



सी-डॉट  
C-DOT

Centre for Development of Telematics

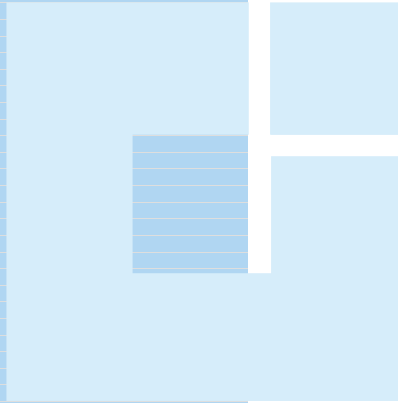


**Annual Report**  
**2008-09**





सी-डॉट  
C-DOT



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## C-DOT Management



### Governing Council

#### Chairman

Minister of Communications & IT

#### Vice-Chairman

Minister of State for Communications & IT

#### Members

Scientific Advisor to the Defence Minister

Chairman, Telecom Commission

Member (In-charge C-DOT), Telecom Commission

Member (Finance), Telecom Commission

Secretary, Department of Information Technology

Chairman & Managing Director, BSNL

Executive Director, C-DOT

Directors, C-DOT

### Steering Committee

#### Chairman

Chairman, Telecom Commission

#### Vice-Chairman

Member (In-charge C-DOT), Telecom Commission

#### Members

Chairman & Managing Director, ITI Ltd.

Director (Planning), BSNL

Sr. DDG, Telecom Engineering Centre

DDG (TPF), Department of Telecommunications

Sr. Director, Department of Information Technology

Executive Director, C-DOT

Directors, C-DOT

### Project Board

#### Chairman

Executive Director, C-DOT

#### Members

Directors, C-DOT

## Centre for Development of Telematics

### Overview

C-DOT, India's premier telecommunications R&D centre, has been a pioneer and a nation builder. Committed to providing a wide range of cost-effective, state-of-the-art indigenously developed total telecom solutions, it has come a long way since its inception 25 years ago.

C-DOT's contribution to the rural telecommunications scene in the country is well known. In the eighties, C-DOT developed rural telecommunication products ideally suited to Indian conditions. Able to work without air conditioning, the C-DOT Rural Automatic Exchanges (RAXs) acquired legendary status for their ruggedness and reliability. More switching products like SBM RAX for semi-urban and MAX-L (and later MAX-XL) for urban use followed. 6RU10, a radio product for rural applications was also developed. All these products were based on contemporary digital technology.

C-DOT technology spread across the length and breadth of the country through its licensed manufacturers who were well supported by a very efficient technology transfer methodology. C-DOT can rightly take the credit for acting as a catalyst for setting up of a large telecom manufacturing industry in the country.

C-DOT technology spawned a wide base of equipment manufacturers and component vendors. The manufacturing infrastructure thus created was geared for high volumes and supplied over 23.6 million lines based on C-DOT technology to DoT/BSNL.

Beginning the journey with digital switching systems, C-DOT has endeavoured to cover all facets of telecom technology by developing products in optical, satellite and wireless communication space. From circuit switching technology of yester years, C-DOT has proven its expertise in ATM and Next Generation Networks. C-DOT has also developed software intensive solutions like IN, NMS, Data Clearing House etc. C-DOT is now a serious market contender, especially in the space of NMS for telecom service providers.

The state-of-the-art R&D facilities at C-DOT's Delhi and Bangalore campuses are comparable with the best in the world. Over the years, C-DOT has come to be looked upon as a Centre of Excellence in Telecom. Projects of strategic national importance, such as Central Monitoring Systems for Telecom Security, are expected to be entrusted to C-DOT by the Indian Government.

## Status of Various Projects as on 31<sup>st</sup> March, 2009

Major activities pursued during the year 2008-2009 were in line with the objectives set for the 11th five-year plan. The R&D efforts have been directed towards bringing some existing technology projects to their logical end as well as to take up preliminary study/exploratory work in respect of new technology areas to be considered during 2009-2010 and beyond.

The projects undertaken during FY 2008-09 were divided into the following schemes:

1. High Bit Rate Network Backbone on Fibre & Satellite
2. Communication & Security Research & Monitoring
3. Technologies for NE region
4. Rural Technologies
5. Broadband Technologies
6. Strategic and Enterprise solutions
7. Basic research in telecom networks and enabling technologies / study / pilot projects
8. Enhancements/new features etc. for technologies developed earlier

The status of the projects is given below:

### □ High Bit Rate Network Backbone on Fibre & Satellite

This scheme focuses on high speed optical and satellite communication technologies. A number of products have been developed and successfully field tried. The technology approval has been obtained for induction into the network.

### G-PON (Gigabit Passive Optical Network)

The prototypes of ONTs for SFU (Small Family Unit for residential applications) and SOHO (Small Office /Home Office) have been readied and the integration testing is in progress in the lab.

Indigenous development of Central Office equipment namely, OLT (Optical Line Termination Unit) is also taken up. The software porting and testing for various OLTs is in progress.

### □ Communication and Security Research & Monitoring

#### CMS

Recent times have seen a phenomenal growth in telecom subscribers base and connectivity. However, the anti-social and anti-national elements have also made prolific use of the telecom infrastructure for their nefarious activities.

This scheme focuses on research, development and field trials of the system meant for centralized call interception, their monitoring and analysis for the use of law enforcement agencies as per their requirements.

The R&D activities in CMS during 2008-09 focused on establishing a proof-of-concept (PoC).

### □ Technologies for NE Region

Northeast region has special requirements because of its topology, terrain and demography of a scattered population over the region. Some of the indigenous solutions being developed are low cost and easily maintainable by local support.

## Centre for Development of Telematics

The technology currently being focused for adaptations for the region include VoIP technology, Concept proving and Pilot trial for broadband wireless technology, Migration of C-DOT fixed-line technology to next generation packet technology.

The next generation Voice over IP (VoIP solution) system with subsystems - media gateway, signaling gateway and soft switch, has been developed and installed at Noida, Gurgaon and Bangalore for technology trial. The technology adaptations for NE region will be carried out after successful completion of the technology trial. The C-DOT solution has integrated class-4 and class-5 feature sets.

### □ Rural Technologies

Considering that rural population comprises 70% of the total Indian population, rural telecom is one area which has always received high priority at C-DOT.



This scheme focuses on research and development programmes for provisioning of Broadband, VoIP and Mobile services in rural areas.

### VoIP based Rural Broadband Access Node

This deliverable will bring affordable voice services on IP platform with rich feature sets and also broadband access to rural India.

Point to point testing of VoIP over 3 Ghz and 2.4 Ghz RF has been completed in the lab.

### SG-RAN

The SG-RAN (Shared GSM Radio Access Network) permits sharing of the active infrastructure, comprising TRAU, BSC and BTS, by multiple operators without any changes in MS or MSCs. The shared RAN will be connected to dedicated MSCs of the operators, thus allowing them to offer branded business plans & services. The BTS is currently planned to operate in 1800 MHz band.

The developmental achievements during the financial year are:

- Finalization of the architecture and system/subsystem requirements' capture.
- BSC/BTS hardware module: Design finalization and CAD work completed/progressing for various units.
- BSC basic features: Tested successfully for Active sharing concept.
- Electrical & thermal simulation of Tower-mounted Multi Carrier Power Amplifier (MCPA).
- Mechanical design for all modules.





### □ Broadband Technologies

This scheme is aimed at research and development in packet based broadband technology for access and transport systems on various transmission media including optical, wireless, copper, etc. Currently, feasibility study is in progress for identifying the areas for further work.

### □ Strategic & Enterprise Solutions

This scheme aims at development of software intensive applications and solutions catering to the requirements of strategic and enterprise segments.

#### Transmission Network Management System (TXNMS)

The NMS for the management of a vast transmission network comprises various network management functions, namely, fault, configuration, accounting, performance, security (FCAPS) and network provisioning. The TX NMS Proof of Concept has been certified by BSNL following a successful demonstration.

