

AUDITOR'S REPORT

The Project Director,
Tamil Nadu State AIDS Control Society,
Chennai.

Introductory Paragraph

We have audited the accompanying financial statements of the National AIDS Control Project – Phase III (financed under World Bank Credit No. 3242-IN) as of March 31, 2008. Our responsibility is to express an opinion on these financial statements based on our audit.

Scope Paragraph

We conducted our audit in accordance with Standards on Auditing issued by the Institute of Chartered Accountants 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. We believe that our audit provides a reasonable basis for our opinion.

Opinion Paragraph

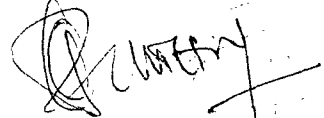
In our opinion, the financial statements, read with observation, if any, give a true and fair view of the Sources and Application of Funds and the financial position of Tamil Nadu State Aids Control Society for the year ended March 31, 2008, in accordance with consistency and applied accounting standards.

In addition, (a) with respect to IFRs, adequate supporting documentation has been maintained to support the IFRs; (b) which expenditures are eligible for financing under the Credit/Grant Agreement (c) procurement of goods and services has not been carried out as per the procurement manual issued by NACO, GOI and NGO/CBO guidelines. The detailed comment in this regard is given in the Management Letter accompanying the Audit Report.

Place: New Delhi
Date: 05-08-2008

For N. C. Mittal & Co.

Chartered Accountants



(CA KARUNESH MITTAL)

PARTNER

Membership No. 095976

N. C. Mittal & Co.

Chartered Accountants

To
The Project Director,
Tamil Nadu State AIDS Control Society,
Chennai.

**RE: MANAGEMENT LETTER AFTER THE STATUTORY AUDIT OF THE TANSACS –
POOL FUND (NACP-III)**

Sir/Madam,


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. We believe that our audit provides a reasonable basis for our opinion. The issues which come forth during the audit which raises our suspicion and form our basis for the comments in the audit report though not effecting the true and fair view of the transactions of the society and the depiction in the Statement of Expenditure are detailed below:

1. The overall preparation and maintenance of the accounts of the society was satisfactory.
2. The internal audit report was not provided by the society for our comments upon the internal audit system of the society. Though overall observation of the system was satisfactory.
3. The society is making procurement through the procurement agency Tamil Nadu Medical Services Limited. The agency has not been approved to be the Procurement Agents of the Society by the Donors and the Funding agencies. The procurement procedures adopt by the society are not in agreement with the covenant of the financing agreement.

Place: New Delhi

Date: 5-08-2008

For N. C. Mittal & Co.
Chartered Accountants



(CA KARUNESH MITTAL)
PARTNER

Tamil Nadu SACS - POOL FUND

[Draft]

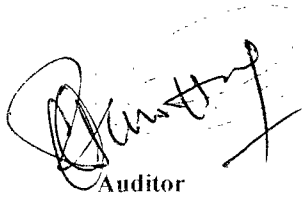
417, Pantheon Road Egmore, Chennai - 600008


National AIDS Control Project - Phase III (Credit No. 3242-IN)

Balance Sheet

For The Period From : 01-Apr-2007 To :31-Mar-2008

For the period	LIABILITIES	Schedule Reference	Figures for the current Period (Rs.)	Figures for the previous Period (Rs.)	ASSETS	Schedule Reference	Figures for the current Period (Rs.)
94.54	GENERAL FUND	01	198,016,981.54	10,015,702.00	FIXED ASSETS	02	10,980,490.00
	CURRENT LIABILITIES AND PROVISIONS				CURRENT ASSETS, LOANS AND ADVANCES		
58.16	CURRENT LIABILITIES	0501	1,585,332.16	22,469,469.11	CURRENT ASSETS	0301	47,222,225.91
702.00	FIXED ASSET FUND		10,980,490.00	155,416,251.59	LOANS AND ADVANCES	0401	144,880,087.79
58.00	Funds from Other Sources	03	(7,500,000.00)				
<u>22.70</u>			<u>203,082,803.70</u>	<u>187,901,422.70</u>			<u>203,082,803.70</u>


