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Report of Statutory Auditors

To:
The Project Director,
State AIDS Control Society,
Union Territory of Daman & Diu,
Primary Health Centre, Fort Area,
Moti Daman 396 220

Introductory Paragraph

We have audited the accompanying financial statements of State AIDS Control Society of Union Territory of Daman and Diu (referred to for brevity's sake as "DDACS") under the National AIDS Control Project – Phase III (financed under World Bank Credit No.3242-IN and DFID grant) as of March 31, 2010. The management of State AIDS Control Society of Union Territory of Daman and Diu is responsible for the preparation of the accompanying financial statements in accordance with applicable law and accounting standards. Our responsibility is to express an opinion on these financial statements audited in accordance with relevant Indian legal and regulatory requirements and auditing standards.

State AIDS Control Society of Union Territory of Daman and Diu management's policy is to prepare the accompanying statements on the cash receipts and disbursements basis in conformity with the standards prescribed by the ICAI for Cash Accounting. On this basis, cash receipts are recognized when received and cash expenditures are recognized when paid rather than when incurred.

Scope Paragraph

We conducted our audit in accordance with Standards on Auditing issued by the Institute of Chartered Accountants of 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, 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.


As part of audit risk assessment we designed audit procedures so as to have a reasonable expectation of detecting misstatement arising from fraud or error which are material to the financial statements of as a whole. However, audit procedures that are effective for detecting a misstatement that is unintentional may not be effective for a misstatement that is intentional and is concealed particularly through forgery, collusion, misrepresentation or management override of control systems. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement. We believe that our audit provides a reasonable basis for our opinion.

Bases for opinion

We report that -

- i) DDACS Trustees/management is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgment by management are required to assess the expected benefits and related costs of internal control structure, policies and procedures. We are neither aware of nor have we been informed of any assessment in this respect by DDACS.

Signed for identification
V. J. CHOKSI & CO.
By 

The objectives of an internal control structure include policies and procedures, among other things, are (a) to maintain records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of DDACS;

(b) to provide management with reasonable, but not absolute assurance that transactions (including receipts and expenditures) are executed in accordance with management's authorization and recorded properly as necessary to permit the preparation of the financial statements in accordance with generally accepted accounting principles; and

(c) to provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the DDACS' assets that could have a material effect on the financial statements.

Because of inherent limitations in any internal control structure, errors, irregularities or misstatements may nevertheless occur and not be detected. Also, the projection of any evaluation of effectiveness of the structure or conclusions, based on our finding, to future periods is subject to the risk that they may become inadequate because of changes in conditions; degree of compliance or the effectiveness of the design and operation of controls with the policies and procedures may deteriorate and consequently altering the validity of such conclusions that would no longer portray the system in existence.

DDACS continued its focused efforts to resolve long-term issues identified in its financial management processes and systems. Our evaluation of the prevailing internal control structure and its operation at DDACS as of and for the year ended March 31, 2010 for the purpose of expressing an opinion on the financial statements disclosed weaknesses in the design or operation of the internal control structure for:

1 need to establish written procedures for effective grant management and training for grant compliance to reduce the risks of mismanagement in grant funding;

2 Documentation of internal controls including written policies and procedures outlining the duties and nature of the work to be performed by personnel;

3 recognition of expenditure under the Salary component to staff purported to be on deputation and/or involved in program;

4 non-performance of internal audit at NGOs and peripheral units during FY 2007-08, FY 2008-09 and FY 2009-10 resulting in inadequate control including but not limited to operations and activities of common NGOs appointed by DDACS and State AIDS Control Societies of neighbouring areas;

5 Operational and fiscal evaluations or reviews of NGOs need to be enhanced in assessing NGOs/Peripheral units' internal control and compliance for purposes of achieving effective oversight instead of relying heavily on information obtained through interviews; Operational and fiscal evaluations or reviews (presently not carried out other than audit at NGOs/peripheral units) of peripheral units should also be carried;

6 oversight implications of non-compliance with –

- statutory obligations by NGOs/peripheral units especially in relation to Rent (and property tax thereon), Income Tax (including TDS) and labour laws; and

- guidelines on financial and procurement systems for NGOs/CBOs prescribed by NACO with consequential impact on project implementation by NGOs/peripheral units, as the case may be;

7 monitoring activities and financial utilization for which grants are awarded by DDACS to NGOs/peripheral units where there is comingling or overlapping of other activities or there is funding received from other donor agencies;

8 non-compliance with statutory provisions of Income Tax law with respect to registration under section 12A of the Income Tax Act, 1961 and filing of annual income tax returns;

9 formalizing arrangements in respect of grants provided to peripheral units to ensure accountability over peripheral units;

10 accounting for cost-sharing and cost-allocation to different programmes with a need to formalize the system and absence of formal cost-sharing arrangement for use of common infrastructure;

11 records for Fixed assets at DDACS, NGOs and peripheral units;

e) records for Testing Kits at DDACS and peripheral units

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12 Management has not established a road plan or formal process to change to accrual system of accounting that will facilitate improved financial reporting and increase the financial control; in the current accounting system, there are inherent limitations and constraints on the detailed review of current assets, advances and current liabilities;

13 Management has to design an internal control system and establish procedures for dealing with discontinuance of grants to and/or termination of tie up arrangements with NGOs and recoveries from NGOs including but not limited to assets and other materials given to NGOs;

14 robust financial plans linked with operational plans need to be in place, and ensure that such plans are being delivered for ensuring value for money;

15 suitable insurance coverage to ensure the appropriate levels and types of coverages are in place;

that we consider to be significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect DDACS' ability to record, process, summarize and report financial data consistent with the assertions of the management in the financial statements;

Our evaluation excluded internal controls related to IT environment and we are unable to obtain reasonable assurance about the aspects of controls that may be relevant to DDACS' internal controls in this environment as it relates to audit of the financial statements.

These deficiencies are likely to continue to exist until internal controls are strengthened, and appropriate resources are dedicated to maintaining effective internal controls. In the interim, the Society will need to place greater emphasis on monitoring the current risks and vulnerabilities, along with the related compensating procedures, to determine whether these risks are being adequately mitigated on an ongoing basis. Successfully addressing these issues is critical to maintaining the Society's credibility;

Generally accepted accounting principles and grant management requirements, specify the grant management and control systems be documented and designed to detect errors and fraud in the normal course of business. The lack of management and control procedures leaves the Society vulnerable to errors and fraud in grants and to the risk of incomplete reporting and compliance with grant requirements.

The effects of the above, if any, on the financial statements cannot be determined. We issued a modified audit opinion in the past on certain matters referred to above;

ii) The financial statements for FY 2007-08 and 2008-09 are not approved by the Executive Committee and the Governing Body of DDACS and we have attested these financial statements as statutory auditors subject to our appointment being ratified by the Governing Body;

iii) The financial statements for FY 2009-10 are not approved by the Executive Committee Governing Body of DDACS and we have attested these financial statements as statutory auditors subject to our appointment being ratified by the Governing Body;

iv) The Executive Committee and Governing Body of DDACS have to enhance their functional effectiveness to comply with the laid down rules and regulations of DDACS including but not limited to hold meetings regularly and maintain up to date Minutes Books as also in particular approve/ratify deeds/actions which though may be in accordance with the guidelines/directions of donor agencies but nevertheless may be inconsistent with the rules and regulations of DDACS; we are unable to ascertain precisely all such inconsistencies that may be existing and the impact, if any, on the financial statements of DDACS;

v) DDACS' operating plans have been entirely reliant on external financial support with no other plans for sustainable funding to ensure continuance of activities on self-supportive basis. In the event that external financial support was to get delayed or discontinued, there is uncertainty as to

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By

DDACS' ability to continue with the operating plans and activities. These financial statements are prepared on the assumption that sufficient financing will continue to be provided to DDACS to enable it to continue with its plans and activities.

vi) These financial statements are prepared by DDACS management generally in accordance with financial guidelines prescribed by National AIDS Control Organization (NACO) and do not strictly comply with the requirements of accounting standards prescribed by the Institute of Chartered Accountants to the extent applicable and in the manner required. The effects on the financial statements of the variances between accounting practices adopted and accounting standards, although not reasonably determinable, are presumed to be material.

vii) The cost-sharing and/or cost-allocation in different programmes is done by DDACS guided, among other things, by programme budgets and relied upon by us;

viii) balances due to or from parties including but not limited to Advances/deposits given and Security Deposits received are subject to confirmation; we issued a modified audit opinion in the past on this matter;

ix) Payments to employees (on consolidated basis for grants under Pool Funds and GFATM Round 6) include -

a) second installment of arrears being Rs. 7,92,003/- to Staff on deputation consequent to implementation of recommendations of Sixth Pay Commission for prior periods; we issued a modified audit opinion in the past on this matter; we are unable to comment on this as project expenditure;

b) second installment of arrears being Rs. 1,59,941/- to a retired staff consequent to implementation of recommendations of Sixth Pay Commission for prior periods; we issued a modified audit opinion in the past on this matter; we are unable to comment on this as project expenditure -

c) Rs 15,42,104/- being questionable program costs to the following employees -

Name of employee	Program Designation	Actual Designation (as per Service book)	Last posting	Salary costs	Additional comments
Nazir M. Girach	Stores Officer	Refrigeration Mechanic	Diu	Rs 1,29,360	Not possessing requisite qualifications
Dr. N. N. Singh	Dy Director (Blood Bank Safety/QA)	Medical Officer	Diu	Rs 7,21,819	No blood bank in Diu; no duties performed at Daman
Jamal Mansuri	Finance Asst	Peon	Diu	Rs 1,95,129	Not possessing requisite qualifications
Dilip Patel	Asst Director (Procurement)	Statistical Asst	Daman	Rs 3,18,367	Not signing in regular muster at DDACS; no evidence of duties performed for DDACS
Girish Vaghela	Quality Manager	Drugs Inspector	Daman	Rs 1,77,429	Not signing in regular muster at DDACS; no evidence of duties performed for DDACS
Total				Rs 15,42,104	

x) In respect of Fixed Assets -

a) in the past, DDACS incurred expenditure of Rs 30,61,183 on civil works by extension of building structure reflected as "Fixed asset" in the financial statements; in the absence of documents establishing title or any other formal arrangement transferring title in favour of DDACS, we are unable to comment on the carrying value of the asset in the financial statements;

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- b) Having regard to the accounting treatment consistently followed during the year and in earlier years of charging certain capital expenditure as utilization of grant, inventory records for fixed assets are to be updated and do not reconcile to the general ledger; we issued a modified audit opinion in the past on this matter;
- c) to the extent identified during audit, fixed assets having cost of Rs 2,82,880/- are not in working condition; however, no provision has been made for this as required under accounting standards – we have relied on management's representations pertaining to Fixed Assets and effect to be given for impairment in assets, if any; and
- d) identification and subsequent physical verification of fixed assets and reconciliation of discrepancies, if any, with up-dated records has not been done by the management.
- e) Inventory records maintenance and periodical physical verification by persons other than custodians;

In the circumstances, we are unable to comment on the value of assets reflected in the financial statements;

xi) based on our visit to Dinbandhu Youth Welfare Trust, an NGO beneficiary of DDACS, and limited review performed, discrepancies in expenses recognized for NGO Services were identified as follows –

Expense head	Amount	Observations
Salary to Project Coordinator	Rs 48,000/-	There was no Project Coordinator appointed for 6 months
Salary to Accountant	Rs 10,000/-	Excess salary paid when there was no Accountant
Office Rent	Rs 45,000/-	No registered rent agreement for office for the period Apr09 – Dec09
Rent for DIC	Rs	No registered rent agreement for static and satellite DIC
10% Contribution by NGO	Rs	As per audited accounts, no contribution is accounted for


xii) Grants utilized to the extent of "Expenditure for NGO Services Rs 15,70,455" relate to adjustment of Advances given to NGOs on the basis of Statements of Expenditure received without any independent verification of such statements and which we were unable to audit; the Internal Audit at NGOs and Peripheral Units is also not performed for FY 2007-08, FY 2008-09 and FY 2009-10;

xiii) The management is responsible for complying with laws and regulations applicable to the Society. We performed tests of its compliance with certain provisions of laws and regulations; we limited our tests of compliance to these provisions, and we did not test compliance with all laws and regulations applicable to DDACS. Providing an opinion on compliance with certain provisions of laws and regulations was not an objective of our audit, and accordingly, we do not express such an opinion.

xiv) There is no IT/EDP systems audit nor review for security/application controls and we have not performed any additional testing on such data; also there are inherent limitations in financial system software and our reliance on the data validated by management/others as part of the audit process; we did not rely on any other systems other than to make selections for testing purposes

xv) We have not been able to review whether there is any Business Continuity Plan (BCP) and Disaster recovery policy/ procedures (DRP)

xvi) The audit is performed on the basis on information/data furnished or made available to audit and is not responsible for misinformation and/or non-submission of information/data.

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V. J. CHOKSI & CO.
By 

xviii) We did not audit management's comments, where provided, and accordingly, we express no opinion on additional inputs provided therein by management on them.

xix) Refer to Schedule for significant accounting policies

xx) As regards the matters referred to above in paragraphs i) to xix) above and -

- owing to the limitations explained therein; and/or

- our inability to comment on the eventual outcome; and/or

- in the absence of an adequate system, which we could rely on, and consequently our inability to perform satisfactory audit procedures; and/or

- such adjustments (not presently ascertainable) as might have been found to be necessary had we been able to satisfy ourselves as to the matters referred therein;

the financial results of DDACS as of and for the year ended March 31, 2010 may vary in step with the final determination/resolution of the issues involved. We are unable to express an opinion on such matters and the consequential effect, if any, on the financial statements of DDACS.

Opinion Paragraph

In our opinion, in view of the foregoing observations with such subsequent adjustments that may be necessary (presently not ascertainable), we are unable to state whether the financial statements, give a true and fair view of the Sources and Application of Funds and the financial position of State AIDS Control Society of Union Territory of Daman and Diu for the year ended March 31, 2010, in accordance with consistency applied accounting standards.

In addition, (a) the financial statements have been prepared with respect to IFRs, (b) which expenditures are eligible for financing under the Credit/Grant Agreement (c) procurement of goods and services has been carried out as per the procurement manual issued by NACO, GOI and NGO/CBO guidelines.

This report is intended solely for the information and use of the World Bank, DFID and National AIDS Control Organisation of the Government of India as funding agencies of the National AIDS Control Program – Phase III and for submission to these funding agencies and should not be used by anyone other than these specified parties for any other purpose.



