

File No. G.25012/6/08-NACO
Ministry of Health & Family Welfare
National AIDS Control Organisation

9th Floor, Chandralok Buliding,
36, Janpath, New Delhi-110001
Dated the 1st December 2008

OFFICE MEMOREMDUM

Subject: Statutory Audit Report in respect of State AIDS Control Societies for the year 2007-0

In continuation of Ministry of Health & Family Welfare National AIDS Control Organisation's O.M.of even no. dated 20th November, 2008, forwarding first batch of Statutory Audit Report in respect of the following 23 State AIDS Control Societies, the undersigned is directed to forward herewith Statutory Audit Report in respect of the following 12 State AIDS Control Societies for information and necessary action.

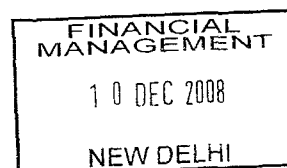
- (i) Assam
- (ii) Punjab
- (iii) Haryana
- (iv) Arunachal Pradesh
- (v) Delhi
- (vi) Andhra Pradesh
- (vii) Daman & Diu
- (viii) ✓ Mumbai
- (ix) Karnataka
- (x) Maharashtra
- (xi) Uttarakhand
- (xii) Uttar Pradesh

2. In so far as NACO is concerned audit observations of Director General of Audit, Central Revenues, along with NACO's reply to these are enclosed.

3. Next batch of Statutory Audit Reports would be sent by the end of next week.

4. It is informed that a consolidation of audit remarks and compliance report is being compiled and would be sent separately.

P078538



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***MUMBAI DISTRICTS AIDS CONTROL
SOCIETY***



**ANNUAL AUDITED
ACCOUNTS**

**OF
POOL FUND (WORLD BANK ASSISTED
PROJECT)**

2007-2008

Report of Statutory Auditors

To:
The Project Director,
Mumbai Districts AIDS Control Society,
Mumbai 400 031

Introductory Paragraph

We have audited the accompanying financial statements of Mumbai Districts AIDS Control Society under the National AIDS Control Project – Phase III (financed under World Bank Credit No.3242-IN and DFID grant) as of March 31, 2008. The management of Mumbai Districts AIDS Control Society is responsible for the preparation of the 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.

Mumbai Districts AIDS Control Society 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.

The financial statements for the year ended March 31, 2007 were audited and reported upon by another firm of Chartered Accountants vide their report(s) issued on July 20, 2007; the initial opening balances as at April 01, 2007, regrouped or restated where necessary, have been considered as opening balances for the purpose of these financial statements and have been relied upon by us without verification;

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 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 except as regards impact, if any, of accounting treatment for capital expenditure incurred during the year and in earlier years and non-confirmation of balances (including advances and deposits) due to or from parties.

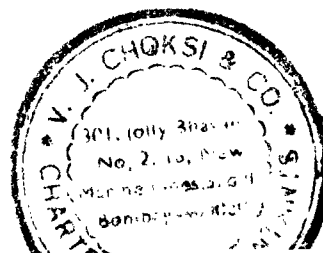
We believe that our audit provides a reasonable basis for our opinion.

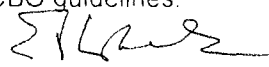
Opinion Paragraph

In our opinion, the financial statements, subject to the foregoing observations with such subsequent adjustments that may be necessary (presently not ascertainable), give a true and fair view of the Sources and Application of Funds and the financial position of Mumbai Districts AIDS Control Society for the year ended March 31, 2008, in accordance with consistency applied accounting standards.

In addition, (a) the financial statements have not 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.

Mumbai:
September 10, 2008




V J CHOKSI & CO
Per Partner, V J CHOKSI
M no 006534

September 10, 2008

To:
The Governing Board,
Mumbai Districts AIDS Control Society,
Mumbai 400 031

Gentlemen/Ladies:

Re: Statutory Audit 2007-08: Management Letter (Pool Funds)

01 Purpose, Responsibilities and Scope

The purpose of this Management Letter (the letter) is to summarise the key issues arising from the audit work that we have carried out as Statutory Auditors for financial year 2007-08 at Mumbai Districts AIDS Control Society (MDACS) as part of a continuing dialogue between ourselves and MDACS.

Although this letter is addressed to the Governing Body of MDACS ('you') as it is your responsibility to ensure that arrangements are in place for the conduct of MDACS' business and to safeguard and properly account for public money, it is also intended to communicate those key issues to key external stakeholders, including members of the public.

