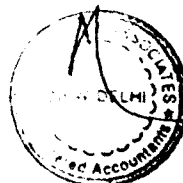


## AUDITOR'S REPORT

To the Members of  
**MITRA TECHNOLOGY FOUNDATION**

We have audited the attached balance sheet of **MITRA TECHNOLOGY FOUNDATION** as on 31<sup>st</sup> March 2006 and the statement of Income and Expenditure for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit with 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 misstatements. An audit also includes assessing the accounting principals used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion. We report that:

1. The Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Central Government in terms of section 227(4A) of the Companies Act, 1956 is not applicable to **MITRA TECHNOLOGY FOUNDATION**, as it is a Company licensed to operate under Section 25 of the Companies Act, 1956.
2. (a) We have obtain all the information and explanation which, to the best of our Knowledge and belief were necessary for the purpose of our audit;
- (b) In our opinion, proper books of account as required by law, have been kept by **MITRA TECHNOLOGY FOUNDATION**, so far as appears from our examination of the books;
- © The Balance sheet and the statement of Income and Expenditure dealt with by this report are in agreement with the books of account;



3. In our opinion, the Balance sheet and the statement of income and expenditure dealt with by this report comply with the Accounting Standards referred to in section 211(3C) of the Companies Act, 1956 to the extent applicable;
4. On the basis of the written representation received from the directors, and taken on record by the Board of Directors, we report that none of the directors is disqualified as at March 31, 2004 from being appointed in terms of section 274 (1) (g) of the Companies Act, 1956; and
5. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view;
  - (i) In the case of the Balance Sheet, of the state of affairs of **MITRA TECHNOLOGY FOUNDATION**, as at 31<sup>st</sup> March 2006; and
  - (ii) In the case of the Statement of Income and Expenditure, of the excess of income over expenditure of **MITRA TECHNOLOGY FOUNDATION** for the year ended on that date.

For R.K.SHARDA & ASSOCIATES  
Chartered Accountants

  
R.K.SHARDA  
Prop.



Place: New Delhi


Date:

27 JUL 2006


**MITRA Technology Foundation :: New Delhi**  
**Balance Sheet as at March 31, 2006**

	Schedule	As at 31-Mar-06 (Rupees)	As at 31-Mar-06 (Rupees)	As at 31-Mar-05 (Rupees)	As at 31-Mar-05 (Rupees)
<b>Sources of Funds:</b>					
Share Capital	1	-	200.00		200.00
Reserve & Surplus	2		4,514,212.89		2,491,238.38
<b>TOTAL:</b>			<b>4,514,412.89</b>		<b>2,491,438.38</b>
<b>Application of Funds:</b>					
<b><u>Fixed Assets:</u></b>					
Gross Block	3	1,240,279.00		985,804.00	
Less: Accumulated Depreciation		<u>702,205.75</u>	538,073.25	<u>474,434.75</u>	511,369.25
Net Block					
<b><u>Current Assets, Loans and Advances:</u></b>					
Cash and Bank Balances	4	5,694,891.76		4,889,802.21	
Sundry Debtors		162,892.11		119,784.08	
Advances Recoverable in Cash or in Kind		137,208.11		281,014.00	
Total Current Assets:		5,994,991.98		5,290,600.29	
Less:					
<b><u>Current Liabilities and provisions</u></b>	5	<u>2,028,894.00</u>		<u>3,323,333.24</u>	
Net Current Assets			3,966,097.98		1,967,267.05
<b><u>Miscellaneous Expenditure to the extent not written off:</u></b>					
Preliminary Expenses			10,241.66		12,802.08
<b>TOTAL:</b>			<b>4,514,412.89</b>		<b>2,491,438.38</b>
Notes to the Accounts	9				

As per our Report of even date  
For R.K.SHARDA & ASSOCIATES  
Chartered Accountants

*R.K. Sharda*  
R.K. SHARDA  
Prop.  