Camp: Moti Daman
July 16, 2010

For and on behalf of
V J CHOKSI & CO
Chartered Accountants
FRN 101904W


(M. V. CHOKSI)/Partner
Membership no. 42642

N/CO

DAMAN & DIU SACS - POOL FUND
 Primary Health Centre, Fort Area, Moti Damam - 396 220
 National AIDS Control Project - Phase III
BALANCE SHEET
 For the Period From : 01-Apr-2009 To : 31-Mar-2010

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.)
4,694,500.63	GENERAL FUND	01	3,202,212.13	7,674,764.00	FIXED ASSETS	02	8,016,149.00
	CURRENT LIABILITIES AND PROVISIONS			3,966,037.63	CURRENT ASSETS, LOANS AND ADVANCES		
7,674,764.00	FIXED ASSET FUND		8,016,149.00	728,463.00	LOANS AND ADVANCES	0401	1,781,882.50
					CURRENT ASSETS	0301	1,420,329.63
12,369,264.63	TOTAL		11,218,361.13	12,369,264.63	TOTAL		11,218,361.13

As per our report attached
 For M/s. V. J. Choksi & Co.
 Chartered Accountants

M.V. Choksi
 Partner
 Place : DAMAM
 Date : 16-07-2010



For State AIDS Control Society, U.T. of Damam and Diu

President
 Place : DAMAM
 Date : 16-07-2010



Project Director (AIDS)

General Fund

Schedule 01 Figures in Rupees

Particulars	As at 31-Mar-10 (Rs.)	As at 31-Mar-09 (Rs.)
Opening Grant in aid	4,694,500.63	6,927,529.10
Add: Received during the year		
Grant from NACO to SACS	7,500,000.00	9,227,000.00
Less: Utilised during the year		
Grants utilised to the extent of Revenue Expenditure	8,650,903.50	11,313,728.47
Grants utilised to the extent of fixed asset Expenditure	341,385.00	146,300.00
Closing Grant in aid	3,202,212.13	4,694,500.63

Signed for Identification
V. J. CHOUDHARI & CO.
By



CURRENT ASSETS

Schedule 0301

Figures in Rupees

Particulars	As at 31-Mar-10 (Rs.)	As at 31-Mar-09 (Rs.)
State Bank of India, Moti Damam	1,420,329.63	3,966,037.63
Total	1,420,329.63	3,966,037.63

LOANS AND ADVANCES

Schedule 0401

Figures in Rupees

Particulars	As at 31-Mar-10 (Rs.)	As at 31-Mar-09 (Rs.)
Advance to NGOs	1,618,040.50	361,867.00
Advance to Autonomous Bodies	100,000.00	296,095.00
Advance to District Authorities	63,842.00	70,501.00
Total	1,781,882.50	728,463.00

Signed for Identification
V. J. CHOCSI & CO.
By _____



Fixed Assets

Schedule 02

Figures in Rupees

Particulars	Opening Balance	Addition	Deletion	Closing Balance
Blood Bank Equipments (2203)	415,408.00	341,385.00	0.00	756,793.00
Civil Works (2201)	3,061,183.00	0.00	0.00	3,061,183.00
Equipment (Other) (2204)	847,865.00	0.00	0.00	847,865.00
Furniture, Fixtures & Supplies (2202)	1,625,375.00	0.00	0.00	1,625,375.00
Office Equipments (2206)	1,260,003.00	0.00	0.00	1,260,003.00
Vehicles (2205)	464,930.00	0.00	0.00	464,930.00
Grand Total	7,674,764.00	341,385.00	0.00	8,016,149.00

Funds from Other Source

Schedule 03

Figures in Rupees

Particulars	Opening Balance	Grant Received	Grant utilised / Refunded	Closing Balance
Ministry of H & FW (01)	0.00	0.00	0.00	0.00
Grand Total	0.00	0.00	0.00	0.00

Signed for Identification
By V. J. CHOKSI & CO.





DAMAN & DIU SACS - POOL FUND
 Primary Health Centre, Fort Area, Moti Damam - 396 220
 National AIDS Control Project - Phase III
Income and Expenditure Account
For the Period From : 01-Apr-2009 To : 31-Mar-2010

Figures for the previous Period (Rs.)	EXPENDITURE	Schedule Reference	Figures for the current Period (Rs.)	Figures for the previous Period (Rs.)	INCOME	Schedule Reference	Figures for the current Period (Rs.)
2,185,574.00	IEC		1,081,446.00	51,093.12	Other Income	28	160,050.00
60,696.00	Consultants and Consultancy Services		0.00	11,313,728.47	Grants utilised to the extent of revenue expenditure		8,650,903.50
54,638.00	Surveillance		0.00				
203,905.00	(PI) Non Reimbursable prior period expensable		296,095.00				
39,936.00	Kits and Other Lab. Supplies	06	19,192.00				
4,726.00	Medicines	07	0.00				
12,513.00	Training and Workshops	08	158,196.00				
3,637,528.59	NGO Services	11	1,570,454.50				
4,389,142.00	Salary (Pay and Allowances)	13	5,049,627.00				
298,206.00	Maintenance Costs	14	288,869.00				
477,957.00	Operational Expenses	15	347,074.00				
11,364,821.59	TOTAL		8,810,953.50	11,364,821.59	TOTAL		8,810,953.50

As per our report attached
 For M/s. V. J. Choksi & Co.
 Chartered Accountants

(M. V. Choksi)
 Partner

Place : DAMAN
 Date : 16-07-2010



For State AIDS Control Society, U.T. of Daman and Diu

President

Place : DAMAN
 Date : 16-07-2010



M Project Director (AIDS)

[Signature]

Other Income

Schedule 28

Particulars	As at 31-Mar-10 (Rs.)	As at 31-Mar-09 (Rs.)
Interest from Bank	160,050.00	51,093.12
Total	160,050.00	51,093.12

Kits and Other Lab. Supplies

Schedule 06

Particulars	As at 31-Mar-10 (Rs.)	As at 31-Mar-09 (Rs.)
HIV Kits	0.00	4,764.00
Blood Lab. Supplies	0.00	35,172.00
Consumable Items	19,192.00	0.00
Total	19,192.00	39,936.00

35

Medicines

Schedule 07

Particulars	As at 31-Mar-10 (Rs.)	As at 31-Mar-09 (Rs.)
PEP Drugs	0.00	4,726.00
Total	0.00	4,726.00

Signed for Identification
 V. J. CHOKSI & CO.
 By



Training and Workshops

Schedule 08

Particulars	As at 31-Mar-10 (Rs.)	As at 31-Mar-09 (Rs.)
Training	158,196.00	12,513.00
Total	158,196.00	12,513.00

NGO Services

Schedule 11

Particulars	As at 31-Mar-10 (Rs.)	As at 31-Mar-09 (Rs.)
NGO Services for Priority Interventions	1,570,454.50	3,637,528.59
Total	1,570,454.50	3,637,528.59

Salary (Pay and Allowances)

Schedule 13

Particulars	As at 31-Mar-10 (Rs.)	As at 31-Mar-09 (Rs.)
Salary	4,887,458.00	4,353,142.00
Honorarium	100,559.00	36,000.00
Medical Expenses	61,610.00	0.00
Total	5,049,627.00	4,389,142.00

Signed for Identification
 V. J. CHOKSI & CO.
 By 



Maintenance Costs

Particulars	As at 31-Mar-10 (Rs.)	As at 31-Mar-09 (Rs.)
Equipment Maintenance	105,907.00	138,202.00
Vehicle Maintenance	182,962.00	160,004.00
Total	288,869.00	298,206.00

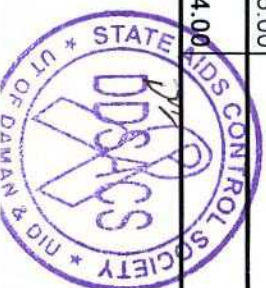
Schedule 14

Operational Expenses

Particulars	As at 31-Mar-10 (Rs.)	As at 31-Mar-09 (Rs.)
Travelling Expenses	112,210.00	235,988.00
Telephone / Communication Expenses	67,169.00	79,170.00
Bank Charges	2,160.00	2,660.00
Miscellaneous Expenses	28,289.00	30,500.00
Printing & Stationery	58,745.00	48,812.00
Advertisement (Other than IEC)	7,794.00	33,818.00
Audit Fees	33,090.00	28,090.00
Postage/Courier	881.00	5,435.00
Contractual Services - Companies	36,736.00	13,484.00
Total	347,074.00	477,957.00

Schedule 15

Signed for identification
 V. J. CHOCSI
 By _____
 CO.



MACO

DAMAN & DIU SACS - POOL FUND
 Primary Health Centre, Fort Area, Moiti Damam - 396 220
 National AIDS Control Project - Phase III
Receipt and Payment Account

For the Period From : 01-Apr-2009 To : 31-Mar-2010

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.)
	Opening Balance :			2,862,770.95	LOANS AND ADVANCES	17	3,062,986.00
5,066,224.46	Balance with Bank	30	3,966,037.63	146,300.00	FIXED ASSETS	16	341,385.00
9,227,000.00	GENERAL FUND	29	7,500,000.00	8,516.00	CURRENT LIABILITIES	32	324,217.00
51,093.12	Other Income	56	160,050.00	39,936.00	Kits and Other Lab Supplies	18	19,192.00
				4,726.00	Medicines	19	0.00
				12,513.00	Training & Workshops	20	119,838.00
				4,389,142.00	Salary (Pay & Allowances)	25	4,733,557.00
				298,206.00	Maintenance Costs	26	288,869.00
				477,957.00	Operational Expenses	27	344,432.00
				2,023,863.00	IEC		971,282.00
				59,712.00	Consultants and Consultancy Services		0.00
				54,638.00	Surveillance		0.00
				0.00	Closing Balance :		
				0.00	Cash in hand		0.00
				3,966,037.63	Balance with Bank	31	1,420,329.63
14,344,317.58	TOTAL		11,626,087.63	14,344,317.58	TOTAL		11,626,087.63

As per our report attached
 For M/s. V. J. Choksi & Co.
 Chartered Accountants

(Signature)
 M. V. Choksi
 Partner
 Date : 16-07-2010



For State AIDS Control Society, U.T. of Damam and Diu

(Signature)
 President
 Place : DAMAM
 Date : 16-07-2010



(Signature)
 Project Director (AIDS)

General Fund

Particulars	As at 31-Mar-10 (Rs.)	As at 31-Mar-09 (Rs.)
Grant from NACO to SACS	7,500,000.00	9,227,000.00
Total	7,500,000.00	9,227,000.00

Schedule 29

Balance with Bank

Particulars	As at 01-Apr-09 (Rs.)	As at 01-Apr-08 (Rs.)
State Bank of India, Moti Damam	3,966,037.63	451,918.58
State Bank of Saurashtra, Diu	0.00	33,305.88
Cheque in Transit	0.00	4,581,000.00
Total	3,966,037.63	5,066,224.46

Schedule 30

Other Income

Particulars	As at 31-Mar-10 (Rs.)	As at 31-Mar-09 (Rs.)
Interest from Bank	160,050.00	51,093.12
Total	160,050.00	51,093.12

Schedule 56

Signed for Authentication
By V. J. CHOKEJI & CO.



LOANS AND ADVANCES

Particulars	As at 31-Mar-10 (Rs.)	As at 31-Mar-09 (Rs.)
Advance to NGOs	2,826,628.00	2,638,090.95
Advance to Staff	66,358.00	24,680.00
Advance to Autonomous Bodies	100,000.00	0.00
Advance to District Authorities	70,000.00	200,000.00
Total	3,062,986.00	2,862,770.95

Fixed Assets

Particulars	As at 31-Mar-10 (Rs.)	As at 31-Mar-09 (Rs.)
Blood Bank Equipments	341,385.00	0.00
Office Equipments	0.00	146,300.00
Total	341,385.00	146,300.00

Signed for Identification
V. J. CHOIKSI & CO.
By _____



Current Liabilities

Particulars	Schedule 32	
	As at 31-Mar-10 (Rs.)	As at 31-Mar-09 (Rs.)
TDS (Salary)	315,576.00	0.00
TDS (Other)	8,641.00	8,516.00
Total	324,217.00	8,516.00

Kits and Other Lab Supplies

Particulars	Schedule 18	
	As at 31-Mar-10 (Rs.)	As at 31-Mar-09 (Rs.)
HIV Kits	0.00	4,764.00
Blood Lab. Supplies	0.00	35,172.00
Consumable Items	19,192.00	0.00
Total	19,192.00	39,936.00

Medicines

Particulars	Schedule 19	
	As at 31-Mar-10 (Rs.)	As at 31-Mar-09 (Rs.)
PEP Drugs	0.00	4,726.00
Total	0.00	4,726.00

Signed for Identification
 V. J. CHOKSI & CO.
 By _____



Training and Workshops

Particulars	As at 31-Mar-10 (Rs.)	As at 31-Mar-09 (Rs.)
Training	119,838.00	12,513.00
Total	119,838.00	12,513.00

Schedule 20

Salary (Pay and Allowances)

Particulars	As at 31-Mar-10 (Rs.)	As at 31-Mar-09 (Rs.)
Salary	4,579,082.00	4,353,142.00
Honorarium	92,865.00	36,000.00
Medical Expenses	61,610.00	0.00
Total	4,733,557.00	4,389,142.00

Schedule 25

Maintenance Costs

Particulars	As at 31-Mar-10 (Rs.)	As at 31-Mar-09 (Rs.)
Equipment Maintenance	105,907.00	138,202.00
Vehicle Maintenance	182,962.00	160,004.00
Total	288,869.00	298,206.00

Schedule 26

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By V. J. CHOKSI & CO.



Operational Expenses

Particulars	As at 31-Mar-10 (Rs.)	As at 31-Mar-09 (Rs.)
Travelling Expenses	112,210.00	235,988.00
Telephone / Communication Expenses	64,632.00	79,170.00
Bank Charges	2,055.00	2,660.00
Miscellaneous Expenses	28,289.00	30,500.00
Printing & Stationery	58,745.00	48,812.00
Advertisement (Other than IEC)	7,794.00	33,818.00
Audit Fees	33,090.00	28,090.00
Postage/Courier	881.00	5,435.00
Contractual Services - Companies	36,736.00	13,484.00
Total	344,432.00	477,957.00

Balance with Bank

Particulars	As at 31-Mar-10 (Rs.)	As at 31-Mar-09 (Rs.)
State Bank of India, Moti Daman	1,420,329.63	3,966,037.63
Cheque in Transit	0.00	0.00
Total	1,420,329.63	3,966,037.63

Signed for Identification
By V. J. CHOKSI & CO.



