



C-MET, PUNE

AUDITED

FINANCIAL STATEMENTS

FOR THE YEAR 2014-2015

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

AUDITORS' REPORT

Report on the Financial Statements

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, 2015, 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 read with Annexure to Audit Report and Notes to Accounts (schedule 6) annexed herewith 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, 2015;
and
- b) in the case of the Income & Expenditure Account, of the deficit of the Society for the year ended on that date;

For Patki & Soman
Chartered Accountants
Firm Registration No.107830W

S. M. Patki
(Partner)
Membership No. 037315

Place : Pune.
Date : 11/08/2015

ANNEXURE Forming part of the Audit Report
of Centre for Materials for Electronics Technology
for the Year ended 31st March 2015.

1) Fixed Assets pertaining to projects:

At present, the fixed assets pertaining to projects are shown in the books as project expenses. As suggested project fixed assets are shown separately in the Balance Sheet.

In respect of those assets, which relate to the projects that are completed and the fixed assets which are not likely to be returned to the sponsors, 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. 3,69,13,374/- debit balance during the current year. (Previous Year Rs. 2,02,06,613/-).

4) Prior period income and expenditure:

Expenses amounting to Rs 11,64,749/- pertaining to previous year have been accounted for in the current year.

5) Report of C&AG:

As informed to us, there are certain irregularities noted by C&AG in respect of claim and disbursement of LTC to certain staff members and the matter is still in progress, outcome is uncertain.

6) Contingent liability :

Contingent liability not provided in the books of account:-

Particulars	Current Year (Rs.)	Previous Year (Rs.)
For Capital goods	Nil	Nil
For Others (In respect of pending court matter)	81,533/-	81,533/-

For Patki & Soman,

Chartered Accountants

Firm Registration No. 107830W

S.M. Patki

(Partner)

Membership No.: 037315

Place : Pune.

Date : 11/08/2015

Centre for Materials for Electronics Technology, Pune.
BALANCE SHEET AS AT 31st MARCH, 2015

(Amount in Rs.)

<u>CORPUS / CAPITAL FUND AND</u> <u>LIABILITIES :</u>	Schedule	As at 31.3.2015	As at 31.3.2014
CORPUS/ CAPITAL FUND	1	46,95,92,259	45,36,32,209
CURRENT LIABILITIES AND PROVISIONS (Including sponsored project)	2	32,89,77,151	19,43,00,717
TOTAL		79,85,69,410	64,79,32,926
<u>ASSETS :</u>			
FIXED ASSETS	3	18,97,18,326	9,67,60,892
CURRENT ASSETS, LOANS AND ADVANCES	4	60,88,51,084	55,11,72,034
MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)		-	-
TOTAL		79,85,69,410	64,79,32,926
SIGNIFICANT ACCOUNTING POLICIES	5		
NOTES TO ACCOUNTS AND CONTINGENT LIABILITIES	6		

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

Dr. Debashis Dutta
Executive Director

G. B. Rao
Sr. Finance Officer

As per our report of even date attached.

for Patki & Soman
Chartered Accountants

F.R. No. 107830W

S. M. Patki

(M.No.: 037315)

PARTNER

PLACE: PUNE

DATE :

Centre for Materials for Electronics Technology, Pune

SCHEDULE 2 - CURRENT LIABILITIES AND PROVISIONS :

(Schedules forming part of Balance Sheet as at 31st March, 2015)

(Amount in Rs.)

	As at 31.3.2015		As at 31.3.2014	
A. CURRENT LIABILITIES :				
1.Sundry Creditors :				
a) For goods & others	2,09,958		1,50,618	
b) For E.M.D and Deposits	33,95,365	36,05,323	9,50,482	11,01,100
2.Statutory Liabilities :				
Profession Tax / ITDS /				
Service Tax / GIS		1,61,012		1,86,066
3.Other current Liabilities :				
Sponsored Projects	23,18,33,143		11,72,54,306	
Other Liabilities	1,83,35,384	25,01,68,527	1,38,68,848	13,11,23,154
TOTAL (A)		25,39,34,862		13,24,10,320
B. PROVISIONS :				
1.Gratuity Payable	3,98,58,809		3,20,74,800	
2.Leave Encashment payable	3,12,74,765		2,64,28,108	
3.C-MET CPF Trust	11,19,651		1,47,867	
4.Expenses Payable	27,89,064	7,50,42,289	32,39,622	6,18,90,397
TOTAL (B)		7,50,42,289		6,18,90,397
TOTAL (A + B)		32,89,77,151		9,43,00,717

(Amount in Rs.)

