

M. B. LADHA & CO.
CHARTERED ACCOUNTANTS

C 211 Usha Building
Jankalyan Nagar
Malvani Colony
Marve Road, Malad (West)
Bombay - 400 095
Phone: 2807 2216

FORM NO. 10B

(See rule 17B)

**Audit Report under Section 12 A (b) of the Income-tax Act, 1961, in the case of
charitable
or religious trusts or institutions**

*I / We have examined the balance-sheet of Inner Search Foundation as at 31st March 2005 and the profit and loss account for the year ended on that date which are in agreement with the books of account maintained by the said trust or institution.

*I / We have obtained all the information and explanations which to the best of *my / our knowledge and belief were necessary for the purposes of the audit. In * my / our opinion, proper books of account have been kept by the head office and the branches of the above named * trust / institution visited by * me / us so far as appears from * my / our examination of the books, and proper returns adequate for the purposes of audit have been received from branches not visited by * me / us, subject to the comments given below :-

In * my / our opinion and to the best of * my / our information, and according to information given to * me / us, the said accounts give a true and fair view -

(i) in the case of the balance-sheet, of the state of affairs of the above named *trust as at 31st March 2005, and

(ii) in the case of the profit and loss account, of the loss of its accounting year ending on 31st March 2005

The prescribed particulars are annexed hereto.

Place Mumbai
Date 30.08.05



For **M.B. LADHA & COMPANY**
CHARTERED ACCOUNTANT

Mukesh Ladha
(MUKESH LADHA)
PROPRIETOR
M. No. 35544

NOTES

1. * Strike out whichever is not applicable.
2. @ This Report has to be given by –
 - (i) a chartered accountant within the meaning of the Chartered Accountants Act, 1949 (38 of 1949); or
 - (ii) any person who, in relation to any State , is , by virtue of the provisions of sub-section (2) of Section 226 of the Companies Act, 1956 (1 of 1956), entitled to be appointed to act as an auditor of the Company registered in that State.
3. Where any of the matters stated in this report is answered in the negative, or with a qualification, the report shall state the reasons for the same.

(2)
ANNEXURE

Statement of particulars

I. Application of income for charitable or religious purposes

- | | |
|---|--------------|
| 1. Amount of income of the previous year applied to Charitable or religious purposes in India during that Year. | Rs. 26981.00 |
| 2. Whether the trust / institution * has exercised the Option under clause (2) of the Explanation to section 11(1) ? If so, the details of the amount of income deemed to have been applied to charitable or religious purposes in India during the previous Year. | NO |
| 3. Amount of Income <u>accumulated or set apart</u> * for Finally set apart application to charitable or religious purposes, to the extent it does not exceed 25 percent of the income derived from property held under trust * <u>wholly</u> in part only for such purposes. | NIL |
| 4. Amount of income eligible for exemption under Section 11(1) © : (Give details) | NIL |
| 5. Amount of income, in addition to the amount referred to in item 3 above, accumulated or set Apart for specified purposes under section 11(2). | NIL |
| 6. Whether the amount of income mentioned in item 5 above has been invested or deposited in the manner laid down in section 11(2) (b) ? If so, the details thereof | NIL |
| 7. Whether any part of the income in respect of which an option was exercised under clause (2) of the Explanation to section 11(1) in any earlier year is Deemed to be income of the previous year under Section 11 (1B) ? If so, the details thereof | N.A. |
| 8. Whether, during the previous year, any part of income accumulated or set apart for specified purposes under section 11(2) in any earlier year – | N.A. |
| (a) has been applied for purposes other than | NO |



charitable or religious purposes or has ceased to be accumulated or set apart for application thereto, or

- (b) has ceased to remain invested in any security referred to in section 11(2)(b)(i) or deposited in any account referred to in section 11(2)(b)(ii) or section 11(2)(b)(iii), or NO
- (c) has not been utilised for purposes for which it was accumulated or set apart during the period for which it was to be accumulated or set apart or in the year immediately following the expiry thereof? If so, details thereof. NO

II. Application or use of income or property for the benefit of persons referred to in section 13(3)

1. Whether any part of the income or property of the *trust / institution was lent, or continues to be lent, in the previous year to any person referred to in section 13(3) (hereinafter referred to in this Annexure as such person)? If so, give details of the amount, rate of interest charged and the nature of security if any NO
2. Whether any land, building or other property of the *trust / institution was made, or continued to be made, available for the use of any such person during the previous year? If so, give details of the property and the amount of rent or compensation charged, if any NO
3. Whether any payment was made to any such person during the previous year by way of salary, allowance or otherwise? If so, give details NO
4. Whether the services of the *trust / institution were made available to any such person during the previous year? If so, give details thereof together with remuneration or compensation received, if any NIL
5. Whether any share, security or other property was Purchased by or on behalf of the *trust / institution during the previous year from any such person? If so, give details thereof together with the consideration paid NO



6. Whether any share, security or other property was Sold by or on behalf of the *trust/institution during the previous year to any such person ? If so , give details thereof together with the consideration received NO
7. Whether any income or property of the * trust / institution was diverted during the previous year in favour of any such person ? If so , give details thereof together with the amount of Income or value of property so diverted NO
8. Whether the income or property of the * trust / institution was used or applied during the previous year for the benefit of any such person in any other manner ? If so, give details. NO

III. Investments held at any time during the previous year(s) in concerns in which persons referred to in section 13(3) have a substantial interest.

