

The Project Director,  
Andaman & Nicobar State AIDS Control Society,  
G.B. Pant Hospital Complex,  
Port Blair - 744 103

Re: - Management letter for the Statutory Audit of the Society of Pool & GFATM Fund as on 31.3.2009

Sir,

In connection with our audit of the financial statements for the quarter ended 31<sup>st</sup> March, 2009, we familiarized ourselves with Project documents and the internal guidelines/circulars applicable during the period under audit. We also reviewed the business of the Project and evaluated the accounting systems and related internal controls of the Projects in order to plan and perform our audit.

This letter to Project Management includes observations noted during the course of our audit examination in the following area:

- Matters having a significant impact on the implementation of the Project
- Opportunities for strengthening financial records, systems and controls, together with recommendations for improvement
- Status of maintenance of Project books and records
- Accuracy of Project financial statements
- Status of prior audit recommendations

We have conducted the audit of the society in accordance with standard on auditing issued by the institute of Chartered Accountant of India. Those standards required that the plan and performance of audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on test basis, evidence supporting the amounts, review of internal controls and disclosures in the financial statement and 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 and the issues which comes forth during the audit which raises our reasonable opinion for the comments in the audit report though not effecting the to and fair view of the transaction of the society and the depiction in the statement of expenditure are stated below:-

1. The Society is not submitting the Annual Return to the Registrar of Joint Stock Companies, District of Andamans, Port Blair, for years together and present legal entity of the Society should be restored immediately by submitting those Annual Returns to the Registering Authority.



## AUDIT REPORT (POOL FUND)

### Introductory Paragraph

We have audited the accompanying financial statements of the Andaman & Nicobar State AIDS Control Society Port Blair (Pool Fund) under National AIDS Control Project – Phase III (financial under World Bank Credit No. 3242-IN) as of March 31, 2008. Our responsibility is to express and opinion on these financial statements based on our audit.

### Scope Paragraph

We conducted our audit in accordance with Standards on Auditing issued by the Institute of Chartered Accountants on India. Those Standards require that we plan and perform the audit of 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, review of internal controls 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.

### Opinion Paragraph

In our opinion, the financial statements, read with observation, if any, give a true and fair view of the Sources and Application of Funds and the financial position of Andaman & Nicobar State AIDS Control Society for the year ended March 31, 2009 in accordance with consistency applied accounting standards.

In addition,

- (a) with respect to IFRs, adequate supporting documentation has been maintained to support the IFRs subject to our observations given in the Management Letter to this report,
- (b) Which expenditures are eligible for financing under the Credit/Grant Agreement, subject to our observations given in the management letter to this report.
- (c) Procurement of goods and services has been carried out as per the procurement manual issued by NACO, GOI and NGO/CBO guidelines subject to our observations given in the management letter to this report.

For Roy Ghosh & Associates  
(Chartered Accountants)

Date: 22<sup>nd</sup> day of January, 2010

for V.M. N.P.C. (K.K.)

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(S. Roy Partner)

**ANDAMAN & NICOBAR AIDS CONTROL SOCIETY – POOL FUND  
G.B.PANT HOSPITAL COMPLEX, PORT BLAIR – 744104**

**UTILISATION CERTIFICATE**

Certified that out of amount of Rs. 15,000,000.00 as Grants-in Aids received during the year 2008-09 from the Ministry of Health and Family Welfare (National AIDS Control Organization) vide letter mentioned hereunder and Rs. 9,757,251.00 on account of unspent balance brought forward from the previous financial year, a sum of Rs. 8,524,964.00 has been utilized for the purpose for which it as sanctioned and the balance of Rs.16,963,773.81 remaining unutilized at the end of the year will be adjusted towards the Grants-in-Aid payable during the next year 2009-2010.