### Commercialization of Clearing House Application

Data Clearing House services on Application Service Provider (ASP) model have been developed for BSNL and MTNL for processing of National Roaming records and generation of billing for inter operator settlements.

Field trials for Clearing House, based on the ASP model were completed in Jan 09. Subsequently, features like Inter-operator tariff along with Clearing House web portal were introduced as per BSNL requirement.

The Clearing House service is operational, on commercial basis, for BSNL and MTNL GSM roaming for the following zones:

- a. BSNL- North and East Zones with MTNL- Delhi, from 1st Feb 09
- b. BSNL – North and East Zones with MTNL – Mumbai, from 1st March 09.

#### Mobile Number Portability (MNP)

This project has not been pursued as there was not much scope for a commercial offer from C-DOT owing to the terms and conditions of the MNP tender.

#### C-DOT ATM Based System Customization for Multiple Defence Applications

C-DOT's ATM technology development for Navy has already been completed, with successful technology transfer to BEL. Now, under the present deliverable, a tri-partite MoU, between C-DOT, BEL and Indian Navy, has been signed for working together and execution of additional projects for Indian Navy based on C-DOT ATM technology. Onboard technical

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support for AISDN-17 project (ATM technology based) for three ships of Indian Navy at Mumbai is being provided on commercial basis as per the agreements.

### Computer based voice applications & solutions

This deliverable of the scheme included development of Personal Voice Portal, Media Services and Web Portal for the C-DOT softswitch, all of which have been completed and put on trials.

### □ Basic research in telecom networks and enabling technologies/study/pilot projects

#### WiFi mesh networks for campus surveillance

This project was not pursued considering the global concerns regarding capacity limitations of such networks in surveillance applications.



### Digital up/down converters

A study project for digital up/down converters was taken up and completed. Implementation is being taken up as a part of SG-RAN project.

### □ Enhancements/new features/upgradation/adaptation/technical support for technologies developed earlier

This is an ongoing technology upgradation activity undertaken for (i) features enhancements (ii) to take care of components' obsolescence and (iii) adaptation for new interfaces etc. Considerable progress has been achieved in the following areas:

- New software release 2\_2\_1\_9 for MAX-L/XL, with important feature of Centrex, has been released for propagation in the field.
- Subscriber management (SM) solution and CES (Compact Embedded System) application have been given to BSNL's system integrators for implementation of CDR based centralized billing for C-DOT switches in BSNL network.
- Design enhancements/adaptation ongoing for migration of C-DOT MAX technology to packet based technology.
- TAX NMS modules upgraded/enhanced as per BSNL requirements.
- GSM NMS (GNMS) Phase 1 deployed in BSNL Network.
- WIN feature addition & field testing.
- Regular field support for C-DOT technologies deployed in the field, like IN, LNMS, CIIS, CLH, DWDM, BBTS etc.

## Other Activities

### Business Promotion Activities

- C-DOT signed an MoU with USOFA for providing technical support for implementation of the rural broadband services project. Another MoU has been signed for providing technical consultancy for planning the second phase of shared infrastructure for cellular mobile services in rural and remote areas.
- A Transfer of Technology Agreement has been signed with M/s. Instrumentation Ltd. for C-DOT HVP (High Voltage Protection) Unit.
- C-DOT's Data Clearing House services for generation of inter-operator GSM Roaming bills went into commercial service, on ASP model, in February '09 to cater to North and East Zones of BSNL and MTNL, Delhi and Mumbai.
- A Project Agreement has been signed with M/s BEL for providing support for AISDN-17 Project for the second and third ships of the Indian Navy.
- Purchase orders have been received from BSNL for Missed Call Alert Systems for 16 more sites.
- A Purchase Order has been received from BSNL, Chennai Telephones for implementation of Subscriber Management Software Solution in LNMS.
- Field support for MAX and IN continues to be provided.

### Exhibitions & Conferences

- C-DOT participated in the International Conference & Exhibition "India Telecom 2008" held at Pragati Maidan, New Delhi from



11th-13th December, 2008. The event was organized by the Department of Telecommunications in association with FICCI.

As one of the main exhibitors, C-DOT showcased Next Generation Network, which involved QoS enabled, integrated, modular, feature rich and expandable software products.

C-DOT also demonstrated the Video Call Service, which proved to be a major attraction for the visitors. C-DOT's IP-DSLAM and ADSL 2+ CPEs were also showcased.

- C-DOT participated in the "Convergence India 2009" held at Pragati Maidan, New Delhi from 20th-22nd March, 2009. Data Clearing House Solution was the main exhibit.

### MoUs and Contracts

1. MOUs with the Universal Service Obligation Fund Administrator (USOFA) were signed for:
  - a. Technical Consultancy for Second Phase Planning of Shared Infrastructure for Cellular Mobile Services in rural and remote areas of the country.
  - b. Technical Support for implementation of the project to provide Rural Broadband services under the USOF scheme.

## Centre for Development of Telematics

2. Transfer of Technology : C-DOT technology for High Voltage Protection (HVP) Unit was transferred to Instrumentation Ltd., Kota. This unit is a line protection module for C-DOT technology based exchanges.

### Patents

C-DOT was granted seven Patents during the year, whereas specifications of "Interoperability of Set Top Box through Smart Card" were filed for the grant of patent.

List of patents granted to C-DOT during the year:

- Fibre Access System
- An Interfacing System for Digital Communication
- Light wave Communication System for Transmission of Voice Signal
- Wireless Local Loop System for handling incoming calls
- Dual in line Extractor Device
- ATM Architecture – 2 patents

### RTI Implementation

The RTI implementation setup in C-DOT consists of the First Appellate Authority (FAA), the Chief Public Information Officer (CPIO) and the Assistant Public Information Officer (APIO).

During the year 2008-2009, 37 new requests for information were received. All these requests were accepted and information provided. Out of these 37, further appeals were made to the First Appellate Authority in 18 cases. All the appeals were heard and decisions given.

### Process Improvement in C-DOT

Organization's processes, which had already been defined and rolled-out, were in practice during this year. These processes relate to various stages of product development life-cycle, technical support, project management and process management activities – and are based on the CMMI framework.

The processes, along with the defined practices, guidelines and the process aids, were applied to all project activities – like planning and monitoring, requirement analysis, design and implementation, validation, project reviews, configuration management and technical infrastructure support. These practices were complemented by quality reviews and periodic internal audits. The audits also focused on aspects like effort estimation during project planning, metrics collection and analysis, creation and maintenance of process repositories.

A central process repository (accessible on intranet) stores the process definition, and the data sharable across projects, like, decisions taken, risks encountered, best practices, lessons learnt, etc. Analysis of various metrics collected from projects, and the resultant trend, is also being maintained in the repository.

In addition to better project management and improvement of work-product quality, the feedback received from implementers and practitioners is also being used to refine and improve the processes further.

### Campus

The drawings for construction of hostel and dwelling units have been prepared. The architect has submitted the same for statutory approval.

### C-DOT Alcatel Research Centre (CARC)

CARC has met its objective of technology development. About 8 Customer Premises Equipment (CPEs), in various frequency bands have been developed successfully and around 15,000 of them have been deployed in various operators' networks abroad. CARC is also providing R&D services for development and certification of WiMAX Base Stations for Alcatel Lucent, the majority share holder of CARC. In addition, CARC is developing 2G Femtocell for Alcatel Lucent. Due to not so encouraging market response to WiMAX in India, primarily due to non-allocation of spectrum, CARC is examining new directions for its commercial activities.