NACO

Daman & Diu SACS - Pool Fund

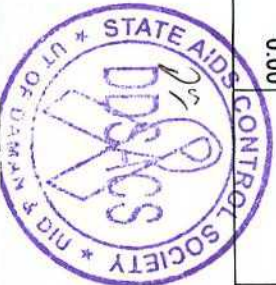
Primary Health Centre, Fort Area, Moti Daman - 396 220
National AIDS Control Project - Phase III

SOE Withdrawal Schedule including Reconciliation of expenditure claimed in the SOE with the expenditure as per Audited Accounts (Income & Expenditure Account)
For the Year : 2009-10

Figures in Rupees

Expenditure Category	Amount as per SOE (Category Wise)				For the Year	Amount as per I&E A/c for the Year	Variance for the Year	Reasons for Difference
	Quarter 1	Quarter 2	Quarter 3	Quarter 4				
Civil Works	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Civil Works	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Sub Total	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Furniture, Blood Bank Kits and Other Equipment, Vehicles, Lab and Other Supplies								
Furniture and Supplies	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Blood Bank Equipment	0.00	0.00	0.00	341,385.00	341,385.00	0.00	341,385.00	
Equipment (Other)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Vehicles	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
HIV Kits	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Consumable items for Blood Bank	0.00	925.00	0.00	18,267.00	19,192.00	19,192.00	0.00	
Blood Lab. Supplies	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Sub Total	0.00	925.00	0.00	359,652.00	360,577.00	19,192.00	341,385.00	
STI and OI Medicines								
STI Medicines	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
PEP Drugs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
OI Medicines	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Sub Total	0.00	0.00	0.00	0.00	0.00	0.00	0.00	

Signed for Identification
By V. J. CHOKSI & CO.



Expenditure Category	Amount as per SOE (Category Wise)				For the Year	Amount as per I&E A/c for the Year	Variance for the Year	Reasons for Difference
	Quarter 1	Quarter 2	Quarter 3	Quarter 4				
Trg., Workshops, IEC & Publicity, Surv., Res., Studies, NGO, PI Serv., Prof. Serv., MIS & M&E Systems Training, Workshops & Fellowships	37,457.00	36,204.00	38,358.00	46,177.00	158,196.00	158,196.00	0.00	
Mass Media/IEC	21,545.00	25,030.00	74,805.00	960,066.00	1,081,446.00	1,081,446.00	0.00	
Large NGOs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
M&E System	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Operations Research/ Cause of Death, R&D and Policy Studies	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(P1) Non Reimbursable prior period expensable	0.00	0.00	0.00	296,095.00	296,095.00	296,095.00	0.00	
Targeted Services-Priority Interventions	0.00	0.00	0.00	1,570,454.50	1,570,454.50	1,570,454.50	0.00	
Sub Total	59,002.00	61,234.00	113,163.00	2,872,792.50	3,106,191.50	3,106,191.50	0.00	
Incremental Operating and Maintenance Costs								
Salaries of Incremental Staff	1,192,726.00	1,859,765.00	968,214.00	1,028,922.00	5,049,627.00	5,049,627.00	0.00	
Operational Expenses	28,570.00	79,924.00	101,830.00	136,750.00	347,074.00	347,074.00	0.00	
Equipment Maintenance	36,110.00	14,420.00	29,347.00	26,030.00	105,907.00	105,907.00	0.00	
Building Maintenance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Vehicle Maintenance	25,035.00	50,125.00	69,144.00	38,658.00	182,962.00	182,962.00	0.00	
Sub Total	1,282,441.00	2,004,234.00	1,168,535.00	1,230,360.00	5,685,570.00	5,685,570.00	0.00	
Total	1,341,443.00	2,066,393.00	1,281,698.00	4,462,804.50	9,152,338.50	8,810,953.50	341,385.00	

For State AIDS Control Society, U.T. of Daman and Diu

As per our report attached
For M/s. V. J. Choksi & Co.
Chartered Accountants

(M. V. Choksi)

Partner
Place : DAMAN
Date : 16-07-2010



President

Place : DAMAN
Date : 16-07-2010

Project Director (AIDS)





Daman & Diu SACS
National AIDS Control Project - Phase III

SOE Withdrawal Schedule including Reconciliation of expenditure claimed in the SOE with the expenditure as per Audited Accounts (Income & Expenditure Account)

For the Year : 2008-09

Figures in Rupees

Particulars	Amounts (Rs.)	Amounts (Rs.)
Total expenditure as per SOE/PMR		
Furniture, Blood Bank Kits and Other Equipment, Vehicles, Lab and Other Supplies (02)	360,577.00	
STI and OI Medicines (03)	0.00	
Trg. Workshops, IEC & Publicity, Surv., Res., Studies, NGO, PI Serv., Cons., Prof. Serv., MIS & M&E Systems (04)	3,106,191.50	
Incremental Operating and Maintenance Costs (05)	5,685,570.00	9,152,338.50
Less : Fixed Assets		
Furniture, Fixtures & Supplies (2202)	0.00	
Blood Bank Equipments (2203)	341,385.00	
Equipment (Other) (2204)	0.00	
Office Equipment (2206)	0.00	341,385.00
Total expenditure as per Income and Expenditure		8,810,953.50

As per our report attached
For M/s. V. J. Choksi & Co.
Chartered Accountants

(M. V. Choksi)

Partner

Place : DAMAN

Date : 16-07-2010



Partner

President

Place : DAMAN

Date : 16-07-2010



Director

Project Director (AIDS)



DAMAN & DIU SACS - POOL FUND
Primary Health Centre, Fort Area, Moti Damam - 396 220
National AIDS Control Project - Phase III
SOURCE AND USES OF FUNDS
As on : 31-Mar-2010

Particulars	Year --->			
	2007-08	2008-09	2009-10	
Opening balance of Net Current Assets	Balance in Bank (01)	1,855,991.46	5,066,224.46	3,966,037.63
	Advances (02)	4,346,808.00	1,861,304.64	728,463.00
	(-) Current Liabilities (03)	563,440.00	0.00	0.00
Sources of funds	Pool Fund - World Bank	14,973,000.00	9,227,000.00	7,500,000.00
	Miscellaneous Receipts (04)	65,748.00	51,093.12	160,050.00
Utilisation of funds	Expenses (05)	13,658,278.36	11,364,821.59	8,810,953.50
	Fixed Assets (06)	92,300.00	146,300.00	341,385.00
	Balance in Bank (07)	5,066,224.46	3,966,037.63	1,420,329.63
	Advances (08)	1,861,304.64	728,463.00	1,781,882.50
Closing balance of Net Current Assets	(-) Current Liabilities (09)	0.00	0.00	0.00

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By V. J. CHOKSI & CO.



Particulars	Year ---->			
	2007-08	2008-09	2009-10	
Balance in Bank (01)				
State Bank of India	1,553,958.58	451,918.58	3,966,037.63	
State Bank of Saurashtra	302,032.88	33,305.88	0.00	
Cheque in Transit	0.00	4,581,000.00	0.00	
Total	1,855,991.46	5,066,224.46	3,966,037.63	
Advances (02)				
Advance to District Authorities	0.00	0.00	70,501.00	
Advance to Autonomous Bodies	500,000.00	500,000.00	296,095.00	
Advance to NGOs	3,846,808.00	1,361,304.64	361,867.00	
Total	4,346,808.00	1,861,304.64	728,463.00	
(-) Current Liabilities (03)				
Funds from Other Sources	562,000.00	0.00	0.00	
State Cheques	1,440.00	0.00	0.00	
Total	563,440.00	0.00	0.00	
Miscellaneous Receipts (04)				
Interest from Bank	65,748.00	51,093.12	160,050.00	
Total	65,748.00	51,093.12	160,050.00	
Expenses (05)				
(PI) Non Reimbursable prior period expensable	0.00	203,905.00	296,095.00	
(TI) Non Reimbursable prior period expensable	2,325,867.18	0.00	0.00	
Advertisement (Other than IEC)	94,105.00	33,818.00	7,794.00	
Audit Fees	33,708.00	28,090.00	33,090.00	
Bank Charges	11,115.00	2,660.00	2,160.00	
Blood Lab. Supplies	0.00	35,172.00	0.00	
Consultants and Consultancy Services	51,123.00	60,696.00	0.00	
Consumable Items	0.00	0.00	19,192.00	
Contractual Services - Companies	0.00	13,484.00	36,736.00	
Equipment Maintenance	95,798.00	138,202.00	105,907.00	
HIV Kits	0.00	4,764.00	0.00	
Honorarium	36,000.00	36,000.00	100,559.00	

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By V. J. CHOKE & CO.



Particulars	Year ---->			
	2007-08	2008-09	2009-10	
IEC	1,415,659.00	2,185,574.00	1,081,446.00	
Leave Salary & Pension Contributions	334,988.00	0.00	0.00	
Medical Expenses	38,351.00	0.00	61,610.00	
Miscellaneous Expenses	214,705.00	30,500.00	28,289.00	
NGO Services for Priority Interventions	4,476,078.18	3,637,528.59	1,570,454.50	
PEP Drugs	0.00	4,726.00	0.00	
Postage / Courier	6,422.00	5,435.00	881.00	
Printing & Stationery	48,994.00	48,812.00	58,745.00	
Salary	3,583,348.00	4,353,142.00	4,887,458.00	
STI Drugs	81,760.00	0.00	0.00	
Surveillance	151,175.00	54,638.00	0.00	
Telephone / Communication Expenses	63,593.00	79,170.00	67,169.00	
Training	0.00	12,513.00	158,196.00	
Travelling Expenses	236,319.00	235,988.00	112,210.00	
Vehicle Maintenance	359,170.00	160,004.00	182,962.00	
Total	13,658,278.36	11,364,821.59	8,810,953.50	
Fixed Assets (06)				
Office Equipment	92,300.00	146,300.00	0.00	
Blood Bank Equipment	0.00	0.00	341,385.00	
Total	92,300.00	146,300.00	341,385.00	
Balance in Bank (07)				
State Bank of India	451,918.58	3,966,037.63	1,420,329.63	
State Bank of Saurashtra	33,305.88	0.00	0.00	
Cheque in Transit	4,581,000.00	0.00	0.00	
Total	5,066,224.46	3,966,037.63	1,420,329.63	

Signed for Certification
 V. J. CHOKSI & CO.
 By



Particulars	Year --->			
	2007-08	2008-09	2009-10	
Advances (08)				
Advance to District Authorities	0.00	70,501.00	63,842.00	
Advance to Autonomous Bodies	500,000.00	296,095.00	100,000.00	
Advance to NGOs	1,361,304.64	361,867.00	1,618,040.50	
Total	1,861,304.64	728,463.00	1,781,882.50	
(-) Current Liabilities (09)				
Funds from Other Sources	0.00	0.00	0.00	
State Cheques	0.00	0.00	0.00	
Total	0.00	0.00	0.00	

For State AIDS Control Society, U.T. of Daman and Diu

As per our report attached
For M/s. V. J. Choksi & Co.
Chartered Accountants

Project Director (AIDS)
D. Verma

(M. V. Choksi)
Partner
Date : 16-07-2010

President
Place : DAMAN
Date : 16-07-2010



STATE AIDS CONTROL SOCIETY OF UNION TERRITORY OF DAMAN & DIU

Notes forming part of the financial statements for the year ended March 31, 2010

A. SIGNIFICANT ACCOUNTING POLICIES.

A.1. The accounting principles and policies, recognized as appropriate for measurement and reporting of the financial performance and financial position on cash basis except as otherwise disclosed, using historical costs (ie., not taking into account changing money values/impact of inflation) are applied in the preparation of the financial statements and those which are considered material to the affairs are suitably disclosed. The statement on Significant Accounting Policies excludes disclosures required as per Accounting Standards in respect of which there were no material transactions or where compliance with such standards is not mandatory for the Society. The financial statements are in accordance with the requirements of the law applicable to the Society.

A.2. Method of Accounting

The Society has generally followed cash basis of accounting in accordance with financial guidelines issued by National AIDS Control Organization (NACO) whereby assets and liabilities are accounted for only on realization/payment. On this basis, certain items of receipts and related assets are recognized when received rather than when earned and certain expenses are recognized when paid rather than when the obligation is incurred. Grants/contributions received are considered as contribution to General Fund and the expenditure incurred with specific directions are considered on net basis.

There are no changes in the accounting policies of the Society from that followed in previous year.

A.3 Fixed Assets.

Fixed assets including, land, building, plant and equipment's, lifts electrical installations, etc. are stated at their composite cost estimated on the basis of the price paid for by original purchasers of premises from the builders. Fixed assets are stated at their cost of acquisition when purchased or cost of construction when these are constructed. No depreciation is provided on fixed assets. Certain Fixed Assets acquired under grants for use by the Society and/or peripheral units/NGOs are charged as Grant utilized and not capitalized.

A.6. Inventories

Medicines, testing kits, condoms and IEC materials are acquired either free of cost or purchased. These are not carried as inventories but are charged to revenue in the year of purchase, when purchased by the Society, as these are not purchased with the intention to sell. The Society is in process of maintaining and updating records in this respect.

A.5. Retirement benefits

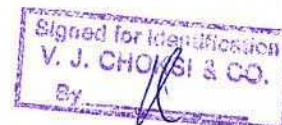
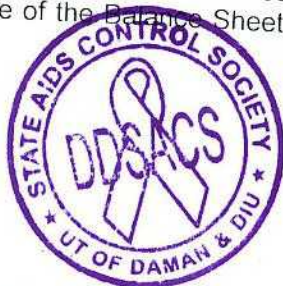
Contributions are made to defined contribution retirement benefit plan viz., Provident Fund in respect of employees on deputation which are recognized as expenses as and when they are made. Leave salary payments are accounted for by the Society as and when any payment is made/to be made. The above expenditure is debited to Income & Expenditure Account.

A.7. Contingencies and events occurring after balance sheet date

Loss may be recorded if the likelihood of occurrence is probable and the amount is reasonably estimable. Management considers each legal action using this guidance. The management believes that current assumptions and other considerations used to estimate potential liability for litigation are appropriate. While it is not possible to know with certainty the ultimate outcome of these claims or lawsuits, management does not expect them to have a material effect on financial condition, liquidity or results of operations.