SCHEDULE 3 - FIXED ASSETS:

DESCRIPTION	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As at 1.4.2014	Additions during the year	Deletions / Adj. during the year	As at 31.03.2015	As at the beginning of the year	For the year	Deletions / Adj. during the year	AS AT 31.03.2015	As at 31.3.2014
A. FIXED ASSETS:									
1. BUILDINGS ON FREEHOLD LAND	7,73,86,013	47,84,830	-	8,21,70,843	4,80,23,575	31,75,486	-	3,09,71,782	2,93,62,438
2. LAB EQUIPMENT	20,12,20,813	8,88,24,481	-	29,00,45,294	16,63,58,945	1,18,91,117	-	11,17,95,232	3,48,61,868
3. FURNITURE, FIXTURES	1,23,10,072	1,41,810	-	1,24,51,882	80,69,783	4,38,211	-	39,43,888	42,40,289
4. OFFICE EQUIPMENT	1,40,45,186	4,12,756	2,472	1,44,55,470	1,10,09,365	4,93,915	-	29,52,190	30,35,821
5. COMPUTER/PERIPHERALS	1,04,84,586	3,16,140	-	1,08,00,726	73,68,696	20,42,719	-	13,89,311	31,15,890
6. ELECTRIC FITTINGS	10,79,926	-	-	10,79,926	4,57,571	62,235	-	5,60,120	6,22,355
7. ELECTRIC SUBSTATION	36,89,196	-	-	36,89,196	25,57,671	1,69,729	-	9,61,796	11,31,525
8. AIR CONDITIONERS	6,63,923	85,651	-	7,49,574	5,06,822	36,412	-	2,06,340	1,57,101
9. TUBEWELL	73,255	-	-	73,255	46,263	2,699	-	24,293	26,992
TOTAL	32,09,52,970	9,45,65,668	2,472	41,55,16,166	24,43,98,691	1,83,12,523	-	15,28,04,952	7,65,54,279
B. CAPITAL WORK-IN-PROGRESS	2,02,06,613	1,68,79,961	1,73,200	3,69,13,374	-	-	-	3,69,13,374	2,02,06,613
TOTAL OF CURRENT YEAR	34,11,59,583	11,14,45,629	1,75,672	45,24,29,540	24,43,98,691	1,83,12,523	-	18,97,18,326	9,67,60,892

Centre for Materials for Electronics Technology, Pune.

SCHEDULE 4 - CURRENT ASSETS, LOANS & ADVANCES :

(Schedules forming part of Balance Sheet as at 31st March, 2015)

(Amount in Rs.)

	As at 31.3.2015		As at 31.3.2014	
<u>A.CURRENT ASSETS:</u>				
1.Cash balances in hand		10,627		3,873
2.Bank Balances with Scheduled Banks:				
- On Deposit Accounts	27,34,56,400		39,92,66,974	
- On Savings Accounts	7,96,27,645		1,59,14,431	
- Project Deposits (including FLC margin money)	20,43,64,448	55,74,48,493	9,29,28,783	50,81,10,188
TOTAL (A)		55,74,59,120		50,81,14,061
<u>B. LOANS, ADVANCES AND OTHER ASSETS</u>				
Loans and Advances to Staff	8,63,522		3,28,129	
Loans and Advances to Others	65,03,874		1,10,07,876	
Amount Recoverable	14,17,253		54,98,937	
Advance to Suppliers	26,96,082		20,54,267	
Security and Other Deposits	3,56,12,670		2,18,38,946	
Prepaid Expenses	16,288		7,995	
Interest Accrued on FDRs	42,82,275	5,13,91,964	23,21,823	4,30,57,973
TOTAL (B)		5,13,91,964		4,30,57,973
TOTAL (A + B)		60,88,51,084		55,11,72,034

CENTRE FOR MATERIALS FOR ELECTRONICS TECHNOLOGY (C-MET)
Schedules forming part of the Accounts for the year ended 31st March 2015.

SCHEDULE: 5 SIGNIFICANT ACCOUNTING POLICIES

1. Accounting Conventions:

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

2. Revenue Recognition:

- ▷ Income from operation includes, Income from analysis receipts, overhead receipts 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 and 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 prior 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. 3,98,58,809/- (Previous year Rs. 3,20,74,800/-)
b) **Leave Encashment** - Rs. 3,12,74,765/- (Previous year Rs. 2,64,28,108/-)

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

Dr. Debashis Dutta
Executive Director

G. B. Rao
Sr. Finance Officer

For Patki & Soman,
Chartered Accountants
Firm Registration No. 107830W

S.M. Patki
(Partner)
Membership No.: 037315

Place : Pune.
Date : 11/08/2015

CENTRE FOR MATERIALS FOR ELECTRONICS TECHNOLOGY (C-MET)

Schedules forming part of the Accounts for the year ended 31st March 2015.

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. 10,14,33,952/- (Previous Year Rs. 5,01,85,915/-)
 - b) Expenditure in Foreign Currency:Rs. 94,25,844/-(Previous Year Rs.95,78,482/-)

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 judgement for medical reimbursement of Thrissur laboratory staff is Rs. 81,533/- (Previous Year Rs. 81,533/-)
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 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. There are certain irregularities observed by C&AG in respect of claim of LTC by certain staff members and the matter is yet to be concluded.
11. Previous year's figures have been regrouped and rearranged wherever necessary.
12. Schedules 1 to 12 are annexed to and form an integral part of the Balance Sheet as at 31st March, 2015 and the Income & Expenditure Account for the year ended on that date.

