728		263,313,497	
Add / (Less) : Balance of net income / Expenditure transferred from Income and Expenditure Account :				
As per last Account	107,829,992		74,864,603	
Add : Surplus / (Deficit) for the year	59,931,489		32,965,389	
	167,761,481	453,632,209	107,829,992	371,143,489
BALANCE AT THE YEAR END		453,632,209		371,143,489

Centre for Materials for Electronics Technology, Pune

SCHEDULE 2 - CURRENT LIABILITIES AND PROVISIONS

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2014

(Amount -Rs.)

<u>A. CURRENT LIABILITIES :</u>	As at 31.3.2014		As at 31.3.2013	
	1.Sundry Creditors :			
a) For goods	150,618		73,262	
b) For E.M.D and Deposits	950,482	1,101,100	1,513,082	1,586,344
2.Statutory Liabilities :				
Profession Tax / ITDS /				
Service Tax / GIS		186,066		191,911
3.Other current Liabilities :				
Sponsored Projects	116,731,306		141,736,951	
Other Liabilities	14,391,848	131,123,154	10,542,627	152,279,578
TOTAL (A)		132,410,320		154,057,833
<u>B. PROVISIONS :</u>				
1.Gratuity Payable	32,074,800		31,153,885	
2.Leave Encashment payable	26,428,108		24,692,909	
3.C-MET CPF Trust	147,867		816,337	
4.Expenses Payable	3,239,622	61,890,397	3,477,190	60,140,321
TOTAL (B)		61,890,397		60,140,321
TOTAL (A + B)		194,300,717		214,198,154

Centre for Materials for Electronics Technology, Pune

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31st MARCH, 2014

DESCRIPTION	GROSS BLOCK			DEPRECIATION			NET BLOCK		(Amount in Rs.)	
	As at 1.4.2013	Additions during the year	Deletions/ Adj. during the year	As at the beginning of the year	For the year	Deletion s/ Adj. during the year	AS AT 31.03.2014	As at 31.3.2013		
							Total upto 31.03.2014			
A. FIXED ASSETS:										
1. BUILDINGS ON FREEHOLD LAND		59,57,982	-	7,73,86,013	4,47,61,084	32,62,491	-	4,80,23,575	2,93,62,438	2,66,66,947
2. LAB EQUIPMENT		1,09,14,065	-	20,12,20,813	16,02,06,850	61,52,095	-	16,63,58,945	3,48,61,868	3,00,99,898
3. FURNITURE, FIXTURES		8,74,342	-	1,23,10,072	75,97,906	4,71,877	-	80,69,783	42,40,289	38,37,824
4. OFFICE EQUIPMENT		6,18,981	-	1,40,45,186	1,04,88,700	5,20,665	-	1,10,09,365	30,35,821	29,37,505
5. COMPUTER/PERIPHERALS		41,91,861	-	1,04,84,586	57,72,942	15,95,754	-	73,68,696	31,15,890	5,19,783
6. ELECTRIC FITTINGS		-	-	10,79,926	3,88,420	69,151	-	4,57,571	6,22,355	6,91,506
7. ELECTRIC SUBSTATION		-	-	36,89,196	23,57,990	1,99,681	-	25,57,671	11,31,525	13,31,206
8. AIR CONDITIONERS		-	-	6,63,923	4,79,098	27,724	-	5,06,822	1,57,101	1,84,825
9. TUBEWELL		-	-	73,255	43,264	2,999	-	46,263	26,992	29,991
TOTAL		2,25,57,231	-	32,09,52,970	23,20,96,254	1,23,02,437	-	24,43,98,691	7,65,54,279	6,62,99,485
B. CAPITAL WORK-IN-PROGRESS										
		1,94,71,124	52,58,000	2,02,06,613	-	-	-	-	2,02,06,613	59,93,489
TOTAL OF CURRENT YEAR		4,20,28,355	52,58,000	34,11,59,583	23,20,96,254	1,23,02,437	-	24,43,98,691	9,67,60,892	7,22,92,974

Centre for Materials for Electronics Technology, Pune

SCHEDULE 4 - CURRENT ASSETS, LOANS & ADVANCES : SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2014

(Amount Rs.)

	As at 31.3.2014		As at 31.3.2013	
<u>A.CURRENT ASSETS:</u>				
1.Cash balances in hand		3,873		31,698
2.Bank Balances with Scheduled Banks:				
- On Deposit Accounts	39,92,66,974		32,34,57,550	
- On Savings Accounts	1,59,14,431		1,50,05,453	
- Project Deposits	9,29,28,783	50,81,10,188	10,48,17,260	44,32,80,263
TOTAL (A)		50,81,14,061		44,33,11,961
<u>B. LOANS, ADVANCES AND OTHER ASSETS</u>				
Loans and Advances to Staff	3,28,129		18,82,307	
Loans and Advances to Others	1,10,07,876		34,60,087	
Amount Recoverable	54,98,937		14,55,318	
Advance to Suppliers Security and Other Deposits	20,54,267		1,36,49,643	
Prepaid Expenses	2,18,38,946		4,30,19,885	
7,995			87,499	
Interest Accrued on FDRs	23,21,823	4,30,57,973	61,81,969	6,97,36,708
TOTAL (B)		4,30,57,973		6,97,36,708
TOTAL (A + B)		55,11,72,034		51,30,48,669

CENTRE FOR MATERIALS FOR ELECTRONICS TECHNOLOGY (C-MET)
Schedules forming part of the Accounts for the year ended 31st March 2014.