For MITRA TECHNOLOGY FOUNDATION

*Rahul Hainwal*  
Director  




Place: New Delhi  
Date:

27 JUL 2006

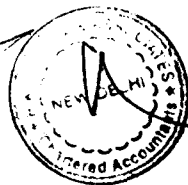
**MITRA Technology Foundation :: New Delhi**  
Statement of Income and Expenditure Account for the period ended on March 31, 2006

	Schedule	Amount (Rs.) For the year 01.04.2005 to 31.03.2006	Amount (Rs.) For the year 01.04.2004 to 31.03.2005
<b><u>Income:</u></b>			
Revenue Grant		11,071,702.00	6,345,265.00
Fees on Consultancy Services		2,890,999.02	219,219.65
Other Income	6	313,083.50	188,195.35
	<b>TOTAL:</b>	<b>14,275,784.52</b>	<b>6,752,680.00</b>
<b><u>Expenditure:</u></b>			
Project Expenses	7	8,285,289.89	2,976,276.00
Technical Expenses		33,000.00	46,500.00
Administrative and other expenses	8	2,890,749.12	1,958,216.62
Directors Remuneration		816,000.00	825,000.00
Depreciation		227,771.00	238,694.00
	<b>TOTAL:</b>	<b>12,252,810.01</b>	<b>6,044,686.62</b>
Surplus of Income over expenditure		2,022,974.51	707,993.38
Notes to the Accounts	9		

As per our Report of even date  
**For R.K.SHARDA & ASSOCIATES**  
*Chartered Accountants*

**For MITRA TECHNOLOGY FOUNDATION**

*R.K. Sharda*  
**R.K. SHARDA**  
 Prop.



*Rahul Nainwal*

**Director**

*[Signature]*

**Director**

Place: New Delhi  
 Date:

27 JUN. 2006



**Schedule 1 : Share Capital**

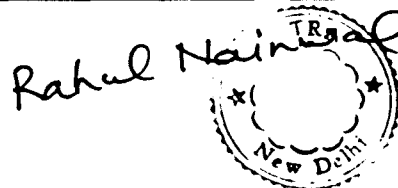
	<u>For the year ended 31.03.2006</u>	<u>For the year ended 31.03.2005</u>
<b><u>Authorised</u></b>		
10,000 Equity Shares of Rs. 10/- each	<u>100,000.00</u>	<u>100,000.00</u>
<b><u>Issued, m Subscribed and Paid Up</u></b>		
20 Equity Shares of Rs. 10/- each fully paid up	200.00	200.00
Total	<u>200.00</u>	<u>200.00</u>

**Schedule 2 : Reserve and Surplus**

	<u>For the year ended 31.03.2006</u>	<u>For the year ended 31.03.2005</u>
<b><u>Income &amp; Expenditure Account</u></b>		
Balance as on 01.04.2005	2,491,238.38	1,783,245.00
Add:		
Surplus over expenditure for the year	2,022,974.51	707,993.38
Total	<u>4,514,212.89</u>	<u>2,491,238.38</u>

**Schedule 4 : Current Assets, Loans & Advances**

	<u>For the year ended 31.03.2006</u>	<u>For the year ended 31.03.2006</u>	<u>For the year ended 31.03.2005</u>	<u>For the year ended 31.03.2005</u>
<b><u>Current Assets:</u></b>				
<i>Cash and Bank Balances</i>				
Cash in Hand		1,205.75		30,891.75
Balances with Schedule Bank:				
-in current accounts	1,541,247.01		143,907.46	
-in deposit accounts	<u>4,152,439.00</u>	<u>5,693,686.01</u>	<u>4,715,003.00</u>	<u>4,858,910.46</u>
Total		<u>5,694,891.76</u>		<u>4,889,802.21</u>
<b><u>Loans &amp; Advances:</u></b>				
<i>(Unsecured, Considered good)</i>				
<i>Advances recoverable in cash or in kind or for value to be received:</i>				
Tax Deducted at Source	15,542.00		45,814.00	
Deposit	121,666.11		235,200.00	
Advances to Directors	0.00		0.00	
Prepaid Expenses	<u>0.00</u>		<u>0.00</u>	
Total		<u>137,208.11</u>		<u>281,014.00</u>
<b><u>Sundry Debtors (Unsecured)</u></b>				
Over Six months	0.00		56,078.00	
Others	<u>162,892.11</u>		<u>63,706.08</u>	
Total		<u>162,892.11</u>		<u>119,784.08</u>
<b>Note:</b>				
<b>Sundry Debtors include:</b>				
Considered Good		162,892.11		63,706.08
Considered Doubtful		<u>0.00</u>		<u>56,078.00</u>
Total		<u>162,892.11</u>		<u>119,784.08</u>