S.No.	Sanction Transfer Number and Date	Amount
1.	By Bank Transfer on 31-03-09	1,50,00,000/-

Certified that we have satisfied that the conditions on which the Grants-in-Aid was sanctioned have been duly fulfilled and that we have exercised the following checks to see that the money was actually utilized for the purpose for which it was sanctioned.



**Kinds of checks exercised**

1. Statement of Expenditures
2. Annual Financial Statements

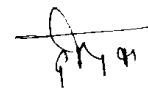
  
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(Project Director)

ANDAMAN & NICOBAR AIDS CONTROL SOCIETY

Countersigned  
For Roy Ghosh & Associates  
(Chartered Accountants)

(S. Roy Partner)  
Friday, 22<sup>nd</sup> January, 2010



<b>Opening balance of Net Current Assets</b>	<b>Amount (Rs.)</b>
Cash in hand	88,670.00
A/c No. - Syndicate Bank	9,096,543.00
Advance to Others	16,800.00
Advance to NGOs	296,500.00
Advance to Staff	258,738.00
	<u>9,757,251.00</u>
<b>Sources of funds</b>	<b>Amount (Rs.)</b>
Grant from NACO to SACS	15,000,000.00
	<u>15,000,000.00</u>
<b>Utilisation of funds</b>	<b>Amount (Rs.)</b>
HIV Kits	479,820.00
IEC	2,402,011.00
Training	94,437.00
Salary	4,053,705.00
Equipment Maintenance	11,000.00
Vehicle Maintenance	91,900.00
Travelling Expenses	330,301.00
Telephone/Communication Expenses	32,816.00
Honorarium	55,817.00
Bank Charges	1,885.00
Miscellaneous Expenses	15,553.00
Printing & Stationery	90,307.00
Blood Lab. Supplies	340,838.00
Advertisement (Other than IEC)	42,969.00
Audit Fees	89,888.00
NGO Services for Priority Interventions	149,000.00
Surveillance	129,426.00
Postage/Courier	24,018.00
Campaigns	8,910.00
Furniture, Fixtures & Supplies	40,240.00
Blood Bank Equipments	11,700.00
Vehicles	28,423.00
	<u>8,524,964.00</u>
<b>Closing balance of Net Current Assets</b>	<b>Amount (Rs.)</b>
A/c No. - Syndicate Bank	16,804,273.81
Advance to Others	12,000.00
Advance to NGOs	147,500.00
	<u>16,963,773.81</u>



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**Andaman & Nicobar SACS - Pool Fund**

G.B. Pant Hospital Complex , Port Blair - 744104

National AIDS Control Project - Phase III


**Balance Sheet**

**For The Period From : 01-Apr-2008 To :31-Mar-2009**

Figures for the previous Period (Rs.)	LIABILITIES	Schedule Reference	Figures for the current Period (Rs.)	Figures for the previous Period (Rs.)	ASSETS	Schedule Reference	Figures for the current Period (Rs.)
9,885,291.00	GENERAL FUND	01	16,945,273.81	8,124,887.00	FIXED ASSETS	02	8,205,250.00
-128,040.00	CURRENT LIABILITIES AND PROVISIONS		18,500.00	9,185,213.00	CURRENT ASSETS, LOANS AND ADVANCES		16,804,273.81
8,124,887.00	CURRENT LIABILITIES	0501	8,205,250.00	572,038.00	CURRENT ASSETS	0301	159,500.00
	FIXED ASSET FUND			17,882,138.00	LOANS AND ADVANCES	0401	
<u>17,882,138.00</u>			<u>25,169,023.81</u>	<u>17,882,138.00</u>			<u>25,169,023.81</u>

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Project Director

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Auditor  


**General Fund** **Schedule 01**  
**Figures in Rupees**

Particulars	As at 31-Mar-09 (Rs.)	As at 31-Mar-08 (Rs.)
<b>Opening grant in aid</b>	9,885,291.00	18,669,061.00
<b>Add: Received during the year</b>	15,000,000.00	0.00
Grant from NACO to SACS	15,000,000.00	0.00
<b>Less: Utilised during the year</b>		
Grants utilised to the extent of revenue expenditure	7,859,654.19	7,894,932.00
Grants utilised to the extent of fixed asset expenditure	80,363.00	888,838.00
<b>Closing grant in aid</b>	<b>16,945,273.81</b>	<b>9,885,291.00</b>