### HR Initiatives in C-DOT

- In-house training and Executive Development programmes were conducted to enhance the job effectiveness of employees at supervisory as well as non supervisory levels. Topics like Interpersonal Effectiveness, Managerial Effectiveness and Presentation Skills etc. were covered.
- C-DOT visited premier engineering institutes like IIT Delhi, IIT Kanpur, IIT Guwahati, IIT Roorkee, IT-BHU, MANIT Bhopal, MNIT Jaipur, MNNIT Allahabad, Jadavpur University, PEC Chandigarh, NIT Kurukshetra, NSIT Delhi, DCE Delhi, IIT Madras, IISc Bengaluru, NIT Suratkal, NIT Tiruchirapally, NIT Warangal etc. for the recruitment of fresh Research Engineers from B.Tech./M.Tech programmes in Computer Science & Electronics & Communication.
- During the year 2008-09, a total of 82 new employees were added to the C-DOT family at Delhi and Bangalore.

### Women Empowerment

C-DOT's management has always been sensitive to gender issues and has consistently worked towards creating organizational culture reflecting gender equality.

- Women presently constitute about 31% of total employees' strength.
- C-DOT has also taken the initiative to provide opportunities to technically qualified and talented women to work from home. In 1999, a scheme of External Engineers was introduced wherein women engineers were recruited for specific time bound projects in C-DOT. These women were allowed to work on the project from home and their compensation was admissible on achievement of pre-defined project milestones.

### Existing policies

- All female employees are allowed to avail up to 135 days of maternity leave for delivery and up to 270 days leave subsequent to that (inclusive of 135 days maternity leave). For miscarriage/abortion, leave of a total of 45 days during the entire service period is permissible.
- C-DOT offers accommodation and transport benefits to all its women employees with different options that maybe availed as per individual suitability. This ensures the safety and security of all women employees in the company.
- Equal career growth opportunities are available to women employees in C-DOT. In the most recent list of promotions announced for C-DOT employees, 40% were women who made it to higher grades. In management cadres (Team Leaders, Group Leaders), about 30% are women.

## Centre for Development of Telematics

### Recruitment of SC/ST and Persons with Disabilities

- For recruitment of persons with disabilities and candidates belonging to SC/ST category, C-DOT follows government rules providing for reservation in jobs in C-DOT.
- C-DOT has a system in place to look after the welfare of persons belonging to these categories and address any problems/complaints that may come up.

### Facilities for Persons with Disabilities

- C-DOT Delhi office located at Mehrauli has been constructed to facilitate the movement of persons with disabilities. Ramps/ lifts have been provided along with the staircases to ensure independent mobility for persons with disabilities.

### Promotion of Hindi in C-DOT

C-DOT is making serious efforts to ensure compliance of Official Language Policy of



Government of India. To create awareness among the employees, C-DOT organizes Hindi workshops regularly on different topics of relevance. Many innovative programmes have been initiated at both Delhi and Bangalore centres of C-DOT in this regard.



C-DOT celebrated Hindi Utsav from September 14–28, 2008. Noted journalist and writer Madhu Sudan Anand inaugurated the Utsav. During this fortnight, many competitions and events were organized to motivate the C-DOT employees to do their day-to-day work in Hindi.

### Grants Received and Expenditure during 2008-2009

The grant in aid received during the financial year was Rs. 109.00 crores including Rs.11.82 crores for the Northeast region. The total expenditure on various schemes/projects, including Northeast, up to 31st March, 2009 is Rs. 133.47 crores.

## Statements of Accounts 2008-2009

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**Report of the Auditors of C-DOT for the Year ended 31st March, 2009  
and Replies in respect of the observations made therein**

To: The Members of Centre for Development of Telematics (C-DOT)

Sl.No.	Auditor's Observation	Management's Replies thereon
1.	We have audited the attached Balance Sheet of Centre for Development of Telematics, (hereinafter referred to as "C-DOT" or "CENTRE") as on 31 <sup>st</sup> March'2009 and the Income and Expenditure Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Centre's Management. Our responsibility is to express an opinion on these financial statements based on our audit.	This is a factual statement. Hence, no additional comment is considered necessary.
2.	We have conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.	<p>This observation is also a factual one.</p> <p>Through this observation, the Auditors convey the fact that the financial statements of the Centre for 2008-09, which they have audited, are in accordance with the generally accepted accounting and auditing standards in India.</p> <p>This observation also conveys the fact that the Accounting Principles used and the significant estimates made by the Management of the Centre, which the Auditors assessed during the course of the audit, have given them a reasonable basis for forming an opinion on the presentation of the financial statements by the Management and that the same is acceptable to them.</p>
3.	Further to our above comments, attention is drawn to the following observations, the cumulative effect thereof on the state of affairs of the Centre as at 31.03.2009 and the impact on the results for the year ended on that date is not quantifiable.	

## Centre for Development of Telematics

Sl.No.	Auditor's Observation	Management's Replies thereon
<b>A. Fixed Assets</b>		
i.	Fixed Assets Register as on 31.03.2009 for Delhi Unit was not maintained and not made available for our verification (Refer Note No. 1.3 of Schedule 16).	The Fixed Assets Register is maintained at Bangalore Unit and the same in respect of Delhi Unit is under compilation.
ii.	Physical verification was conducted of technical assets only during 2005-2006 whereas it should have been conducted once in a five years period in respect to all the fixed assets of the Centre (Refer No. 1.2 of Schedule 16). Further, the same is yet to be reconciled with financial records at Delhi, hence excess/shortages, if any, have not be ascertained by the Centre.	Noted for further action during the year 2010-11.
iii.	Conveyance deed evidencing title of ownership rights of the Centre with respect to land costing Rs. 12 crore at Delhi not made available for our verification.	This was government to government transfer. The possession of the land was handed over by the previous owner after full consideration paid by the centre during July 1993. Subsequently, the Centre remits property tax and other statutory duties upto date in the name of Centre with the statutory authorities. However, the audit observation is noted.
<b>B. Inventories</b>		
	Inventory is valued at cost instead of valuing at lower of cost or net realizable value as required by Accounting Standard 2- Valuation of Inventories issued by the ICAI (Refer Accounting policy no. 5 (a) of Schedule 15).	The valuation of inventory has been done as per the guidelines issued by the expert committee set up by the Parliamentary Committee on papers for prescribing accounting norms for Central Autonomous organizations
<b>C. Investments and Loans</b>		
	No provision has been made by the Centre for decline in value of investments of Rs. 52 crore in the equity shares of joint venture company – M/s. C-DOT Alcatel- Lucent Research Centre Private Limited on account of almost total erosion of its net worth (Refer Note No. 3 of Schedule 16).	As per the plan projected at the time of formulating the company, the joint venture was expected to turn profitable only in the year 2010-11. The net loss of the company projected at that time was around Rs. 145 crores. The present accumulated loss of the company (as on 31/03/2009) is about Rs. 100 crores, which is well within the projected figure of about Rs. 145 crores.

Sl.No.	Auditor's Observation	Management's Replies thereon
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Further, the Centre has also advanced a loan of Rs. 18.46 core to the said JV company during the year. In light of erosion of its net worth, recoverability of this amount and provision required, if any, cannot be commented upon.

It is also important to know the company has technologically met its objectives by accomplishing development of about 8 WiMAX CPEs during this period and has acquired expertise in the area of broadband wireless development, as was envisaged when it was being set up. However, the Board of CARC (C-DOT Alcatel Lucent Research Centre) was concerned at the slow uptake of WiMAX policy of the Indian market and constituted the committee to recommend new directions for the company with an aim to become self reliant. The company is in the process of realigning its business activities to generate more income in the coming years. Hence, no provision is considered necessary.

#### D. Sundry Debtors

In absence of confirmations and reconciliations of sundry debtors amounting to Rs. 92.66 crore, we are unable to comment on their recoverability and provision required for doubtful recoveries, if any.

90% of the sundry debtors pertains to public sector undertaking like BSNL, MTNL etc. and considered good for realization and hence no provision has been made.

#### E. Employee Benefits

Employee Benefits are not accounted on actuarial basis as required by Accounting Standard 15 (Revised) issued by the ICAI, impact not ascertained by the Centre (Refer accounting Policy No. 15 b (i), b(ii) & c of Schedule 15).

