

Kanwaldeep Singh, IDAS



Director (Finance)
National AIDS Control Organisation
Ministry of Health & Family Welfare
6th Floor, Chandralok Building, 36 Janpath,
New Delhi - 110001
☎ : 011-23731780
Fax : 011-43509938

File No. G. 20016/31/2010-NACO (FIN)

Dated 27th Sept 2010

Subject: Forwarding of Statutory Audit Reports 2009-10 of SACS

Dear Sir/Madam,

I am forwarding herewith copies of Audit Reports for 2009-10 in respect of the following states:

1	A & N	11	Madhya Pradesh
2	Ahmedabad	12	Maharashtra ✓
3	Andhra Pradesh	13	Orissa
4	Chandigarh	14	Punjab
5	Chattisgarh	15	Tamil Nadu
6	DNH	16	UP
7	Gujarat	17	West Bengal
8	Haryana	18	Manipur
9	Karnataka	19	Meghalaya
10	Kerala		

In addition soft copies of the following states have been sent separately by Email.

1. Lakshadweep
2. Assam
3. Sikkim

Yours faithfully,


(Kanwaldeep Singh)

To

- ✓ **Mr. Arun Manuja**
Senior Financial Specialist
The World Bank
70, Lodi Estate
New Delhi - 110003
- Ms. Sabina Bindra Barnes**
Department For International Development
Qutab Institutional Area
New Delhi



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AUDITOR'S REPORT

To,
The Project Director,
Maharashtra State AIDS Control Society,
Acworth Leprosy Hospital Compound,
R.A. Kidwai Marg,
Near Wadala Overbridge,
Wadala (W),
Mumbai - 400 031.

We have audited the attached Balance Sheet of the Maharashtra State AIDS Control Society of the **Second National HIV/AIDS Control Project - Pool Fund (financed under World Bank/ IDA Loan/Cr. No 3242-IN)** as at 31st March, 2010 and the Income & Expenditure Account of the Society for the year ended on that date. These financial statements are the responsibility of the Society's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with the accounting standards and guidelines issued by Institute of Chartered Accountants of India. Those standards require that we plan and perform the audit to obtain reasonable assurance about the financial statements is free from any material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosure in the financial statements.

Further to our comments in the Annexure referred to above, we report that:

1. We have obtained all the information and explanation which to the best of our knowledge & belief were necessary for the purpose of Audit, except non availability of the supporting evidences for expenses and capex incurred by peripheral units, NGOs and ARTs across the state, as such evidences are not sent to the central office of the society at Wadala.
2. The accounts are maintained as required by law have been kept by the Society so far as it appears from our examination of the said books and in accordance with the provisions of the Act and the Rules.
3. The receipts and disbursements are properly and correctly shown in the books of accounts, except the fact that in case of all peripheral units, NGOs and ARTs, the break up of the balance is not available in the accounting software



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4. Two Accounting Policies suggested by National AIDS Control Organization differ from accounting standards prescribed by the Institute of Chartered Accountant of India.: 01) AS 1 - cash basis accounting being followed by society, and 02) AS 6 - depreciation not provided by society.
5. Based on sampling methodology, we observed that procurement of goods & services has been carried out by MSACS as per the procurement manual issued by NACO guidelines.
6. The Balance Sheet and Income & Expenditure account dealt with by this report are in agreement with the books of accounts.
7. In addition,
 - i. With respect to Statement of Expenditure, adequate supporting documentation has been maintained to support claims to the POOL Fund and
 - ii. The expenditure is eligible for financial year 2009-10 under POOL Fund
8. In our opinion and to the best of our information and according to the explanation given to us the said accounts gives the information .required, in the manner so required and give a true & fair view.
 - i. In case of Balance Sheet, of the state of affairs of the POOL Fund project as at 31st March 2010 and
 - ii. In case of Income & Expenditure Accounts, the grant utilized to the extent of excess of expenditure over income for the year ended 31st March 2010.

PLACE: - AHMEDABAD
DATE: - 09/08/2010



FOR, SHAH METHA MAJUMDAR
CHARTERED ACCOUNTANTS

A handwritten signature in black ink, appearing to be "SHILPEEN H MAJUMDAR".

SHILPEEN H MAJUMDAR
MANAGING PARTNER
MEMBERSHIP NO. 34184

**SHAH MEHTA MAJUMDAR
CHARTERED ACCOUNTANTS**

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Date: - 9th August, 2010

To,
The Project Director,
Maharashtra State AIDS Control Society,
Acworth Leprosy Hospital Compound,
R.A. Kidwai Marg,
Near Wadala Overbridge,
Wadala - (W),
Mumbai - 400 031.

Sub: Letter to Management for Audit Observations - 09-10 for POOL Fund.

We have audited the books of accounts and other records of **Maharashtra State AIDS Control Society** for the year ended 31st March, 2010. This Management letter is issued for expressing our audit observations related to accounts, accounting systems, operations and records of the Society.

1. Accounting Policies & Accounting Standards:

The Accounting policies are given in Schedule - A being "Notes to Forming Parts of Accounts". The policies are consistent with those adopted in the financial statements for previous years. Two Accounting Policies suggested by National AIDS Control Organization differ from the accounting standards prescribed by the Institute of Chartered Accountants Of India: 01) AS 1 - cash basis of accounting being followed by MSACS, and 02) AS 6 - depreciation not provided by MSACS-as per NACO guidelines.