A.8. Material events occurring after the Balance Sheet date

There have been no material changes of events since the date of the Balance Sheet affecting the financial statements as on the Balance Sheet date. Further, other than matters disclosed in the Notes, till the date of the Balance Sheet, no events or circumstance have occurred, though properly



excluded from the accounts, are of such an importance that they should be disclosed through any other medium.

A.9 Provisions, Contingent Liabilities and Contingent Assets

Contingent liabilities are not provided for but are disclosed after a careful evaluation of the facts and legal aspects of the matter involved. Subject to the method of accounting followed by the Society, a provision is recognized when the Society has a present obligation as a result of past event and it is probable that an outflow of resources is required to settle the obligation, in respect of which a reliable estimate can be made based on technical evaluation and past experience. Future cash outflows are determinable only on occurrence of uncertain future events particularly availability of grants. Provisions are not discounted to its present value and are determined based on management estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

A.10 Accounting for taxes on income:-

Provision for taxation, if any, on income from charitable activities is not made having regard to the nature of activities carried out and as the Society intends to avail of tax reliefs and benefits and any tax payments are accounted for, as and when made.

A. Impairment of Assets

The carrying value of fixed assets is evaluated whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable. There is no impairment loss recognized or identified during the reporting period except as disclosed in the Notes.

B. NOTES TO THE ACCOUNTS.

B.1. Contingent liabilities in respect of :

Claim against Society not acknowledged as debt

Rs. Nil (Previous Year Rs Nil)

While it is impossible to be certain of the outcome of any particular case or of the amount of any possible adverse decision, the Society believes that the defences to all these various claims are meritorious both on the law and the facts, and a vigorous defence is being made everywhere. If an adverse judgment were entered against the Society in any case, an appeal would be made. Such appeals could require the appellant to deposit amounts, if any demanded or furnish substitute security in amount which could in some cases equal or exceed the amount demanded. The impact of the action initiated/to be initiated is not presently ascertainable.

In respect of demands and claim on the Society disclosed under "Contingent Liabilities", if the liabilities is finally ascertained or crystallized as payable, such amounts would be borne and recoverable by the Society, entirely or in part, from the members as reimbursement will be claimed from the members; during the year the Society has on such basis provided for Rs 100.00 lacs on account of Contingencies for Income Tax liability to recoup the payments deposited in respect of disputed tax demands and Sinking Fund.

B.2 The Society has carried out Civil Work extension on existing property of the administration of Union Territory and is sharing its infrastructure and the infrastructure of the administration of Union Territory with common health and medical services. There is no formal arrangement entered into with the administration in this respect.

B.3. Advances to NGOs and peripheral units are subject to confirmation and reconciliation. The necessary adjustments, if required, will be made when statement of expenditure/utilization certificate(s) are received or settled.

Further, the internal audit at NGOs for financial years 2007-08, 2008-09 and 2009-10 by external auditors, to be appointed by the Society in consultation with NACO, is pending to be completed.

These financial statements are subject to any comments in respect of internal audit at NGOs for financial years 2007-08, 2008-09 and 2009-10 and the effect, thereof, if any, on these financial statements is not presently ascertainable.



In the opinion of the management, the balances reflected in the accounts are recoverable and no adjustment is presently required pending .

B.4 Payments to employees -

a) include release of instalment of arrears paid to deputation staff consequent to implementation of recommendations of Sixth Pay Commission;

b) exclude balance amount of arrears payable

Future cash outflows in respect of the above matters at b) are determinable only on resolution of the matters pending before various authorities.

Having regard to these matters and the method of accounting followed, the Society (i) does not consider it appropriate to make any provision in respect of the obligation and (ii) does not believe that the ultimate outcome of this will significantly impair the financial condition of the Society.

B.5 Fixed Assets record at the Society is maintained as per past practice. However, we have not maintained detailed records showing full and complete quantitative particulars of fixed assets including their location and it is difficult to compile past data; Depreciation is not provided on fixed assets as per practice consistently followed. No physical verification is carried out of fixed assets of the Society including but not limited to Fixed assets acquired out of grant funds for own use or for use by beneficiaries.

The effect of this on the financial statements will be known on its updation of records, physical verification, scrutiny, reconciliation and adjustment. In the opinion of the Society, the difference/ discrepancies are not likely to be of a material amount considering the size of the Society and the nature of its operations.

B.6 The Society is yet to apply for and obtain Income tax permanent account number (PAN) and approval under section 12A of the Income Tax Act, 1961. In view of these factors, Income tax return(s) have not been submitted.

The Society has obtained Tax Deduction Account number for deduction of tax at source during the year and there is substantial compliance since then. However, during audit, certain cases of short-deduction and non-deduction of tax have been observed. The Society will initiate process for compliance. The impact of the action initiated/to be initiated is not presently ascertainable.

B.7 Disclosures under section 22 of Micro, Small and Medium Enterprises Development Act, 2006 have not been made and can be considered on receiving relevant information from suppliers who are covered under the Act is received from such suppliers. Presently, no such information is available with the Society

B.8 Responsibility Statement of Management

The following statement, which should be read in conjunction with the statement of Auditor's responsibilities set out in the Audit Report, is made with a view to distinguishing the respective responsibilities of the Society and auditors in relation to the accounts/financial statements.

It is represented and confirmed by the management that subject to disclosures in the Notes -

a) In the preparation of the financial statements, the applicable standards and principles have been followed which require management to -

- select suitable accounting policies and then apply them consistently and

- make judgments, estimates and assumptions that are reasonable and prudent.

These may however affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements as well as the reported amounts of revenues and expenses during the reporting period. Significant items subject to such estimates and assumptions include carrying value of fixed assets; utilization/realization of grants given, potential litigation claims in which the Society may be involved and their outcome as well as resolution of issues and matters with government authorities, sustainability of funding from donor agencies and obligations related to employee benefits; although these estimates are based on management's historical experience and best knowledge of current events and actions, actual results may actually differ from those estimates; any revision to accounting estimates is recognized prospectively in current and future periods.

b) Except as disclosed, there are no material departure from the applicable accounting standards and principles as applicable to societies;



- c) Proper and sufficient care has been taken to the best of our knowledge and ability for the maintenance of adequate accounting records for safeguarding the assets and for preventing and detecting fraud and other irregularities;
- d) The accounts have been prepared on a going concern;
- e) The fair values of the assets and liabilities is not materially different from their carrying values; Subject to the other notes and the method of accounting followed by the Society, provision for depreciation and for all known liabilities is adequate and not in excess of the amounts reasonably necessary; and there are no contingent liabilities except those disclosed in the notes;
- f) The Balance Sheet and the Income & Expenditure Account together with schedules to the financial statements and notes thereon are drawn up so as to give a true and fair view of the state of affairs as at the end of and the results for the reporting period.
- g) The Society has complied with all the laws, order, regulations and other legal requirements of the Central, State and other Governments, local Authorities, etc., concerning the affairs of the Society and in particular, there has been no breach by the Society and in particular, there has been no breach by the Society of any of the provision of the fiscal, commercial, labour and environmental legislations governing/applicable to the Society; and
- h) The transactions of the Society, including payments and expenditure (revenue and capital), retirement, sale, etc., of assets, where applicable, have been within the powers of the Society having been done in accordance with Society's polices/guidelines and / or past practice, where laid down, and with the knowledge and authorization of the appropriate sanctioning authority. Except as disclosed in the Notes, there are no transactions ultra vires the powers of the Society and/or its management that are required to be brought to the notice of any authority.

B.9 The Society has a policy of authorizing and accounting transactions based on reasonable checks and controls (appropriate to the size and nature of its operations) having regard to the Society's needs and exigencies. Where such transactions have not been susceptible to independent audit verification owing to inadequacy or lack of evidence supporting the transactions, the amounts and/ or disclosures in the financial statements, management representations to audit enquiries have been made confirming the incurrence of transactions exclusively and necessarily for the purpose of the Society's operations. The representations and assertions made by the management for such transactions/ expenses have been relied upon by the auditors. The Society will continue to review its internal controls and procedures and consider such changes particularly increased compliance as the activities grow in size, in future evaluations of the effectiveness of controls and procedures, as it deems appropriate. There has been no significant change in our internal control over financial reporting or other factors during the reporting period that has significantly or materially affected or is reasonably likely to materially affect our internal control over financial reporting.

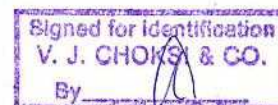
B.10 Comparative figures of last year have been regrouped/ recast wherever necessary to conform to current year's classification or presentation without affecting surplus/deficit.

B.11 The schedules and the Notes on the Accounts form an integral part of the financial statements and are duly authenticated.

Daman
July 16,2010

President

Dames
Project Director



Utilisation Certificate

Certified that an amount of Rs. **7,500,000.00** received as grants-in-aid received from Department of AIDS Control (NACO) during the Fin.Year **2009-10** vide letter No. given below and opening Cash/Bank Balance Rs. **3,966,037.63** (and Current Liabilities of Rs.**0.00**)and outstanding Advances for Rs. **728,463.00** on account of unspent balance brought forward from the previous financial year, and Bank Interest and Miscellaneous Receipts of Rs. **160,050.00**. a sum of Rs. **9,152,338.50** has been utilized for the purpose for which it was sanctioned and the Cash/Bank balance of Rs. **1,420,329.63** (and Current Liabilities of Rs. **0.00**)and outstanding advances of Rs.**1,781,882.50**. remaining unutilized at the end of the year will be adjusted towards the grants-in-aid payable during the next year .

Sl. No.	Sanction letter Number and Date	Amount
1.	T.11012/01/2009-NACO(Fin.)/12 dated 23 rd June 2009	75,00,000.00
	Total	7,500,000.00

2. Certified that I have satisfied myself that the conditions on which the grants-in-aid was sanctioned have been duly fulfilled/are being fulfilled and that I 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

Countersigned

Signed for Identification
V. J. CHOKSI & CO.
 (Chartered Accountant)



Deven

(Project Director)
 (Dr. D. K. Makwana)
 Project Director
 State AIDS Control Society
 UT of Daman & Diu

16 JUL 2010

Opening balance of Net Current Assets	Amount (Rs.)
Bank 3	3,966,037.63
Advance to NGOs	361,867.00
Advance to Autonomous Bodies	296,095.00
Advance to District Authorities	70,501.00
	<u>4,694,500.63</u>
Sources of funds	Amount (Rs.)
Grant from NACO to SACS	7,500,000.00
	<u>7,500,000.00</u>
Utilisation of funds	Amount (Rs.)
IEC	1,081,446.00
Training	158,196.00
Salary	4,887,458.00
Equipment Maintenance	105,907.00
Vehicle Maintenance	182,962.00
Travelling Expenses	112,210.00
Telephone/Communication Expenses	67,169.00
Honorarium	100,559.00
Bank Charges	2,160.00
Miscellaneous Expenses	28,289.00
Printing & Stationery	58,745.00
Advertisement (Other than IEC)	7,794.00
Medical Expenses	61,610.00
Audit Fees	33,090.00
NGO Services for Priority Interventions	1,570,454.50
Postage/Courier	881.00
Contractual Services - Companies	36,736.00
Consumable Items	19,192.00
(PI) Non Reimbursable prior period expensable	296,095.00
Blood Bank Equipments	341,385.00
	<u>9,152,338.50</u>
Bank Interest & Miscellaneous Receipts	Amount (Rs.)
Interest from Bank	160,050.00
	<u>160,050.00</u>
Closing balance of Net Current Assets	Amount (Rs.)
Bank 3	1,420,329.63
Advance to NGOs	1,618,040.50
Advance to Autonomous Bodies	100,000.00
Advance to District Authorities	63,842.00
	<u>3,202,212.13</u>

Signed for Identification
V. J. CHOKSI & CO.
By

16 JUL 2010



Dewan
(Dr. D. K. Makwana)
Project Director
State AIDS Control Society
UT of Daman & Diu

C86

Report of Statutory Auditors

To:
The Project Director,
State AIDS Control Society,
Union Territory of Daman & Diu,
Primary Health Centre, Fort Area,
Moti Daman 396 220

We have audited the accompanying special purpose Receipts & Payments Account/Cash Flow Statement of State AIDS Control Society of Union Territory of Daman and Diu under the National AIDS Control Project – Phase III (referred to for brevity's sake as "DDACS") for the National AIDS Control Program – Phase III under GFATM Round 6 for the year ended March 31, 2010. The accompanying financial statements are the responsibility of the management of DDACS. Our responsibility is to express an opinion on these financial statements audited in accordance with relevant Indian legal and regulatory requirements and auditing standards.

We conducted our audit in accordance with the standards prescribed by the ICAI. These 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 statement presentation.

As part of audit risk assessment we designed audit procedures so as to have a reasonable expectation of detecting misstatement arising from fraud or error which are material to the financial statements of as a whole. However, audit procedures that are effective for detecting a misstatement that is unintentional may not be effective for a misstatement that is intentional and is concealed particularly through forgery, collusion, misrepresentation or management override of control systems. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement. We believe that our audit provides a reasonable basis for our opinion.

The DDACS management's policy is to prepare the accompanying statements on the cash receipts and disbursements basis in conformity with the standards prescribed by the ICAI for Cash Accounting. On this basis, cash receipts are recognized when received and cash expenditures are recognized when paid rather than when incurred.

We report that -

i) DDACS Trustees/management is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgment by management are required to assess the expected benefits and related costs of internal control structure, policies and procedures. We are neither aware of nor have we been informed of any assessment in this respect by DDACS.

The objectives of an internal control structure include policies and procedures, among other things, are (a) to maintain records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of DDACS;

Signed for identification
V. J. CHOKSI & CO.
By 

- (b) to provide management with reasonable, but not absolute assurance that transactions (including receipts and expenditures) are executed in accordance with management's authorization and recorded properly as necessary to permit the preparation of the financial statements in accordance with generally accepted accounting principles; and
- (c) to provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the DDACS' assets that could have a material effect on the financial statements.

Because of inherent limitations in any internal control structure, errors, irregularities or misstatements may nevertheless occur and not be detected. Also, the projection of any evaluation of effectiveness of the structure or conclusions, based on our finding, to future periods is subject to the risk that they may become inadequate because of changes in conditions; degree of compliance or the effectiveness of the design and operation of controls with the policies and procedures may deteriorate and consequently altering the validity of such conclusions that would no longer portray the system in existence.