It is the responsibility of MDACS to put into place appropriate arrangements to ensure the proper conduct of its financial affairs, and to monitor their adequacy and effectiveness in practice, including:

- ensuring its financial standing is soundly based;
- the development and implementation of adequate systems of internal control;
- ensuring its affairs are managed in accordance with proper standards of financial conduct and to prevent and detect fraud and corruption; and
- ensuring its financial affairs are conducted in accordance with the law and relevant regulations.

Statutory auditors do not act as a substitute for the audited body's own responsibility for putting in place proper arrangements to ensure that public business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

The statutory responsibilities and powers of statutory auditors are set out in Bombay Public Trusts Act, 1950. Our main responsibility is to carry out an audit to express an audit opinion on financial statements of MDACS as a whole for financial year 2007-08 that meets the requirements of the generally accepted auditing standards in India

This letter summarises the significant issues arising from this area of work and highlights the key recommendations that we consider MDACS should be addressing.

02 Overall audit approach

A comprehensive audit approach which integrates financial, compliance and value added aspects has been followed in performing the audit, with a view to providing you with an independent external audit service with an emphasis on promoting accountability, good governance and the effective, economic and efficient attainment of your goals. In addressing the financial and compliance aspects of the audit, a risk-based approach has been adopted to ensure that audit resources are clearly focused.

03 Audit of the accounts and accounting issues

We received a good quality set of draft financial statements for the audit and issued a qualified opinion on the financial statements of MDACS on September 10, 2008 later than the submission deadline set by National AIDS Control Organisation owing to delay in preparation of financial statements as problems were encountered in the new financial reporting software system. The draft statements were supported by good quality working papers. We identified a few minor adjustments to the accounts which you agreed to amend.

04 Internal Control

The objectives of an internal control structure include policies and procedures, among other things, (a) to maintain records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the entity; (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 entity's 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, projections of any evaluation of effectiveness of the structure to future periods are subject to the risk that controls and procedures may become inadequate because of changes in conditions or that the degree of compliance or that the effectiveness of the design and operation of controls with the policies and procedures may deteriorate. Furthermore, the projection of any conclusions, based on our finding to future periods is subject to the risk that changes may alter the validity of such conclusions.

We have not been informed of any instance of major weaknesses during the year in the internal control structure by the management. During the course of our audit, we have observed some weaknesses in internal control which are explained in Appendix as Audit Findings. While some improvements were noticed because you have strengthened your performance management arrangements and embedded changes under NACP-III, there is still scope for you to strengthen your arrangements and our report and further collaboration with you is intended to maintain the momentum of improvement. In future, you will need to comply with both the current regulatory framework for and the requirements of donors/funding agencies. In this context, it is vital that you ensure that core systems of financial control and governance are robust.

05 Audit Findings

The audit findings with management's response are explained in the Appendix. These issue areas mainly cover -

- Governance
- Performance management
- Internal Control
- Financial reporting

➤ Financial Management

You need to further note the following significant matters -

- Develop a clear vision for the future or effective leadership;
- Develop strong and sustainable partnership working with NGOs and peripheral units;
- Strengthen middle management capacity with implications for strategic planning and management of change;
- Introduce adequate performance appraisal arrangements for staff; and
- Develop strategic approach to procurement;

06 Challenges for 2007/08

As you head towards changed framework, there are a number of related challenges in the coming financial year. These include:

- Ensuring key financial controls are maintained despite the additional resource and timing pressures of the modified processes. These changes to the structure and personnel will need to be embedded and closely monitored by management to ensure they are effective;
- The enhanced external and internal review and monitoring mechanism by various agencies and stake holders means that you must be prepared to meet such demands; and
- the new framework would lead to a number of changes in your operations and systems environment.

07 Closing remarks

This letter has been discussed and agreed with your finance management. Our aim is to deliver a high standard of audit, which makes a positive and practical contribution that supports your own agenda. You have taken a positive and constructive approach to our audit and inspection and we recognise the value of your co-operation and support. We would like to take this opportunity to express our appreciation for the support, assistance and co-operation during the audit.

We will seek to ensure, wherever possible, that our work relates to the improvement priorities when planning our programme of work for 2008-09. We will seek to reconsider, with you, your improvement priorities in the light of the assessment and your own analysis, and develop an agreed programme by December 31, 2008.

08 Status of our reports to MDACS

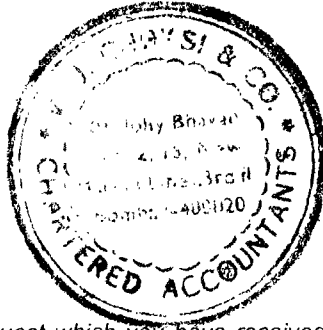
Our audit management letter is prepared in the context of: the responsibilities of statutory auditors and MDACS management. The matters raised in this letter are only those that came to our attention during the course of our audit and are not necessarily a comprehensive statement of all inefficiencies, errors and weaknesses that exist in your systems and practices or of all improvements that might be made/required.

