

INDEPENDENT AUDITORS' REPORT **TO THE CENTRE FOR MATERIALS FOR ELECTRONICS TECHNOLOGY (C-MET)**

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, 2019, 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, 2019; 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 VDA Associates
Chartered Accountants
Firm Registration No. 119179W

P. Sharma



CA Pavan Sharma
Membership No. 170497
(Partner)

Place : Pune.
Date : 21.08.2019

ANNEXURE forming part of Audit Report of
Centre for Materials for Electronics Technology
For the Year ended 31st March 2019.

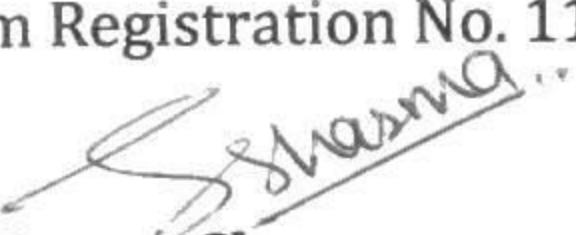
1) Fixed Assets pertaining to projects:

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) Statutory Dues:

1. GST on Reverse Charge Mechanism is not followed in FY 2018-19 in case of Hyderabad and Thrissur units.
2. Income Tax Refunds of previous years to be followed up and if not receivable then it should be written off in next financial year.

For M/s VDA Associates
Chartered Accountants
Firm Registration No. 119179W


CA Pavan Sharma
Membership No. 170497
(Partner)

Place : Pune.
Date : 21.08.2019

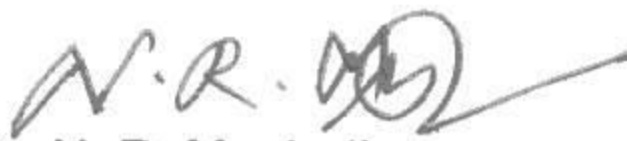
Centre for Materials for Electronics Technology, Pune.

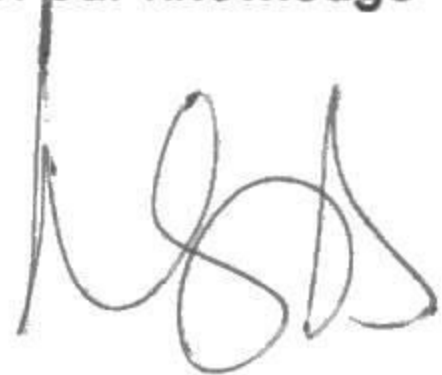
BALANCE SHEET AS AT 31st MARCH, 2019.

(Amount ₹)

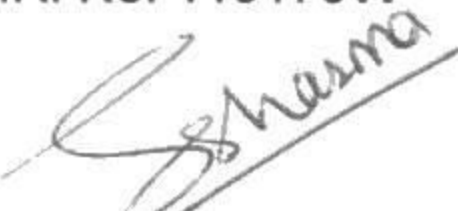
CORPUS / CAPITAL FUND AND LIABILITIES :	Schedule	As at 31.3.2019	As at 31.3.2018
CORPUS/ CAPITAL FUND	1	49,63,12,552	42,09,08,360
CURRENT LIABILITIES AND PROVISIONS (Including sponsored project)	2	30,71,81,432	33,40,40,454
TOTAL		80,34,93,984	75,49,48,814
ASSETS :			
FIXED ASSETS	3	15,12,03,160	14,74,64,069
CURRENT ASSETS, LOANS AND ADVANCES	4	65,22,90,824	60,74,84,745
MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)		-	-
TOTAL		80,34,93,984	75,49,48,814
SIGNIFICANT ACCOUNTING POLICIES	5		
NOTES TO ACCOUNTS AND CONTINGENT LIABILITIES	6		

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


Dr. N. R. Munirathnam
Director General


G. B. Rao
Sr. Finance Officer

As per our report of even date attached.
for **M/s VDA & Associates**
Chartered Accountants
F.R. No. 119179W


CA Pavan Sharma
(M.No.: 170497)
PARTNER



PLACE: PUNE

DATE: 21 AUG 2019

Centre for Materials for Electronics Technology, Pune.

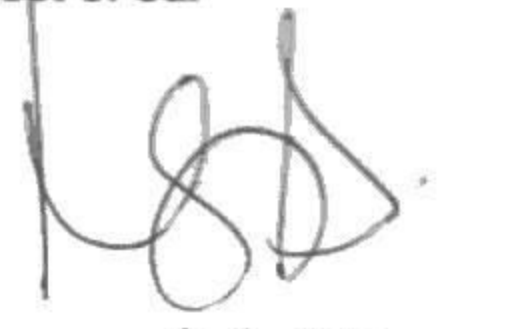
INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2019.