DDACS continued its focused efforts to resolve long-term issues identified in its financial management processes and systems. Our evaluation of the prevailing internal control structure and its operation at DDACS as of and for the year ended March 31, 2010 for the purpose of expressing an opinion on the financial statements disclosed weaknesses in the design or operation of the internal control structure for:

- 1 need to establish written procedures for effective grant management and training for grant compliance to reduce the risks of mismanagement in grant funding;
- 2 Documentation of internal controls including written policies and procedures outlining the duties and nature of the work to be performed by personnel;
- 3 non-performance of internal audit at peripheral units during FY 2007-08, FY 2008-09 and FY 2009-10 resulting in inadequate control;
- 4 Operational and fiscal evaluations or reviews of Peripheral units need to be enhanced in assessing Peripheral units' internal control and compliance for purposes of achieving effective oversight instead of relying heavily on information obtained through interviews; Operational and fiscal evaluations or reviews of peripheral units should also be carried;
- 5 oversight implications of non-compliance with –
 - statutory obligations by peripheral units; and
 - guidelines on financial and procurement systems prescribed by NACO with consequential impact on project implementation by peripheral units;
- 6 monitoring activities and financial utilization for which grants are awarded by DDACS to peripheral units where there is comingling or overlapping of other activities or there is funding received from other donor agencies;
- 7 non-compliance with statutory provisions of Income Tax law with respect to registration under section 12A of the Income Tax Act, 1961 and filing of annual income tax returns;
- 8 formalizing arrangements in respect of grants provided to peripheral units to ensure accountability over peripheral units;
- 9 accounting for cost-sharing and cost-allocation to different programmes with a need to formalize the system and absence of formal cost-sharing arrangement for use of common infrastructure;
- 10 records for Fixed assets at DDACS and peripheral units;
- e) records for Testing Kits at DDACS and peripheral units
- 11 Management has not established a road plan or formal process to change to accrual system of accounting that will facilitate improved financial reporting and increase the financial control; in the current accounting system, there are inherent limitations and constraints on the detailed review of current assets, advances and current liabilities;
- 12 robust financial plans linked with operational plans need to be in place, and ensure that such plans are being delivered for ensuring value for money;
- 13 suitable insurance coverage to ensure the appropriate levels and types of coverages are in place;

Signed for identification
V. J. CHOISI & CO.
By _____

that we consider to be significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect DDACS' ability to record, process, summarize and report financial data consistent with the assertions of the management in the financial statements;

Our evaluation excluded internal controls related to IT environment and we are unable to obtain reasonable assurance about the aspects of controls that may be relevant to DDACS' internal controls in this environment as it relates to audit of the financial statements.

These deficiencies are likely to continue to exist until internal controls are strengthened, and appropriate resources are dedicated to maintaining effective internal controls. In the interim, the Society will need to place greater emphasis on monitoring the current risks and vulnerabilities, along with the related compensating procedures, to determine whether these risks are being adequately mitigated on an ongoing basis. Successfully addressing these issues is critical to maintaining the Society's credibility;

Generally accepted accounting principles and grant management requirements, specify the grant management and control systems be documented and designed to detect errors and fraud in the normal course of business. The lack of management and control procedures leaves the Society vulnerable to errors and fraud in grants and to the risk of incomplete reporting and compliance with grant requirements.

The effects of the above, if any, on the financial statements cannot be determined. We issued a modified audit opinion in the past on certain matters referred to above;


ii) The financial statements for FY 2007-08 and 2008-09 are not approved by the Executive Committee and the Governing Body of DDACS and we have attested these financial statements as statutory auditors subject to our appointment being ratified by the Governing Body;

iii) The financial statements for FY 2009-10 are not approved by the Executive Committee Governing Body of DDACS and we have attested these financial statements as statutory auditors subject to our appointment being ratified by the Governing Body;

iv) The Executive Committee and Governing Body of DDACS have to enhance their functional effectiveness to comply with the laid down rules and regulations of DDACS including but not limited to hold meetings regularly and maintain up to date Minutes Books as also in particular approve/ratify deeds/actions which though may be in accordance with the guidelines/directions of donor agencies but nevertheless may be inconsistent with the rules and regulations of DDACS; we are unable to ascertain precisely all such inconsistencies that may be existing and the impact, if any, on the financial statements of DDACS;

v) DDACS' operating plans have been entirely reliant on external financial support with no other plans for sustainable funding to ensure continuance of activities on self-supportive basis. In the event that external financial support was to get delayed or discontinued, there is uncertainty as to DDACS' ability to continue with the operating plans and activities. These financial statements are prepared on the assumption that sufficient financing will continue to be provided to DDACS to enable it to continue with its plans and activities.

vi) These financial statements are prepared by DDACS management generally in accordance with financial guidelines prescribed by National AIDS Control Organization (NACO) and do not strictly comply with the requirements of accounting standards prescribed by the Institute of Chartered Accountants to the extent applicable and in the manner required. The effects on the financial statements of the variances between accounting practices adopted and accounting standards, although not reasonably determinable, are presumed to be material.

Signed for Identification
V. J. CHOKSI & CO.
By 

vii) The cost-sharing and/or cost-allocation in different programmes is done by DDACS guided, among other things, by programme budgets and relied upon by us;

viii) balances due to or from parties including but not limited to Advances/deposits given and Security Deposits received are subject to confirmation; we issued a modified audit opinion in the past on this matter;

ix) Payments to employees (on consolidated basis for grants under Pool Funds and GFATM Round 6) include -

a) second installment of arrears being Rs. 7,92,003/- to Staff on deputation consequent to implementation of recommendations of Sixth Pay Commission for prior periods; we issued a modified audit opinion in the past on this matter; we are unable to comment on this as project expenditure;

b) second installment of arrears being Rs. 1,59,941/- to a retired staff consequent to implementation of recommendations of Sixth Pay Commission for prior periods; we issued a modified audit opinion in the past on this matter; we are unable to comment on this as project expenditure

x) In respect of Fixed Assets -

a) Having regard to the accounting treatment consistently followed during the year and in earlier years of charging certain capital expenditure as utilization of grant, inventory records for fixed assets are to be updated and do not reconcile to the general ledger; we issued a modified audit opinion in the past on this matter;

b) identification and subsequent physical verification of fixed assets and reconciliation of discrepancies, if any, with up-dated records has not been done by the management; and

c) Inventory records maintenance and periodical physical verification by persons other than custodians;

In the circumstances, we are unable to comment on the value of assets reflected in the financial statements;

xi) Grants utilized to the extent of expenses of Peripheral units under various heads relate to adjustment of Advances given to peripheral units on the basis of Statements of Expenditure received without any independent verification of such statements and which we were unable to audit;

xii) The management is responsible for complying with laws and regulations applicable to the Society. We performed tests of its compliance with certain provisions of laws and regulations; we limited our tests of compliance to these provisions, and we did not test compliance with all laws and regulations applicable to DDACS. Providing an opinion on compliance with certain provisions of laws and regulations was not an objective of our audit, and accordingly, we do not express such an opinion.

xiii) There is no IT/EDP systems audit nor review for security/application controls and we have not performed any additional testing on such data; also there are inherent limitations in financial system software and our reliance on the data validated by management/others as part of the audit process; we did not rely on any other systems other than to make selections for testing purposes

xiv) We have not been able to review whether there is any Business Continuity Plan (BCP) and Disaster recovery policy/ procedures (DRP)

xv) The audit is performed on the basis on information/data furnished or made available to audit and is not responsible for misinformation and/or non-submission of information/data.

xvi) We did not audit management's comments, where provided, and accordingly, we express no opinion on additional inputs provided therein by management on them.

Signed for identification
V. J. CHOISI & CO.
By 

xvii) Refer to Schedule for significant accounting policies

xviii) As regards the matters referred to above in paragraphs i) to xvii) above and -

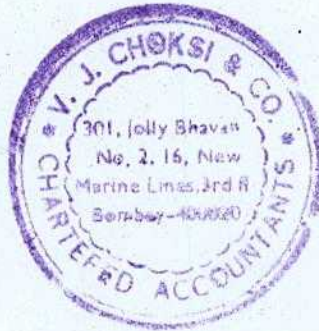
- owing to the limitations explained therein; and/or
 - our inability to comment on the eventual outcome; and/or
 - in the absence of an adequate system, which we could rely on, and consequently our inability to perform satisfactory audit procedures; and/or
 - such adjustments (not presently ascertainable) as might have been found to be necessary had we been able to satisfy ourselves as to the matters referred therein;
- the financial results of DDACS as of and for the year ended March 31, 2010 may vary in step with the final determination/resolution of the issues involved. We are unable to express an opinion on such matters and the consequential effect, if any, on the financial statements of DDACS.

Our audits were conducted for the purpose of forming an opinion on the special purpose financial statement taken as a whole. In view of the foregoing observations with such subsequent adjustments that may be necessary (presently not ascertainable), we are unable to state whether in our opinion and to the best of our information and according to the explanations given to us -

- the accompanying financial statements give a true and fair view of the cash receipts and disbursements of the Round 6 program during the year ended March 31, 2010.
- Such information has been subjected to the auditing procedures applied in the audits of the special purpose financial statements is fairly stated in all material respects in relation to the special purpose financial statements taken as a whole.

The information in the Utilization Certificate is not a required part of the financial statements, but is supplementary information. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of this information. However, we did not audit this information and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Global Fund to Fight AIDS, Tuberculosis and Malaria, and National AIDS Control Organisation of the Government of India as funding agencies of the National AIDS Control Program - Phase III and for submission to these funding agencies and should not be used by anyone other than these specified parties for any other purpose.



Camp: Moti Daman
July 16, 2010

For and on behalf of
V J CHOKSI & CO
Chartered Accountants
FRN 101904W


(M. V. CHOKSI)/Partner
Membership no. 42642

MPCO

DAMAN & DIU SACS - GLOBAL FUND VI
 Primary Health Centre, Fort Area, Moti Damam - 396 220
 National AIDS Control Project - Phase III

BALANCE SHEET
 For the Period From : 01-Apr-2009 To : 31-Mar-2010

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.)
349,573.00	GENERAL FUND	01	506,760.00	32,737.00	FIXED ASSET	02	52,727.00
32,737.00	FIXED ASSET FUND		52,727.00	104,029.00	CURRENT ASSETS, LOANS AND ADVANCES		
				245,544.00	LOANS AND ADVANCES	0401	174,187.00
					CURRENT ASSETS	301	332,573.00
382,310.00	TOTAL		559,487.00	382,310.00	TOTAL		559,487.00

For State AIDS Control Society, U.T. of Damam and Diu

As per our report attached
 For M/s. V. J. Choksi & Co.
 Chartered Accountants

M. V. Choksi
 Partner
 Place : DAMAN
 Date : 16-07-2010



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President
 Place : DAMAN
 Date : 16-07-2010



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Project Director (AIDS)

General Fund

Schedule 01

Figures in Rupees

Particulars	As at 31-Mar-10 (Rs.)	As at 31-Mar-09 (Rs.)
Opening Grant in aid	349,573.00	220,611.00
Add: Received during the year		
Grant from NACO to SACS	1,037,000.00	760,000.00
Less: Utilised during the year		
Grants utilised to the extent of Revenue Expenditure	859,823.00	598,301.00
Grants utilised to the extent of Fixed Asset Expenditure	19,990.00	32,737.00
Closing Grant in aid	506,760.00	349,573.00

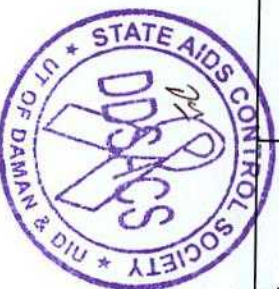
Fixed Asset

Schedule 02

Figures in Rupees

Particulars	Opening Balance	Addition	Deletion	Closing Balance
Office Equipment (2206)	32,737.00	19,990.00	-	52,727.00
Grand Total	32,737.00	19,990.00	-	52,727.00

Signed for identification
By V. J. CHOKSI & CO.



LOANS AND ADVANCES

Schedule 0401
Figures in Rupees

Particulars	As at 31-Mar-10 (Rs.)	As at 31-Mar-09 (Rs.)
Advance to District Authorities	174,187.00	104,029.00
Total	174,187.00	104,029.00

CURRENT ASSETS

Schedule 0301
Figures in Rupees

Particulars	As at 31-Mar-10 (Rs.)	As at 31-Mar-09 (Rs.)
State Bank of India, Moti Damam	332,573.00	245,544.00
Total	332,573.00	245,544.00

Signed for Identification
V. J. CHOKSI & CO.
By _____





DAMAN & DIU SACS - GLOBAL FUND VI
 Primary Health Centre, Fort Area, Moti Damam - 396 220
 National AIDS Control Project - Phase III

Income and Expenditure Account
 For the Period From : 01-Apr-2009 To : 31-Mar-2010

Figures for the previous Period (Rs.)	EXPENDITURE	Schedule Reference	Figures for the current Period (Rs.)	Figures for the previous Period (Rs.)	INCOME	Schedule Reference	Figures for the current Period (Rs.)
21,383.00	Kits and Other Lab. Supplies	06	141,592.00	1,079.00	Other Income	28	3,110.00
0.00	Medicines	07	1,314.00	598,301.00	Grants utilised to the extent of revenue expenditure		859,823.00
0.00	Training and Workshops	08	28,269.00				
545,228.00	Salary (Pay and Allowances)	13	651,662.00				
32,769.00	Operational Expenses	15	40,096.00				
599,380.00	TOTAL		862,933.00	599,380.00	TOTAL		862,933.00

As per our report attached
 For M/s. V. J. Choksi & Co.
 Chartered Accountants

(M. V. Choksi)
 Partner
 Place : DAMAN
 Date : 16-07-2010



(M. V. Choksi)

President
 Place : DAMAN
 Date : 16-07-2010



(M. V. Choksi)
 Project Director (AIDS)

Other Income

Schedule 28

Particulars	As at 31-Mar-10 (Rs.)	As at 31-Mar-09 (Rs.)
Interest from Bank	3,110.00	1,079.00
Total	3,110.00	1,079.00

Kits and Other Lab. Supplies

Schedule 06

Particulars	As at 31-Mar-10 (Rs.)	As at 31-Mar-09 (Rs.)
Consumable Items	141,592.00	21,383.00
Total	141,592.00	21,383.00

Medicines

Schedule 07

Particulars	As at 31-Mar-10 (Rs.)	As at 31-Mar-09 (Rs.)
PEP Drugs	1,314.00	0.00
Total	1,314.00	0.00

Signed for Identification
 V. J. CHOKSI & CO.
 By 



Training and Workshops

Particulars	As at 31-Mar-10 (Rs.)	As at 31-Mar-09 (Rs.)
Training	28,269.00	0.00
Total	28,269.00	0.00

Schedule 08

Salary (Pay and Allowances)

Particulars	As at 31-Mar-10 (Rs.)	As at 31-Mar-09 (Rs.)
Salary	651,662.00	545,228.00
Total	651,662.00	545,228.00

Schedule 13

Operational Expenses

Particulars	As at 31-Mar-10 (Rs.)	As at 31-Mar-09 (Rs.)
Printing & Stationery	29,631.00	562.00
Contingency	10,465.00	32,207.00
Total	40,096.00	32,769.00

Schedule 15

Signed for Identification
By V. J. CHOKSI & CO.