You should assess our recommendations for improvement for their full commercial implications before they are implemented. In particular we would emphasise that we are not responsible for the adequacy and appropriateness of the monitoring and evaluation study data and methodologies.

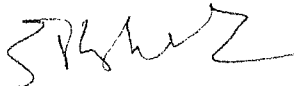
The information in this report was prepared by V J Choksi & Co in connection with the statutory audit service provided to MDACS, the audited body, and was therefore prepared specifically for the purposes of those services and solely for the benefit of MDACS. V J Choksi & Co neither owes nor accepts any duty of care to any third party and shall not be liable for any loss, damage and/or expense, which is caused by any reliance that any other party may place on this information.

For your convenience, this document has been made available to you in electronic format. Multiple copies and versions of this document may therefore exist in different media - in the case of any discrepancy the final signed hard copy should be regarded as definitive. Earlier versions are drafts for discussion and review purposes only.

Thank you,



Yours truly,


V J CHOKSI & CO

in the event that, pursuant to a request which you have received under the Right to Information Act 2005 (as the same may be amended or re-enacted from time to time) or any subordinate legislation made there under (collectively, the "Legislation"), you are required to disclose any information contained in this report, we ask that you notify us promptly and consult with us prior to disclosing such information. You agree to pay due regard to any representations which we may make in connection with such disclosure and to apply any relevant exemptions which may exist under the Legislation to such information. If, following consultation with us, you disclose any such information, please ensure that any disclaimer which we have included or may subsequently wish to include in the information is reproduced in full in any copies disclosed.

MUMBAI DISTRICTS AIDS CONTROL SOCIETY
Statutory Audit - Appendix forming part of Management letter for Financial Year 2007-08

Sr	Issue Area	Performance Improvement Area	Management's observations/response
01	Governance	Establish an Audit Committee for reviewing internal control systems and ensuring compliance therewith as also for overseeing financial reporting process; In the meanwhile, MDACS should designate an Officer to ensure that MDACS responds positively to all audit reports and ensure that agreed recommendations are followed up and implemented within agreed timetables.	Decision will be taken by Governing Body
02	Governance	MDACS should continue to implement its assurance processes for the reliability and soundness of data quality under monitoring and evaluation activities. The Board should monitor this issue closely. MDACS to embed the arrangements between the finance, monitoring and evaluation and performance teams and therefore improve arrangements for managing project activities.	Monitoring and evaluation activities will be strengthened to oversee data quality and data capture processes. The working relationships between these departments will be strengthened through communication, flow of information, etc.
03	Governance	Continue to monitor the areas where necessary performance management and controls assurance improvements have been identified and ensure that the action plans are effectively implemented to facilitate this	An action plan to address the gaps in the assurance framework will be prepared
04	Governance	Staff vacancies are noted and capacity building measures like staff training and retention need to be undertaken. Staff selection needs to be done giving due recognition to qualifications, experience and other merit-based criteria.	Action for filling up of Staff vacancies is in progress. Training needs are also being looked into by MDACS and NACO; Staff selection is done by following proper procedure
05	Governance	MDACS needs to establish and communicate throughout the organisation a counter fraud and corruption policy, which recognises the requirements of Vigilance mechanism. A whistle blowing policy also needs to be established and communicated to staff and those parties contracting with MDACS.	Noted Decision will be taken by Governing Body/Executive Committee
06	Governance/ Internal Control	While risk assessment and management processes do exist in various forms throughout MDACS, there is currently a lack of formalised risk management policy and strategy in place for MDACS as a whole. MDACS should review its risk assessment activity and implement an appropriate risk management architecture in which the significant exposures are identified and an appropriate strategy to manage these risks determined. As part of its risk management process MDACS needs to : <ul style="list-style-type: none"> • identify corporate and operational risks; • assess the risks for likelihood and impact; • identify mitigating controls; • allocate responsibility for the mitigating controls; and • undertake a risk assessment for strategic policy decisions and in project initiation documents. Risk management training should be made available and provided for board members and senior officers.	Noted

MUMBAI DISTRICTS AIDS CONTROL SOCIETY
Statutory Audit - Appendix forming part of Management letter for Financial Year 2007-08