(Amount ₹)

INCOME :	Schedule	Current Year 2018-19	Previous Year 2017-18
Revenue Grants	7	21,93,26,538	13,24,25,687
Income from Services	8	1,11,45,728	59,17,325
Interest Earned	9	3,04,32,485	2,82,54,588
Other Income	10	1,41,85,840	21,80,903
TOTAL (A)		27,50,90,591	16,87,78,503
EXPENDITURE :			
Establishment Expenses	11	16,26,51,947	17,89,59,332
Laboratory and Administrative Expenses etc.	12	4,07,73,543	3,37,16,174.00
Depreciation		2,40,34,371	2,38,69,991
TOTAL (B)		22,74,59,861	23,65,45,497.00
Surplus / (Deficit) for the year (A - B)		4,76,30,730	(6,77,66,994)
Balance transferred to / from Corpus/Capital Fund		4,76,30,730	(6,77,66,994)

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


Dr. N. R. Munirathnam
Director General


G. B. Rao
Sr. Finance Officer

As per our report of even date attached.
for M/s VDA & Associates
Chartered Accountants
F.R. No. 119179W


CA Pavan Sharma
(M.No.: 170497)
PARTNER

PLACE: PUNE

DATE: 21 AUG 2019

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31st MARCH, 2019.

(Amount ₹)

SCHEDULE 1 - CORPUS / CAPITAL FUND:	As at 31.3.2019		As at 31.3.2018	
	Balance as at the beginning of the year	44,21,86,697		43,46,12,384
Add: Contribution towards Corpus / Capital Fund	2,77,73,462		75,74,313	
	46,99,60,159		44,21,86,697	
Add / (Less): Balance of net income / Expenditure transferred from Income and Expenditure Account :				
As per last year	(2,12,78,337)		4,31,26,481	
Add: Surplus / (Deficit) for the year	4,76,30,730		(6,44,04,818)	
	2,63,52,393	49,63,12,552	(2,12,78,337)	42,09,08,360
BALANCE AT THE YEAR END		49,63,12,552		42,09,08,360

Centre for Materials for Electronics Technology, Pune.

SCHEDULE 2 - CURRENT LIABILITIES AND PROVISIONS :

(Schedules forming part of Balance Sheet as at 31st March, 2019)

(Amount ₹)

	As at 31.3.2019		As at 31.3.2018	
A. CURRENT LIABILITIES :				
1.Sundry Creditors :				
a) For goods & others	97,671		18,97,986	
b) For E.M.D and Deposits	41,40,308	42,37,979	36,57,809	55,55,795
2.Statutory Liabilities :				
Profession Tax / ITDS / GST/ Service Tax / GIS		10,39,308		21,76,799
3.Other current Liabilities :				
Sponsored Projects	13,85,46,291		17,44,65,061	
Other Liabilities	4,32,76,150	18,18,22,441	3,86,63,841	21,31,28,902
TOTAL (A)		18,70,99,728		22,08,61,496
B. PROVISIONS :				
1.Gratiuity Payable	6,63,67,265		6,32,26,248	
2.Leave Encashment payable	5,02,50,395		4,66,26,024	
3.C-MET CPF Trust	-		-	
4.Expenses Payable	34,64,044	12,00,81,704	33,26,686	11,31,78,958
TOTAL (B)		12,00,81,704		11,31,78,958
TOTAL (A + B)		30,71,81,432		33,40,40,454

Centre for Materials for Electronics Technology, Pune.
SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31st MARCH, 2019

SCHEDULE 3 - FIXED ASSETS:

(Amount ₹)

