

AUDITOR'S REPORT

We have audited the attached Balance Sheet of M/S. SANKAR FOUNDATION, VISAKHAPATNAM as at 31st March 2007, and also the Income and Expenditure Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Further, we 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.
- (ii) The Balance Sheet and Income and expenditure Account dealt with by this report are in agreement with the books of account;
- (iii) In our opinion, the accounts are maintained in conformity with the requirements of the Indian Trusts Act 1882.
- (iv) In our opinion and to the best of our information and according to the explanations given to us the statements together with the schedules attached read with the Accounting Policies and Notes forming part of accounts give a true and fair view:-
 - a) in the case of the Balance Sheet, of the State of Affairs of the Trust as at 31st March, 2007; and
 - b) in the case of the Income and Expenditure Account, of the Excess of Income over Expenditure for the year ended on that date.
 - c) Further it may be taken note that one of the partner of M/s. RAO & KUMAR is in the Executive committee of the Trust as Chairman and is interested in the trust.

For RAO & KUMAR,
Chartered Accountants,

(V.V. RAMMOHAN),
Partner,
Membership No. 18788
Date: 14/5/07



1. P.A.N. NO. **AABTS7705D** 5. Asst. Year **2007-2008**
 2. JCIT. RANGE-2, VSKP
 3. Name & Address of the Assessee: **SANKAR FOUNDATION
 10-51-5, Kusum Nivas
 1st floor, Kailash Uplands
 VISAKHAPATNAM-530 003** 6. Status **A.O.P.(TRUST)**
 7. Method of Accounting: **CASH BASIS**
 4. Whether resident or Non resident **RESIDENT** 8. Accounting period **31.03.2007**

COMPUTATION OF INCOME

| INCOME FROM OTHER SOURCES | Rs. | Rs. |
|---|-------------|-------------|
| RECEIPTS | | |
| Financial Aid for IOL Surgeries | 5370395.00 | |
| Donations | 9834275.00 | |
| Donation in Kind | 2742720.81 | |
| Patients receipts & others | 3317660.00 | |
| Interest received | 526554.77 | |
| Building Fund | 12413790.00 | |
| Receipts from others | 3743294.00 | |
| Rents | 26195.00 | |
| Advance recovered | 77230.57 | 38052115.15 |
| Less: Expenditure | | |
| Base Hospital Expenses | 6251196.27 | |
| Administration Expenses | 8872349.29 | |
| Vehicle Maintenance | 976915.22 | |
| Hospital Project [As per Note 1] | 18143747.89 | |
| Additions to Assets | 2415088.81 | |
| Deposits | 10100.00 | |
| Advance to Suppliers | 741040.61 | |
| Grant in Aid Utilised | 205609.00 | |
| Professional Tax paid | 50514.00 | |
| TDS | 441144.00 | |
| | 38107705.09 | |
| Less: Accumulations U/s. 11(2) utilised during the year | -1650000.00 | 36457705.09 |
| Surplus being less than 15% of total income exempt U/s. 11(l) of the I.T. Act | | 1594410.06 |

TAX THEREON **NIL**

LESS: TDS AS PER FORM 16A **5680.00**

REFUND DUE **5680.00**

NOTE : During the year the utilisation for Hospital Project is as under.

| | |
|--|--------------------|
| Hospital Project Expenditure incurred during the year | Rs. 31536664.89 |
| LESS: Utilised from Current Year Corpus fund receipts | -4735662.00 |
| LESS: Utilised out of Corpus Fund of earlier years | -8657255.00 |
| Balance Expenditure incurred during the year out of current year receipts. | <u>18143747.89</u> |



for SANKAR FOUNDATION
(Signature)
 (A. SANKAR PAO)
 Managing Trustee

5.12

Circle-1(1)

W

Government of India



INCOME-TAX DEPARTMENT

ACKNOWLEDGEMENT

Received with thanks from SANKAR FOUNDATION a return of income and/or return of fringe benefits in Form No. ITR 7.. for assessment year 2007-08, having the following particulars.