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**Fixed Asset** **Schedule 02**


Figures in Rupees

Particulars	Opening Balance	Additions	Deletion	Closing Balance
Blood Bank Equipments (2203)	1,467,568.00	11,700.00	0.00	1,479,268.00
Civil Works (2201)	183,805.00	0.00	0.00	183,805.00
Equipment (Other) (2204)	41,135.00	0.00	0.00	41,135.00
Furniture , Fixtures & Supplies (2202)	750,770.00	40,240.00	0.00	791,010.00
Office Equipment (2206)	4,626,340.00	0.00	0.00	4,626,340.00
Vehicles (2205)	1,055,269.00	28,423.00	0.00	1,083,692.00
<b>Grand Total</b>	<b>8,124,887.00</b>	<b>80,363.00</b>	<b>0.00</b>	<b>8,205,250.00</b>

**Funds from Other Sources** **Schedule 03**

Figures in Rupees

Particulars	Opening Balance	Grant Received	Grant Utilized/ Refunded	Closing Balance
<b>Grand Total</b>				

  
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**CURRENT ASSETS**

**Schedule 0301**

Particulars	Figures in Rupees	
	As at 31-Mar-09 (Rs.)	As at 31-Mar-08 (Rs.)
Cash in hand	0.00	88,670.00
A/c No. - Syndicate Bank	16,804,273.81	9,096,543.00
<b>Total</b>	<b>16,804,273.81</b>	<b>9,185,213.00</b>

**LOANS AND ADVANCES**

**Schedule 0401**

Particulars	Figures in Rupees	
	As at 31-Mar-09 (Rs.)	As at 31-Mar-08 (Rs.)
Advance to Others	12,000.00	16,800.00
Advance to NGOs	147,500.00	296,500.00
Advance to Staff	0.00	258,738.00
<b>Total</b>	<b>159,500.00</b>	<b>572,038.00</b>

**CURRENT LIABILITIES**

**Schedule 0501**

Particulars	Figures in Rupees	
	As at 31-Mar-09 (Rs.)	As at 31-Mar-08 (Rs.)
General Provident Fund	0.00	-127,500.00
Group Insurance Scheme	0.00	-540.00
Security / Earnest Deposit (Received)	18,500.00	0.00
<b>Total</b>	<b>18,500.00</b>	<b>-128,040.00</b>





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**Andaman & Nicobar SACS - Pool Fund**

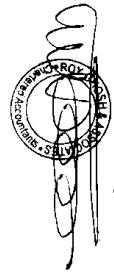
G.B. Pant Hospital Complex, Port Blair - 744104

National AIDS Control Project - Phase III

**Income And Expenditure Account**

**For The Period From : 01-Apr-2008 To :31-Mar-2009**

Figures for the previous Period (Rs.)	EXPENDITURE	Schedule Reference	Figures for the current Period (Rs.)	INCOME	Schedule Reference	Figures for the current Period (Rs.)
1,454,856.00	IEC		2,402,011.00	Other Income	28	584,946.81
71,099.00	Surveillance		129,426.00	Grants utilised to the extent of revenue expenditure		7,859,654.19
1,937,565.00	Kits and Other Lab Supplies	06	820,658.00			
408,027.00	Medicines	07	0.00			
186,078.00	Training and Workshops	08	103,347.00			
0.00	NGO Services	11	149,000.00			
70,000.00	Operational and Other Research	12	0.00			
3,351,662.00	Salary (Pay and Allowances)	13	4,109,522.00			
75,269.00	Maintenance Costs	14	102,900.00			
531,563.00	Operational Expenses	15	627,737.00			
<b>8,086,119.00</b>			<b>8,444,601.00</b>			<b>8,444,601.00</b>