The gratuity provision is made on accrual basis for all eligible employees on the balance sheet date. However, audit observation is noted.

4. Subject to the matters stated in paragraph 3 above, and read with the Notes in Schedule 16 and significant Accounting Policies in Schedule 15, we further report that:
  - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.

The centre has furnished all the information required by them.

## Centre for Development of Telematics

Sl.No.	Auditor's Observation	Management's Replies thereon
	<p>ii. In our opinion, proper books of account as required by law have been kept by the Centre so far as appears from our examination of the books.</p>	<p>In their opinion, proper books of account have been maintained by C-DOT.</p>
	<p>iii. The Balance Sheet and Profit and Loss Account are in agreement with the books of account.</p>	<p>The said books of accounts maintained by C-DOT are in agreement with the financial statement of the year.</p>
	<p>iv. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes and accounting policies thereon, give the information in the manner so required and give a true and fair view, in conformity with the accounting principles generally accepted in India:-</p> <p>i. in the case of the Balance Sheet, of the state of affairs of the Centre as at 31st March, 2009; and</p> <p>ii. in the case of Income &amp; Expenditure Account, of the excess of expenditure over income for the year ended on that date.</p>	<p>This comment is self explanatory and requires no further observation.</p>

For M/s. Prasad Azad & Co.  
Chartered Accountants

Sd/-  
K.M. Azad  
Membership No. 5125

For Centre for Development of Telematics

Sd/-  
P.V. Acharya  
Executive Director

Place: New Delhi  
Date: 7th January, 2010

Balance Sheet as at 31<sup>st</sup> March...

[ In Rupees ]

	Schedule No.	2009	2008
<b>CORPUS / CAPITAL FUND AND LIABILITIES</b>			
Corpus / Capital Fund	1	3,414,543,842.44	3,212,583,367.53
Reserves & Surplus	2	23,658,685.67	23,658,685.67
Current Liabilities & Provisions	3	434,990,517.60	409,325,822.09
<b>TOTAL</b>		<b>3,873,193,045.71</b>	<b>3,645,567,875.29</b>
<b>ASSETS</b>			
Fixed Assets	4		
Gross Block		4,467,277,724.24	4,398,273,482.68
Less: Depreciation		3,091,698,149.12	2,921,321,474.31
<b>Net Block</b>		<b>1,375,579,575.12</b>	<b>1,476,952,008.37</b>
Capital Work in Progress	5	3,841,977.00	1,027,062.00
Investments-Long Term	6	520,000,000.00	520,000,000.00
Current Assets, Loans & Advances and Deposits	7	1,973,771,493.59	1,647,588,804.92
<b>TOTAL</b>		<b>3,873,193,045.71</b>	<b>3,645,567,875.29</b>
Significant Accounting Policies	15		
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Schedules 1 to 7, 15 and 16 form an integral part of the Balance Sheet

For and on behalf of the Board of  
Centre for Development of TelematicsSd/-  
N.R. Krishnan  
Senior Finance ManagerSd/-  
P.V. Acharya  
Executive DirectorIn terms of our report of even date attached  
For M/s. Prasad Azad & Co.  
Chartered AccountantsPlace: New Delhi  
Date: 7th January, 2010Sd/-  
K.M. Azad  
Partner  
M.No. 5125

## Centre for Development of Telematics

### Income and Expenditure Account for the year ended 31st March

( In Rupees )

	Schedule No.	2009	2008
<b>INCOME</b>			
TOT, Royalty, FSR and Publications	8	329,988,533.29	199,843,797.00
Interest Earned	9	25,815,277.05	13,222,159.17
Other Income	10	11,074,985.96	10,928,384.78
<b>TOTAL (A)</b>		<b>366,878,796.30</b>	<b>223,994,340.95</b>
<b>EXPENDITURE</b>			
Establishment Expenses	11	582,562,723.32	471,667,361.79
Operational Expenses	12	272,674,185.83	108,463,754.62
Other Administrative Expenses	13	152,618,996.87	128,247,412.71
Depreciation	4	201,943,700.61	225,829,244.01
<b>TOTAL (B)</b>		<b>1,209,799,606.63</b>	<b>934,207,773.13</b>
Excess of expenditure over income for the year C=(B-A)		<b>842,920,810.33</b>	<b>710,213,432.18</b>
Add/less (-) :- Adjustments pertaining to earlier years	14	4,038,554.76	-8,744,758.64
Add:- Gratuity provided for		41,080,160.00	92,579,034.00
<b>Balance being excess of expenditure over income</b>		<b>888,039,525.09</b>	<b>794,047,707.54</b>
Add:- Excess expenditure over income of earlier years		9,262,769,794.59	8,468,722,087.05
<b>Balance being deficit carried to Corpus Fund/Capital Fund</b>		<b>10,150,809,319.68</b>	<b>9,262,769,794.59</b>
Significant Accounting Policies	15		
Notes on Accounts	16		

Schedule 4, 8 to 16 form an integral part of the Income and Expenditure Account

For and on behalf of the Board of  
Centre for Development of Telematics

Sd/-  
N.R. Krishnan  
Senior Finance Manager

Sd/-  
P.V. Acharya  
Executive Director

In terms of our report of even date attached  
For M/s. Prasad Azad & Co.  
Chartered Accountants

Sd/-  
K.M. Azad  
Partner  
M.No. 5125

Place: New Delhi  
Date: 7th January, 2010

## Schedule - 1

**Corpus / Capital Fund**

( Forming part of the Balance Sheet )

( In Rupees )

	As at 31st March, 2009		As at 31st March, 2008	
<b>Grants from Dept. of Electronics</b> <b>(Presently Dept. of Information Technology)</b>				
Accumulated Balance	335,200,000.00		335,200,000.00	
<b>Grants from Dept. of Telecommunication</b>				
Balance at the beginning of the year	12,140,153,162.12		11,180,153,162.12	
<b>Add:</b> Contributions towards Corpus / Capital Fund during the year	<u>1,090,000,000.00</u>	13,565,353,162.12	<u>960,000,000.00</u>	12,475,353,162.12
<b>Less:</b> Balance of net expenditure transferred from the Income and Expenditure Account		10,150,809,319.68		9,262,769,794.59
<b>TOTAL</b>		<b>3,414,543,842.44</b>		<b>3,212,583,367.53</b>

## Centre for Development of Telematics

### Schedule 2

#### Reserves & Surplus

( Forming part of the Balance Sheet )

( In Rupees )

	As at 31st March, 2009		As at 31st March, 2008	
<b>General Reserve</b>				
Balance at the beginning of the year	23,658,685.67		34,658,685.67	
Less: Provisions withdrawn during the year	<u>0.00</u>	<b>23,658,685.67</b>	<u>11,000,000.00</u>	<b>23,658,685.67</b>
<b>TOTAL</b>		<b>23,658,685.67</b>		<b>23,658,685.67</b>

### Schedule 3

#### Current Liabilities & Provisions

( Forming part of the Balance Sheet )

( In Rupees )

	As at 31st March, 2009		As at 31st March, 2008	
<b>CURRENT LIABILITIES</b>				
1. Sundry Creditors				
a) For Goods	8,502,452.00		12,399,348.50	
b) Others	<u>52,836,005.00</u>	61,338,457.00	<u>52,610,371.26</u>	65,009,719.76
2. Advances received				
- For Funded Projects		22,519,787.60		86,435,568.33
3. Statutory Liabilities		35,584,775.00		7,021,839.00
4. Other Current Liabilities		66,522,070.00		52,443,381.00
<b>Sub-total (A)</b>		<b>185,965,089.60</b>		<b>210,910,508.09</b>
<b>PROVISIONS</b>				
1. Gratuity	131,800,009.00		92,579,034.00	
2. 6th Pay Commission arrears	<u>117,225,419.00</u>	<b>249,025,428.00</b>	105,836,280.00	<b>198,415,314.00</b>
<b>Sub-total (B)</b>				
<b>Total (A+B)</b>		<b>434,990,517.60</b>		<b>409,325,822.09</b>