SCHEDULE: 5 SIGNIFICANT ACCOUNTING POLICIES

1. Accounting Conventions:

The Financial Statements are prepared on the basis of historical cost convention and on the basis of going concern, accrual and consistently followed, except for Bonus, which is accounted for on cash basis.

2. Revenue Recognition:

- ▷ Income from operation includes, Income from analysis receipts, overheads and Professional / consultancy services. Income from these activities is accounted for as and when services are rendered.
- ▷ Grants are recognized when there is a reasonable assurance that, the grants will be received.
- ▷ C-MET being research body its entire expenditure relates to *research activity*. The expenditure incurred is debited to the appropriate accounts.
- ▷ All significant items of incomes and expenses are accounted on accrual basis unless otherwise stated.

3. Fixed Assets:

- ▷ Fixed Assets stated in the Balance Sheet are valued at their cost of acquisition inclusive of freight, octroi and other direct and indirect cost in respect thereof.
- ▷ Society has been directed to charge depreciation on its assets on the written down value basis vide instructions issued by Ministry of Information Technology. Accordingly depreciation has been charged as per rates prescribed under the Income Tax Act, 1961.
- ▷ Fixed Assets procured under the Sponsored projects, being the property of the respective Sponsoring agency, are not accounted under the head C-MET Fixed Assets.

4. Inventory:

As per the policy consistently followed by the Centre, expenditure incurred on consumable stores and spares is charged to revenue account.

5. Foreign Currency Transaction:

Transactions in foreign currency are recorded at the exchange rates prevailing on the date of transactions.

Foreign Currency Assets / Liabilities are restated at the rates prevailing at the year end.

Exchange Differences relating to fixed assets are adjusted to the cost of the assets.

Any other exchange difference is dealt with in the Income & Expenditure Account.

6. Prior period and Extraordinary Items:

Prior period income & expenses and extraordinary items, wherever material are disclosed separately. Prior period items include material items of Income or Expenses which arise in the current period as a result of error or omission in the preparation of financial statements of one or more periods. It does not include items, which are ascertained and determined during the year.

7. Retirement Benefits:

C- MET has set up Contributory Provident Fund separately. Leave Encashment and Gratuity is accounted for as per the actuarial valuation, liability whereof is as below:

a) **Gratuity** - Rs. 3,20,74,800/- (Previous year Rs. 3,11,53,885/-)

b) **Leave Encashment** - Rs. 2,64,28,108/- (Previous year Rs. 2,46,92,909/-)

8. Amount equal to capital expenditure is credited to capital fund. Grants for sponsored projects are shown separately. Unspent amount of the sponsored projects is shown as liability.

For CENTRE FOR MATERIALS FOR ELECTRONICS TECHNOLOGY

Sd/-

Dr. D. P. Amalnerkar

Executive Director

Sd/-

G. B. Rao

Sr. Finance Officer

For M/s **Patki & Soman,**

Chartered Accountants,

Sd/-

CA S. M. Patki, M. No. 037315

(Partner)

Place : Pune.

Date : 15th September 2014

Centre For Materials For Electronics Technology (C-MET)

Schedules forming part of the Accounts for the year ended 31st March 2014.

SCHEDULE: 6 NOTES ON ACCOUNTS

1. Current Assets, Loans & Advances: In the opinion of the management, the current assets, loans and advances have a value on realization in the ordinary course of business equal at least to the aggregate amount shown in the Balance Sheet.
2. Foreign Currency Transactions:
 - a) Value of Imports (FOB basis):
Capital Goods: Rs.5,01,85,915.20 (Previous Year Rs. 5,94,62,707.36)
 - b) Expenditure in Foreign Currency: Rs.95,78,482.00 (Previous Year Rs.56,34,739.00)

As the information of CIF basis for import of capital goods is not available, values are taken on FOB basis.

3. Estimated amount of contingent liability carried forward towards pending court judgment for medical reimbursement of Thrissur laboratory staff is Rs. 81,532.98 (Previous Year Rs. 81,532.98)
4. The Society is an approved institution in terms of sub-section (21) of section 10 of the Income Tax Act, 1961 and is exempt from tax.
5. Since most of the materials/equipments are of technical nature, their allocation between equipments, stores and projects is taken as certified by the management.
6. C-MET, being a scientific Society and not a commercial, industrial or a business entity, the Management is of the opinion that reporting requirements as per AS-17 “Segment Reporting” are not mandatory.
7. The Management of C-MET is of the opinion that being a Scientific Society under Ministry of Communications and Information Technology, Govt. of India and Societies Registration Act, the disclosure requirement as per AS-18 “Related Party Disclosure” are not applicable.
8. In the opinion of the Management, Accounting Standard 22(AS-22) for “Accounting for taxes on income” is not applicable to the Society as it is exempt from payment of income tax.
9. Debit and Credit Balances of Personal Accounts are subject to confirmation.