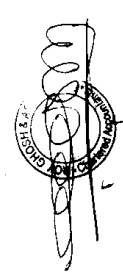


**Other Income** Schedule 28

Particulars	As at 31-Mar-08 (R\$.)	As at 31-Mar-08 (R\$.)
Other Receipts	1,912.00	90.00
Interest from Bank	583,034.81	191,097.00
<b>Total</b>	<b>584,946.81</b>	<b>191,187.00</b>

**Kits and Other Lab Supplies** Schedule 06

Particulars	As at 31-Mar-08 (R\$.)	As at 31-Mar-08 (R\$.)
HIV Kits	479,820.00	1,335,260.00
Other Lab. Supplies	0.00	77,500.00
Blood Lab. Supplies	340,838.00	524,805.00
<b>Total</b>	<b>820,658.00</b>	<b>1,937,565.00</b>



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**Medicines** Schedule 07

Particulars	As at 31-Mar-09 (Rs.)	As at 31-Mar-08 (Rs.)
STI Drugs	0.00	408,027.00
<b>Total</b>	<b>0.00</b>	<b>408,027.00</b>

**Training and Workshops** Schedule 08

Particulars	As at 31-Mar-09 (Rs.)	As at 31-Mar-08 (Rs.)
Workshops	0.00	49.00
Training	94,437.00	186,029.00
Campaigns	8,910.00	0.00
<b>Total</b>	<b>103,347.00</b>	<b>186,078.00</b>

**NGO Services** Schedule 11

Particulars	As at 31-Mar-09 (Rs.)	As at 31-Mar-08 (Rs.)
NGO Services for Priority Interventions	149,000.00	0.00
<b>Total</b>	<b>149,000.00</b>	<b>0.00</b>



**Operational and Other Research**

**Schedule 12**

Particulars	As at 31-Mar-09 (Rs.)	As at 31-Mar-08 (Rs.)
Research & Development	0.00	70,000.00
<b>Total</b>	<b>0.00</b>	<b>70,000.00</b>

**Salary (Pay and Allowances)**

**Schedule 13**

Particulars	As at 31-Mar-09 (Rs.)	As at 31-Mar-08 (Rs.)
Salary	4,053,705.00	3,330,154.00
Honorarium	55,817.00	10,400.00
Leave Salary & Pension Contributions	0.00	11,108.00
<b>Total</b>	<b>4,109,522.00</b>	<b>3,351,662.00</b>

**Maintenance Costs**

**Schedule 14**

Particulars	As at 31-Mar-09 (Rs.)	As at 31-Mar-08 (Rs.)
Equipment Maintenance	11,000.00	18,350.00
Vehicle Maintenance	91,900.00	56,919.00
<b>Total</b>	<b>102,900.00</b>	<b>75,269.00</b>



Operational Expenses

Schedule 15

Particulars	At 31 March (Rs.)	At 31 March (Rs.)
Travelling Expenses	330,301.00	58,440.00
Rent, Rates & Taxes	0.00	-50.00
Telephone/Communication Expenses	32,816.00	40,549.00
Bank Charges	1,885.00	0.00
Miscellaneous Expenses	15,553.00	1,100.00
Printing & Stationery	90,307.00	177,733.00
Advertisement (Other than IEC)	42,969.00	18,170.00
Audit Fees	89,888.00	13,724.00
Legal Expenses	0.00	64,000.00
Postage/Courier	24,018.00	7,897.00
Quality Assessment	0.00	150,000.00
<b>Total</b>	<b>627,737.00</b>	<b>531,563.00</b>



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**Andaman & Nicobar SACS - Pool Fund**