Receipt and Payment Account
 For the Period From : 01-Apr-2009 To : 31-Mar-2010

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.)
	Opening Balance :			325,000.00	LOANS AND ADVANCES	17	755,000.00
220,611.00	Balance with Bank	30	245,544.00	16,150.00	FIXED ASSETS	16	19,990.00
760,000.00	GENERAL FUND	29	1,037,000.00	0.00	CURRENT LIABILITIES	32	3,476.00
1,079.00	Other Income	56	3,110.00	12,545.00	Kits and Other Lab Supplies	18	0.00
				0.00	Medicines	19	1,314.00
				0.00	Training and Workshops	20	7,718.00
				374,362.00	Salary (Pay and Allowances)	25	165,583.00
				8,089.00	Operational Expenses	27	0.00
					Closing Balance :		
				245,544.00	Balance with Bank	31	332,573.00
981,690.00	TOTAL		1,285,654.00	981,690.00	TOTAL		1,285,654.00

As per our report attached
 For M/s. V. J. Choksi & Co.
 Chartered Accountants

(M. V. Choksi)
 Partner
 Place : DAMAN
 Date : 16-07-2010



For State AIDS Control Society, U.T. of Damam and Diu

President

Place : DAMAN
 Date : 16-07-2010



Project Director (AIDS)

General Fund

Particulars	As at 31-Mar-10 (Rs.)	As at 31-Mar-09 (Rs.)
Grant from NACO to SACS	1,037,000.00	760,000.00
Total	1,037,000.00	760,000.00

Schedule 29

Balance with Bank

Particulars	As at 01-Apr-09 (Rs.)	As at 01-Apr-08 (Rs.)
State Bank of India, Moti Damam	245,544.00	220,611.00
Total	245,544.00	220,611.00

Schedule 30

Other Income

Particulars	As at 31-Mar-10 (Rs.)	As at 31-Mar-09 (Rs.)
Interest from Bank	3,110.00	1,079.00
Total	3,110.00	1,079.00

Schedule 56

Signed for Identification
V. J. Chakraborty & CO.
By 



Loans and Advances

Particulars	Schedule 17	
	As at 31-Mar-10 (Rs.)	As at 31-Mar-09 (Rs.)
Advance to District Authorities	755,000.00	325,000.00
Total	755,000.00	325,000.00

Fixed Assets

Particulars	Schedule 16	
	As at 31-Mar-10 (Rs.)	As at 31-Mar-09 (Rs.)
Office Equipment	19,990.00	16,150.00
Total	19,990.00	16,150.00

Current Liabilities

Particulars	Schedule 32	
	As at 31-Mar-10 (Rs.)	As at 31-Mar-09 (Rs.)
TDS (Salary)	3,476.00	0.00
Total	3,476.00	0.00

Signed for Identification
 V. J. CHOCSI & CO.
 By 



Kits and Other Lab Supplies

Particulars	As at 31-Mar-10 (Rs.)	As at 31-Mar-09 (Rs.)
Consumable Items	0.00	12,545.00
Total	0.00	12,545.00

Schedule 18

Medicines

Particulars	As at 31-Mar-10 (Rs.)	As at 31-Mar-09 (Rs.)
PEP Drugs	1,314.00	0.00
Total	1,314.00	0.00

Schedule 19

Training and Workshops

Particulars	As at 31-Mar-10 (Rs.)	As at 31-Mar-09 (Rs.)
Training	7,718.00	0.00
Total	7,718.00	0.00

Schedule 20

Signed for Identification
By V. J. CHOISY & CO.



Salary (Pay and Allowances)

Particulars	Schedule 25	
	As at 31-Mar-10 (Rs.)	As at 31-Mar-09 (Rs.)
Salary	165,583.00	374,362.00
Total	165,583.00	374,362.00

Operational Expenses

Particulars	Schedule 27	
	As at 31-Mar-10 (Rs.)	As at 31-Mar-09 (Rs.)
Printing & Stationery	0.00	562.00
Contingency	0.00	7,527.00
Total	0.00	8,089.00

Balance with Bank

Particulars	Schedule 31	
	As at 31-Mar-10 (Rs.)	As at 31-Mar-09 (Rs.)
State Bank of India, Moti Damam	332,573.00	245,544.00
Total	332,573.00	245,544.00

Signed for Identification
 V. J. CHOKSI & CO.
 By _____





DAMAN & DIU SACS - GLOBAL FUND VI
 Primary Health Centre, Fort Area, Moti Damam - 396 220
 National AIDS Control Project - Phase III
SOE Withdrawal Schedule including Reconciliation of expenditure claimed in the SOE with the expenditure as per Audited Accounts (Income & Expenditure Account)
For the Year : 2009-10

Figures in Rupees

Expenditure Category	Amount as per SOE (Category Wise)				For the Year	Amount as per I&E A/c for the Year	Variance for the Year	Reasons for Difference
	Quarter 1	Quarter 2	Quarter 3	Quarter 4				
ART Centres (1)								
Recurring Expenses (101)								
Universal Work Precautions under ART (10202)		0.00		1,314.00	1,314.00	1,314.00	0.00	
ICTCs (4)								
Non-recurring (401)								
Infrastructure / civil works / Equipments under ICTC (40101)		0.00		19,990.00	19,990.00	0.00	19,990.00	
Recurring Expenses (402)								
Salaries/ Operational Cost under ICTC (40201)		270,403.00	100,666.00	169,253.00	321,297.00	861,619.00	0.00	
Sub Total	270,403.00	100,666.00	169,253.00	341,287.00	881,609.00	861,619.00	19,990.00	
GRAND TOTAL	270,403.00	100,666.00	169,253.00	342,601.00	882,923.00	862,933.00	19,990.00	

As per our report attached
 For M/s. V. J. Choksi & Co.
 Chartered Accountants

For State AIDS Control Society, U.T. of Damam and Diu

(M. V. Choksi)
 Partner
 Date : 16-07-2010



President
 Place : DAMAN
 Date : 16-07-2010



Project Director (AIDS)



DAMAN & DIU SACS - GLOBAL FUND VI

Primary Health Centre, Fort Area, Moiti Damam - 396220
National AIDS Control Project - Phase III

SOE Withdrawal Schedule including Reconciliation of expenditure claimed in the SOE with the expenditure as per Audited Accounts (Income & Expenditure Account)

For the Year : 2009-10

Particulars	Figures in Rupees	
	Amounts (Rs.)	Amounts (Rs.)
Total expenditure as per SOE/PMR		
ART Centres (1)		
Recurring Expenses (101)		
ICTCs (4)	1,314.00	
Non-recurring (401)		
Recurring Expenses (402)	19,990.00	
Less : Fixed Assets	861,619.00	882,923.00
Infrastructure / civil works / Equipments under ICTC (40101)	19,990.00	19,990.00
Total expenditure as per Income and Expenditure		862,933.00

As per our report attached
For M/s. V. J. Choksi & Co.
Chartered Accountants

(M. V. Choksi)
Partner
Place : DAMAN
Date : 16-07-2010



For State AIDS Control Society, U.T. of Damam and Diu

President
Place : DAMAN
Date : 16-07-2010

Project Director (AIDS)





DAMAN & DIU SACS - GLOBAL FUND VI
Primary Health Centre, Fort Area, Moti Daman - 396 220
National AIDS Control Project - Phase III
SOURCE AND USES OF FUNDS
As on : 31-Mar-2010

Year ---->

Particulars	2007-08	2008-09	2009-10
Opening balance of Net Current Assets	0.00	220,611.00	245,544.00
Advances (02)	0.00	0.00	104,029.00
Grant from NACO to SACS	671,000.00	760,000.00	1,037,000.00
Miscellaneous Receipts (04)	0.00	1,079.00	3,110.00
Expenses (05)	450,389.00	599,380.00	862,933.00
Fixed Assets (06)	0.00	32,737.00	19,990.00
Balance in Bank (07)	220,611.00	245,544.00	332,573.00
Closing balance of Net Current Assets	220,611.00	245,544.00	332,573.00
Advances (08)	0.00	104,029.00	174,187.00

Signed for Identification
By V. J. CHIDKSI & CO.



Particulars	Year ---->		
	2007-08	2008-09	2009-10
Balance in Bank (01)			
State Bank of India	0.00	220,611.00	245,544.00
Total	0.00	220,611.00	245,544.00
Advances (02)			
Advance to District Authorities	0.00	0.00	104,029.00
Miscellaneous Receipts (04)			
Interest from Bank	0.00	1,079.00	3,110.00
Total	0.00	1,079.00	3,110.00
Expenses (05)			
Consumable Items	14,868.00	21,383.00	141,592.00
Contingency	17,074.00	32,207.00	10,465.00
PEP Drugs	0.00	0.00	1,314.00
Printing & Stationery	6,451.00	562.00	29,631.00
Salary	411,996.00	545,228.00	651,662.00
Training	0.00	0.00	28,269.00
Total	450,389.00	599,380.00	862,933.00
Fixed Assets (06)			
Office Equipment	0.00	32,737.00	19,990.00
Total	0.00	32,737.00	19,990.00
Balance in Bank (07)			
State Bank of India	220,611.00	245,544.00	332,573.00
Total	220,611.00	245,544.00	332,573.00
Advances (08)			
Advance to District Authorities	0.00	104,029.00	174,187.00
Total	0.00	104,029.00	174,187.00

As per our report attached
For M/s. V. J. Choksi & Co.
Chartered Accountants

For State AIDS Control Society, U.T. of Damam and Diu

(M.V. Choksi)
Partner
Date : 16-07-2010

President
Place : DAMAN
Date : 16-07-2010

Project Director (AIDS)



STATE AIDS CONTROL SOCIETY OF UNION TERRITORY OF DAMAN & DIU

Notes forming part of the financial statements for the year ended March 31, 2010

A. SIGNIFICANT ACCOUNTING POLICIES.

A.1. The accounting principles and policies, recognized as appropriate for measurement and reporting of the financial performance and financial position on cash basis except as otherwise disclosed, using historical costs (ie., not taking into account changing money values/impact of inflation) are applied in the preparation of the financial statements and those which are considered material to the affairs are suitably disclosed. The statement on Significant Accounting Policies excludes disclosures required as per Accounting Standards in respect of which there were no material transactions or where compliance with such standards is not mandatory for the Society. The financial statements are in accordance with the requirements of the law applicable to the Society.

A.2. Method of Accounting

The Society has generally followed cash basis of accounting in accordance with financial guidelines issued by National AIDS Control Organization (NACO) whereby assets and liabilities are accounted for only on realization/payment. On this basis, certain items of receipts and related assets are recognized when received rather than when earned and certain expenses are recognized when paid rather than when the obligation is incurred.

Grants/contributions received are considered as contribution to General Fund and the expenditure incurred with specific directions are considered on net basis.

There are no changes in the accounting policies of the Society from that followed in previous year.

A.3 Fixed Assets.

Fixed assets including, land, building, plant and equipment's, lifts electrical installations, etc. are stated at their composite cost estimated on the basis of the price paid for by original purchasers of premises from the builders. Fixed assets are stated at their cost of acquisition when purchased or cost of construction when these are constructed. No depreciation is provided on fixed assets.

Certain Fixed Assets acquired under grants for use by the Society and/or peripheral units/NGOs are charged as Grant utilized and not capitalized.

A.6. Inventories

Medicines, testing kits, condoms and IEC materials are acquired either free of cost or purchased. These are not carried as inventories but are charged to revenue in the year of purchase, when purchased by the Society, as these are not purchased with the intention to sell. The Society is in process of maintaining and updating records in this respect.

A.5. Retirement benefits

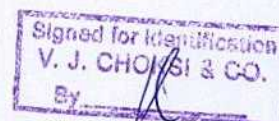
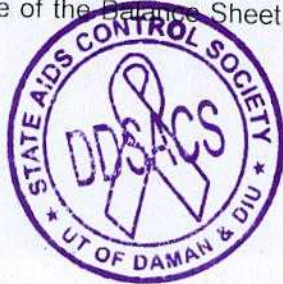
Contributions are made to defined contribution retirement benefit plan viz., Provident Fund in respect of employees on deputation which are recognized as expenses as and when they are made. Leave salary payments are accounted for by the Society as and when any payment is made/to be made. The above expenditure is debited to Income & Expenditure Account.

A.7. Contingencies and events occurring after balance sheet date

Loss may be recorded if the likelihood of occurrence is probable and the amount is reasonably estimable. Management considers each legal action using this guidance. The management believes that current assumptions and other considerations used to estimate potential liability for litigation are appropriate. While it is not possible to know with certainty the ultimate outcome of these claims or lawsuits, management does not expect them to have a material effect on financial condition, liquidity or results of operations.

A.8. Material events occurring after the Balance Sheet date

There have been no material changes of events since the date of the Balance Sheet affecting the financial statements as on the Balance Sheet date. Further, other than matters disclosed in the Notes, till the date of the Balance Sheet, no events or circumstance have occurred, though properly



excluded from the accounts, are of such an importance that they should be disclosed through any other medium.