2. Preparation of Final Accounts:

Final accounts such as Balance Sheet, Income & Expenditure Account & Receipt and Payment Account have been prepared as per format prescribed by National AIDS Control Organization.

3. Maintenance of Accounts & Records:

Society maintains its books of accounts on cash basis. This is contrary to the prescribed Accounting Standards.

For the year under consideration, the Society has maintained following Financial Books of Accounts in Accounting Software given by NACO: Petty Cash Book, Cash Book, Bank Book, Journal Book, and General Ledger.



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4. Control on Expenses:

We had suggested in our previous year's management letter dated 27th August, 2009 to keep strict control on expenses, specifically on recurring expenses such as traveling, printing, stationery etc. On the basis of audit for the year 09-10, we have now observed that Project Director & Finance Controller of MSACS has maintained reasonable control over expenses during the year 09-10.

5. Profession Tax related to 2009-10.

On detailed analysis of ledger called "Professional Tax", we observed that the amount deducted from salary towards profession tax is timely deposited to Government account during the year 2009-10.

6. Expenses related to previous year/s:-

We had observed large amounts related to previous year/s being debited to respective expenses head during current year. Such amounts relate to grants given to Peripheral units/NGOs/ART centers during previous year/s. It is also observed that most of the Peripheral units/NGOs/ART centers have not submitted their relative SOE to MSACS as per the prescribed time limit. MSACS has in 09-10, administered a better control for collection of SOE from Peripheral units/NGOs/ART centers through field visits by MSACS employees. Thus, during 09-10, there is a reduction in delay in SOE by units.

7. Non availability of break up in accounting software of opening balances of NGOs, Units:

Funds are regularly released by MSACS to NGOs/Units for various activities such as kits, training etc since years. The NGOs etc at times spend part of this amount and part is either not spent or spent later in next year. The Society has maintained an excel sheet for the year wise pendency of such advances, as the Accounting Software does not carry forward the age wise break up of pending amounts of such advances given in earlier years. The excel sheet is regularly maintained & the total amount of advances as per this sheet matches with the amount in related ledger accounts in the accounting software.

8. Use of 1 cheque for 1 Demand Drafts:

We had reported in our management letter related to financial year 2007-08 & 2008-09, that MSACS had a tradition of issuing 1 cheque of a consolidated amount to the bankers for obtaining several demand drafts of different amounts in names of various parties. This was resulting into severe lack of control, improper accounting etc. Now during financial year 2009-10, Finance Controller has made a practice to use 1 cheque for 1 Demand Draft, as strongly recommended by us.

9. Utilization of budget as per Annual Action Plan approved by NACO:

The Society has properly utilized budget available under respective head for which it has approved by NACO. As explained to us, Project Director has allowed to either increase or decrease the budget amount within inter head sub components which fall under the same component.



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10. Balance of Petty cash & Cash on hand:

Petty cash ledger is reconciled with manual petty cash ledger. Cash balance is tallied with physical cash on hand when physically verified by us on 05/08/2010.

11. Bank reconciliation:

As per financial guidelines by NACO, BRS is mandatory to be prepared latest by 10th of next month. Hence the bank reconciliation statement is prepared for every month by MSACS and the same is duly verified by us. This was delayed in earlier years, but is prepared within time during 09-10.

12. Cash verification by management:

Records are being maintained by the MSACS about periodic cash verification by the finance officer and the finance controller. We have verified records of internal periodic cash verification.

13. Non availability of Third party confirmations:

The Society has units, NGOs and ARTs which maintain their own accounts at their respective location, for advances received and expenses submitted from time to time. The Society does not tally its books with the books of such units/NGOs/ARTs thru a method of confirmation. Such confirmations may also lead to rectification of differences if any at the time of such reconciliation. We strongly recommend such confirmations from units for healthy accounting.

14. Vouchers:

- a. Based on our observations, the MSACS has commenced system-generated vouchers leading to proper serial numbering of all accounting vouchers.
- b. All the vouchers are authorized by Finance Officer or other competent authority.
- c. As per the financial guidelines by NACO (para no 11.3 "Invoice Validation"), No voucher should be passed for payment without supporting documents. It is observed that MSACS has followed the practice to book vouchers after obtaining appropriate supporting. We observed that the control on vouchers & original attachments are with finance/accounts department.
- d. Vouchers for expenses made at units/NGOs/ARTs are not received at Society for accounting. Based on NACO guidelines, only a statement & certificate of utilization is received by the MSACS based on which accounting is done.
- e. In the year 2007-08 we reported "MSACS maintains project or sub project files which contain original invoices from vendors, and status of progress etc, with the Procurement department and not with Accounts department. " During 2008-09 & 2009-10, we observed that the control on vouchers & original attachments is shifted to finance/accounts department.



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15.Fixed assets:

- a. We are informed that physical verification is carried out by the management during the period of review for assets available at Maharashtra State AIDS Control Society as well as at peripheral units/NGOs across Maharashtra state.
- b. Fixed Assets register, which is as per NACO format, is prepared for assets located at Mumbai office of the Society. Details of fixed assets like assets number, identification number, location etc are incorporated in the fixed assets register.
- c. Details of assets purchased by NGOs and peripheral units out of funds released by the Society are shown in Fixed Assets register separately maintained at the respective location. As per operational guidelines of NACO for physical verification of fixed assets located at peripheral units/NGO/ART Centers, the head of units is required to send a list to MSACS for information. As informed to us, such lists are not yet received by MSACS.
- d. Society has no control over fixed assets purchased and lying in the offices of various NGOs/District Authorities and peripheral units.
- e. There is no Insurance coverage of fixed assets despite there being a guideline by National AIDS Control Organization for insurance of fixed assets.