## Annual Report 2008-09



### Schedule 4

### Fixed Assets ( Forming part of the Balance Sheet )

( In Rupees )

	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As on 01.04.2008	Additions	Adj./Write-off	As on 31.03.2009	For the year	Adj./Write-off	As on 31.03.2009	As on 31.03.2008
Land- Free Hold	120,000,000.00	0.00	0.00	120,000,000.00	0.00	0.00	120,000,000.00	120,000,000.00
Building- Office	570,050,395.65	130,572.00	0.00	570,180,967.65	41,809,519.13	0.00	376,285,672.00	417,964,619.33
Building- Residential	23,627,434.00	0.00	0.00	23,627,434.00	645,379.54	0.00	12,262,211.34	12,907,590.88
R & D Equipment	2,359,978,574.13	81,067,549.09	(2,782,225.86)	2,438,263,897.36	98,058,072.24	(2,664,297.66)	555,662,409.38	572,770,860.73
R & D Computers	679,963,227.86	10,198,966.49	(26,494,977.98)	663,667,216.37	16,821,853.93	(26,488,388.19)	11,214,569.29	17,844,046.52
Office Equipments & Appliances	347,908,418.56	3,049,390.00	(3,118,161.83)	347,839,646.73	27,335,256.59	(2,790,803.93)	154,899,787.35	179,513,011.84
Furniture & Fittings	255,909,301.37	1,394,303.00	4,459,759.65	261,763,364.02	16,139,436.18	411,579.98	145,254,925.56	155,951,879.07
Library Books	40,836,131.11	1,134,183.00	(35,116.00)	41,935,198.11	1,134,183.00	(35,116.00)	0.00	0.00
<b>TOTAL</b>	<b>4,398,273,482.68</b>	<b>96,974,963.58</b>	<b>(27,970,722.02)</b>	<b>4,467,277,724.24</b>	<b>201,943,700.61</b>	<b>(31,567,025.80)</b>	<b>1,375,579,575.12</b>	<b>1,476,952,008.37</b>
Previous year's total	4,238,553,698.26	165,018,754.26	(5,298,969.84)	4,398,273,482.68	225,829,244.01	(6,740,505.55)	1,476,952,008.37	1,536,320,962.41

## Centre for Development of Telematics

### Schedule 5

### Capital Work in Progress

( Forming part of the Balance Sheet )

( In Rupees )

	As at 01.04.2008	Additions	Transfer to Fixed Assets	As at 31.03.2009
<b>Campus - Delhi</b>				
1. Main R & D Building	0.00	130,572.00	(-)130,572.00	0.00
2. Campus-External Electrification	0.00	1,258,327.00	(-)1,258,327.00	0.00
3. Campus-Residential Complex	1,027,062.00	2,814,915.00	0.00	3,841,977.00
<b>TOTAL</b>	<b>1,027,062.00</b>	<b>4,203,814.00</b>	<b>(-)1,388,899.00</b>	<b>3,841,977.00</b>
<b>Previous Year Balance</b>	<b>880,719.00</b>	<b>2,046,201.00</b>	<b>(-)1,899,858.00</b>	<b>1,027,062.00</b>

## Schedule 6

**Investments - Long Term**

( Forming part of the Balance Sheet )

( In Rupees )

	No. of Fully Paid Equity Shares	Face Value Per Share (Rs.)	As at 31st March, 2009		As at 31st March, 2008	
<b>UNQUOTED (At Cost)</b>						
<b>JOINT VENTURE COMPANY</b>						
1. C-DOT Alcatel Lucent Research Centre Pvt. Ltd. (CARC)	52,000,000	10	520,000,000.00		390,000,000.00	
Add: Investment during the year	0	10	<u>0.00</u>	<b>520,000,000.00</b>	<u>130,000,000.00</u>	<b>520,000,000.00</b>
<b>TOTAL</b>				<b>520,000,000.00</b>		<b>520,000,000.00</b>

## Centre for Development of Telematics

### Schedule 7

### Current Assets, Loans & Advances and Deposits

( Forming part of the Balance Sheet )

( In Rupees )

	As at 31st March, 2009		As at 31st March, 2008	
<b>A. CURRENT ASSETS</b>				
1. Inventories (As taken, valued and certified by the Management)				
a) Inventory	153,590,176.21		168,511,785.84	
b) Inventory in transit	<u>423,262.00</u>	154,013,438.21	<u>2,127,398.00</u>	170,639,183.84
2. Sundry Debtors				
a) Debts outstanding for a period exceeding six months	792,740,633.00		662,444,487.00	
b) Others	<u>133,891,502.00</u>	926,632,135.00	<u>133,066,582.00</u>	795,511,069.00
3. Bank Balances				
a) With Scheduled banks				
On Deposit Accounts	126,159,613.00		387,712,572.42	
On Saving Accounts	<u>94,279,461.47</u>	<u>220,439,074.47</u>	<u>12,102,150.92</u>	<u>399,814,723.34</u>
<b>TOTAL (A)</b>		<b>1,301,084,647.68</b>		<b>1,365,964,976.18</b>
<b>B. LOANS &amp; ADVANCES</b>				
1. Loans				
a) Staff	1,671,664.00		1,931,456.00	
b) CARC Pvt. Ltd.	<u>184,578,500.00</u>	186,250,164.00	<u>0.00</u>	1,931,456.00
2. Advances and other amounts recoverable in Cash or in kind or for value to be received				
a) Contractors & Suppliers	3,332,933.00		2,227,525.60	
b) Employees	434,027.00		687,624.00	
c) Prepaid expenses	<u>5,649,303.52</u>	<u>9,416,263.52</u>	<u>8,632,703.00</u>	11,547,852.60
3. Interest Accrued				
a) On Staff Loan	318,882.00		246,283.58	
b) On Bank Deposits	1,820,464.00		2,953,613.00	
c) CARC Loan	<u>10,390,079.00</u>	12,529,425.00	<u>0.00</u>	3,199,896.58
4. Claims Recoverable		382,872,932.35		203,232,372.56
5. Tax Deducted at Source		65,376,842.00		47,897,820.00
6. Cenvat Credit receivable		<u>9,016,487.04</u>		<u>5,021,149.00</u>
<b>TOTAL (B)</b>		<b>665,462,113.91</b>		<b>272,830,546.74</b>
<b>C. DEPOSITS</b>				
a) Office Building	0.00		0.00	
b) Others	<u>7,224,732.00</u>		<u>8,793,282.00</u>	
<b>TOTAL (C)</b>		<b>7,224,732.00</b>		<b>8,793,282.00</b>
<b>TOTAL (A) + (B) + (C)</b>		<b>1,973,771,493.59</b>		<b>1,647,588,804.92</b>

## Schedule 8

**Income from TOT, Royalty, FSR and Publications**

( Forming part of Income &amp; Expenditure Account )

( In Rupees )

	For the year ended 31st March, 2009		For the year ended 31st March, 2008	
<b>1) Income from Royalty</b>				
- Received in Cash	0.00		190,800.00	
- Accounted on accrual basis	<u>0.00</u>	<b>0.00</b>	<u>0.00</u>	<b>190,800.00</b>
<b>2) Income from Transfer of Technology (TOT)</b>				
- Received in Cash	0.00		38,300,000.00	
- Accounted on accrual basis	<u>0.00</u>	<b>0.00</b>	<u>0.00</u>	<b>38,300,000.00</b>
<b>3) Field Support Receipts (FSR)</b>		<b>329,796,321.29</b>		<b>161,248,473.00</b>
<b>4) Income from Publications</b>				
a) On Sale of Tender/Technical documents		192,212.00		104,524.00
<b>TOTAL</b>		<b>329,988,533.29</b>		<b>199,843,797.00</b>

## Centre for Development of Telematics

### Schedule 9

#### Interest Earned

( Forming part of Income & Expenditure Account )

( In Rupees )