10. Previous year's figures have been regrouped and rearranged wherever necessary.
11. Schedules 1 to 12 are annexed to and form an integral part of the Balance Sheet as at 31st March 2014 and the Income & Expenditure Account for the year ended on that date.

For CENTRE FOR MATERIALS FOR ELECTRONICS TECHNOLOGY

Sd/-
Dr. D. P. Amalnerkar
Executive Director

Sd/-
G. B. Rao
Sr. Finance Officer

For M/s **Patki & Soman,**
Chartered Accountants,

Sd/-
CA S. M. Patki, M. No. 037315
(Partner)

Place : Pune.
Date : 15th September 2014

Centre for Materials for Electronics Technology, Pune

(Schedules forming part of Income & Expenditure A/c for the year ended 31st March, 2014)

(Amount -Rs.)

	Current Year 2013-14	Previous Year 2012-13
SCHEDULE 7 - REVENUE GRANTS :		
Grants for Revenue Expenditure.	153,442,769	145,557,440
TOTAL	153,442,769	145,557,440

	Current Year 2013-14	Previous Year 2012-13
SCHEDULE 8 - INCOME FROM SERVICES :		
Income from Services:		
Analysis receipts	1,530,130	763,595
Overhead receipts	9,198,079	2,193,700
TOTAL	10,728,209	2,957,295

	Current Year 2013-14	Previous Year 2012-13
SCHEDULE 9 - INTEREST EARNED :		
On Savings account and Term Deposits :		
a) With Scheduled Banks	31,311,060	24,858,866
b) On Advance to Staff	45,638	42,184
TOTAL	31,356,698	24,901,050

	Current Year 2013-14	Previous Year 2012-13
SCHEDULE 10 - OTHER INCOME :		
1.Surplus on Project Completion	-	3,859,560
2.Miscellaneous Income	361,188	128,061
TOTAL	361,188	3,987,621

Centre for Materials for Electronics Technology, Pune

Schedules forming part of Income & Expenditure A/c for the year ended 31st March, 2014

(Amount in Rs.)

SCHEDULE 11 - ESTABLISHMENT EXPENSES :	CURRENT YEAR	Previous Year
	2013-14	2012-13
Salaries and Allowances	70,136,225	56,632,705
Bonus	195,308	377,559
Training	29,000	-
Leave Travel Concession	1,445,316	1,737,687
Medical Reimbursement	3,378,466	3,164,760
Leave Encashment	4,234,721	5,068,510
Gratuity	2,673,693	5,818,743
Employer Contribution to CPF & Interest	3,222,328	3,742,559
Honorarium	64,000	64,500
Canteen Reimbursement	895,970	794,733
Newspaper & Periodicals	86,333	131,307
CEA Reimbursement	1,205,797	1,231,825
Membership Fees	54,742	32,556
Recruitment Expenses	393	36,649
Transfer TA	54,795	-
TOTAL	87,677,087	78,834,093

Centre for Materials for Electronics Technology, Pune

SCHEDULE 12 - LABORATORY AND ADMINISTRATIVE EXPENSES:

(Schedules forming part of Income & Expenditure A/c for the year ended 31st March, 2014)

(Amount in Rs.)

Particulars	CURRENT YEAR 2013-14	Previous Year 2012-13
Chemicals	-	213,560
Laboratory Consumables	1,675,247	54,019
Laboratory General expenses	1,797,397	567,959
Electricity charges	9,942,132	7,203,943
Water charges	185,767	234,592
Insurance on Equipments	-	27,119
<i>Repairs and maintenance :</i>		
On Buildings	501,809	1,116,738
On Electricals	292,769	358,274
On Laboratory Equipments	203,989	464,351
On Office Equipments	527,513	474,146
Rates and Taxes	1,188,738	2,442,703
Postage & Telegram Charges	120,757	124,092
Telephone , Telex & Fax charges	782,102	674,020
Printing and Stationery	1,051,513	643,204
Conveyance	5,359	9,553
Vehicle Hire	3,270,923	1,947,947
TA & DA	3,555,193	2,165,274
Security Expenses	2,917,851	2,678,067
Office & General Expenses	2,914,279	2,174,969
Internet charges	67,416	29,080
Diesel for Gensets	509,729	460,684
Auditor's Remuneration	97,416	67,416
Audit Expenses	72,396	71,195
Meeting Expenses	1,401,487	1,043,330
Foreign Tour Expenses	120,963	-
Gardening Expenses	1,740,037	1,029,727
Bank charges	9,066	-
Advertisement and Publicity	235,178	585,323
Professional charges	32,021	11,236
Prior period Expenses	186,091	718,699
Foundation Day Expenses	233,705	-
Workshop/Symposia	339,008	-
Contribution to Sponsored project	-	27,975,498
University Affiliation Fee	-	85,500
TOTAL	35,977,851	55,652,218