16.Settlement of Staff advances:

We have observed that staff advances for traveling are settled within reasonable time. This happens due to strict follow up made by Finance department is being maintained. MSACS has made practice to collect a pre printed form in lieu of traveling expense with appropriate supporting. If any refund arises from staff to MSACS, it is immediately settled at the time of submitting expenses claim.

17.Issues related to Accounting Software:

- a. The accounting software being used by the Society is dated and has many loose ends as under:
 - i. Aging analysis of debit balances of parties, creditors, NGOs, Units etc is not possible to derive from software;
 - ii. Many reports and MIS and registers are being kept manually or in excel sheets as the same cannot be derived from the software,
 - iii. The entry and editing of data in the software is free for all. Thus there are improper controls in software for data entry and data secrecy. There is no basic internal control called user ID & password, nor any log-in process. Thus any person can open the accounting data and make changes.
 - iv. Many functions in software are not used by MSACS such as fixed assets register.
 - v. Accounting software is not able to do proper accounting for purchase of fixed assets by MSACS for peripherals units/NGOs/ District Authorities. As per financial guidelines provided NACO to MSACS, such expenses are charged as revenue expenses. But accounting software does not follow the above guidelines.



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- b. We have reported in management letter related to Financial Year 2008-09, accounting entry was not supervised & authorized. We observed that during FY 2009-10, all accounting entries are authorized by competent authority.
- c. MSACS directly debits the expense account – CAPEX or revenue expenses heads, as the case may be. Thus party account is not opened in ledger at all. Following Implications occurs due to this type of accounting.
 - i. Total purchase transaction with any party can not be viewed or commented upon, now or in future, as the party account is not reflected in the books of accounts.
 - ii. Total payments, total discounts if any, related to each party also can not be viewed or commented upon.
 - iii. Party account reconciliation with third party vendors will be a very difficult process as comprehensive data from MSACS books will have to be searched for reconciliation.

18. On line use of the accounting software to Units/NGOs/ARTs:

Currently, the Society receives a statement of expenses against each grant from each UNIT/NGO/ART. These expenses are entered in accounting software by the Society, but the supporting evidences remain at the respective unit/NGO/ART. We have advised the Society to upgrade the accounting software & to extend its use to districts on line, in the following manner:

The districts shall be provided access to the accounting software at HO server wherein they can make accounting entries. When they enter such entries, the same would be displayed in draft mode at the MSACS HO. MSACS HO will also be able to do scrutiny & suggest changes if required. The HO signatories can then authorize the entries online, whereupon the district shall transfer the entry from draft mode to their main accounts. The HO will always be able to keep track of the accounting by districts and alert the districts in case of delays. The authorization will become online resulting into a lot of convenience for the higher authorities.

19. Idle funds generating interest due to initiative from statutory auditors:

In our management letter dated 3rd October, 2008 related to financial year 2007-08, we reported that the Society should obtain a special facility from its bankers which will enable it to automatically park idle funds from savings account to interest generating time deposits. These time deposits are linked with the savings accounts of the Society. Incidentally we were able to meet the relevant bank managers of BOB & Indian Bank who are persuaded by us as well as by the Society to immediately start such interest generation on idle funds. Both have agreed to the Society's request to get more interest from Sept 08. The Society has started swap account with Indian Bank and generates interest from such fund. In financial year 2009-10, the society has earned an amount of Rs. 35,91,981 in POOL Fund as interest on idle funds based on our initiative.



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20. Lack of Control on cheque/demand draft received by MSACS:

We suggest issuing a directive to all such units to send cheques/DDs to a designated person at HO who will maintain a special inward register for incoming cheque/DDs from various Peripherals units/NGOs/ART centre & other parties. From the financial year 2010-11, Practice of maintaining fund wise receipt register is started by MSACS on day to day basis.

21. Increase in Internal Control:

Based on our earlier observation regarding non availability of a detailed visit report, now the visits of officers of MSACS to various Peripherals units/NGOs/ART centre are backed by detailed reports & they verify internal records of visiting units and also on sample basis check financial procedure followed by them as mentioned in visit report which we have verified on test check basis.

22. Annual return to Registrar:

Society has submitted the Annual return of 08-09 to the registrar of the societies under the Societies Registration Act; as well as the prescribed reports under the Bombay Public Trust Act.

23. Tax return:

The Society has now filed the income tax return under the income tax act for the accounting year 08-09, after we pointed out that the same was pending since long.

24. Approval pending for Audit report related to 07-08 & 08-09.

The executive committee meeting was held twice in the financial year 2009-10. We are informed that the audit reports related to financial year 07-08 & 08-09 are yet to be approved in executive committee, as per the internal guidelines.