	For the year ended 31st March, 2009	For the year ended 31st March, 2008
1) On Term deposits with Scheduled Banks	14,560,068.49	12,184,985.59
2) On Saving Account with Scheduled Banks	431,591.14	589,771.29
3) On Loans to Employees / Staff	266,726.42	239,612.29
4) On Loans to Others	10,390,079.00	0.00
5) Others	166,812.00	207,790.00
<b>TOTAL</b>	<b>25,815,277.05</b>	<b>13,222,159.17</b>

## Schedule 10

**Other Income**

( Forming part of Income &amp; Expenditure Account )

( In Rupees )

	For the year ended 31st March, 2009	For the year ended 31st March, 2008
1) Profit on Sale / Disposal of Assets	208,021.58	212,170.15
2) Miscellaneous Income	10,736,854.98	9,992,349.93
3) Gain due to foreign exchange translation	130,109.40	623,590.70
4) Compensation collected - Campus	0.00	100,274.00
<b>TOTAL</b>	<b>11,074,985.96</b>	<b>10,928,384.78</b>

## Centre for Development of Telematics

### Schedule 11

#### Establishment Expenses

( Forming part of Income & Expenditure Account )

( In Rupees )

	For the year ended 31st March, 2009	For the year ended 31st March, 2008
a) Salaries and Wages	419,142,654.00	320,874,492.00
b) Bonus	1,097,545.00	631,758.00
c) Contributions to Provident Fund	35,930,307.00	18,767,543.00
d) Contributions to other Funds	4,983,768.00	4,830,888.00
e) Gratuity paid to employees	0.00	5,629,983.00
f) Staff Welfare expenses	78,931,244.00	66,372,813.79
g) Rent on residentials and Maintenance Expenses	38,036,825.00	48,047,306.00
h) Recruitment and Training Expenses	4,440,380.32	6,512,578.00
<b>TOTAL</b>	<b>582,562,723.32</b>	<b>471,667,361.79</b>



## Schedule 12

**Operational Expenses**

( Forming part of Income &amp; Expenditure Account )

( In Rupees )

	For the year ended 31st March, 2009	For the year ended 31st March, 2008
a) R & D Components & Consumables	78,346,578.94	42,173,633.95
b) Freight & Forwarding Charges	3,297,046.00	3,922,174.00
c) Repair & Maintenance-R & D Office Equipments	63,219,753.89	58,374,733.07
d) Design & Development Expenses	126,868,319.00	3,157,599.60
e) Consultancy Expenses	877,908.00	528,016.00
f) Testing Charges	64,580.00	307,598.00
<b>TOTAL</b>	<b>272,674,185.83</b>	<b>108,463,754.62</b>

## Centre for Development of Telematics

### Schedule 13

### Other Administrative Expenses

( Forming part of Income & Expenditure Account )

( In Rupees )

	For the year ended 31st March, 2009		For the year ended 31st March, 2008	
a) Travelling and Conveyance expenses		11,068,234.00		10,048,182.90
b) Vehicle hire charges		875,462.00		327,432.00
c) Rent, Rates & Taxes		5,386,664.00		818,294.00
d) Interest / Penalty Paid		325,277.00		113,911.00
e) Electricity & Water Charges		55,268,921.00		54,534,377.00
f) Repairs & Maintenance - Others		37,944,787.00		28,652,756.00
g) Newspaper, Periodicals, Journals & CDs		6,241,423.00		5,769,188.00
h) Insurance Charges		451,893.00		722,201.00
i) Printing, Stationery, Photocopy & Admin. Consumables		12,170,846.42		7,893,445.88
j) Postage, Telephone and Communication Charges		12,305,190.33		11,548,527.88
k) Exhibition, Advertisement & Publicity Expenses		5,340,708.00		3,873,670.00
l) Expenses on Conference/Seminar/Membership Fees		1,189,709.38		1,110,350.87
m) Legal, Professional fees & Honorarium		1,364,610.00		1,358,940.00
n) Patent fees		419,650.00		339,950.00
o) Remuneration to Auditors				
Audit Fees	190,000.00		127,000.00	
Out of pocket expenses	61,716.00		24,155.60	
In other capacities	<u>2,500.00</u>	254,216.00	<u>3,500.00</u>	154,655.60
p) Hospitality/Entertainment Expenses		185,173.00		137,117.00
q) Bank Charges		570,650.44		581,849.64
r) Loss due to foreign exchange translation		478,041.50		95,840.94
s) Miscellaneous Expenses		117,089.00		166,723.00
t) Loss on sale of Assets		660,451.80		0.00
<b>TOTAL</b>		<b>152,618,996.87</b>		<b>128,247,412.71</b>

## Schedule 14

**Adjustments Pertaining to Earlier Years (Net)**

( Forming part of Income &amp; Expenditure Account )

( In Rupees )

	For the year ended 31st March, 2009		For the year ended 31st March, 2008	
	Debit	Credit	Debit	Credit
<b>INCOME</b>				
TOT, Royalty, FSR and Publications	1,724,292.00	0.00	1,679,000.00	0.00
Interest Earned	0.00	0.00	0.00	0.00
Other Income	151,000.00	0.00	91,290.00	0.00
<b>EXPENDITURE</b>				
Establishment Expenses	2,103,703.00	0.00	0.00	2,829,147.00
Operational Expenses	1,668,944.76		0.00	731,279.38
Other Administrative Expenses	0.00	2,439,911.00	0.00	1,718,145.70
Depreciation	830,526.00	0.00	0.00	5,236,476.56
<b>TOTAL</b>	<b>6,478,465.76</b>	<b>2,439,911.00</b>	<b>1,770,290.00</b>	<b>10,515,048.64</b>
<b>Net Debit / Credit</b>	<b>4,038,554.76</b>			<b>8,744,758.64</b>

Schedule 15

**Significant Accounting Policies**

(Forming part of the Accounts for the year ended 31st March 2009)

Sl.No.	Policy Statement
1.	<p><b>General</b></p> <p>The financial statements for the year, comprising of the Balance Sheet, the Income &amp; Expenditure Account, Schedules bearing the numbers 1 to 14, which are based upon the policies stated hereunder, are prepared following the "going concern" concept.</p>
2.	<p><b>Fixed Assets</b></p> <p>a. These are stated in the Accounts at their historical costs.</p> <p>b. The values of R&amp;D Equipment and other Assets, purchased during the year under arrangements like Letters of Credit etc., are stated in these financial statements as indicated below:</p> <p>i. Where such assets have been received by the Centre, on or before the Balance Sheet date and put to use, though not paid for, the values thereof are capitalized, depreciation at appropriate rates provided and the liability for the gross values of such assets created.</p> <p>ii. Where, on the other hand, such Assets are in transit on the Balance Sheet date and thus not put to use, though the relevant documents therefore have been received from the suppliers and payments have/have not been made, the values thereof are disclosed under "Assets-in-transit" in the Schedule on Fixed Assets, with corresponding liability created therefore.</p> <p>iii. Where neither the assets ordered have been received and put to use before the Balance Sheet date nor the documents therefore received from the suppliers and no payment has been made in respect thereof, no effect is given in the financial statements in respect of the values of such assets.</p>
3.	<p><b>Capital Work-in-progress</b></p> <p>Expenditure incurred on the R&amp;D Campus as well as the social facilities like housing thereat is shown under "Capital Work-in-Progress" until capitalization.</p>

Sl.No.	Policy Statement
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**4. Depreciation on Fixed Assets**

- a. For the purpose, the rates provided by the Income Tax Rules 1962 (the Rules), as applicable from time to time, are adopted.
- b. However, Fixed Assets installed and put to use during the year, are depreciated at full rates provided by the Rules for the whole year, irrespective of the date of putting to use of such assets.
- c. Fixed Assets are depreciated each year and the balances thereafter are carried forward to the next year and so on. However, in the case of Fixed Assets, the individual cost of each of which is not more than Rs. 5,000/-, the whole of the cost thereof is charged to revenue in the year of acquisition itself.
- d. Library books are charged to revenue in the Accounts of the year of acquisition, irrespective of their individual values.
- e. No depreciation is provided in respect of assets, which are sold, discarded or disposed off during the year.
- f. No depreciation is provided in the case of Assets-in-transit indicated in Para 2(b) (ii) above.
- g. In the past, when the Rules used to provide same rate of depreciation for both Plant & Machinery and Computer/Computer Software, all these were grouped under the same asset group for the purpose of depreciation. However, subsequently, when the Rules were amended to provide lower rates for general Plant & Machinery and higher rates for Computer/Software, only computers were depreciated at the higher rate provided for computers/software, while application software continued to get depreciated at the lower rate prescribed for Plant & Machinery.