Auditor


FC/EM/FO


Project Director

General Fund

Schedule 01

Figures in Rupees

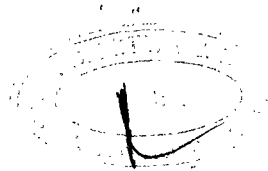
Particulars	As at 31-Mar-08 (Rs.)	As at 31-Mar-07 (Rs.)
Opening grant in aid	117,864,794.54	0.00
Add: Received during the year		
Pool Fund - World Bank	0.00	106,642,496.54
Grant From SAÇS to MACS	50,000,000.00	0.00
Grant from NACO to SACS	300,980,000.00	21,238,000.00
Grant from SACS to SBTC	6,200,000.00	0.00
Less: Utilised during the year		
Grants utilised to the extent of revenue expenditure	163,663,025.00	0.00
Grants utilised to the extent of fixed asset expenditure	964,788.00	10,015,702.00
Closing grant in aid	198,016,981.54	117,864,794.54

Fixed Asset

Schedule 02

Figures in Rupees

Particulars	Opening Balance	Addition	Deletion	Closing Balance
Blood Bank Equipments (2203)	581,187.00	0.00	0.00	581,187.00
Civil Works (2201)	0.00	703,029.00	0.00	703,029.00
Furniture , Fixtures & Supplies (2202)	1,939,022.00	97,108.00	0.00	2,036,130.00
Office Equipment (2206)	5,492,181.00	164,651.00	0.00	5,656,832.00
Vehicles (2205)	2,003,312.00	0.00	0.00	2,003,312.00
Grand Total	10,015,702.00	964,788.00	0.00	10,980,490.00



Funds from Other Sources

Schedule 03

Figures in Rupees

Particulars	Opening Balance	Grant Received	Grant Utilised/ Refunded	Closing Balance
GEATM-R-III (10)	0.00	1,500,000.00	3,500,000.00	-2,000,000.00
GEATM-RII (GFII)	50,534,722.00	13,760,688.00	69,795,410.00	-5,500,000.00
GEATM-R-IV (5)	7,520,300.00	505,968.00	8,026,268.00	0.00
Old ARF Fund (9)	0.00	1,500,000.00	1,500,000.00	0.00
Sentinel Surveillance (6)	1,500,000.00	0.00	1,500,000.00	0.00
UNICEF (8)	-614,754.00	614,754.00	0.00	0.00
WHO-World Health Organisation (3)	-392,000.00	392,000.00	0.00	0.00
Grand Total	58,548,268.00	18,273,410.00	84,321,678.00	-7,500,000.00

CURRENT ASSETS

Schedule 0301

Figures in Rupees

Particulars	As at 31-Mar-08 (Rs.)	As at 31-Mar-07 (Rs.)
Cash in hand	89,475.00	89,436.00
Bank 3	47,132,750.91	1,142,033.11
Cheque in Transit	0.00	21,238,000.00
Total	47,222,225.91	22,469,469.11

LOANS AND ADVANCES

Schedule 0401

Figures in Rupees

Particulars	As at 31-Mar-08 (Rs.)	As at 31-Mar-07 (Rs.)
Advance to Others	25,733,707.00	37,144,188.00
Advance to NGOs	22,375,109.90	29,082,917.00
Advance to Staff	2,673,329.00	2,208,575.00
Advance to Autonomous Bodies	5,881,975.00	0.00
Advance to District Authorities	27,240,983.00	29,468,056.00
Advance to District Hospitals	60,391,293.89	57,388,245.59
Security Deposit (Paid)	583,690.00	124,270.00
Total	144,880,087.79	155,416,251.59



CURRENT LIABILITIES

Schedule 0501

Figures in Rupees

Particulars	As at 31-Mar-08 (Rs.)	As at 31-Mar-07 (Rs.)
Other Recoveries	328,181.26	328,181.26
Security / Earnest Deposit (Received)	1,254,076.90	1,144,476.90
TDS (Others)	3,074.00	0.00
Total	1,585,332.16	1,472,658.16



Tamil Nadu SACS - Pool Fund

[Draft]

417, Pantheon Road Egmore, Chennai - 600008

National AIDS Control Project - Phase III (Credit No. 3242-IN)

Income And Expenditure Account
For The Period From : 01-Apr-2007 To :31-Mar-2008

Period	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	IFC		44,240,953.00	0.00	Other Income	28	2,153,220.00
0.00	Monitoring & Evaluation (SIMS)		1,776,501.00	0.00	Grants utilised to the extent of revenue expenditure		163,663,025.00
0.00	Surveillance		1,617,757.00				
0.00	(II)Non Reimbursable prior period expensable		9,970,431.00				
0.00	(PI)Non Reimbursable prior period expensable		10,746,219.00				
0.00	(I.A)Non Reimbursable prior period expensable		7,513,753.00				
0.00	(IS)Non Reimbursable prior period expensable		4,146,877.70				
0.00	Kits and Other Lab Supplies	06	26,159,283.00				
0.00	Medicines	07	13,616,644.00				
0.00	Training and Workshops	08	5,474,221.40				
0.00	NGO Services	11	22,449,170.00				
0.00	Salary (Pay and Allowances)	13	8,888,483.00				
0.00	Maintenance Costs	14	402,457.00				
0.00	Operational Expenses	15	8,513,494.90				
0.00			165,816,245.00	0.00			165,816,245.00