25. Non availability of Internal Audit Report of MSACS.

We are informed that the Internal Audit report for financial year 2009-10 of HO of MSACS is not ready & hence not submitted by the internal audit firm to MSACS. The same is not submitted to us for our review, despite the fact that the year has ended and our statutory audit has also been concluded. Considering non availability of said report we are unable to make any comment on it in our report. We have also not observed tick marks of Internal Auditors on vouchers and books of accounts. Similar status was reported by us for the previous year. We strongly recommend that the internal audit system in MSACS needs a total overhaul and needs to be aligned with the requirements of the MSACS so that the purpose of the internal audit is served.



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26. Audit Visit to NGOs & Peripheral Units.

We have carried out sample visits of NGOs & Peripheral units situated at Panvel, Pen & Alibaug. Our observations related to such visits are as under.

- i. Vouchers are properly filed with appropriate supporting.
- ii. We observed overwriting in cash book on various times.
- iii. Bank reconciliations are not prepared for the financial year 2009-10.
- iv. In case of Lok Parishad, NGO at Panvel, we observed that the opening cash balance of every day was written by pencil.
- v. The closing cash balance & opening cash balance as per cash book and closing cash balance as per audit report in case of Lok Parishad, NGO at Panvel is not tallied.

27. We have applied such sample checks and other sampling methods for our audit, as deemed fit & reasonable by us considering the size & nature of activities of MSACS.

Thanking You,

FOR, SHAH METHA MAJUMDAR
CHARTERED ACCOUNTANTS



SHILPEEN H. MAJUMDAR
MANAGING PARTNER
MEMBERSHIP NO. 34184.



Maharashtra SACS - Pool Fund

[Draft]

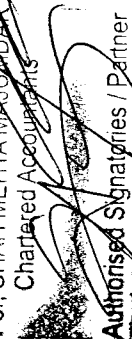
Ackworth Complex R.A.Kidwai Marg Wadala (West), Mumbai - 400031

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.)
162,517,553.93	GENERAL FUND	01	132,376,900.32	27,110,605.00	FIXED ASSETS	02	27,607,802.00
2,319,477.60	CURRENT LIABILITIES AND PROVISIONS	0501	2,415,227.60	74,332,682.97	CURRENT ASSETS, LOANS AND ADVANCES	0301	29,193,029.36
27,110,605.00	CURRENT LIABILITIES		27,607,802.00	91,069,211.31	CURRENT ASSETS	0401	109,079,838.31
564,862.75	FIXED ASSET FUND	03	3,480,739.75		LOANS AND ADVANCES		
	Funds from Other Sources						
<u>192,512,499.28</u>			<u>165,880,669.67</u>	<u>192,512,499.28</u>			<u>165,880,669.67</u>

Auditor
For, SHAH MEHTA MAJID DADAR
Chartered Accountants

Authorised Signatories / Partner

DATE: 09/08/2010


FC/FM/FO
Financial Controller
Maharashtra State AIDS;
Control Society, Mumbai.


Project Director
Project Director
Maharashtra State AIDS;
Control Society, Mumbai.

Schedule 02

Fixed Asset

Figures in Rupees

Particulars	Opening Balance	Addition	Deletion	Closing Balance
Blood Bank Equipments (2203)	16,199,163.00	0.00	0.00	16,199,163.00
Civil Works (2201)	480,695.00	0.00	0.00	480,695.00
Equipment (Other) (2204)	1,647,323.00	0.00	0.00	1,647,323.00
Furniture, Fixtures & Supplies (2202)	6,759,103.00	474,941.00	63,158.00	7,170,886.00
Office Equipment (2206)	873,917.00	85,414.00	0.00	959,331.00
Vehicles (2205)	1,150,404.00	0.00	0.00	1,150,404.00
Grand Total	27,110,605.00	560,355.00	63,158.00	27,607,802.00



Funds from Other Sources Schedule 03

Figures in Rupees

Particulars	Opening Balance	Grant Received	Grant Utilised/ Refunded	Closing Balance
A.R.T Funds From NACO (07)	0.00	0.00	0.00	0.00
AVERT (03)	19,349.00	1,981.00	8,981.00	12,349.00
Domestic funds from NACO (10)	0.00	7,787,899.00	7,783,182.00	4,717.00
Pathfinder (06)	-247,215.00	81,520.00	9,760.00	-175,455.00
UNDP (02)	-56,008.00	0.00	0.00	-56,008.00
UNICEF (01)	880,322.75	7,335,954.00	4,489,554.00	3,726,722.75
WHO (04)	-31,586.00	0.00	0.00	-31,586.00
Grand Total	564,862.75	15,207,354.00	12,291,477.00	3,480,739.75



Schedule 0301

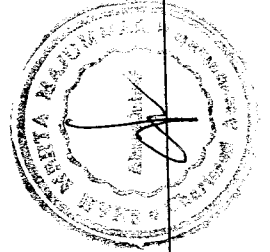
CURRENT ASSETS

Particulars	Figures in Rupees	
	As at 31-Mar-10 (Rs.)	As at 31-Mar-09 (Rs.)
Cash in hand	0.00	5,154.00
Bank 3	11,003,710.97	10,671,624.97
Bank 7	18,189,318.39	63,655,904.00
Total	29,193,029.36	74,332,682.97

Schedule 0401

LOANS AND ADVANCES

Particulars	Figures in Rupees	
	As at 31-Mar-10 (Rs.)	As at 31-Mar-09 (Rs.)
Advance to Others	8,202,563.00	8,976,334.00
Advance to NGOs	30,483,654.50	26,021,691.50
Advance to Staff	543,534.00	1,731,316.00
Advance to Autonomous Bodies	33,836,853.30	25,705,058.30
Advance to District Authorities	27,405,103.00	22,827,779.00
Security Deposit (Paid)	250,407.51	121,159.51
Advance to DAPCU	7,816,477.00	5,148,357.00
Inter Unit Fund Transfer	541,246.00	537,516.00
Total	109,079,838.31	91,069,211.31