*Handwritten signature/initials*

**Schedule 3: Fixed Assets**

Particulars	Gross Block (At Cost)			Depreciation			Net Block As at 31.03.2006
	Opening Bal. As at 1.4.2005	Addition during the year	As at 31.03.2006	Accumulation Balance on 1.4.2005	Depreciation for the year	As at 31.03.2006	
Computer & Peripherals	611,475.00	92,335.00	703,810.00	367,871.75	134,375.00	502,246.75	201,563.25
Furniture & Fixture	156,754.00	85,750.00	242,504.00	41,345.00	36,209.00	77,554.00	164,950.00
Office Equipment	217,575.00	76,390.00	293,965.00	65,218.00	57,187.00	122,405.00	171,560.00
	985,804.00	254,475.00	1,240,279.00	474,434.75	227,771.00	702,205.75	538,073.25

*Rahul Nainwal*




**Schedule 5 : Current Liabilities & Provisions**

	<u>For the year ended 31.03.2006</u>	<u>For the year ended 31.03.2006</u>	<u>For the year ended 31.03.2005</u>	<u>For the year ended 31.03.2005</u>
<b><u>Current Liabilities:</u></b>				
Sundry Creditors for Expenses	26,894.00		38,890.24	
Due to Directors	0.00		0.00	
Expenses Payable	2,000.00		40,843.00	
Advance Grant Received	2,000,000.00		3,243,600.00	
Provisions	0.00		0.00	
<b>Total</b>		<b>2,028,894.00</b>		<b>3,323,333.24</b>

**Schedule 6 : Other Income**

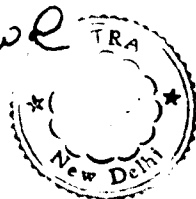
	<u>For the year ended 31.03.2006</u>	<u>For the year ended 31.03.2005</u>
Bank Interest	107,996.00	57,961.00
Misc. Income	205,087.50	130,234.35
<b>Total</b>	<b>313,083.50</b>	<b>188,195.35</b>

**Schedule 7 : Project expenses**

	<u>For the year ended 31.03.2006</u>	<u>For the year ended 31.03.2005</u>
<b><u>HIVOS Programme</u></b>		
Salary - Lead Research	0.00	91,000.00
Salary - Local Research Assistant	0.00	25,000.00
Travelling - Research	0.00	37,460.00
Workshop	0.00	77,960.00
	0.00	
<b><u>VSO Programme</u></b>		
Manpower & Organisation Overheads	3,500,732.00	524,578.00
Travel	497,141.89	314,410.00
Postage & Stationary	32,735.00	35,915.00
Communication	55,533.00	79,216.00
Volunteers Selection & Medical Clearance cost	104,613.00	91,374.00
Training Cost	1,055,907.00	352,653.00
Marketing & promotion	403,433.00	180,884.00
Volunteers Resource Centre	161,820.00	9,286.00
Volunteers Travel	1,549,122.00	916,235.00
Volunteers Grants	860,316.00	222,899.00
Legal Cost	26,020.00	17,406.00
	8,247,372.89	
<b><u>Marathon Prog. Expenses</u></b>		
Marathon Expenses	37,917.00	0.00
<b>TOTAL:</b>	<b>8,285,289.89</b>	<b>2,976,276.00</b>



Rahul Nainwal



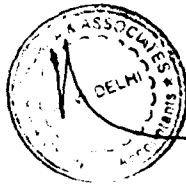
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**Schedule 8 : Administrative & other expenses**

	<u>For the year</u> <u>ended 31.03.2006</u>		<u>For the year</u> <u>ended 31.03.2005</u>	
<b><u>Auditor's Remuneration:</u></b>				
Audit Fees	22,448.00		20,000.00	
Other Charges	0.00		5,500.00	
Service Tax	<u>0.00</u>	22,448.00	<u>3,700.00</u>	29,200.00
Advertisement & Publicity		0.00		20,334.00
Bank Charges		3,098.06		1,591.00
Books & Periodicals		6,928.50		2,459.00
Repairs & Maintenance		66,074.00		156,340.00
Electricity Expenses		45,008.50		26,236.00
Entertainment		12,984.50		3,317.00
Insurance Charges		29,606.00		1,331.00
Membership & Subscription		23,872.00		18,569.00
Office Expenses		191,846.50		58,818.25
Postage & Courier		24,679.16		18,345.60
Printing & Stationary		58,586.50		118,002.75
Professional Charges		6,250.00		24,500.00
Preliminary Expenses written off		2,560.42		3,200.52
Rent		188,000.00		160,000.00
Salary		908,908.00		951,132.00
Stipend & Workshop		525,661.00		0.00
Staff Welfare		23,031.00		26,355.50
Telephone & Communication Charges		253,429.48		159,356.00
Travelling & Conveyance		377,675.50		166,629.00
Bad Debts		120,102.00		12,500.00
	<b>TOTAL:</b>	<u>2,890,749.12</u>		<u>1,958,216.62</u>