Other Income

Schedule 28

Particulars	As at 31-Mar-08 (Rs.)	As at 31-Mar-07 (Rs.)
Other Receipts	814,494.00	0.00
Interest from Bank	1,338,726.00	0.00
Total	2,153,220.00	0.00

Kits and Other Lab Supplies

Schedule 06

Particulars	As at 31-Mar-08 (Rs.)	As at 31-Mar-07 (Rs.)
Other Lab. Supplies	3,624,810.00	0.00
Blood Lab. Supplies	22,534,473.00	0.00
Total	26,159,283.00	0.00

Medicines

Schedule 07

Particulars	As at 31-Mar-08 (Rs.)	As at 31-Mar-07 (Rs.)
STI Drugs	7,775,484.00	0.00
OI Drugs	5,841,160.00	0.00
Total	13,616,644.00	0.00

Training and Workshops

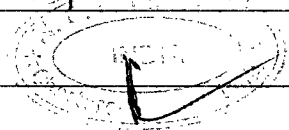
Schedule 08

Particulars	As at 31-Mar-08 (Rs.)	As at 31-Mar-07 (Rs.)
Training	5,474,221.40	0.00
Total	5,474,221.40	0.00

NGO Services

Schedule 11

Particulars	As at 31-Mar-08 (Rs.)	As at 31-Mar-07 (Rs.)
NGO Services	9,035,860.00	0.00
NGO Services for Priority Interventions	13,413,310.00	0.00
Total	22,449,170.00	0.00



Salary (Pay and Allowances)

Schedule 13

Particulars	As at 31-Mar-08 (Rs.)	As at 31-Mar-07 (Rs.)
Salary	8,452,209.00	0.00
Honorarium	6,506.00	0.00
Leave Salary & Pension Contributions	131,162.00	0.00
Medical Expenses	24,363.00	0.00
Employer's Contribution to CPF	274,243.00	0.00
Total	8,888,483.00	0.00

Maintenance Costs

Schedule 14

Particulars	As at 31-Mar-08 (Rs.)	As at 31-Mar-07 (Rs.)
Equipment Maintenance	8,726.00	0.00
Vehicle Maintenance	393,731.00	0.00
Total	402,457.00	0.00



Operational Expenses

Schedule 15

Particulars	As at 31-Mar-08 (Rs.)	As at 31-Mar-07 (Rs.)
Travelling Expenses	2,339,304.00	0.00
Telephone Expenses	913,267.00	0.00
Bank Charges	29,295.50	0.00
Miscellaneous Expenses	4,377,822.40	0.00
Stationery	853,806.00	0.00
Total	8,513,494.90	0.00



Tamil Nadu SACS - Pool Fund

{Draft}

417, Pantheon Road Egmore, Chennai - 600008

National AIDS Control Project - Phase III (Credit No. 3242-IN)

Receipt And Payment Account

For The Period From : 01-Apr-2007 To :31-Mar-2008

the Period	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:			133,924,833.30	LOANS AND ADVANCES	17	133,924,833.30
36.00	Cash in hand		89,436.00	56,200,000.00	GENERAL FUND	13	56,200,000.00
33.11	Balance with Bank	30	22,380,033.11	66,488,687.00	Funds from Other Sources	15	66,488,687.00
58.00	GENERAL FUND	29	317,717,858.00	319,327.00	FIXED ASSETS	16	319,327.00
74.00	CURRENT LIABILITIES	32	155,974.00	4,046,980.00	Kits and Other Lab Supplies	18	4,046,980.00
62.00	Other Income	56	1,883,462.00	384,005.00	Training and Workshops	20	384,005.00
				1,783,992.00	NGO Services	23	1,783,992.00
				8,857,093.00	Salary (Pay and Allowances)	25	8,857,093.00
				378,164.00	Maintenance Costs	26	378,164.00
				7,467,633.90	Operational Expenses	27	7,467,633.90
				14,140,483.00	IEC		14,140,483.00
				861,901.00	Monitoring & Evaluation (SIMS)		861,901.00
				151,438.00	Surveillance		151,438.00
					Closing Balance:		
				89,475.00	Cash in hand		89,475.00
				47,132,750.91	Balance with Bank	31	47,132,750.91