07	Governance/ Performance Management	MDACS should undertake a detailed self assessment which clearly sets out how it has met the criteria of donor/funding agencies and such an assessment is supported by a detailed file of evidence.	Will be considered at appropriate time
08	Performance Management	Performance of MDACS is inextricably linked to performance of peripheral units and NGOs. Robust systems for monitoring and evaluation of performance of peripheral units and NGOs should be developed and improved to continue to build on the achievements of the past year(s). Although Peripheral units are major beneficiaries and components for achieving project objectives, MDACS cannot exercise control over Peripheral units and grants given to them as Partnership agreements are not in place for partnership arrangements with peripheral units. Partnership agreements with NGOs are reviewed and monitored by senior management annually but MDACS to ensure that they are operating in accordance with the partnership agreement and meeting their objectives.	Noted. Necessary action is taken on on-going basis
09	Performance Management	Continue to develop performance indicators in order to capture all aspects of MDACS' performance and to ensure that progress against MDACS' strategic objectives can be monitored effectively.	MDACS develops measures and targets for its key aims and outcomes based on local indicators
10	Performance Management	MDACS needs to introduce further checks during the year in order to confirm that the Performance Indicators data submitted by peripheral units and NGOs is reliable and up-to-date.	Evaluation checks have been carried out for a selection of indicators with NGOs and peripheral units and will be continued on regular basis.
11	Performance Management	Project Critical Indicators reported should be reported quarterly and contain comparative information to take a better-informed view on current performance and target setting.	Noted
12	Performance management/ Procurement	There is a procurement policy, which lays down the guidelines and procedures to be followed, and is published internally. Staff is also aware of this and there is evidence that it is being followed. However, procurement decisions are generally based on the lowest cost options instead of achieving greatest benefit to the public purse. MDACS needs to set a target for savings from procurement and demonstrate that it is delivering good value for money	Noted, improvements anticipated
13	Performance Management/ Financial reporting	Ensure that adequate working papers are available at the start of the audit to support individual Performance Indicators.	Noted, improvements anticipated
14	Performance management/ Internal Control	MDACS needs to introduce more predictive budget monitoring and reporting to its Board/ Executive Committee related to operational activity indicators that are lead indicators of spend which will help in achieving focus on identifying and generating cost savings.	Noted
15	Performance management/ Internal Control	MDACS needs to more explicitly consider value for money, including understanding its cost base and component costs and using comparative data to assess its performance. Value for money should be criteria instead of Least cost basis	Noted
16	Performance Management/ Internal Control	Those responsible for the production of Performance Indicators need to develop internal controls and checks within their systems to improve the accuracy of performance information.	Noted to verify compliance with guidance and accuracy of data collection.

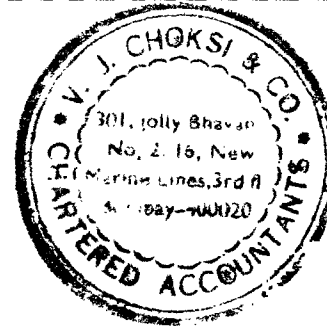
MUMBAI DISTRICTS AIDS CONTROL SOCIETY
Statutory Audit - Appendix forming part of Management letter for Financial Year 2007-08

17	Internal Control	MDACS to address the IT control weaknesses raised by Internal Auditors	IT control weaknesses will be resolved.
18	Internal Control/ Financial management: Testing kits, drugs, condoms and IEC materials	Physical verification exercise for Testing kits, drugs, and should be performed by persons other than custodians thereof as soon as feasibly possible to confirm the accuracy of the stocks held; The drugs and testing kits given as grant in aid to NGOs/peripheral units should be reviewed for potential disposals not recorded. Internal audit at peripheral units were unable to carry out the verification in the absence of instructions to peripheral units. Discrepancies were observed at MDACS on surprise test verification of testing kits and certain drugs during audit	Noted. Physical verification exercise is planned for 2008
19	Financial Reporting	Since cash basis of accounting is followed, a clear link between the budget, in-year forecasts and actual position cannot be established; MDACS has to develop and follow a work plan to ensure that it complies with the accrual system of accounting; MDACS also needs to meet with requirements of applicable Indian Accounting Standards and IFRS that may be stipulated by donors/funding agencies and draw up plans to manage this transition.	Action plan to be drawn up.
20	Financial Reporting	MDACS needs to ensure that all financial transactions which MDACS enters into under different project programs/phases are fully incorporated into monthly financial reports, including movement of resources.	Presently annual exercise is done
21	Financial reporting	The software for financial accounting/reporting needs to be modified to ensure compliance with applicable accounting standards including but not limited to – a) non-recognition of fixed assets accounting; and b) incorrect presentation of account balances of previous year in system-generated financial statements	The software is developed by National AIDS Control Organization and the matters will be taken up for consideration with NACO
22	Financial reporting/ Internal Control	Grants, advances and their utilization and counterparty balances should be confirmed, agreed and discrepancies resolved as part of the 9-month exercise in order to minimise adjustments at year end. Formal reconciliations to the ledgers should be prepared for all confirmations.	It is planned to confirm material balances during the year and again at year end. These will be supported with formal reconciliations to the ledger. More rigorous processes to be established in respect of adjustment of advances given to NGOs and peripheral units
23	Financial reporting	MDACS should continue to improve its processes for producing the supporting working papers to the accounts on a timely basis.	This year due to implementation of new financial reporting software provided by NACO, initial difficulties were faced and now improvements are anticipated
24	Financial reporting/ Internal Control/ Fixed Assets	Physical verification exercise for fixed assets should be performed as soon as feasibly possible to confirm the accuracy of the assets recorded in the fixed assets register for MDACS, peripheral units and NGOs; Improvements are required in fixed asset management processes and procedures such as the regular updating of the fixed asset register and the production of a formal plan for equipment replacement at MDACS, peripheral units and NGOs; The fixed assets given as grant in aid to NGOs/peripheral units should be reviewed for potential disposals not recorded.	Noted. Physical verification exercise is planned for 2008