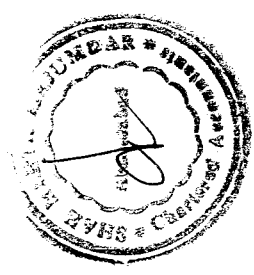


CURRENT LIABILITIES

Schedule 0501

Figures in Rupees

Particulars	As at 31-Mar-10 (Rs.)	As at 31-Mar-09 (Rs.)
Other Recoveries	25,180.00	27,380.00
Security / Earnest Deposit (Received)	2,221,261.60	2,297,097.60
TDS (Others)	142,166.00	0.00
TDS (Salary)	26,620.00	-5,000.00
Total	2,415,227.60	2,319,477.60



Maharashtra SACS - Pool Fund

[Draft]

Ackworth Complex R.A.Kidwai Marg Wadala (West), Mumbai - 400031

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.)
69,858,883.00	IEC		45,604,368.00	2,180,485.00	Other Income	28	3,841,203.00
864,947.00	Consultants and Consultancy Services		0.00	169,570,877.03	Grants utilised to the extent of revenue expenditure		162,443,456.61
4,260,898.00	Surveillance		1,369,451.00				
2,419,491.00	Prior to NACPIII-(TI) Non Reimbursable expenses		0.00				
6,234,362.50	Prior to NACPIII-(PI) Non Reimbursable expenses		4,075.00				
335,284.00	Prior to NACPIII-(LA) Non Reimbursable expenses		0.00				
1,998,205.00	Prior to NACPIII-(IS) Non Reimbursable expenses		0.00				
16,917,062.00	Kits and Other Lab Supplies	06	5,698,901.00				
35,907.00	Medicines	07	0.00				
5,532,015.00	Training and Workshops	08	6,848,729.00				
22,873,682.50	NGO Services	11	44,706,650.00				
15,675,681.50	Salary (Pay and Allowances)	13	36,274,753.00				
1,672,516.00	Maintenance Costs	14	1,802,753.00				
23,072,427.53	Operational Expenses	15	23,974,979.61				
171,751,362.03			166,284,659.61	171,751,362.03			166,284,659.61
	For, SHAH MEHTA MAJUMDAR Chartered Accountants						
	For, SHAH MEHTA MAJUMDAR Chartered Accountants						
	Authorised Signatories / Partner						
	DATE: 09/06/2010						

Other Income

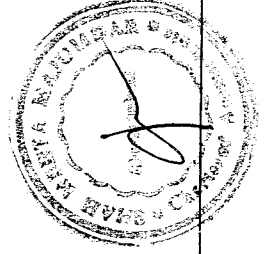
Schedule 28

Particulars	As at 31-Mar-10 (Rs.)	As at 31-Mar-09 (Rs.)
Sale of Bid/Tender Documents	40,100.00	0.00
Testing Fee from Patients	0.00	19,174.00
Other Receipts	209,122.00	87,867.00
Interest from Bank	3,591,981.00	2,073,444.00
Total	3,841,203.00	2,180,485.00

Kits and Other Lab Supplies

Schedule 06

Particulars	As at 31-Mar-10 (Rs.)	As at 31-Mar-09 (Rs.)
HIV Kits	99,831.00	578,359.00
Other Lab. Supplies	2,387,711.00	5,650,841.00
Blood Lab. Supplies	100,240.00	10,667,862.00
Consumable Items	3,111,119.00	20,000.00
Total	5,698,901.00	16,917,062.00



Schedule 07

Medicines

Particulars	As at 31-Mar-10 (Rs.)	As at 31-Mar-09 (Rs.)
STI Drugs	0.00	35,907.00
Total	0.00	35,907.00

Schedule 08

Training and Workshops

Particulars	As at 31-Mar-10 (Rs.)	As at 31-Mar-09 (Rs.)
Workshops	0.00	1,344,359.00
Training	5,671,229.00	4,187,656.00
Campaigns	1,177,500.00	0.00
Total	6,848,729.00	5,532,015.00

Schedule 11

NGO Services

Particulars	As at 31-Mar-10 (Rs.)	As at 31-Mar-09 (Rs.)
NGO Services	5,654,991.00	1,838,659.00
NGO Services for Priority Interventions	39,051,659.00	21,035,023.50
Total	44,706,650.00	22,873,682.50



Salary (Pay and Allowances)

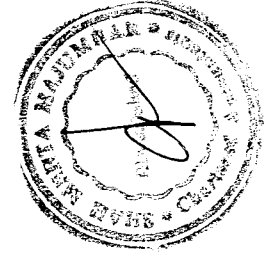
Schedule 13

Particulars	As at 31-Mar-10 (Rs.)	As at 31-Mar-09 (Rs.)
Salary	35,745,262.00	14,958,798.50
Honorarium	334,000.00	288,000.00
Leave Salary & Pension Contributions	107,597.00	342,904.00
Medical Expenses	87,894.00	85,979.00
Total	36,274,753.00	15,675,681.50