Sl. No.	Name and Address of the concern	Where the concern is a company number and class of shares held	Nominal value of The investment	Income from the Investm ent	Whether the amount in col.4 exceeded 5 per cent of the capital of the concern during the previous year – say, Yes/ No
1	2	3	4	5	6
	---	NA	NIL	NIL	NO
Total					

Place : Mumbai

Date : 30.08.05



**For M.B. LADHA & COMPANY
CHARTERED ACCOUNTANT**

Mukesh Ladha

**(MUKESH LADHA)
Proprietor**

Report of an auditor relating to accounts audited
Under sub-section (2) of section 33 & 34 and
Rule 19 of the Bombay Public Trusts Act.

Registration No. E 19144 (Mumbai)

Name of the Public Trust **Inner Search Foundation**

For the year ending 31st March 2005

- | | |
|--|------|
| (a) Whether accounts are maintained regularly and in accordance with the provisions of the Act and the rules ; | Yes |
| (b) Whether receipts and disbursements are properly and correctly shown in the accounts; | Yes |
| (c) Whether the cash balance and vouchers in the custody of the manager or trustee on the date of audit were in agreement with the accounts ; | Yes |
| (d) Whether all books, deeds, accounts, vouchers or other documents or records required by the auditor were produced before him; | Yes |
| (e) Whether register of movable and immovable properties is properly maintained, the changes therein are communicated from time to time to the regional office, and the defects and inaccuracies mentioned in the previous audit report have been duly complied with; | Yes |
| (f) Whether the manager or trustee or any other person required by the auditor to appear before him did so and furnished the necessary information required by him; | Yes |
| (g) Whether any property or funds of the Trust were applied for any object or purpose other than the object or purpose of the Trust; | No |
| (h) The amounts of outstandings for more than one year and the amounts written off, if any; | N.A. |
| (i) Whether tenders were invited for repairs or construction involving expenditure exceeding Rs. 5000/-; | N.A. |
| (j) Whether any money of the public trust has been invested contrary to the provisions of Section 35; | No |
| (k) Alienations, if any, of the immovable property contrary to the provisions of Section 36 which have come to the notice of the auditor; | N.A. |
| (l) All cases of irregular, illegal or improper expenditure, or failure, or omission to recover monies or other property belonging to the public trust or of loss or waste of money or other property thereof, and whether such expenditure, failure, omission, loss or waste was caused in consequence of breach of trust or misapplication or any other misconduct on the part of the trustees or any other person while in the management of the trust; | NO |
| (m) Whether the budget has been filed in the form provided by rule 16A; | N.A. |
| (n) Whether the maximum and minimum number of the trustees is maintained; | Yes |
| (o) Whether the meetings are held regularly as provided in such instrument; | Yes |
| (p) Whether the minute books of the proceedings of the meeting is maintained; | Yes |



- (q) Whether any of the trustees has any interest in the investment of the trust; **No**
- (r) Whether any of the trustees is a debtor or creditor of the trust; **No**
- (s) Whether the irregularities pointed out by the auditors in the accounts of the previous year have been duly complied with by the trustees during the period of audit; **Yes**
- (t) Any special matter which the auditor may think fit or necessary to bring to the notice of the Deputy or Assistant Charity Commissioner. **No**

Mumbai
Dated at 30.08.05



For M.B. LADHA & COMPANY
Chartered Accountants

Mukesh Ladha
(MUKESH LADHA)
Proprietor

SCHEDULE-IXC(Vide Rule 32)Statement of income liable to contribution for the year ending 31st March 2005Name of Public Trust : **Inner Search Foundation**Registered No. **E 19144 (Mumbai)**

	Rs.	P.	Rs.	P.
I. Income as shown in the Income and Expenditure Account (Schedule IX)			31064.00	
II. Items not chargeable to Contribution under Section 58 and Rules 32 :				
(i) Donations received from other Public Trusts and Dharmadas				
(ii) Grants received from Government and Local authorities				
(iii) Interest on Sinking or Depreciation Fund	--			
(iv) Amount spent for the purpose of secular education	11703.00			
(v) Amount spent for the purpose of medical relief	--			
(vi) Amount spent for the purpose of veterinary treatment of animals	--			
(vii) Expenditure incurred from donations for relief of distress caused	15278.00		26981.00	
by scarcity, drought, flood, fire or other natural calamity				
(viii) Deductions out of income from lands used for agricultural purposes :-				
(a) Land Revenue and Local Fund Cess				
(b) Rent payable to superior landlord				
© Cost of production, if lands are cultivated by trust				
(ix) Deductions out of income from lands used for non-agricultural purposes :-				
(a) Assessment, cesses and other Government or Municipal Taxes				
(b) Ground rent payable to the superior landlord				
(c) Insurance Premia				
(d) Repairs at 10 per cent of gross rent of building				
(e) Cost of collection at 4 per cent of gross rent of buildings let out				
(x) Cost of collection of income or receipts from securities, stocks, etc. at 1 per cent of such income				
(xi) Deductions on account of repairs in respect of buildings not rented and yielding no income, at 10 per cent of the estimated gross annual rent				
Gross Annual Income chargeable to contribution		Rs.	4083.00	