DESCRIPTION	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As at 1.4.2018	Additions during the year	Deletions/ Adj. during the year	As at 31.03.2019	As at the beginning of the year	For the year	Deletions/ Adj. during the year	AS AT 31.03.2019	As at 31.3.2018
1. BUILDINGS ON FREEHOLD LAND	12,73,73,897	21,58,143	-	12,95,32,040	6,73,75,013	62,64,736	-	5,58,92,291	5,99,98,885
2. LAB EQUIPMENT	28,84,06,449	2,36,42,971	-	31,20,49,420	21,02,93,601	1,61,38,615	-	8,56,17,204	7,81,12,849
3. FURNITURE, FIXTURES	1,31,57,662	2,16,008	-	1,33,73,670	96,35,439	3,63,023	-	33,75,208	35,22,222
4. OFFICE EQUIPMENT	1,64,98,867	10,48,975	-	1,75,47,842	1,30,94,803	6,07,730	-	38,45,309	34,04,063
5. COMPUTER/PERIPHERALS	1,22,77,112	7,07,365	-	1,29,84,477	1,16,48,220	4,42,558	-	8,93,699	6,28,892
6. ELECTRIC FITTINGS	17,65,724	-	-	17,65,724	7,63,275	1,00,245	-	9,02,204	10,02,449
7. ELECTRIC SUBSTATION	36,89,196	-	-	36,89,196	30,98,533	88,599	-	5,02,064	5,90,663
8. AIR CONDITIONERS	8,13,174	-	-	8,13,174	6,43,951	25,383	-	1,43,840	1,69,223
9. TUBEWELL	95,494	-	-	95,494	60,671	3,482	-	31,341	34,823
TOTAL OF CURRENT YEAR	46,40,77,575	2,77,73,462	-	49,18,51,037	31,66,13,506	2,40,34,371	-	15,12,03,160	14,74,64,069

Centre for Materials for Electronics Technology, Pune.

SCHEDULE 4 - CURRENT ASSETS, LOANS & ADVANCES :

(Schedules forming part of Balance Sheet as at 31st March, 2019)

(Amount ₹)

	As at 31.3.2019		As at 31.3.2018	
A. CURRENT ASSETS:				
1. Cash balances in hand		-		1,373
2. Bank Balances with Scheduled Banks:				
- On Deposit Accounts	36,15,00,448		28,05,10,473	
- On Savings Accounts	2,72,45,414		7,43,63,022	
- Project Deposits (including FLC margin money)	18,74,52,980	57,61,98,842	18,74,65,762	54,23,39,257
TOTAL (A)		57,61,98,842		54,23,40,630
B. LOANS, ADVANCES AND OTHER ASSETS				
Loans and Advances to Staff	2,64,556		5,25,796	
Loans and Advances to Others	56,87,513		3,66,04,296	
Amount Recoverable	78,19,810		25,16,032	
Advance to Suppliers	45,04,095		34,38,633	
Security and Other Deposits	5,03,78,733		1,37,93,623	
Prepaid Expenses	3,155		9,622	
Interest Accrued on FDRs	74,34,120	7,60,91,982	82,56,113	6,51,44,115
TOTAL (B)		7,60,91,982		6,51,44,115
TOTAL (A + B)		65,22,90,824		60,74,84,745

CENTRE FOR MATERIALS FOR ELECTRONICS TECHNOLOGY (C-MET)
Schedules forming part of the Accounts for the year ended 31st March 2019.

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 Electronics & 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.

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.

Expenses amounting to Rs. 33,97,680/- pertaining to previous year have been accounted for in the current year. The details of the are given in Certificate taken from Management.

7. Retirement Benefits:

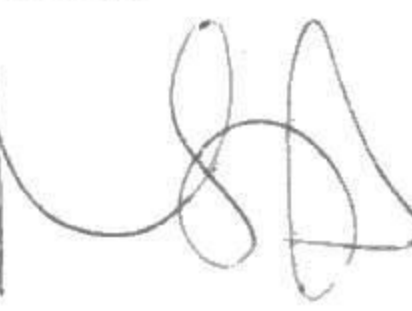
C- MET has set up Contributory Provident Fund separately. Leave Encashment and Gratuity is accounted for as per the actuarial valuation, liability whereof is as below:

- a) Gratuity - Rs. 663,67,265/- (Previous year Rs. 632,26,248/-)
- b) Leave Encashment - Rs. 502,10,045/- (Previous year Rs. 466,26,024/-)

- 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.

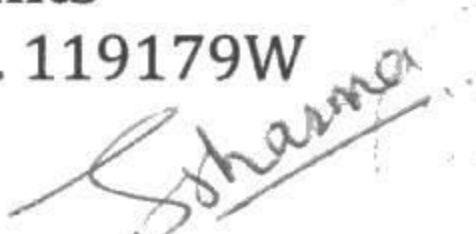
For CENTRE FOR MATERIALS FOR ELECTRONICS TECHNOLOGY


Dr. N. R. Munirathnam
Director General



G. B. Rao
Sr. Finance Officer

For VDA & Associates
Chartered Accountants
Firm Registration No. 119179W


CA Pavan Sharma
Membership No.: 170497
(Partner)

Place : Pune.
Date : 21.08.2019

CENTRE FOR MATERIALS FOR ELECTRONICS TECHNOLOGY (C-MET)

Schedules forming part of the Accounts for the year ended 31st March 2019.