G.B. Pant Hospital Complex , Port Blair - 744104

National AIDS Control Project - Phase III

**Receipt And Payment Account**

**For The Period From : 01-Apr-2008 To :31-Mar-2009**

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Figures for the previous Period (Rs.)	RECEIPTS	Schedule Reference	Figures for the current Period (Rs.)	Figures for the previous Period (Rs.)	PAYMENTS	Schedule Reference	Figures for the current Period (Rs.)
0.00	<b>Opening Balance:</b>			258,738.00	LOANS AND ADVANCES	17	349,215.00
	Cash in hand		88,670.00	888,838.00	FIXED ASSETS	16	80,363.00
18,355,761.00	Balance with Bank	30	9,096,543.00	128,040.00	CURRENT LIABILITIES	32	0.00
0.00	GENERAL FUND	29	15,000,000.00	1,937,565.00	Kits and Other Lab Supplies	18	820,658.00
0.00	CURRENT LIABILITIES	32	18,500.00	408,027.00	Medicines	19	0.00
50.00	Operational Expenses	43	0.00	186,078.00	Training and Workshops	20	48,214.00
191,187.00	Other Income	56	584,946.81	70,000.00	Operational and Other Research	24	0.00
<b>18,546,998.00</b>			<b>24,788,659.81</b>	3,351,662.00	Salary (Pay and Allowances)	25	3,978,482.00
				75,269.00	Maintenance Costs	26	102,900.00
				531,613.00	Operational Expenses	27	361,212.00
				1,454,856.00	IEC		2,210,048.00
				71,099.00	Surveillance		33,294.00
					<b>Closing Balance:</b>		
				88,670.00	Cash in hand		0.00
				9,096,543.00	Balance with Bank	31	16,804,273.81
				<b>18,546,998.00</b>			<b>24,788,659.81</b>



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GENERAL FUND

Schedule 29

Particulars	As at 31-Mar-08 (Rs.)	As at 31-Mar-08 (Rs.)
Grant from NACO to SACS	15,000,000.00	0.00
<b>Total</b>	<b>15,000,000.00</b>	<b>0.00</b>

Balance with Bank

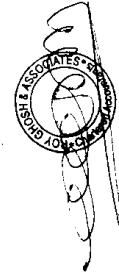
Schedule 30

Particulars	As at 31-Mar-08 (Rs.)	As at 31-Mar-08 (Rs.)
A/c No. - Syndicate Bank	9,096,543.00	18,355,761.00
<b>Total</b>	<b>9,096,543.00</b>	<b>18,355,761.00</b>

CURRENT LIABILITIES

Schedule 32

Particulars	As at 31-Mar-08 (Rs.)	As at 31-Mar-08 (Rs.)
Security / Earnest Deposit (Received)	18,500.00	0.00
<b>Total</b>	<b>18,500.00</b>	<b>0.00</b>



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**Operational Expenses**

		Schedule 43	
Particulars	As at 31-Mar-09 (Rs.)	As at 31-Mar-08 (Rs.)	
Rent, Rates & Taxes	0.00	50.00	
<b>Total</b>	<b>0.00</b>	<b>50.00</b>	

**Other Income**

		Schedule 56	
Particulars	As at 31-Mar-09 (Rs.)	As at 31-Mar-08 (Rs.)	
Other Receipts	1,912.00	90.00	
Interest from Bank	583,034.81	191,097.00	
<b>Total</b>	<b>584,946.81</b>	<b>191,187.00</b>	

**LOANS AND ADVANCES**

		Schedule 17	
Particulars	As at 31-Mar-09 (Rs.)	As at 31-Mar-08 (Rs.)	
Advance to Others	148,000.00	0.00	
Advance to Staff	201,215.00	258,738.00	
<b>Total</b>	<b>349,215.00</b>	<b>258,738.00</b>	