GENERAL FUND

Schedule 29

Particulars	As at 31-Mar-08 (Rs.)	As at 31-Mar-07 (Rs.)
Inter Unit Fund Transfer	16,737,858.00	16,737,858.00
Grant from NACO to SACS	300,980,000.00	300,980,000.00
Total	317,717,858.00	317,717,858.00

Balance with Bank

Schedule 30

Particulars	As at 01-Apr-07 (Rs.)	As at 01-Apr-06 (Rs.)
Bank 3	1,142,033.11	1,142,033.11
Cheque in Transit	21,238,000.00	21,238,000.00
Total	22,380,033.11	22,380,033.11

CURRENT LIABILITIES

Schedule 32

Particulars	As at 31-Mar-08 (Rs.)	As at 31-Mar-07 (Rs.)
Security / Earnest Deposit (Received)	109,600.00	109,600.00
TDS (Others)	3,074.00	3,074.00
Other Recoveries	43,300.00	43,300.00
Total	155,974.00	155,974.00



Other Income

Schedule 56

Particulars	As at 31-Mar-08 (Rs.)	As at 31-Mar-07 (Rs.)
Other Receipts	544,736.00	544,736.00
Interest from Bank	1,338,726.00	1,338,726.00
Total	1,883,462.00	1,883,462.00

LOANS AND ADVANCES

Schedule 17

Particulars	As at 31-Mar-08 (Rs.)	As at 31-Mar-07 (Rs.)
Advance to Others	16,859,361.40	16,859,361.40
Advance to NGOs	46,739,045.90	46,739,045.90
Advance to Staff	5,680,168.00	5,680,168.00
Advance to Autonomous Bodies	5,763,807.00	5,763,807.00
Advance to District Authorities	17,916,114.00	17,916,114.00
Advance to District Hospitals	40,506,917.00	40,506,917.00
Security Deposit (Paid)	459,420.00	459,420.00
Total	133,924,833.30	133,924,833.30



11/08/2008

GENERAL FUND

Schedule 13

Particulars	As at 31-Mar-08 (Rs.)	As at 31-Mar-07 (Rs.)
Grant From SACS to MACS	50,000,000.00	50,000,000.00
Grant from SACS to SBTC	6,200,000.00	6,200,000.00
Total	56,200,000.00	56,200,000.00

Funds from Other Sources

Schedule 15

Particulars	As at 31-Mar-08 (Rs.)	As at 31-Mar-07 (Rs.)
Funds from Other Sources	66,488,687.00	66,488,687.00
Total	66,488,687.00	66,488,687.00

FIXED ASSETS

Schedule 16

Particulars	As at 31-Mar-08 (Rs.)	As at 31-Mar-07 (Rs.)
Civil Works	70,759.00	70,759.00
Furniture, Fixtures & Supplies	97,108.00	97,108.00
Office Equipment	151,460.00	151,460.00
Total	319,327.00	319,327.00

Kits and Other Lab Supplies

Schedule 18

Particulars	As at 31-Mar-08 (Rs.)	As at 31-Mar-07 (Rs.)
Other Lab. Supplies	669,771.00	669,771.00
Blood Lab. Supplies	3,377,209.00	3,377,209.00
Total	4,046,980.00	4,046,980.00

Training and Workshops

Schedule 20

Particulars	As at 31-Mar-08 (Rs.)	As at 31-Mar-07 (Rs.)
Training	384,005.00	384,005.00
Total	384,005.00	384,005.00

NGO Services

Schedule 23

Particulars	As at 31-Mar-08 (Rs.)	As at 31-Mar-07 (Rs.)
NGO Services	565,182.00	565,182.00
NGO Services for Priority Interventions	1,218,810.00	1,218,810.00
Total	1,783,992.00	1,783,992.00



Salary (Pay and Allowances)

Schedule 25

Particulars	As at 31-Mar-08 (Rs.)	As at 31-Mar-07 (Rs.)
Salary	8,420,819.00	8,420,819.00
Honorarium	6,506.00	6,506.00
Leave Salary & Pension Contributions	131,162.00	131,162.00
Medical Expenses	24,363.00	24,363.00
Employer's Contribution to CPF	274,243.00	274,243.00
Total	8,857,093.00	8,857,093.00

Maintenance Costs

Schedule 26

Particulars	As at 31-Mar-08 (Rs.)	As at 31-Mar-07 (Rs.)
Equipment Maintenance	8,726.00	8,726.00
Vehicle Maintenance	369,438.00	369,438.00
Total	378,164.00	378,164.00