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. 1,17,84,429/- (Previous Year Rs. 3,41,47,192/-)
 - b) Expenditure in Foreign Currency: Rs.40,65,434/- (Previous Year Rs. 1,11,88,529)

As the information of CIF basis for import of capital goods is not available, values are taken on FOB basis.
3. 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 Income Tax.
4. Since most of the materials/equipments are of technical nature, their allocation between equipments, stores and projects is taken as certified by the management.
5. 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.
6. The Management of C-MET is of the opinion that being a Scientific Society under Ministry of Electronics and Information Technology, Govt. of India and Societies Registration Act, the disclosure requirements as per AS-18 "Related Party Disclosure" are not applicable.
7. 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.
8. Debit and Credit Balances of Personal Accounts are subject to confirmation.
9. Previous year's figures have been regrouped and rearranged wherever necessary.
10. Schedules 1 to 11 are annexed to and form an integral part of the Balance Sheet as at 31st March, 2019 and the Income & Expenditure Account for the year ended on that date.

11. The Financial Statements are prepared in accordance with the **Accounting Standard 21- Consolidated Financial Statement** of 3 operational units i.e. Pune, Hyderabad and Thrissur.

12. **Contingent liability not provided in the books of account:-**

Particulars	Current Year (Rs.)	Previous Year (Rs.)
For Capital goods	Nil	Nil
For Others	8,69,760/- TDS Defaults	81,533/- Court Case


- a) The TDS notices Unit wise are issued by the Income Tax Department and the dues are yet to be finalized and settled.

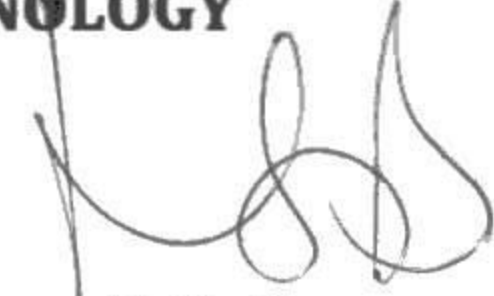
The details of the TDS Defaults of all the 3 sections are as follows:

Sr	Unit Name	Amount
1	Pune	6,32,250/-
2	Hyderabad	2,37,010/-
3	Thrissur	500/-
TOTAL		8,69,760/-

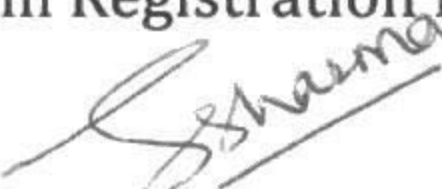
- b) The amount of contingent liability carried forward towards pending court judgement for medical reimbursement of Thrissur laboratory staff is **Nil** as all the dues have been paid in FY 2018-19. (Previous Year Rs. 81,533/-)

For CENTRE FOR MATERIALS FOR ELECTRONICS TECHNOLOGY


Dr. N. R. Munirathnam
Director General


G. B. Rao
Sr. Finance Officer

**For VDA & Associates,
Chartered Accountants**
Firm Registration No. 119179W


CA Pavan Sharma
Membership No.: 170497
(Partner)

Place : Pune.
Date : 21.08.2019

Centre for Materials for Electronics Technology, Pune.

Schedules forming part of Income & Expenditure A/c for the year ended 31st March, 2019.

(Amount ₹)

SCHEDULE 7 - REVENUE GRANTS :	CURRENT YEAR	Previous Year
	2018-19	2017-18
Grants for Revenue Expenditure	21,93,26,538	13,24,25,687
TOTAL	21,93,26,538	13,24,25,687

SCHEDULE 8 - INCOME FROM SERVICES :	CURRENT YEAR	Previous Year
	2018-19	2017-18
Income from Services:		
Analysis receipts	89,053	1,11,431
Overhead/Consultancy services/Intellectual Fee	92,54,175	49,97,394
TOT Fee	18,02,500	8,08,500
TOTAL	1,11,45,728	59,17,325

SCHEDULE 9 - INTEREST EARNED :	CURRENT YEAR	Previous Year
	2018-19	2017-18
On Savings account and Term Deposits :		
a) With Scheduled Banks	3,04,24,925	2,82,49,548
b) On Advance to Staff	7,560	5,040
TOTAL	3,04,32,485	2,82,54,588

SCHEDULE 10 - OTHER INCOME :	CURRENT YEAR	Previous Year
	2018-19	2017-18
Miscellaneous Income	1,41,85,840	21,80,903
TOTAL	1,41,85,840	21,80,903

Centre for Materials for Electronics Technology, Pune.