| | | | | |
|----------------------|--|--|--|--|
| PERSONAL INFORMATION | Name <u>SANKAR FOUNDATION</u> | | PAN <u>AA B T S 7 7 0 5 D</u> | |
| | Flat/Door/Block No <u>10-51-5.</u> | | Name Of Premises/Building/Village <u>KUSUM NIVAS</u> | |
| | Road/Street/Post Office <u>1st floor</u> | | Area/Locality <u>KAILASH UPLANDS</u> | |
| | Town/City/District <u>VISAKHAPATNAM</u> | | State <u>ANDHRA PRADESH</u> | |

| | | | | | |
|--|----|------------------------------------|---------------------|-------------|------------|
| COMPUTATION OF INCOME AND TAX THEREON | 1 | Gross total income | 1 | <u>Nil</u> | |
| | 2 | Deductions under Chapter-VI-A | 2 | <u>Nil</u> | |
| | 3 | Total Income | 3 | <u>Nil</u> | |
| | 4 | Net tax payable | 4 | <u>Nil</u> | |
| | 5 | Interest payable | 5 | <u>Nil</u> | |
| | 6 | Total tax and interest payable | 6 | <u>Nil</u> | |
| | 7 | Taxes Paid | | | |
| | a | Advance Tax | 7a | | |
| | b | TDS | 7b | <u>5661</u> | |
| | c | TCS | 7c | | |
| | d | Self Assessment Tax | 7d | | |
| | e | Total Taxes Paid (7a+7b+7c +7d) | 7e | <u>5661</u> | |
| | 8 | Tax Payable (6-7d) | 8 | <u>Nil</u> | |
| | 9 | Refund (7e-6) | 9 | <u>5661</u> | |
| COMPUTATION OF FRINGE BENEFITS AND TAX THEREON | 10 | Value of Fringe Benefits | 10 | <u>Nil</u> | |
| | 11 | Total fringe benefit tax liability | 11 | <u>Nil</u> | |
| | 12 | Total interest payable | 12 | <u>Nil</u> | |
| | 13 | Total tax and interest payable | 13 | <u>Nil</u> | |
| | 14 | Taxes Paid | | | |
| | | a | Advance Tax | 14a | |
| | | b | Self Assessment Tax | 14b | <u>Nil</u> |
| | c | Total Taxes Paid (14a+14b) | 14c | <u>Nil</u> | |
| | 15 | Tax Payable (13-14c) | 15 | <u>Nil</u> | |
| | 16 | Refund (14c - 13) | 16 | <u>Nil</u> | |

Receipt No
Date

0000000096

विशेष निका
RETURN RECEIVED
आयकर विभाग का अधिकारी
भारत सरकार INWARD CLEAR

[Signature]
5 OCT 2007

कृष्ण-1(1) CIRCLE-1(1)
विशेष निका

**SANKAR FOUNDATION, VISAKHAPATNAM
BALANCE SHEET AS ON 31-03-2007**

| LIABILITIES | Current Year | | Previous Year | |
|---|--------------------|--------------------|--------------------------------------|--------------------|
| | Rs. | Rs. | Rs. | Rs. |
| Building Fund(Schedule-1) | 20488712.73 | 6074922.73 | Fixed Assets(Schedule-9) | |
| Corpus Fund(Schedule-2) | 27206908.00 | 22471246.00 | A) Fixed Assets | 8939625.89 |
| Development Fund(Schedule-3) | 0.00 | 2000000.00 | B) Hospital Project-Work in progress | 39913305.99 |
| Donation for equipment(Schedule-4) | 2600000.00 | 0.00 | Total | 48852931.88 |
| Excess of Income Over Exps.(Schedule-5) | 11682539.82 | 10017848.94 | Current Assets(Schedule-10) | |
| Sundry Creditors(Schedule-6) | 527145.25 | 466039.25 | A) Advances | 6347.43 |
| U/s.Bal.in Grant-in Aid(Schedule-7) | 407441.00 | 73050.00 | B) Advances to Suppliers | 967953.51 |
| U/s.bal.in 35AC(Schedule-8) | 200373.77 | 296.77 | C) Other Deposits | 143500.00 |
| | | | D) Others - Closing Balances | 76833.59 |
| | | | E) FDRs with Banks | 9935861.71 |
| | | | F) Cash in hand & at Banks | 3129692.45 |
| | | | Total | 14260188.69 |
| GRAND TOTAL... | 63113120.57 | 41103403.69 | GRAND TOTAL... | 63113120.57 |
| | | | | 41103403.69 |