Maintenance Costs

Schedule 14

Particulars	As at 31-Mar-10 (Rs.)	As at 31-Mar-09 (Rs.)
Equipment Maintenance	797,591.00	412,742.00
Building Maintenance	360,067.00	417,454.00
Vehicle Maintenance	645,095.00	842,320.00
Total	1,802,753.00	1,672,516.00



Schedule 15

Operational Expenses

Particulars	As at 31-Mar-10 (Rs.)	As at 31-Mar-09 (Rs.)
Travelling Expenses	3,203,415.00	5,897,844.00
Rent, Rates & Taxes	774,055.00	449,774.00
Telephone/Communication Expenses	538,461.40	598,950.00
Bank Charges	42,887.21	36,692.00
Miscellaneous Expenses	9,202,641.00	3,251,751.00
Printing & Stationery	2,844,923.00	3,417,191.00
Advertisement (Other than IEC)	426,739.00	1,269,252.00
Water and Electricity Charges	2,447,500.00	1,817,687.53
Audit Fees	1,275,068.00	2,242,706.00
Legal Expenses	552.00	0.00
Postage/Courier	221,376.00	2,863,787.00
Quality Assessment	2,902,822.00	259,373.00
Other Administration Cost	20,620.00	0.00
Contractual Services - Companies	20,000.00	967,420.00
Contingency	53,920.00	0.00
Total	23,974,979.61	• 23,072,427.53



Maharashtra SACS - Pool Fund

Ackworth Complex R.A.Kidwai Marg Wadala (West), Mumbai - 400031

National AIDS Control Project - Phase III

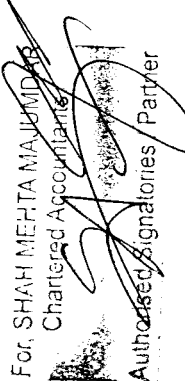
Receipt And Payment Account

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.)	PAYMENTS	Schedule Reference	Figures for the current Period (Rs.)
	Opening Balance:			LOANS AND ADVANCES	17	102,405,689.00
228,783.00	Cash in hand		5,154.00	GENERAL FUND	13	0.00
32,672.00	Imprest Account		0.00	FIXED ASSETS	16	410,974.00
72,000,532.00	Balance with Bank	30	74,327,528.97	CURRENT LIABILITIES	32	75,836.00
252,376,000.00	GENERAL FUND	29	132,800,000.00	Kits and Other Lab Supplies	18	927,251.00
31,456.00	Funds from Other Sources	31	3,841,019.00	Training and Workshops	20	2,179,469.00
13,592.00	CURRENT LIABILITIES	32	182,786.00	NGO Services	23	1,033,069.00
2,180,485.00	Other Income	56	3,841,203.00	Salary (Pay and Allowances)	25	22,433,187.00
<u>326,863,520.00</u>			<u>214,997,690.97</u>	Maintenance Costs	26	1,483,220.00
				Operational Expenses	27	15,577,474.61
				IFC		39,194,556.00
				Consultants and Consultancy Services		0.00
				Surveillance		63,936.00
				Prior to NACPIII-(PI) Non Reimbursable expenses		0.00
				Prior to NACPIII-(IS) Non Reimbursable expenses		0.00
				Other Income	40	0.00

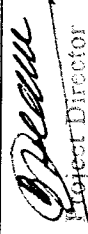


			Closing Balance: Cash in hand Imprest Account Balance with Bank												
				5,154.00				0.00							0.00
				74,327,528.97						31					29,193,029.36
				<u>326,863,520.00</u>											<u>214,997,690.97</u>

For, SHAHI MEHTA MAJUMDAR
Chartered Accountants

Authorized Signatories Partner

DATE: 09/08/2010


Financial Controller
Maharashtra State AIDS;
Control Society, Mumbai.


Project Director
Maharashtra State AIDS;
Control Society, Mumbai.

GENERAL FUND

Schedule 29

Particulars	As at 31-Mar-10 (Rs.)	As at 31-Mar-09 (Rs.)
Grant from NACO to SACS	132,800,000.00	252,376,000.00
Total	132,800,000.00	252,376,000.00

Balance with Bank

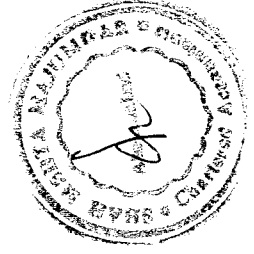
Schedule 30

Particulars	As at 31-Mar-09 (Rs.)	As at 31-Mar-08 (Rs.)
Bank 3	10,671,624.97	8,441,532.00
Cheque in Transit	0.00	63,559,000.00
Bank 7	63,655,904.00	0.00
Total	74,327,528.97	72,000,532.00

Funds from Other Sources

Schedule 31

Particulars	As at 31-Mar-10 (Rs.)	As at 31-Mar-09 (Rs.)
Funds from Other Sources	3,841,019.00	31,456.00
Total	3,841,019.00	31,456.00



Schedule 32

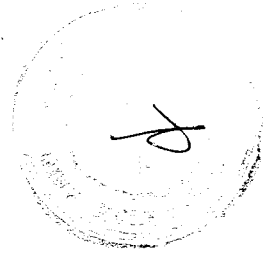
CURRENT LIABILITIES

Particulars	As at 31-Mar-10 (Rs.)	As at 31-Mar-09 (Rs.)
TDS (Salary)	31,620.00	0.00
TDS (Others)	142,166.00	0.00
Other Recoveries	9,000.00	13,592.00
Total	182,786.00	13,592.00