Rahul Kumar

*[Handwritten Signature]*



**FORM NO. 10B**

[See rule 17B]

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

I have examined the balance sheet of **MITRA TECHNOLOGY FOUNDATION :: NEW DELHI** [name of the trust or institution] as at **31<sup>st</sup> March 2006** 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 have obtained all the information and explanations, which to the best of my knowledge and belief were necessary for the purposes of the audit. In my opinion, proper books of account have been kept by the head office and the branches of the above named trust/institution visited by me so far as appears from my examination of the books, and proper Returns adequate for the purposes of audit have been received from branches not visited by me, subject to the comments given below:

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

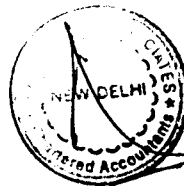
- (i) in the case of the balance sheet, of the state of affairs of the above named \*trust/institution as at **31<sup>st</sup> March 2006** and
- (ii) in the case of the profit and loss account, of the profit or loss of its accounting year ending on **31<sup>st</sup> March 2006**

The prescribed particulars are annexed hereto.

Place : New Delhi

Date : 2<sup>nd</sup> Jul 2006

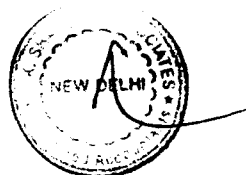
**R.K.SHARDA & ASSOCIATES**  
Chartered Accountants



*R.K. Sharda*  
**R.K.SHARDA**

**ANNEXURE**  
**STATEMENT OF PARTICULARS**  
**I. APPLICATION OF INCOME FOR CHARITABLE OR RELIGIOUS PURPOSES**

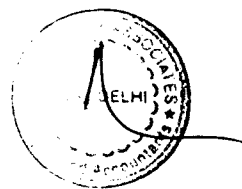
- |    |  |                    |
|----|--|--------------------|
| 1. | Amount of income of the previous year applied to charitable or religious purposes in India during that year  | Rs. 1,22,52,810.01 |
| 2. | Whether the trust/institution * has exercised the option under clause (2) of the Explanation 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 accumulated or set apart* /finally set apart for application to charitable or religious purposes, to the extent it does not exceed 15 per cent of the income derived from property held under trust wholly * /in part only for such purposes. | Rs. 20,22,974.51   |
| 4. | Amount of income eligible for exemption under section 11(1)(c) (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   | N.A.               |
| 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              | NO                 |
| 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-   | NO                 |
|    | (a) has been applied for purposes other than charitable or religious purposes or has ceased to be accumulated or set apart for application thereto, or   | N.A.               |
|    | (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  | N.A.               |
|    | (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, the details thereof                        | N.A.               |



**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   | As per Annexure |
| 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   | NO              |
| 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              |

\*Strike out whichever is not applicable.



**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**

<i>Sl. No.</i>	<i>Name and address of the concern</i>	<i>Where the concern is a company, number and class of shares held</i>	<i>Nominal value of the investment</i>	<i>Income from the investment</i>	<i>Whether the amount in col. 4 exceeded 5 per cent of the capital of the concern during the previous year-say, Yes/No</i>
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>
Total	Nil	Nil	Nil	Nil	Nil

Place : New Delhi

Date :

2<sup>nd</sup> Jul. 2006

**R.K.SHARDA & ASSOCIATES**  
Chartered Accountants



*R.K. Sharda*  
**R.K.SHARDA**

**ANNEXURE to FORM NO.10 B**

**F.Y. 2005- 2006**

**Payment made to Persons referred to in section 13(3)**

<u>S.NO.</u>	<u>NAME</u>	<u>AMOUNT</u>	<u>NATURE OF PAYMENT</u>
1.	RAHUL NAINWAL, Managing Director	4,20,290.00	Salary & Allowances
2.	SHALABH SAHAI, Director	3,96,290.00	Salary & Allowances

21. 2006