for SANKAR FOUNDATION

(A. SANKAR PATIL)
 Managing trustee



For RAO & KUMAR
 CHARTERED ACCOUNTANTS

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| SANKAR FOUNDATION, 10-51-5, 'KUSUM NIVAS', 1ST FLOOR, KAILASH UPLANDS, VISAKHAPATNAM 530 003 | |
|--|--------------------|
| INCOME & EXPENDITURE FOR THE PERIOD FROM 01-04-2006 TO 31-03-2007 | |
| EXPENDITURE | Rs. |
| Base Hospital Expenses(Schedule-I) | 6251196.27 |
| Administration Expenses(Schedule-II) | 8872349.29 |
| Vehicle Maintenance(Schedule-III) | 976915.22 |
| Unspent balance u/s. 35AC(Schedule-XIV) | 200373.77 |
| Depreciation(Schedule-XV) | 3827210.18 |
| Excess of Income over Expenditure(Sch.-XVI) | 1664690.88 |
| TOTAL... | 21792735.61 |

| INCOME | | Rs. |
|--|--------------------|------------|
| Financial Aid for IOL Surgeries (Schedule-1) | | 5370395.00 |
| Donations (Schedule-2) | | 9834275.00 |
| Donations in kind(Schedule - 3) | | 2742720.81 |
| Patient Receipts & Others(Schedule-4) | | 3317660.00 |
| Intererst(Schedule-5) | | 526554.77 |
| Income on Sale of Scooter(Schedule-14) | | 833.26 |
| Balance in Donation u/s.35AC(Schedule-15) | | 296.77 |
| TOTAL... | 21792735.61 | |

for SANKAR FOUNDATION
AS
 (A. SANKAR PATIL)
 Managing Trustee



For R.A.T. &
 CHARTERED
 (V.V. K. SANKAR)
 Chartered Accountants

SANKAR FOUNDATION, 10-51-5, KUSUM NIVAS, 1ST FLOOR, KAILASH UPLANDS, VISAKHAPATNAM 530 003
 RECEIPTS & PAYMENTS FOR THE PERIOD FROM 01-04-2006 TO 31-03-2007

RECEIPTS

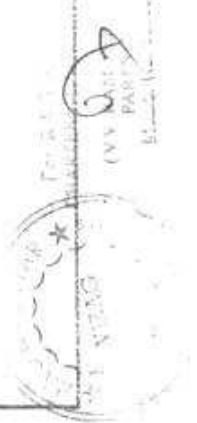
| | |
|--|--------------------|
| Financial Aid for IOL Surgeries (Schedule-1) | 5370395.00 |
| Donations (Schedule-2) | 9834275.00 |
| Donations in kind(Schedule - 3) | 2742720.81 |
| Patient Receipts & Others(Schedule-4) | 3317660.00 |
| Interests(Schedule-5) | 526554.77 |
| Corpus Fund (Schedule-6) | 4735662.00 |
| Building Fund(Schedule-7) | 12413790.00 |
| Receipts from others (Schedule-8) | 3743294.00 |
| Rents(Schedule-9) | 26195.00 |
| Advances recovered(Schedule-10) | 77230.57 |
| Opening Balances - Others (Schedule-11) | 32804.65 |
| Opening Balances-FDRs with Banks(Schedule-12) | 18593116.92 |
| Op Balances-Cash in hand & at Banks(Schedule - 13) | 3157901.62 |
| TOTAL | 64571600.34 |



SANKAR FOUNDATION
 Managing Trustee

PAYMENTS

| | |
|--|--------------------|
| Base Hospital Expenses(Schedule-I) | 6251196.27 |
| Administration Expenses(Schedule-II) | 8872349.29 |
| Vehicle Maintenance(Schedule-III) | 976915.22 |
| Hospital Project (Schedule-IV) | 31536664.89 |
| Fixed Assets(Schedule-V) | 2415088.81 |
| Deposits(Schedule-VI) | 10100.00 |
| Advances to suppliers(Schedule-VII) | 741040.61 |
| Grant-in aid utilised(Schedule-VIII) | 205609.00 |
| Professional tax paid(Schedule-IX) | 50514.00 |
| TDS(Schedule-X) | 441144.00 |
| Closing Balances - Others(Schedule-XI) | 5424.09 |
| Closing balances-FDRs with Banks(Schedule-XII) | 9935861.71 |
| Cl Balances-Cash in hand & at Banks(Schedule-XIII) | 3129692.45 |
| TOTAL | 64571600.34 |



SANKAR FOUNDATION
 Managing Trustee