Schedule 56

Other Income

Particulars	As at 31-Mar-10 (Rs.)	As at 31-Mar-09 (Rs.)
Sale of Bid/Tender Documents	40,100.00	0.00
Testing Fee from Patients	0.00	19,174.00
Other Receipts	209,122.00	87,867.00
Interest from Bank	3,591,981.00	2,073,444.00
Total	3,841,203.00	2,180,485.00



Schedule 17

LOANS AND ADVANCES

Particulars	As at 31-Mar-10 (Rs.)	As at 31-Mar-09 (Rs.)
Advance to Others	5,176,608.00	4,120,157.00
Advance to NGOs	41,730,954.00	39,266,969.00
Advance to Staff	2,026,540.00	5,215,899.00
Advance to Autonomous Bodies	25,176,788.00	22,483,584.00
Advance to District Authorities	17,343,408.00	11,547,084.00
Security Deposit (Paid)	129,248.00	0.00
Advance to DAPCU	10,820,480.00	5,400,000.00
Inter Unit Fund Transfer	1,663.00	144,695.00
Total	102,405,689.00	88,178,388.00

Schedule 13

GENERAL FUND

Particulars	As at 31-Mar-10 (Rs.)	As at 31-Mar-09 (Rs.)
Grant From SACS to MACS	0.00	52,276,000.00
Total	0.00	52,276,000.00

Schedule 16

FIXED ASSETS

Particulars	As at 31-Mar-10 (Rs.)	As at 31-Mar-09 (Rs.)
Civil Works	0.00	482,639.00
Furniture, Fixtures & Supplies	325,560.00	0.00
Office Equipment	85,414.00	395,719.00
Total	410,974.00	878,358.00

Schedule 32

CURRENT LIABILITIES

Particulars	As at 31-Mar-10 (Rs.)	As at 31-Mar-09 (Rs.)
TDS (Salary)	0.00	15,667.00
Security / Earnest Deposit (Received)	75,836.00	607,866.00
TDS (Others)	0.00	88,483.00
Total	75,836.00	712,016.00



Schedule 18

Kits and Other Lab Supplies

Particulars	As at 31-Mar-10 (Rs.)	As at 31-Mar-09 (Rs.)
HIV Kits	99,831.00	242,177.00
Other Lab. Supplies	241,693.00	950,081.00
Blood Lab. Supplies	0.00	2,357,974.00
Consumable Items	585,727.00	258,216.00
Total	927,251.00	3,808,448.00

Schedule 20

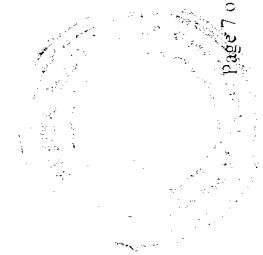
Training and Workshops

Particulars	As at 31-Mar-10 (Rs.)	As at 31-Mar-09 (Rs.)
Workshops	0.00	442,408.00
Training	2,179,469.00	533,437.00
Total	2,179,469.00	975,845.00

Schedule 23

NGO Services

Particulars	As at 31-Mar-10 (Rs.)	As at 31-Mar-09 (Rs.)
NGO Services	102,825.00	147,225.00
NGO Services for Priority Interventions	950,244.00	2,827,153.00
Total	1,053,069.00	2,974,378.00



Salary (Pay and Allowances)

Schedule 25

Particulars	As at 31-Mar-10 (Rs.)	As at 31-Mar-09 (Rs.)
Salary	21,903,696.00	11,869,314.50
Honorarium	334,000.00	288,000.00
Leave Salary & Pension Contributions	107,597.00	342,904.00
Medical Expenses	87,894.00	85,979.00
Total	22,433,187.00	12,586,197.50

Maintenance Costs

Schedule 26

Particulars	As at 31-Mar-10 (Rs.)	As at 31-Mar-09 (Rs.)
Equipment Maintenance	747,591.00	96,849.00
Building Maintenance	360,067.00	349,600.00
Vehicle Maintenance	375,562.00	413,904.00
Total	1,483,220.00	860,353.00



Schedule 27

Operational Expenses

Particulars	As at 31-Mar-10 (Rs.)	As at 31-Mar-09 (Rs.)
Travelling Expenses	2,775,254.00	4,346,640.00
Rent, Rates & Taxes	571,695.00	449,774.00
Telephone/Communication Expenses	538,461.40	564,450.00
Bank Charges	38,837.21	36,692.00
Miscellaneous Expenses	2,943,551.00	4,607,346.00
Printing & Stationery	3,112,355.00	3,226,163.00
Advertisement (Other than IEC)	426,739.00	1,195,351.00
Water and Electricity Charges	2,447,500.00	1,522,483.53
Audit Fees	1,275,068.00	2,242,706.00
Legal Expenses	552.00	0.00
Postage/Courier	862,646.00	2,305,593.00
Quality Assessment	532,196.00	0.00
Other Administration Cost	20,620.00	0.00
Contractual Services - Companies	0.00	985,340.00
Contingency	32,000.00	0.00
Total	15,577,474.61	21,482,538.53