Certified that while claiming deductions admissible under the above Schedule, the Trust has not claimed any amount twice, either wholly or partly, against any of the items mentioned in the Schedule which have the effect of double-deduction.

Trust Address : 101, Sankalp Garden,
Jankalyan Nagar,
Malad (W), Mumbai – 95

Dated : 30.08.05



For **M.B. LADHA & Co.**
Chartered Accounts

A handwritten signature in blue ink, appearing to read "Mukesh Ladha".

(Mukesh Ladha)
Proprietor

Trustee

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Jankalyan Nagar,
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Dated : 30.08.05



For **M.B. LADHA & Co.**
Chartered Accounts

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(Mukesh Ladha)
Proprietor

Trustee

Balance Sheet as at 31st March 2005

Fund & Liabilities	(Rs)	Current Year (Rs)	Properties & Assets	(Rs)	Current Year (Rs)
TRUST FUND			INVESTMENTS		
As per last Balance Sheet			Fixed Deposit for Premises Reserves	32,318.00	
Corpus & Other Funds		35,001	Accrued Interest	2,539.00	34,857
LOANS (SECURED OR UNSECURED)			FURNITURE & FIXTURES		
From others		1,800	Balance as per last Balance Sheet	17500.00	
INCOME & EXPENDITURE ACCOUNT			Depreciation up to date	2625.00	14,875
As per last Balance Sheet	31,095.75		CASH & BANK BALANCES		
Add : Deficit for the year	(4,239.00)	26,856.75	Cash in Hand		545.75
SUNDRY CREDITORS			BALANCES IN SCHEDULED BANK		
M/s. M.B. Latha & Co.	551.00	551	Oriental Bank of Commerce, Mumbai		13,931
TOTAL		64,208.75	TOTAL		64,208.75

As per our attached report of even date

For M.B. Latha & Company
Chartered Accountants(M.B. Latha)
PROPRIETORMumbai
30.08.05

TRUSTEES

Balance Sheet as at 31st March 2005

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As per our attached report of even date

For M.B. Latha & Company
Chartered Accountants

(M.B. Latha)
PROPRIETOR

Mumbai
30.08.05



TRUSTEES

INNER SEARCH FOUNDATION

Income & Expenditure Account For the Year Ended 31st March 2005

Expenditure	Current Year (Rs)	Income	Current Year (Rs)
To Charitable Expenses		By Tsunami Programme Income	15,550
Tsunami Programme Expenses	6,278	By Income from Yoga Classes	10,000
To Donation to Prime Minister's Relief Fund	9,000	By Interest Received	1,810
To Yoga Classes Expenses	11,703	Excess of Expenditure over Income	4,239
To Establishment Expenses	1,993		
To Depreciation	2,625		
TOTAL	31,599.00	TOTAL	31,599.00

As per our attached report of even date

For M.B. Ladha & Co.
Chartered Accountants

(M.B. Ladha)
PROPRIETOR

Mumbai
30.08.05



TRUSTEES

Sanjay, Pratik, Anurag

INNER SEARCH FOUNDATION

Tsunami Project Expenses

Food Expenses	672
Hire Charges	3991
Printing & Stationery	1065
Sundry Charges	250
Travelling Expenses	300
Total	<u>6278</u>

For M.B. Ladha & Company
Chartered Accountants

M. B. Ladha

(M.B. Ladha)
PROPRIETOR

Mumbai
30.08.05



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TRUSTEES

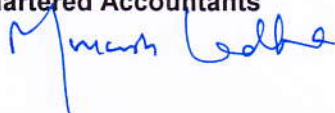
INNER SEARCH FOUNDATION

Yoga Classes Expenses

Books & Periodicals	2380
Printing & Stationery	3723
Salaries	4800
Training Expenses	800

Total 11703

For M.B. Ladha & Company
Chartered Accountants



(M.B. Ladha)
PROPRIETOR

Mumbai
30.08.05



TRUSTEES

INNER SEARCH FOUNDATION

Establishment Expenses

Conveyance	620
Legal Charges	722
Maintenance & Repairs	100
Audit Fees	551

Total 1993

For M.B. Ladha & Company
Chartered Accountants

M. B. Ladha

(M.B. Ladha)
PROPRIETOR

Mumbai
30.08.05



Ladha. Sanjay

TRUSTEES