MUMBAI DISTRICTS AIDS CONTROL SOCIETY
Statutory Audit - Appendix forming part of Management letter for Financial Year 2007-08

25	Financial reporting/ Fixed Assets	Produce an analysis of capital expenditure incurred in past for MDACS owned immovable assets and reconcile with financial reporting	Agreed and in progress.
26	Financial reporting	There was delay in submitting complete set of financial statements, disclosures and notes in advance of the accounts submission date. MDACS should adhere to a stricter timetable for the closedown process	This year due to implementation of new financial reporting software provided by NACO, initial difficulties were faced. This will be adhered to in the 2008-09 end of year process
27	Financial Management	MDACS should improve its cash-flow forecasting and strengthen its cash management strategy. There were substantial unspent funds at the close of the year and these were in low interest bearing savings account	Noted, investment of unspent funds requires approval of National AIDS Control Organisation.
28	Financial Management	MDACS to develop and approve a medium term financial strategy reflecting actions identified from the financial modelling undertaken as part of MDACS development programme. This should be discussed and consulted on not only with donors/funding agencies but also with key partners and other stakeholders and be consistent with their plans, and is reviewed and updated annually.	Noted
29	Financial Management	Finalise the detailed planning for the need-based capital expenditure and procurement of testing kits, drugs etc programme including the specific funding arrangements to be put in place and the sources of finance to deliver the programme over the coming years	Financial planning is being undertaken as an exercise but due to circumstances beyond control, there is irregular inflow of financial resources represented by grants.
30	Financial Management	Due to dependency on few sources for grant resources, financial planning undergoes changes. Action plans need to be developed and monitored when a material variance arises or a deficit is forecast.	Decision will be taken by Governing Body at appropriate time

Mumbai:



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V J CHOKSI & CO

Mumbai Districts AIDS Control Society

Utilisation Certificate

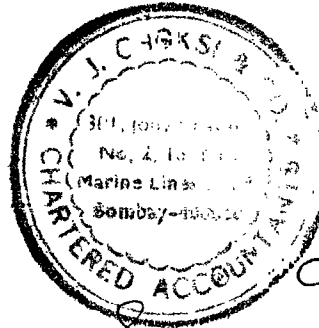
Certified that out of amount of Rs. **794.08 lacs** as grants-in-aid received during the year **2007-2008** from the Ministry of Health and Family Welfare (National AIDS Control Organization) vide letters mentioned hereunder and Rs.**136.36 lacs** on account of unspent balance & an advance of Rs. **30.00 lacs** brought forward from the previous financial year, and Rs. **8.75 lacs** of other receipts, a sum of Rs. **710.54 lacs** has been utilized for the purpose for which it was sanctioned and the balance of Rs. **237.76 lacs** remaining unutilized at the end of the year will be adjusted towards the grants-in-aid payable during the next year 2007-08. In addition an advance of Rs.**20.89 lacs** will also be carried forward to the next financial year.

Sr. No.	Sanction letter Number	Sanction date	Amount (Rs.)
	RTGS through MSACS	28/06/2007	300.00
	RTGS through MSACS	08/11/2007	300.00
	T.111017/03/2007-NACO (PFMU)	11/04/2008	194.08
Total			794.08

Certified that I have satisfied myself that the conditions on which the grant 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



[Signature]
Project Director
MDACS

10 SEP 2008

[Signature]
V. J. CHOISI & CO.