Operational Expenses

Schedule 27

Particulars	As at 31-Mar-08 (Rs.)	As at 31-Mar-07 (Rs.)
Travelling Expenses	1,799,741.00	1,799,741.00
Telephone Expenses	890,449.00	890,449.00
Bank Charges	29,295.50	29,295.50
Miscellaneous Expenses	3,911,792.40	3,911,792.40
Stationery	836,356.00	836,356.00
Total	7,467,633.90	7,467,633.90

Balance with Bank

Schedule 31

Particulars	As at 31-Mar-08 (Rs.)	As at 31-Mar-07 (Rs.)
Bank 3	47,132,750.91	47,132,750.91
Cheque in Transit	0.00	0.00
Total	47,132,750.91	47,132,750.91

Tamil Nadu SACS - Pool Fund

[Draft]

417, Pantheon Road Egmore, Chennai - 600008

National AIDS Control Project - Phase III (Credit No. 3242-IN)

Income And Expenditure Account
For The Period From : 01-Apr-2007 To :31-Mar-2008

the riod	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	IEC		44,240,953.00	0.00	Other Income	28	2,153,220.00
0.00	Monitoring & Evaluation (SIMS)		1,776,501.00	0.00	Grants utilised to the extent of revenue expenditure		163,663,025.00
0.00	Surveillance		1,617,757.00				
0.00	(TI)Non Reimbursable prior period expensable		9,970,431.00				
0.00	(PI)Non Reimbursable prior period expensable		10,746,219.00				
0.00	(I.A)Non Reimbursable prior period expensable		7,513,753.00				
0.00	(IS)Non Reimbursable prior period expensable		4,446,877.70				
0.00	Kits and Other Lab Supplies	06	26,159,283.00				
0.00	Medicines	07	13,616,644.00				
0.00	Training and Workshops	08	5,474,221.40				
0.00	NGO Services	11	22,449,170.00				
0.00	Salary (Pay and Allowances)	13	8,888,483.00				
0.00	Maintenance Costs	14	402,457.00				
0.00	Operational Expenses	15	8,513,494.90				
0.00			165,816,245.00	0.00			165,816,245.00

Other Income

Schedule 28

Particulars	As at 31-Mar-08 (Rs.)	As at 31-Mar-07 (Rs.)
Other Receipts	814,494.00	0.00
Interest from Bank	1,338,726.00	0.00
Total	2,153,220.00	0.00

Kits and Other Lab Supplies

Schedule 06

Particulars	As at 31-Mar-08 (Rs.)	As at 31-Mar-07 (Rs.)
Other Lab. Supplies	3,624,810.00	0.00
Blood Lab. Supplies	22,534,473.00	0.00
Total	26,159,283.00	0.00



Medicines

Schedule 07

Particulars	As at 31-Mar-08 (Rs.)	As at 31-Mar-07 (Rs.)
STI Drugs	7,775,484.00	0.00
OI Drugs	5,841,160.00	0.00
Total	13,616,644.00	0.00

Training and Workshops

Schedule 08

Particulars	As at 31-Mar-08 (Rs.)	As at 31-Mar-07 (Rs.)
Training	5,474,221.40	0.00
Total	5,474,221.40	0.00

NGO Services

Schedule 11

Particulars	As at 31-Mar-08 (Rs.)	As at 31-Mar-07 (Rs.)
NGO Services	9,035,860.00	0.00
NGO Services for Priority Interventions	13,413,310.00	0.00
Total	22,449,170.00	0.00



Salary (Pay and Allowances)

Schedule 13

Particulars	As at 31-Mar-08 (Rs.)	As at 31-Mar-07 (Rs.)
Salary	8,452,209.00	0.00
Honorarium	6,506.00	0.00
Leave Salary & Pension Contributions	131,162.00	0.00
Medical Expenses	24,363.00	0.00
Employer's Contribution to CPF	274,243.00	0.00
Total	8,888,483.00	0.00

Maintenance Costs

Schedule 14

Particulars	As at 31-Mar-08 (Rs.)	As at 31-Mar-07 (Rs.)
Equipment Maintenance	8,726.00	0.00
Vehicle Maintenance	393,731.00	0.00
Total	402,457.00	0.00

Operational Expenses

Schedule 15

Particulars	As at 31-Mar-08 (Rs.)	As at 31-Mar-07 (Rs.)
Travelling Expenses	2,339,304.00	0.00
Telephone Expenses	913,267.00	0.00
Bank Charges	29,295.50	0.00
Miscellaneous Expenses	4,377,822.40	0.00
Stationery	853,806.00	0.00
Total	8,513,494.90	0.00