## Centre for Development of Telematics

Sl.No.	Policy Statement
5.	<p><b>Inventory of Stores</b></p> <p>a. These are valued at "Cost", in accordance with the format prescribing standard norms of Accounts for Central Autonomous Organisations/Institutions by Committee of Experts for Central Autonomous Organisation setup on the recommendations of the Parliamentary Committee on Papers.</p> <p>b. For this purpose "Cost" includes overheads at rates determined from time to time.</p> <p>c. "Cost" is determined by adopting the moving weighted average method.</p>
6.	<p><b>Loans to employees</b></p> <p>a. These are recovered in equated monthly installments with a maximum of 40 such installments.</p> <p>b. The principal amount due is first recovered over the agreed number of installments. After recovery of the full principal amount, interest is recovered. However, accounting for the interest accrued on the loans given to employees on each intervening Balance Sheet date is made adopting the accrual concept.</p> <p>c. As the recovery of the principal amount of loans and the interests due thereon is made through the monthly salaries of the concerned employees, these are assumed to be "confirmed" and accepted by the employees concerned.</p> <p>d. In the case of employees, who leave the services of the organization during the year, the balance of the principal amount and the interest due on the loan, wherever due, are recovered from the final settlements made.</p>
7.	<p><b>Advances</b></p> <p>a. To employees.</p> <p>i. These are also recovered from the monthly salaries of the employees concerned.</p> <p>ii. As a consequence, such advances are taken as confirmed and accepted by the employees concerned.</p>

Sl.No.	Policy Statement
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- b. To suppliers and contractors
  - i. Such advances are given under the relevant agreements for supplies or services.
  - ii. Such advances also arise, when payment is released to the supplier/contractor, under the purchase orders, etc., for components, equipment and services through arrangements made through banks.
  - iii. Such advances are adjusted in the normal course upon completion of supplies by the supplier or rendering of the services by the service provider.

#### 8. Deposits

- a. To landlords of residential accommodation leased
  - i. For Staff of the Bangalore unit of the Centre, advance equivalent to 10-months' rent is paid. This advance is accounted for under "DEPOSITS" and shown as such until the tenure of the leases come to an end.
  - ii. Such "Deposits" do not earn any interest, as per prevailing practice.
  - iii. In such cases, rent is also paid, in addition to the "deposits".
  - iv. For staff of the Delhi unit of the Centre, as per the practice prevailing there, advance equal to three months rent is paid at the beginning of the lease and this advance is treated as rent paid and not as deposits, unlike as in Bangalore.
- b. Miscellaneous Deposits

Deposits made to public utilities for water, electricity and gas for the staff canteen are booked under this head and shown as such until the said services are used.

#### 9. Current Assets & Liabilities

- a. Current Assets
  - i. Expenditure incurred on the projects undertaken by the Centre for other agencies is taken as part of "Current Assets" to the extent of such balances remaining unrealized on the Balance Sheet date.

## Centre for Development of Telematics

Sl.No.	Policy Statement
	<ul style="list-style-type: none"><li>ii. Similarly, TOT/Royalty income, fees for field support to telecom operators and other income, which have been accounted for on accrual basis, are also treated as part of "Current Assets" until realization.</li><li>iii. Such amounts as are due in this regard, on the Balance Sheet date, from Government agencies or Public Sector Undertakings are treated as good for recovery.</li></ul>
	<ul style="list-style-type: none"><li>b. Current Liabilities<ul style="list-style-type: none"><li>i. These include advances received from operators/other agencies for projects undertaken by the Centre on reimbursement basis until completion.</li></ul></li></ul>

### 10. Investments

- a. The aggregate of the contributions to the equity capital of another R&D company has been disclosed under this head.
- b. These investments are long term in nature.
- c. These are stated in the financial statements at "Cost".

### 11. Provision for outstanding liabilities on the Balance Sheet date

- a. Where the goods ordered/services required are received on that date but the bills therefore, though received, remain unpaid, the aggregate of such values is adopted for the purpose of making a provision.
- b. Where the goods ordered/the services required are received but the bills therefore are not received on the Balance Sheet date, provision therefore is made on the basis of the values known to the Centre in respect thereof; and
- c. In all other cases, no provision is made, while making these financial statements.



Sl.No.	Policy Statement
12.	<p><b>Purchase of components and other materials</b></p> <p>In such cases, the policy adopted is similar to the one adopted in the case of "Fixed Assets", as stated in Para 2 (b) (i to iii) above.</p>
13.	<p><b>Transactions involving foreign exchange</b></p> <p>a. Income &amp; Expenditure Account:</p> <p>Such transactions as are having an impact on the Income &amp; Expenditure Account for the year are converted into Indian Currency at the rates of exchange prevailing on the respective dates of payment/receipt thereof.</p> <p>b. Receivables and Payables:</p> <p>Such transactions, the amounts of which are shown as either receivable or payable on the Balance Sheet date, are converted into Indian Currency at the rates of exchange prevailing on the Balance Sheet date.</p>
14.	<p><b>Grants from Government are accounted for on accrual basis</b></p>
15.	<p><b>Revenue recognition</b></p> <p>a. All income is accounted for on accrual basis.</p> <p>b. As for expenses, these are accounted on accrual basis except in the following cases:</p> <p>i. Ex-gratia to eligible employees, as the same is payable only when the policy for such payment to corresponding levels in the Government of India is known for each year; and</p> <p>ii. Encashment of leave, which is accounted for on incidence basis.</p> <p>c. In the case of gratuity, provision is made, at prescribed rates, for all employees on each Balance Sheet date. Actual payments to eligible employees are met out of such provision made.</p>

## Centre for Development of Telematics

Sl.No.	Policy Statement
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- d. In respect of Projects undertaken by the Centre for telecom operators & other agencies on reimbursement basis, the expenses & income in relation to these, are accounted for as expenditure /Income respectively, only upon completion of the milestones related to project deliverables and acceptance by the agencies/ Telecom operators.
- e. Income & Expenses relating to past financial years are accounted for under "Adjustments pertaining to earlier years", when the following conditions are simultaneously satisfied:
  - i. The adjustment is the result of any clerical error.
  - ii. Such a clerical error is detected only in the current financial year.
  - iii. Such an error/(s) relate/(s) to one or more past financial year/(s), and
  - iv. The value thereof exceeds Rs.5,000/- in each case.

## Schedule 16

### Notes on Accounts

(Forming part of the Accounts for the year ended 31st of March, 2009)

#### Background

Centre for Development of Telematics (C-DOT) is the Telecom technology Research & Development Centre of the Government of India. C-DOT develops telecom technologies, solutions and applications for the fixed line, mobile, packet – based converged networks and services. The Centre Provides total telecom solutions directly as well as through strategic alliances and partnership to Network operators and service providers.

#### 1.0 Fixed Assets

1.1 Fixed Assets include Free hold land at Delhi measuring 40 acres (Previous Year - 40 acres).

1.2 Physical verification

a. The Centre carries out physical verification of all its assets once in five years. However, all additions to Technical assets in each year have been physically verified.

b. The difference of Rs. 1.76 Lakhs, noticed between physical and financial records upon physical verification of fixed assets, carried out in the previous years, remain to be appropriately accounted for in the Accounts, pending completion of the enquiry proceedings against an employee.