Mumbai MC ACS - POOL FUND

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

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

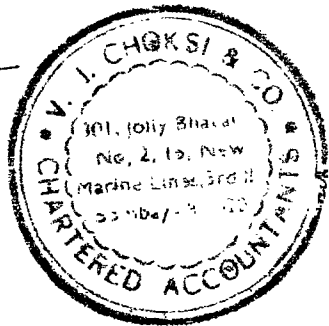
Balance Sheet

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

for the Period (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.)
5,189.44	GENERAL FUND	01	27,369,009.01	62,191,505.51	FIXED ASSETS	02	58,878,724.87
	CURRENT LIABILITIES AND PROVISIONS				CURRENT ASSETS, LOANS AND ADVANCES		
6,872.35	CURRENT LIABILITIES	0501	1,605,574.35	20,953,197.40	CURRENT ASSETS	0301	26,884,249.88
1,505.51	FIXED ASSET FUND		58,878,724.87	2,999,864.39	LOANS AND ADVANCES	0401	2,089,129.48
0.00	Funds from Other Sources	03	(1,204.00)				
<u>4,567.30</u>			<u>87,852,104.23</u>	<u>86,144,567.30</u>			<u>87,852,104.23</u>

V. J. CHOKSI & CO.

[Signature]
Auditor



[Signature]
FC/FM/FO

[Signature]
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	21,666,189.44	0.00
Add: Received during the year		
Pool Fund - World Bank	0.00	57,405,619.85
Inter Unit Fund Transfer	3,526,197.20	5,498,877.70
Grant from NACO to SACS	79,408,000.00	20,953,197.40
Less: Utilised during the year		
Grants utilised to the extent of revenue expenditure	73,491,763.87	0.00
Grants utilised to the extent of fixed asset expenditure	3,312,780.64	62,191,505.51
Closing grant in aid	27,369,009.01	21,666,189.44

Fixed Asset

Schedule 02

Figures in Rupees

Particulars	Opening Balance	Addition	Deletion	Closing Balance
Civil Works (2201)	50,409,609.01	0.00	0.00	50,409,609.01
Equipment (Other) (2204)	3,889,683.00	0.00	0.00	3,889,683.00
Furniture , Fixtures & Supplies (2202)	2,045,863.15	194,177.36	248.00	2,239,792.51
Office Equipment (2206)	2,339,640.35	0.00	0.00	2,339,640.35
Vehicles (2205)	3,506,710.00	0.00	3,506,710.00	0.00
Grand Total	62,191,505.51	194,177.36	3,506,958.00	58,878,724.87

Funds from Other Sources

Schedule 03

Figures in Rupees

Particulars	Opening Balance	Grant Recieved	Grant Utilised/ Refunded	Closing Balance
ILO Project (06)	0.00	15,237.20	15,237.20	0.00
UNICEF Activities (05)	0.00	92,853.00	94,057.00	-1,204.00
WHO- Evaluation of Counselors (15)	0.00	5,200.00	5,200.00	0.00
WHO- Training for ART (16)	0.00	10,000.00	10,000.00	0.00
Grand Total	0.00	123,290.20	124,494.20	-1,204.00

CURRENT ASSETS

Schedule 0301

Figures in Rupees

Particulars	As at 31-Mar-08 (Rs.)	As at 31-Mar-07 (Rs.)
BoB-6812	7,476,249.88	2,312,149.40
Cheque in Transit	19,408,000.00	18,641,048.00
Total	26,884,249.88	20,953,197.40

LOANS AND ADVANCES

Schedule 0401

Figures in Rupees

Particulars	As at 31-Mar-08 (Rs.)	As at 31-Mar-07 (Rs.)
Advance to Others	77,007.00	172,404.25
Advance to NGOs	503,468.50	126,761.00
Advance to Staff	8,265.00	370.25
Advance to District Authorities	1,279,744.98	2,479,684.89
Security Deposit (Paid)	220,644.00	220,644.00
Total	2,089,129.48	2,999,864.39

CURRENT LIABILITIES

Schedule 0501

Figures in Rupees

Particulars	As at 31-Mar-08 (Rs.)	As at 31-Mar-07 (Rs.)
Employees Contribution to CPF	24,853.00	28,523.00
Other Recoveries	7,743.00	27,709.00
Security / Earnest Deposit (Received)	1,567,167.35	2,187,657.35
TDS (Others)	3,046.00	19,983.00
TDS (Salary)	2,765.00	23,000.00
Total	1,605,574.35	2,286,872.35