A.9 Provisions, Contingent Liabilities and Contingent Assets

Contingent liabilities are not provided for but are disclosed after a careful evaluation of the facts and legal aspects of the matter involved. Subject to the method of accounting followed by the Society, a provision is recognized when the Society has a present obligation as a result of past event and it is probable that an outflow of resources is required to settle the obligation, in respect of which a reliable estimate can be made based on technical evaluation and past experience. Future cash outflows are determinable only on occurrence of uncertain future events particularly availability of grants. Provisions are not discounted to its present value and are determined based on management estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

A.10 Accounting for taxes on income:-

Provision for taxation, if any, on income from charitable activities is not made having regard to the nature of activities carried out and as the Society intends to avail of tax reliefs and benefits and any tax payments are accounted for, as and when made.

A. Impairment of Assets

The carrying value of fixed assets is evaluated whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable. There is no impairment loss recognized or identified during the reporting period except as disclosed in the Notes.

B. NOTES TO THE ACCOUNTS.

B.1. Contingent liabilities in respect of :

Claim against Society not acknowledged as debt Rs. Nil (Previous Year Rs Nil)

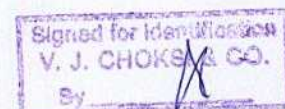
While it is impossible to be certain of the outcome of any particular case or of the amount of any possible adverse decision, the Society believes that the defences to all these various claims are meritorious both on the law and the facts, and a vigorous defence is being made everywhere. If an adverse judgment were entered against the Society in any case, an appeal would be made. Such appeals could require the appellant to deposit amounts, if any demanded or furnish substitute security in amount which could in some cases equal or exceed the amount demanded. The impact of the action initiated/to be initiated is not presently ascertainable.

In respect of demands and claim on the Society disclosed under "Contingent Liabilities", if the liabilities is finally ascertained or crystallized as payable, such amounts would be borne and recoverable by the Society, entirely or in part, from the members as reimbursement will be claimed from the members; during the year the Society has on such basis provided for Rs 100.00 lacs on account of Contingencies for Income Tax liability to recoup the payments deposited in respect of disputed tax demands and Sinking Fund.

B.2 The Society has carried out Civil Work extension on existing property of the administration of Union Territory and is sharing its infrastructure and the infrastructure of the administration of Union Territory with common health and medical services. There is no formal arrangement entered into with the administration in this respect.

B.3. Advances to NGOs and peripheral units are subject to confirmation and reconciliation. The necessary adjustments, if required, will be made when statement of expenditure/utilization certificate(s) are received or settled.

Further, the internal audit at NGOs for financial years 2007-08, 2008-09 and 2009-10 by external auditors, to be appointed by the Society in consultation with NACO, is pending to be completed. These financial statements are subject to any comments in respect of internal audit at NGOs for financial years 2007-08, 2008-09 and 2009-10 and the effect, thereof, if any, on these financial statements is not presently ascertainable.



In the opinion of the management, the balances reflected in the accounts are recoverable and no adjustment is presently required pending .

B.4 Payments to employees -

a) include release of instalment of arrears paid to deputation staff consequent to implementation of recommendations of Sixth Pay Commission;

b) exclude balance amount of arrears payable

Future cash outflows in respect of the above matters at b) are determinable only on resolution of the matters pending before various authorities.

Having regard to these matters and the method of accounting followed, the Society (i) does not consider it appropriate to make any provision in respect of the obligation and (ii) does not believe that the ultimate outcome of this will significantly impair the financial condition of the Society.

B.5 Fixed Assets record at the Society is maintained as per past practice. However, we have not maintained detailed records showing full and complete quantitative particulars of fixed assets including their location and it is difficult to compile past data; Depreciation is not provided on fixed assets as per practice consistently followed. No physical verification is carried out of fixed assets of the Society including but not limited to Fixed assets acquired out of grant funds for own use or for use by beneficiaries.

The effect of this on the financial statements will be known on its updation of records, physical verification, scrutiny, reconciliation and adjustment. In the opinion of the Society, the difference/ discrepancies are not likely to be of a material amount considering the size of the Society and the nature of its operations.

B.6 The Society is yet to apply for and obtain Income tax permanent account number (PAN) and approval under section 12A of the Income Tax Act, 1961. In view of these factors, Income tax return(s) have not been submitted.

The Society has obtained Tax Deduction Account number for deduction of tax at source during the year and there is substantial compliance since then. However, during audit, certain cases of short-deduction and non-deduction of tax have been observed. The Society will initiate process for compliance. The impact of the action initiated/to be initiated is not presently ascertainable.

B.7 Disclosures under section 22 of Micro, Small and Medium Enterprises Development Act, 2006 have not been made and can be considered on receiving relevant information from suppliers who are covered under the Act is received from such suppliers. Presently, no such information is available with the Society

B.8 Responsibility Statement of Management

The following statement, which should be read in conjunction with the statement of Auditor's responsibilities set out in the Audit Report, is made with a view to distinguishing the respective responsibilities of the Society and auditors in relation to the accounts/financial statements.

It is represented and confirmed by the management that subject to disclosures in the Notes -

a) In the preparation of the financial statements, the applicable standards and principles have been followed which require management to -

- select suitable accounting policies and then apply them consistently and

- make judgments, estimates and assumptions that are reasonable and prudent.

These may however affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements as well as the reported amounts of revenues and expenses during the reporting period. Significant items subject to such estimates and assumptions include carrying value of fixed assets; utilization/realization of grants given, potential litigation claims in which the Society may be involved and their outcome as well as resolution of issues and matters with government authorities, sustainability of funding from donor agencies and obligations related to employee benefits; although these estimates are based on management's historical experience and best knowledge of current events and actions, actual results may actually differ from those estimates; any revision to accounting estimates is recognized prospectively in current and future periods.

b) Except as disclosed, there are no material departure from the applicable accounting standards and principles as applicable to societies;



- c) Proper and sufficient care has been taken to the best of our knowledge and ability for the maintenance of adequate accounting records for safeguarding the assets and for preventing and detecting fraud and other irregularities;
- d) The accounts have been prepared on a going concern;
- e) The fair values of the assets and liabilities is not materially different from their carrying values; Subject to the other notes and the method of accounting followed by the Society, provision for depreciation and for all known liabilities is adequate and not in excess of the amounts reasonably necessary; and there are no contingent liabilities except those disclosed in the notes;
- f) The Balance Sheet and the Income & Expenditure Account together with schedules to the financial statements and notes thereon are drawn up so as to give a true and fair view of the state of affairs as at the end of and the results for the reporting period.
- g) The Society has complied with all the laws, order, regulations and other legal requirements of the Central, State and other Governments, local Authorities, etc., concerning the affairs of the Society and in particular, there has been no breach by the Society and in particular, there has been no breach by the Society of any of the provision of the fiscal, commercial, labour and environmental legislations governing/applicable to the Society; and
- h) The transactions of the Society, including payments and expenditure (revenue and capital), retirement, sale, etc., of assets, where applicable, have been within the powers of the Society having been done in accordance with Society's policies/guidelines and / or past practice, where laid down, and with the knowledge and authorization of the appropriate sanctioning authority. Except as disclosed in the Notes, there are no transactions ultra vires the powers of the Society and/or its management that are required to be brought to the notice of any authority.

B.9 The Society has a policy of authorizing and accounting transactions based on reasonable checks and controls (appropriate to the size and nature of its operations) having regard to the Society's needs and exigencies. Where such transactions have not been susceptible to independent audit verification owing to inadequacy or lack of evidence supporting the transactions, the amounts and/ or disclosures in the financial statements, management representations to audit enquiries have been made confirming the incurrence of transactions exclusively and necessarily for the purpose of the Society's operations. The representations and assertions made by the management for such transactions/ expenses have been relied upon by the auditors. The Society will continue to review its internal controls and procedures and consider such changes particularly increased compliance as the activities grow in size, in future evaluations of the effectiveness of controls and procedures, as it deems appropriate. There has been no significant change in our internal control over financial reporting or other factors during the reporting period that has significantly or materially affected or is reasonably likely to materially affect our internal control over financial reporting.

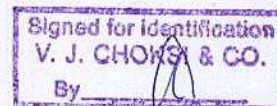
B.10 Comparative figures of last year have been regrouped/ recast wherever necessary to conform to current year's classification or presentation without affecting surplus/deficit.

B.11 The schedules and the Notes on the Accounts form an integral part of the financial statements and are duly authenticated.

Daman
July 16, 2010

President

Dam
Project Director





Daman & Diu SACS - GLOBAL FUND VI

Primary Health Centre, Fort Area , Moti Daman - 396220

National AIDS Control Project - Phase III

Utilisation Certificate

Certified that an amount of Rs. **1,037,000.00** received as grants-in-aid received from Department of AIDS Control (NACO) during the Fin.Year **2009-10** vide letter No. given below and opening Cash/Bank Balance Rs. **245,544.00** (and Current Liabilities of Rs.**0.00**)and outstanding Advances for Rs. **104,029.00** on account of unspent balance brought forward from the previous financial year, and Bank Interest and Miscellaneous Receipts of Rs. **3,110.00**. a sum of Rs. **882,923.00** has been utilized for the purpose for which it was sanctioned and the Cash/Bank balance of Rs. **332,573.00** (and Current Liabilities of Rs. **0.00**)and outstanding advances of Rs.**174,187.00**. remaining unutilized at the end of the year will be adjusted towards the grants-in-aid payable during the next year .

Sl. No.	Sanction letter Number and Date	Amount
	Total	1,037,000.00

2. Certified that I have satisfied myself that the conditions on which the grants-in-aid was sanctioned have been duly fulfilled/are being fulfilled and that I 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

Countersigned

Signed for Identification
V. J. CHOKER
 (Chartered Accountant)



Dewan
 (Project Director)
(Dr. D. K. Makwana)
 Project Director
 State AIDS Control Society
 UT of Daman & Diu

16 JUL 2010

Opening balance of Net Current Assets	Amount (Rs.)
Bank6	245,544.00
Advance to District Authorities	104,029.00
	<u>349,573.00</u>
Sources of funds	Amount (Rs.)
Grant from NACO to SACS	1,037,000.00
	<u>1,037,000.00</u>
Utilisation of funds	Amount (Rs.)
Training	28,269.00
Salary	651,662.00
Printing & Stationery	29,631.00
PEP Drugs	1,314.00
Contingency	10,465.00
Consumable Items	141,592.00
Office Equipment	19,990.00
	<u>882,923.00</u>
Bank Interest & Miscellaneous Receipts	Amount (Rs.)
Interest from Bank	3,110.00
	<u>3,110.00</u>
Closing balance of Net Current Assets	Amount (Rs.)
Bank6	332,573.00
Advance to District Authorities	174,187.00
	<u>506,760.00</u>

Signed for Identification
M. J. CHOKE
11 6 JUL 2010



Deven
(Dr. D. K. Makwana)
Project Director
State AIDS Control Society
UT of Daman & Diu

DAMAN & DIU SACS - DBS FOR SURVEILLANCE
 Primary Health Centre, Fort Area, Moti Damam - 396 220
 National AIDS Control Project - Phase III
BALANCE SHEET

For the Period From : 01-Apr-2009 To : 31-Mar-2010

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.)
0.00	GENERAL FUND	01	118,783.00		CURRENT ASSETS, LOANS AND ADVANCES		
				0.00	CURRENT ASSETS	0301	118,783.00
0.00	TOTAL		118,783.00	0.00	TOTAL		118,783.00

As per our report attached
 For M/s. V. J. Choksi & Co.
 Chartered Accountants

(M. V. Choksi)

Partner

Place : DAMAN

Date : 16-07-2010

For State AIDS Control Society, U.T. of Damam and Diu

President

Place : DAMAN
 Date : 16-07-2010



Project Director (AIDS)

WPCO

DAMAN & DIU SACS - DBS FOR SURVEILLANCE

Primary Health Centre, Fort Area, Moti Damam - 396 220
National AIDS Control Project - Phase III

Income and Expenditure Account
For the Period From : 01-Apr-2009 To : 31-Mar-2010

Figures for the previous Period (Rs.)	EXPENDITURE	Schedule Reference	Figures for the current Period (Rs.)	Figures for the previous Period (Rs.)	INCOME	Schedule Reference	Figures for the current Period (Rs.)
0.00	Excess of Income over Expenditure		2,383.00	0.00	Other Income	28	2,383.00
0.00	TOTAL		2,383.00	0.00	TOTAL		2,383.00

As per our report attached
For M/s. V. J. Choksi & Co.
Chartered Accountants

(M. V. Chokshi)
Partner
Place : DAMAN
Date : 16-07-2010

For State AIDS Control Society, U.T. of Damam and Diu

President

Place : DAMAN
Date : 16-07-2010

Project Director (AIDS)



Other Income

Schedule 28

Particulars	As at 31-Mar-10 (Rs.)	As at 31-Mar-09 (Rs.)
Interest from Bank	2,383.00	0.00
Total	2,383.00	0.00

Signed for Identification
 V. J. CHAKSI & CO.
 By *[Signature]*



NACO

DAMAN & DIU SACS - DBS FOR SURVEILLANCE
 Primary Health Centre, Fort Area, Moti Damam - 396 220
 National AIDS Control Project - Phase III

Receipt and Payment Account
For the Period From : 01-Apr-2009 To : 31-Mar-2010

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.)
	Opening Balance :				Closing Balance :		
0.00	GENERAL FUND	29	116,400.00	0.00	Cash in hand		0.00
0.00	Other Income	56	2,383.00	0.00	Balance with Bank	31	118,783.00
0.00	TOTAL		118,783.00	0.00	TOTAL		118,783.00

As per our report attached
 For M/s. V. J. Choksi & Co.
 Chartered Accountants

(M. V. Choksi)
 Partner
 Date : 16-07-2010

For State AIDS Control Society, U.T. of Daman and Diu

President

Place : DAMAN
 Date : 16-07-2010

Project Director (AIDS)



General Fund

Particulars	As at 31-Mar-10 (Rs.)	As at 31-Mar-09 (Rs.)
Grant from NACO to SACS	116,400.00	0.00
Total	116,400.00	0.00

Schedule 29

Other Income

Particulars	As at 31-Mar-10 (Rs.)	As at 31-Mar-09 (Rs.)
Interest from Bank	2,383.00	0.00
Total	2,383.00	0.00

Schedule 56

Balance with Bank

Particulars	As at 31-Mar-10 (Rs.)	As at 31-Mar-09 (Rs.)
State Bank of India, Moti Damam	118,783.00	0.00
Total	118,783.00	0.00

Schedule 31

Signed for Identification
By V. J. CHAKSRI & CO.