1.3 Fixed Asset Register is maintained at the Bangalore unit of the Centre and the compilation of the same has commenced at Delhi unit.

#### 2.0 Capital work in progress

2.1 The expenditure incurred during 2008-09 amounting to Rs. 28.15 lakhs (Previous year - Rs. 1.46 lakhs) on the proposed housing facility at the campus at Delhi is disclosed under the head while making these accounts.

2.2 The cumulative expenditure on the said housing facility at Delhi was Rs. 38.42 lakhs (Previous year - Rs. 10.27 lakhs)

## Centre for Development of Telematics

### 3.0 Investments-Long Term

Though the net-worth of the Joint venture company, in which investments amounting to Rs. 52 Crores has been made, has considerably eroded, no provision for the erosion in the value of the said investment has been considered necessary in making these accounts since the company is in the process of realigning its business activities to generate more income.

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### 4.0 Current Assets, Loans & Advances

4.1 The aggregate of the amounts realizable from other organizations on account of the projects undertaken by this Centre from time to time on the former's behalf stood at Rs. 1978.41 lakhs as on 31.03.2009. (Rs. 2031.91 lakhs as on 31.03.2008)

4.2 Due to the adoption of the accrual system of accounting, in FY 2000-01, TOT/ Royalty dues from licensees also came to be accounted for on such accrual basis. The accumulated balance thereof from the licensees amounted to Rs. 3665.30 lakhs as on 31.03.2009 (Rs. 3692.55 lakhs as on 31.03.2008).

4.3 In accordance with the practice consistently followed by this Centre, components procured in the past as part of the technical support to the Centre's licensees but which were not actually transferred to such licensees, have not been included in the value of the year-end inventory. The value of such components was Rs. 68.63 Lakhs as on 31-03-2009 (Previous Year Rs.68.63 Lakhs).

4.4 In making these Accounts, the value of the components procured in the past, treated as consumed in the Accounts of the concerned years, but which were surrendered to the Stores during the year by the custodians thereof, has been accounted for as part of the year end inventory. The value of such components was Rs. 11.68 Lakhs ( Rs. 56.65 Lakhs for the previous year).

4.5 As per past practice, in Valuing the inventory of Stores & spares at the year end, 'Cost' thereof includes overheads at 10 % of the purchase order values to cover for freight forwarding charges, Sales tax/VAT, customs duty & Other incidental expenses.

4.6 As the Centre continued to hold the view that it is part of the "Government" and also the Centre is notified under Section 35(1) (ii) of the Income Tax Act, 1961, it has been assumed that the provisions of the Fringe Benefit Tax Law, which became effective from the year

2005-06 and modified since then, will not apply in the Centre's case. Therefore, no provision has been made on this account.

- 4.7 No provision has been considered necessary in respect of disputed demands of Income Tax of Rs. 142.97 lakhs for the Assessment year 2006-07 and Service Tax of Rs. 738.27 lakhs, in view of appeal and representation respectively filed by the Centre and expecting favorable decisions. Hence, these demands have been shown as Contingent Liabilities.
- 4.8 The aggregate amount due from a Telecom Operator, for services rendered by the Centre since Financial year 2004-05, was Rs. 5575.95 Lakhs as on 31/03/2009 (Rs. 4245.90 Lakhs as on 31/03/2008). No part of the amount due is considered doubtful of recovery, as the same is considered good.

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## 5.0 Contingent Liabilities not provided for and other Disclosures

- 5.1 On account of unexpired letters of credit issued by bankers in respect of purchase orders for components and equipment Rs.154.68 lakhs as on 31.03.2009 (Rs. 2.74 lakhs as on 31.03.2008).
- 5.2 On account of bank guarantees given by /on behalf of the Centre Rs. 167.05 lakhs (Previous Year Rs. 97.05 lakhs).
- 5.3 Disputed demands in respect of  
Service Tax Rs. 738.27 Lakhs ( Previous Year Rs. Nil )  
Income Tax for A.Y. 2006-07 Rs. 142.97 Lakhs ( Previous Year Rs. Nil )
- 5.4 Estimated value of purchase orders remaining to be executed on Capital account and not provided for Rs. 253.33 Lakhs ( Previous Year Rs. 18.86 Lakhs )
- 5.5 Expenditure in Foreign Currency
- a) Travel Rs. 4.25 Lakhs (Previous year Rs. 7.82 Lakhs)
  - b) Annual maintenance Charges and Institutional Membership Fees Rs. 248.31 Lakhs (Previous Year Rs. 219.08 Lakhs)
  - c) CIF value of Imports Rs. 1406.49 Lakhs (Previous Year Rs. 1580.25 Lakhs)

## Centre for Development of Telematics

### 6.0 Income & Expenditure Account

- 6.1 No income has been considered in these Accounts in respect of TOT/royalty, as no information on sale of products based on C-DOT technologies, by the licensees during the year is available.
- 6.2 According to the accrual system of accounting followed, an income of Rs 1357.85 lakhs ( Previous year - Rs. 1362.50 lakhs ) has been considered on account of fee for support rendered by the Centre during the year to a telecom operator.
- 6.3 In making the Accounts for the current year, taking into account the sixth Central pay commission recommendations, additional provision has been created on account of gratuity that would become payable, if all eligible employees on 31.03.2009 were to make a claim therefore. The amount of such a provision made in Accounts as on 31-03-2009 was Rs. 1318.00 lakhs. (Previous year - Rs 925.79 lakhs) This provision will be
- used to pay gratuity to an eligible employee included therein, who may leave the service of the Centre in future,
  - appropriately enhanced, while making the accounts for the future years; and
  - Used to create a Gratuity Trust, whenever approval of competent Authority is obtained therefore.
- 6.4 The value of components consumed during the year was Rs. 783.47 lakhs (Previous year - Rs. 421.74 lakhs). This value was arrived at by reducing the value of the closing stock of components as on 31.03.2009 from the aggregate of the values of such stock as on 01.04.2008 and the purchases made during the year 2008-09.

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### 7.0 General Notes

- 7.1 The net result of the fluctuations in foreign exchange on transactions in foreign currencies during the current year was a loss of Rs. 3.48 lakhs (Previous year - Gain of Rs. 5.28 lakh)
- 7.2 The nature of the activities carried on by the Centre being such that these have been held to be not resulting in any "manufacture" and "sale" of products. As a consequence, the provisions of Central Excise Act, 1944 and Sales tax Acts/VAT are not deemed to apply in the case of this Centre. However, some of the technical services rendered by the Centre have been recognized as services attracting the levy of Service Tax.
- 7.3 Previous year's figures have been re-grouped or re-arranged wherever necessary.

## Our Bankers

### Canara Bank

12, Aradhana Enclave  
Sector-13, R.K. Puram, New Delhi-110 066

### Syndicate Bank

Corporate Finance Branch  
6, Sarojini House, Bhagwan Dass Road  
New Delhi-110 001

### Canara Bank

KIADB Building, Bommasandra Industrial Area Complex  
Hosur Road, Bommasandra  
Bangalore - 560 099

### Central Bank of India

Sona Towers, 71/1, Millers Road  
Bangalore-560 052

## Our Statutory Auditors

### Prasad Azad & Co

Chartered Accountants  
1207, Surya Kiran Building  
19- Kasturba Gandhi Marg  
New Delhi -110 001

## Our Offices

### C-DOT

C-DOT Campus  
Mehrauli  
New Delhi-110 030

### C-DOT

Electronics City  
Phase-I, Hosur Road  
Bangalore - 560 100

### C-DOT

Field Support Centre, CTS, Main Building  
B-Block, 6<sup>th</sup> Floor, P-94, Transport Depot Road  
Kolkata-700 088



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C-DOT

## Centre for Development of Telematics

C-DOT Campus, Mehrauli, New Delhi-110 030

Electronics City, Phase-I, Hosur Road, Bangalore-560 100

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