Schedules forming part of Income & Expenditure A/c for the year ended 31st March, 2019.

(Amount ₹)

SCHEDULE 11 - ESTABLISHMENT EXPENSES :	CURRENT YEAR 2018-19	Previous Year 2017-18
Salaries and Allowances	13,06,10,952	12,71,42,830
Training	1,50,729	28,930
Leave Travel Concession	29,27,760	3,89,843
Medical Reimbursement	62,85,568	55,51,884
Leave Encashment	64,53,700	1,14,99,209
Gratuity	51,36,997	1,78,56,661
Employer Contribution to CPF	46,73,475	78,79,689
NPS Contribution	42,07,827	66,32,509
Honorarium	58,000	1,20,500
Canteen Reimbursement	9,59,200	9,05,720
Newspaper & Periodicals	1,15,993	1,11,067
CEA Reimbursement	8,35,697	4,70,731
Membership Fees	48,894	18,954
Recruitment Expenses	76,119	68,793
Transfer TA	1,11,036	2,82,012
TOTAL	16,26,51,947	17,89,59,332

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, 2019)

Particulars	(Amount ₹)	
	CURRENT YEAR 2018-19	Previous Year 2017-18
Laboratory General expenses	21,76,019	24,23,271
Electricity charges	1,13,42,886	1,09,65,704
Water charges	10,845	50,289
<i>Repairs and maintenance :</i>		
On Buildings	20,37,751	1,16,876
On Electricals	4,53,029	3,23,688
On Laboratory Equipments	12,32,123	2,32,559
On Office Equipments	6,33,837	3,13,001
On Furniture & Fittings	5,745	9,380
Rates and Taxes	15,97,686	25,87,025
Postage & Telegram Charges	81,301	88,952
Telephone, Telex & Fax charges	3,59,834	3,65,714
Printing and Stationery	7,64,501	5,50,516
Conveyance	19,732	19,802
Vehicle Hire	16,76,664	19,25,360
TA & DA	21,37,702	17,09,461
Security Expenses	63,09,570	46,93,218
Office & General Expenses	50,57,689	31,28,148
Diesel for Gensets	2,88,405	2,97,569
Auditor's Remuneration	1,49,770	1,32,750
Audit Expenses	59,348	54,910
Meeting Expenses	7,59,795	7,33,851
Gardening Expenses	13,68,356	10,79,781
Bank charges	31,094	37,108
Advertisement and Publicity	1,48,923	3,48,278
Professional & Consultancy Expenses	4,33,150	10,20,508
Prior period Expenses	11,33,228	805
Workshop/Symposia	3,00,000	-
Contribution to Sponsored project	-	2,00,000
Assets written off	-	3,07,650
University Affiliation fees	2,04,560	-
TOTAL	4,07,73,543	3,37,16,174

Centre for Materials for Electronics Technology - Pune
Bifurcation of Grants for the year 2018-19

(Amount ₹)

Total Grants received during the year 2018-19				24,71,00,000
PARTICULARS	DATE / VOUCHER No.	PLAN	NON-PLAN	TOTAL
Grants received for the year 2018-19				
1. Sanction letter no.2(4)/2018-EMCD dtd. 12.6.2018	20.6.2018 / BRV-33	15,00,00,000	-	15,00,00,000
2. Sanction letter no.2(4)/2018-EMCD dtd. 31.7.2018	27.8.18 / BRV-72	5,00,00,000	-	5,00,00,000
3. Sanction letter no.2(4)/2018-EMCD dtd. 25.2.2019	28.2.19 / BRV-152	2,00,00,000	-	2,00,00,000
4. Sanction letter no.2(4)/2018-EMCD dtd. 25.2.2019	6.3.2019 / BRV-153	2,71,00,000	-	2,71,00,000
Total		24,71,00,000	-	24,71,00,000
Bifurcation for the year 2018-19				
Capital Expenditure.		2,77,73,462	-	2,77,73,462
Revenue Expenditure.		21,93,26,538	-	21,93,26,538
Total		24,71,00,000	-	24,71,00,000