Schedule 31

Balance with Bank

Particulars	As at 31-Mar-10 (Rs.)	As at 31-Mar-09 (Rs.)
Bank 3	11,003,710.97	10,671,624.97
Cheque in Transit	0.00	0.00
Bank 7	18,189,318.39	63,655,904.00
Total	29,193,029.36	74,327,528.97

Schedule 40

Other Income

Particulars	As at 31-Mar-10 (Rs.)	As at 31-Mar-09 (Rs.)
Sale of Bid/Tender Documents	0.00	49,800.00
Total	0.00	49,800.00



MAHARASTRA STATE AIDS CONTROL SOCIETY

SCHEDULE - A

SCHEDULE FORMING PART OF FINAL ACCOUNTS AS AT 31.03.10

"SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS"

AS - 1 Disclosure of Accounting Polices

The Significant accounting policies are based on the guidelines issued by National AIDS Control Organization (NACO) Delhi. Society has maintain the its book of account on cash basis system therefore following the generally accepted accounting principles under such system cannot be possible.

The preparation of financial statement is in Conformity with the guidelines issued by the National AIDS Control Organization and Accounting Standards issued by the Institute of Chartered Accountant Of India.

AS - 4 Contingencies and Events occurring After the Balance Sheet Date

There are no contingencies and event occurring after the Balance Sheet date which have a material effect on the financial position of the Society.

AS - 5 Changes in Accounting Policies

There are no such changes which have a material effect on the financial affairs of the Society.

AS - 6 Depreciation Accounting

Depreciation is provided according to guidelines issued by the National AIDS Control Organization (NACO) Delhi.

AS - 9 Revenue Recognition

Grant received from the National AIDS Control Organization (NACO) PATHFINDER, UNDP, AVERT, GLOBAL FUND, ART FUND and other project have been credited to General fund account as and when they are received. The expenses are accounted also on cash basis.

AS - 10 Accounting for Fixed Assets

Fixed Assets are shown at cost of acquisition. Cost comprises of cost of acquisition, cost of improvement and any attributable cost of bringing the assets to the condition for its intended use.



AS - 11 Accounting for the effects of Changes in Foreign Exchange Rates

There are no transactions in foreign currency during the Financial Year

As - 12 Accounting for Government Grants

Grant received from the National AIDS Control Organization (NACO), NACO, PATHFINDER, UNDP, AVERT, GLOBAL FUND, ART FUND and other project have been credited to General Fund Account as and when they are received

AS - 13 Accounting for Investments

No Investment made during the Financial Year

AS-15 Accounting for Retirement Benefits in the financial statements of Employers

This accounting standard is not applicable because due to following reasons:

- i. All retirement benefits are payable to deputed employees by their original/parent department.
- ii. PF, PPF & Leave encashment, LTC, Medical expenses accounted on actual payment basis payable to deputed employees.
- iii. Contractual employees are not entitled to any retirement benefit.

AS - 22 Accounting for Taxes on Income

This Accounting Standards is not applicable because society is enjoying the tax exemption on income from the Income Tax department.

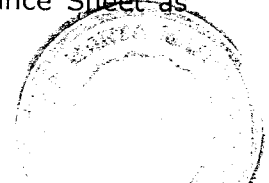
AS - 29 Provisions, Contingent Liabilities and Contingent Assets

This accounting standard not applicable because cash basis accounting system followed.

B. NOTES FORMING PART OF ACCOUNTS

1. ADVANCES:-

- a. Advance given to Other/NGOs/Staff/District Authorities & Security Deposit are subject to confirmations.
- b. Advances given to NGOs/District Authorities are treated as advances until the final Statement of Expenditure is received. Advance outstanding is reversed by debiting expenditure component wise as per final Statement of Expenditure received.
- c. Unspent balances are carried over to the Balance Sheet as advance.



2. Expenditure has been debited to various heads as per the Action Plan/Guidelines sanctioned by National AIDS Control Society irrespective of its capital or revenue nature. Various expenses have been clubbed in the major thirteen components as detailed as below:-

- a. IEC charges
- b. Consultants and Consultancy services
- c. Monitoring & Evaluations
- d. Surveillance
- e. Non Reimbursable prior period expenses for TI,PI,LA,IS,IC.
- f. Kits and Other Lab Supplies
- g. Medicines
- h. Training and Workshops
- i. NGO Services
- j. Human Resources
- k. Maintenance Costs
- l. Operational Expenses
- m. Operational and Other Research Expenses

3. Statement of Expenditure & Budget:

Comparative Statement of Budgeted expenditure and Actual expenditure have been submitted by Maharashtra State AIDS Control Society as per guidelines.

4. We have relied upon the explanation & Information given by the management and Internal Control System of the society during the course of the audit.

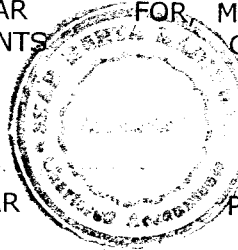
AS PER OUR STATUTORY AUDIT REPORT OF EVEN DATE ATTACHED

FOR, SHAH MEHTA MAMUMDAR
CHARTERED ACCOUNTANTS



SHILPEEN H MAJUMDAR
MANAGING PARTNER

FOR, MAHARASHTRA STATE AIDS
CONTROL SOCIETY



PROJECT DIRECTOR

PALCE:- AHMEDABAD
DATE:- 09/08/2010

FINANCER CONTROLLER

For, Maharashtra State AIDS Control Society



Finance Controller



Project Director