DAMAN & DIU SACS - DBS FOR SURVEILLANCE
Primary Health Centre, Fort Area, Moti Damam - 396 220
National AIDS Control Project - Phase III
SOURCE AND USES OF FUNDS
As on : 31-Mar-2010

Particulars	2009-10
Sources of funds	
Grant from NACO to SACS	116400.00
Miscellaneous Receipts (04)	2383.00
Closing balance of Net Current Assets	118783.00
Miscellaneous Receipts (04)	2383.00
Interest from Bank	
Balance in Bank (07)	118783.00
State Bank of India	118783.00
Total	118783.00

As per our report attached
For M/s. V. J. Choksi & Co.
Chartered Accountants

(M) V. Choksi)
Partner
Date : 16-07-2010

For State AIDS Control Society, U.T. of Daman and Diu

President
Place : DAMAN
Date : 16-07-2010



Project Director (AIDS)

STATE AIDS CONTROL SOCIETY OF UNION TERRITORY OF DAMAN & DIU

Notes forming part of the financial statements for the year ended March 31, 2010

A. SIGNIFICANT ACCOUNTING POLICIES.

A.1. The accounting principles and policies, recognized as appropriate for measurement and reporting of the financial performance and financial position on cash basis except as otherwise disclosed, using historical costs (ie., not taking into account changing money values/impact of inflation) are applied in the preparation of the financial statements and those which are considered material to the affairs are suitably disclosed. The statement on Significant Accounting Policies excludes disclosures required as per Accounting Standards in respect of which there were no material transactions or where compliance with such standards is not mandatory for the Society. The financial statements are in accordance with the requirements of the law applicable to the Society.

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Grants/contributions received are considered as contribution to General Fund and the expenditure incurred with specific directions are considered on net basis.

There are no changes in the accounting policies of the Society from that followed in previous year.

A.3 Fixed Assets.

Fixed assets including, land, building, plant and equipment's, lifts electrical installations, etc. are stated at their composite cost estimated on the basis of the price paid for by original purchasers of premises from the builders. Fixed assets are stated at their cost of acquisition when purchased or cost of construction when these are constructed. No depreciation is provided on fixed assets.

Certain Fixed Assets acquired under grants for use by the Society and/or peripheral units/NGOs are charged as Grant utilized and not capitalized.

A.6. Inventories

Medicines, testing kits, condoms and IEC materials are acquired either free of cost or purchased. These are not carried as inventories but are charged to revenue in the year of purchase, when purchased by the Society, as these are not purchased with the intention to sell.

The Society is in process of maintaining and updating records in this respect.

A.5. Retirement benefits

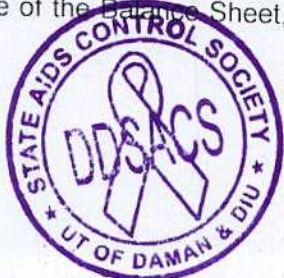
Contributions are made to defined contribution retirement benefit plan viz., Provident Fund in respect of employees on deputation which are recognized as expenses as and when they are made. Leave salary payments are accounted for by the Society as and when any payment is made/to be made. The above expenditure is debited to Income & Expenditure Account.

A.7. Contingencies and events occurring after balance sheet date

Loss may be recorded if the likelihood of occurrence is probable and the amount is reasonably estimable. Management considers each legal action using this guidance. The management believes that current assumptions and other considerations used to estimate potential liability for litigation are appropriate. While it is not possible to know with certainty the ultimate outcome of these claims or lawsuits, management does not expect them to have a material effect on financial condition, liquidity or results of operations.

A.8. Material events occurring after the Balance Sheet date

There have been no material changes of events since the date of the Balance Sheet affecting the financial statements as on the Balance Sheet date. Further, other than matters disclosed in the Notes, till the date of the Balance Sheet, no events or circumstance have occurred, though properly



excluded from the accounts, are of such an importance that they should be disclosed through any other medium.

A.9 Provisions, Contingent Liabilities and Contingent Assets

Contingent liabilities are not provided for but are disclosed after a careful evaluation of the facts and legal aspects of the matter involved. Subject to the method of accounting followed by the Society, a provision is recognized when the Society has a present obligation as a result of past event and it is probable that an outflow of resources is required to settle the obligation, in respect of which a reliable estimate can be made based on technical evaluation and past experience. Future cash outflows are determinable only on occurrence of uncertain future events particularly availability of grants. Provisions are not discounted to its present value and are determined based on management estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

A.10 Accounting for taxes on income:-

Provision for taxation, if any, on income from charitable activities is not made having regard to the nature of activities carried out and as the Society intends to avail of tax reliefs and benefits and any tax payments are accounted for, as and when made.

A. Impairment of Assets

The carrying value of fixed assets is evaluated whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable. There is no impairment loss recognized or identified during the reporting period except as disclosed in the Notes.

B. NOTES TO THE ACCOUNTS.

B.1. Contingent liabilities in respect of :

Claim against Society not acknowledged as debt

Rs. Nil (Previous Year Rs Nil)

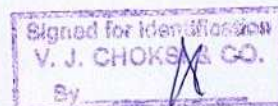
While it is impossible to be certain of the outcome of any particular case or of the amount of any possible adverse decision, the Society believes that the defences to all these various claims are meritorious both on the law and the facts, and a vigorous defence is being made everywhere. If an adverse judgment were entered against the Society in any case, an appeal would be made. Such appeals could require the appellant to deposit amounts, if any demanded or furnish substitute security in amount which could in some cases equal or exceed the amount demanded. The impact of the action initiated/to be initiated is not presently ascertainable.

In respect of demands and claim on the Society disclosed under "Contingent Liabilities", if the liabilities is finally ascertained or crystallized as payable, such amounts would be borne and recoverable by the Society, entirely or in part, from the members as reimbursement will be claimed from the members; during the year the Society has on such basis provided for Rs 100.00 lacs on account of Contingencies for Income Tax liability to recoup the payments deposited in respect of disputed tax demands and Sinking Fund.

B.2 The Society has carried out Civil Work extension on existing property of the administration of Union Territory and is sharing its infrastructure and the infrastructure of the administration of Union Territory with common health and medical services. There is no formal arrangement entered into with the administration in this respect.

B.3. Advances to NGOs and peripheral units are subject to confirmation and reconciliation. The necessary adjustments, if required, will be made when statement of expenditure/utilization certificate(s) are received or settled.

Further, the internal audit at NGOs for financial years 2007-08, 2008-09 and 2009-10 by external auditors, to be appointed by the Society in consultation with NACO, is pending to be completed. These financial statements are subject to any comments in respect of internal audit at NGOs for financial years 2007-08, 2008-09 and 2009-10 and the effect, thereof, if any, on these financial statements is not presently ascertainable.



In the opinion of the management, the balances reflected in the accounts are recoverable and no adjustment is presently required pending .

B.4 Payments to employees -

a) include release of instalment of arrears paid to deputation staff consequent to implementation of recommendations of Sixth Pay Commission;

b) exclude balance amount of arrears payable

Future cash outflows in respect of the above matters at b) are determinable only on resolution of the matters pending before various authorities.

Having regard to these matters and the method of accounting followed, the Society (i) does not consider it appropriate to make any provision in respect of the obligation and (ii) does not believe that the ultimate outcome of this will significantly impair the financial condition of the Society.

B.5 Fixed Assets record at the Society is maintained as per past practice. However, we have not maintained detailed records showing full and complete quantitative particulars of fixed assets including their location and it is difficult to compile past data; Depreciation is not provided on fixed assets as per practice consistently followed. No physical verification is carried out of fixed assets of the Society including but not limited to Fixed assets acquired out of grant funds for own use or for use by beneficiaries.

The effect of this on the financial statements will be known on its updation of records, physical verification, scrutiny, reconciliation and adjustment. In the opinion of the Society, the difference/ discrepancies are not likely to be of a material amount considering the size of the Society and the nature of its operations.

B.6 The Society is yet to apply for and obtain Income tax permanent account number (PAN) and approval under section 12A of the Income Tax Act, 1961. In view of these factors, Income tax return(s) have not been submitted.

The Society has obtained Tax Deduction Account number for deduction of tax at source during the year and there is substantial compliance since then. However, during audit, certain cases of short-deduction and non-deduction of tax have been observed. The Society will initiate process for compliance. The impact of the action initiated/to be initiated is not presently ascertainable.

B.7 Disclosures under section 22 of Micro, Small and Medium Enterprises Development Act, 2006 have not been made and can be considered on receiving relevant information from suppliers who are covered under the Act is received from such suppliers. Presently, no such information is available with the Society

B.8 Responsibility Statement of Management

The following statement, which should be read in conjunction with the statement of Auditor's responsibilities set out in the Audit Report, is made with a view to distinguishing the respective responsibilities of the Society and auditors in relation to the accounts/financial statements.

It is represented and confirmed by the management that subject to disclosures in the Notes -

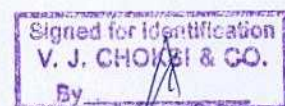
a) In the preparation of the financial statements, the applicable standards and principles have been followed which require management to -

- select suitable accounting policies and then apply them consistently and

- make judgments, estimates and assumptions that are reasonable and prudent.

These may however affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements as well as the reported amounts of revenues and expenses during the reporting period. Significant items subject to such estimates and assumptions include carrying value of fixed assets; utilization/realization of grants given, potential litigation claims in which the Society may be involved and their outcome as well as resolution of issues and matters with government authorities, sustainability of funding from donor agencies and obligations related to employee benefits; although these estimates are based on management's historical experience and best knowledge of current events and actions, actual results may actually differ from those estimates; any revision to accounting estimates is recognized prospectively in current and future periods.

b) Except as disclosed, there are no material departure from the applicable accounting standards and principles as applicable to societies;



- c) Proper and sufficient care has been taken to the best of our knowledge and ability for the maintenance of adequate accounting records for safeguarding the assets and for preventing and detecting fraud and other irregularities;
- d) The accounts have been prepared on a going concern;
- e) The fair values of the assets and liabilities is not materially different from their carrying values; Subject to the other notes and the method of accounting followed by the Society, provision for depreciation and for all known liabilities is adequate and not in excess of the amounts reasonably necessary; and there are no contingent liabilities except those disclosed in the notes;
- f) The Balance Sheet and the Income & Expenditure Account together with schedules to the financial statements and notes thereon are drawn up so as to give a true and fair view of the state of affairs as at the end of and the results for the reporting period.
- g) The Society has complied with all the laws, order, regulations and other legal requirements of the Central, State and other Governments, local Authorities, etc., concerning the affairs of the Society and in particular, there has been no breach by the Society and in particular, there has been no breach by the Society of any of the provision of the fiscal, commercial, labour and environmental legislations governing/applicable to the Society; and
- h) The transactions of the Society, including payments and expenditure (revenue and capital), retirement, sale, etc., of assets, where applicable, have been within the powers of the Society having been done in accordance with Society's policies/guidelines and / or past practice, where laid down, and with the knowledge and authorization of the appropriate sanctioning authority. Except as disclosed in the Notes, there are no transactions ultra vires the powers of the Society and/or its management that are required to be brought to the notice of any authority.

B.9 The Society has a policy of authorizing and accounting transactions based on reasonable checks and controls (appropriate to the size and nature of its operations) having regard to the Society's needs and exigencies. Where such transactions have not been susceptible to independent audit verification owing to inadequacy or lack of evidence supporting the transactions, the amounts and/ or disclosures in the financial statements, management representations to audit enquiries have been made confirming the incurrence of transactions exclusively and necessarily for the purpose of the Society's operations. The representations and assertions made by the management for such transactions/ expenses have been relied upon by the auditors. The Society will continue to review its internal controls and procedures and consider such changes, particularly increased compliance as the activities grow in size, in future evaluations of the effectiveness of controls and procedures, as it deems appropriate. There has been no significant change in our internal control over financial reporting or other factors during the reporting period that has significantly or materially affected or is reasonably likely to materially affect our internal control over financial reporting.

B.10 Comparative figures of last year have been regrouped/ recast wherever necessary to conform to current year's classification or presentation without affecting surplus/deficit.

B.11 The schedules and the Notes on the Accounts form an integral part of the financial statements and are duly authenticated.

Daman
July 16, 2010

President

Daman
Project Director



Signed for identification
V. J. CHOKSI & CO.
By *[Signature]*



Daman & Diu SACS - DBS FOR SURVEILLANCE

Primary Health Centre, Fort Area , Moti Daman - 396220

National AIDS Control Project - Phase III

Utilisation Certificate

Certified that an amount of Rs. **116,400.00** received as grants-in-aid received from Department of AIDS Control (NACO) during the Fin.Year **2009-10** vide letter No. given below and opening Cash/Bank Balance Rs. **0.00** (and Current Liabilities of Rs.**0.00**)and outstanding Advances for Rs. **0.00** on account of unspent balance brought forward from the previous financial year, and Bank Interest and Miscellaneous Receipts of Rs. **2,383.00**. a sum of Rs. **0.00** has been utilized for the purpose for which it was sanctioned and the Cash/Bank balance of Rs. **118,783.00** (and Current Liabilities of Rs. **0.00**)and outstanding advances of Rs.**0.00**. remaining unutilized at the end of the year will be adjusted towards the grants-in-aid payable during the next year .

Sl. No.	Sanction letter Number and Date	Amount
1.	T.11020/1/2008-NACO(BSD) dated 30 th March 2009	1,01,900.00
2.	T.11020/1/2008-NACO(BSD) dated 20 th April 2009	14,500.00
	Total	116,400.00

2. Certified that I have satisfied myself that the conditions on which the grants-in-aid was sanctioned have been duly fulfilled/are being fulfilled and that I 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

Countersigned
 Signed for V. J. CHOKA & CO.
 By _____

(Chartered Accountant)

16 JUL 2010




Dewan

(Project Director)

(Dr. D. K. Makwana)
 Project Director
 State AIDS Control Society
 UT of Daman & Diu

Sources of funds	Amount (Rs.)
Grant from NACO to SACS	116,400.00
	<u>116,400.00</u>
Bank Interest & Miscellaneous Receipts	Amount (Rs.)
Interest from Bank	2,383.00
	<u>2,383.00</u>
Closing balance of Net Current Assets	Amount (Rs.)
Bank DBS	118,783.00
	<u>118,783.00</u>

Signed for identification
V. J. CHOKSI & CO.
By. 

11 6 JUL 2010



Dewan
(Dr. D. K. Makwana)
Project Director
State AIDS Control Society
UT of Daman & Diu