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

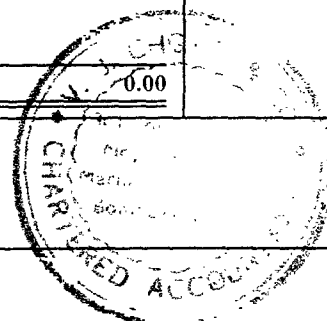
National AIDS Control Project - Phase III (Credit No. 3242-IN)

Income And Expenditure Account

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

for the Period (a)	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		7,188,033.74	0.00	Other Income	28	874,831.26
0.00	Surveillance		954,218.63	0.00	Grants utilised to the extent of revenue expenditure		73,491,763.87
0.00	(TI)Non Reimbursable prior period expensable		2,683,080.50				
0.00	(PI)Non Reimbursable prior period expensable		12,242,329.14				
0.00	(LA)Non Reimbursable prior period expensable		566,779.00				
0.00	(IS)Non Reimbursable prior period expensable		1,098,438.00				
0.00	Kits and Other Lab Supplies	06	5,189,636.00				
0.00	Medicines	07	354,968.00				
0.00	Training and Workshops	08	951,281.25				
0.00	NGO Services	11	25,562,252.00				
0.00	Salary (Pay and Allowances)	13	8,143,599.25				
0.00	Maintenance Costs	14	2,407,594.02				
0.00	Operational Expenses	15	7,024,385.60				
0.00			74,366,595.13	0.00			

V. J. CHAVAN & CO.



Project Director
Mumbai Districts AIDS
Control Society

Other Income

Schedule 28

Particulars	As at 31-Mar-08 (Rs.)	As at 31-Mar-07 (Rs.)
Sale of Bid/Tender Documents	1,050.00	0.00
Testing Fee from Patients	613,835.00	0.00
Other Receipts	33,278.75	0.00
Interest from Bank	226,667.51	0.00
Total	874,831.26	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	2,077,957.50	0.00
Blood Lab. Supplies	3,111,678.50	0.00
Total	5,189,636.00	0.00

Medicines

Schedule 07

Particulars	As at 31-Mar-08 (Rs.)	As at 31-Mar-07 (Rs.)
STI Drugs	326,193.00	0.00
OI Drugs	28,775.00	0.00
Total	354,968.00	0.00

Training and Workshops

Schedule 08

Particulars	As at 31-Mar-08 (Rs.)	As at 31-Mar-07 (Rs.)
Training	951,281.25	0.00
Total	951,281.25	0.00

NGO Services

Schedule 11

Particulars	As at 31-Mar-08 (Rs.)	As at 31-Mar-07 (Rs.)
NGO Services	2,345,396.25	0.00
NGO Services for Priority Interventions	23,216,855.75	0.00
Total	25,562,252.00	0.00

Salary (Pay and Allowances)

Schedule 13

Particulars	As at 31-Mar-08 (Rs.)	As at 31-Mar-07 (Rs.)
Salary	7,763,862.25	0.00
Leave Salary & Pension Contributions	379,737.00	0.00
Total	8,143,599.25	0.00

Maintenance Costs

Schedule 14

Particulars	As at 31-Mar-08 (Rs.)	As at 31-Mar-07 (Rs.)
Equipment Maintenance	288,891.00	0.00
Building Maintenance	2,118,703.02	0.00
Total	2,407,594.02	0.00

Operational Expenses

Schedule 15

Particulars	As at 31-Mar-08 (Rs.)	As at 31-Mar-07 (Rs.)
Travelling Expenses	1,432,281.25	0.00
Rent, Rates & Taxes	332,096.00	0.00
Telephone/Communication Expenses	324,938.50	0.00
Miscellaneous Expenses	2,980,577.00	0.00
Printing & Stationery	240,634.00	0.00
Advertisement (Other than IEC)	145,537.00	0.00
Water and Electricity Charges	1,495,727.69	0.00
Audit Fees	32,584.00	0.00
Legal Expenses	1,500.00	0.00
Postage/Courier	38,510.16	0.00
Total	7,024,385.60	0.00