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**FIXED ASSETS**

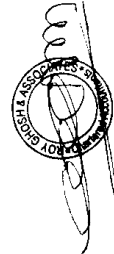
**Schedule 16**

Particulars	As at 31-12-2009 (Rs.)	As at 31-12-2010 (Rs.)
Furniture, Fixtures & Supplies	40,240.00	8,090.00
Blood Bank Equipments	11,700.00	163,000.00
Equipment (Other)	0.00	16,175.00
Vehicles	28,423.00	127,094.00
Office Equipment	0.00	574,479.00
<b>Total</b>	<b>80,363.00</b>	<b>888,838.00</b>

**CURRENT LIABILITIES**

**Schedule 32**

Particulars	As at 31-12-2009 (Rs.)	As at 31-12-2010 (Rs.)
General Provident Fund	0.00	127,500.00
Group Insurance Scheme	0.00	540.00
<b>Total</b>	<b>0.00</b>	<b>128,040.00</b>



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Kits and Other Lab Supplies

		Schedule 18	
Particulars	As at 31-Mar-09 (Rs.)	As at 31-Mar-08 (Rs.)	
HIV Kits	479,820.00	1,315,260.00	
Other Lab. Supplies	0.00	77,500.00	
Blood Lab. Supplies	340,838.00	524,805.00	
<b>Total</b>	<b>820,658.00</b>	<b>1,937,565.00</b>	

Medicines

		Schedule 19	
Particulars	As at 31-Mar-09 (Rs.)	As at 31-Mar-08 (Rs.)	
STI Drugs	0.00	408,027.00	
<b>Total</b>	<b>0.00</b>	<b>408,027.00</b>	

Training and Workshops

		Schedule 20	
Particulars	As at 31-Mar-09 (Rs.)	As at 31-Mar-08 (Rs.)	
Workshops	0.00	49.00	
Training	39,304.00	186,029.00	
Campaigns	8,910.00	0.00	
<b>Total</b>	<b>48,214.00</b>	<b>186,078.00</b>	

**Operational and Other Research**

		Schedule 24	
Particulars	As at 31-Mar-09 (Rs.)	As at 31-Mar-08 (Rs.)	
Research & Development	0.00	70,000.00	
<b>Total</b>	<b>0.00</b>	<b>70,000.00</b>	

**Salary (Pay and Allowances)**

		Schedule 25	
Particulars	As at 31-Mar-09 (Rs.)	As at 31-Mar-08 (Rs.)	
Salary	3,922,665.00	3,330,154.00	
Honorarium	55,817.00	10,400.00	
Leave Salary & Pension Contributions	0.00	11,108.00	
<b>Total</b>	<b>3,978,482.00</b>	<b>3,351,662.00</b>	

**Maintenance Costs**

		Schedule 26	
Particulars	As at 31-Mar-09 (Rs.)	As at 31-Mar-08 (Rs.)	
Equipment Maintenance	11,000.00	18,350.00	
Vehicle Maintenance	91,900.00	56,919.00	
<b>Total</b>	<b>102,900.00</b>	<b>75,269.00</b>	



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Operational Expenses

Schedule 27

Particulars	As at 31-Mar-09 (Rs.)	As at 31-Mar-08 (Rs.)
Travelling Expenses	65,498.00	58,440.00
Telephone/Communication Expenses	32,816.00	40,549.00
Bank Charges	1,885.00	0.00
Miscellaneous Expenses	13,831.00	1,100.00
Printing & Stationery	90,307.00	177,733.00
Advertisement (Other than IEC)	42,969.00	18,170.00
Audit Fees	89,888.00	13,724.00
Legal Expenses	0.00	64,000.00
Postage/Courier	24,018.00	7,897.00
Quality Assessment	0.00	150,000.00
<b>Total</b>	<b>361,212.00</b>	<b>531,613.00</b>

Balance with Bank

Schedule 31

Particulars	As at 31-Mar-09 (Rs.)	As at 31-Mar-08 (Rs.)
A/c No. - Syndicate Bank	16,804,273.81	9,096,543.00
<b>Total</b>	<b>16,804,273.81</b>	<b>9,096,543.00</b>



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Sal