For CENTRE FOR MATERIALS FOR ELECTRONICS TECHNOLOGY

Dr. Debashis Dutta
Executive Director

G. B. Rao
Sr. Finance Officer

For Patki & Soman,
Chartered Accountants
Firm Registration No. 107830W

S.M. Patki
(Partner)
Membership No.: 037315

Place : Pune.
Date : 11/08/2015

Centre for Materials for Electronics Technology, Pune.

Schedules forming part of Income & Expenditure A/c for the year ended 31st March, 2015

(Amount in Rs.)

SCHEDULE 7 - REVENUE GRANTS :	CURRENT YEAR 2014-15	Previous Year 2013-14
	Grants for Revenue Expenditure	5,94,84,332
TOTAL	5,94,84,332	15,34,42,769

SCHEDULE 8 - INCOME FROM SERVICES :	CURRENT YEAR 2014-15	Previous Year 2013-14
	Income from Services:	
Analysis receipts	18,45,385	15,30,130
Overhead receipts	64,93,952	91,98,079
TOTAL	83,39,337	1,07,28,209

SCHEDULE 9 - INTEREST EARNED :	CURRENT YEAR 2014-15	Previous Year 2013-14
	On Savings account and Term Deposits :	
a) With Scheduled Banks	3,43,10,390	3,13,11,060
b) On Advance to Staff	56,254	45,638
TOTAL	3,43,66,644	3,13,56,698

SCHEDULE 10 - OTHER INCOME :	CURRENT YEAR 2014-15	Previous Year 2013-14
	Miscellaneous Income	5,32,133
TOTAL	5,32,133	3,61,188

Centre for Materials for Electronics Technology, Pune.

Schedules forming part of Income & Expenditure A/c for the year ended 31st March, 2015

(Amount in Rs.)

SCHEDULE 11 - ESTABLISHMENT EXPENSES :	CURRENT YEAR 2014-15	Previous Year 2013-14
Salaries and Allowances	7,49,95,827	7,01,36,225
Bonus	2,23,528	1,95,308
Training	1,03,565	29,000
Leave Travel Concession	12,21,527	14,45,316
Medical Reimbursement	41,81,555	33,78,466
Leave Encashment	81,44,375	42,34,721
Gratuity	97,84,009	26,73,693
Employer Contribution to CPF & Interest	41,31,416	32,22,328
Honorarium	45,000	64,000
Canteen Reimbursement	9,49,180	8,95,970
Newspaper & Periodicals	98,059	86,333
CEA Reimbursement	13,77,842	12,05,797
Membership Fees	39,504	54,742
Recruitment Expenses	-	393
Transfer TA	27,781	54,795
TOTAL	10,53,23,168	8,76,77,087

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, 2015)

(Amount in Rs.)

Particulars	CURRENT YEAR	Previous Year
	2014-15	2013-14
-		
-		
Chemicals	19,180	-
Laboratory Consumables	28,75,794	16,75,247
Laboratory General expenses	23,64,190	17,97,397
Electricity charges	1,12,34,162	99,42,132
Water charges	2,72,523	1,85,767
<i>Repairs and maintenance :</i>		
On Buildings	5,87,420	5,01,809
On Electricals	3,14,142	2,92,769
On Laboratory Equipments	2,10,211	2,03,989
On Office Equipments	3,83,173	5,27,513
On Furniture & Fittings	3,090	-
Rates and Taxes	13,53,809	11,88,738
Postage & Telegram Charges	1,16,846	1,20,757
Telephone , Telex & Fax charges	5,15,575	7,82,102
Printing and Stationery	4,86,362	10,51,513
Conveyance	12,621	5,359
Vehicle Hire	28,59,620	32,70,923
TA & DA	30,97,747	35,55,193
Security Expenses	33,40,394	29,17,851
Office & General Expenses	36,71,951	29,14,279
Internet charges	-	67,416
Diesel for Gensets	4,99,738	5,09,729
Auditor's Remuneration	1,03,854	97,416
Audit Expenses	1,06,072	72,396
Meeting Expenses	9,76,409	14,01,487
Foreign Tour Expenses	3,83,421	1,20,963
Gardening Expenses	11,78,848	17,40,037
Bank charges	8,110	9,066
Advertisement and Publicity	3,40,455	2,35,178
Professional & Consultancy charges	10,55,035	32,021
Prior period Expenses	11,64,749	1,86,091
Foundation Day Expenses	92,572	2,33,705
Workshop/Symposia	-	3,39,008
TOT Expenses	4,36,828	-
Contribution to Sponsored project	1,76,25,000	-
Assets written off	2,472	-
TOTAL	5,76,92,373	3,59,77,851