Mumbai MC ACS - Pool Fund

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

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

Figures for the previous Year (Rs.)	RECEIPTS	Schedule	Figures for the current Year (Rs.)	Figures for the previous Year (Rs.)	PAYMENTS	Schedule	Figures for the current Year (Rs.)
	Opening Balance:			0.00	LOANS AND ADVANCES	17	29,166,428.51
0.00	Balance with Bank	30	20,953,197.40	0.00	GENERAL FUND	29	2,711,669.49
0.00	LOANS AND ADVANCES	17	2,846.25	0.00	FIXED ASSETS	16	193,929.36
0.00	GENERAL FUND	29	79,408,000.00	0.00	CURRENT LIABILITIES	32	511,492.00
0.00	Funds from Other Sources	31	11,363.20	0.00	Kits and Other Lab Supplies	18	3,839,283.00
0.00	Other Income	56	1,306,856.06	0.00	Medicines	19	487,632.00
				0.00	Training and Workshops	20	537,086.50
				0.00	NGO Services	23	1,285,921.50
				0.00	Salary (Pay and Allowances)	25	6,801,878.00
				0.00	Maintenance Costs	26	2,404,829.02
				0.00	Operational Expenses	27	4,076,831.10
				0.00	IEC		7,521,976.24
				0.00	Surveillance		3,12,028.63
				0.00	(TI) Non Reimbursable prior period expensable		2,683,080.50



Mumbai MC ACS - Pool Fund

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

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

Receipt and Payment Account

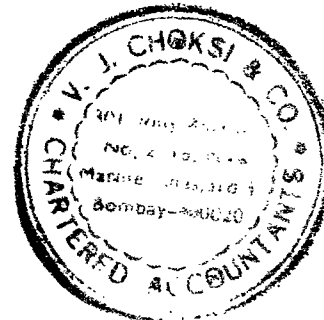
For The Period From: 01-Apr-2007 To: 31-Mar-2008

Figures for the previous Year (Rs.)	RECEIPTS	Schedule	Figures for the current Year (Rs.)	Figures for the previous Year (Rs.)	PAYMENTS	Schedule	Figures for the current Year (Rs.)
				0.00	(PI) Non Reimbursable prior period expensable		10,701,901.68
				0.00	(LA) Non Reimbursable prior period expensable		566,779.00
				0.00	(IS) Non Reimbursable prior period expensable		995,266.50
					Closing Balance:		
				0.00	Cash in hand		0.00
				0.00	Balance with Bank	31	26,884,249.88
15,461,742.29			101,682,262.91	15,461,742.29			101,682,262.91

As per our report of even date

V. J. CHOKSI & CO.

Chartered Accountants



Project Director
TRUSTEE

Dated at Mumbai
10-09-08

LOANS AND ADVANCES

Schedule 17

Particulars	As at 31-Mar-08 (Rs.)	As at 31-Mar-07 (Rs.)
Advance to Others	2,846.25	0.00
Total	2,846.25	0.00

GENERAL FUND

Schedule 29

Particulars	As at 31-Mar-08 (Rs.)	As at 31-Mar-07 (Rs.)
Grant from NACO to SACS	79,408,000.00	0.00
Total	79,408,000.00	0.00

Balance with Bank

Schedule 30

Particulars	As at 31-Mar-08 (Rs.)	As at 31-Mar-07 (Rs.)
BoB-6812	2,312,149.40	0.00
Cheque in Transit	18,641,048.00	0.00
Total	20,953,197.40	0.00

Funds from Other Sources

Schedule 31

Particulars	As at 31-Mar-08 (Rs.)	As at 31-Mar-07 (Rs.)
Funds from Other Sources	11,363.20	0.00
Total	11,363.20	0.00

Other Income

Schedule 56

Particulars	As at 31-Mar-08 (Rs.)	As at 31-Mar-07 (Rs.)
Sale of Bid/Tender Documents	1,050.00	0.00
Testing Fee from Patients	622,015.00	0.00
Other Receipts	445,699.55	0.00
Interest from Bank	238,091.51	0.00
Total	1,306,856.06	0.00

LOANS AND ADVANCES

Schedule 17

Particulars	As at 31-Mar-08 (Rs.)	As at 31-Mar-07 (Rs.)
Advance to NGOs	23,773,097.00	0.00
Advance to Staff	244,272.25	0.00
Advance to District Authorities	5,149,059.26	0.00
Total	29,166,428.51	0.00

GENERAL FUND

Schedule 13

Particulars	As at 31-Mar-08 (Rs.)	As at 31-Mar-07 (Rs.)
Inter Unit Fund Transfer	2,711,669.49	0.00
Total	2,711,669.49	0.00

FIXED ASSETS

Schedule 16

Particulars	As at 31-Mar-08 (Rs.)	As at 31-Mar-07 (Rs.)
Furniture , Fixtures & Supplies	193,929.36	0.00
Total	193,929.36	0.00

CURRENT LIABILITIES

Schedule 32

Particulars	As at 31-Mar-08 (Rs.)	As at 31-Mar-07 (Rs.)
Employees Contribution to CPF	3,670.00	0.00
TDS (Salary)	20,235.00	0.00
Security / Earnest Deposit (Received)	410,490.00	0.00
TDS (Others)	18,921.00	0.00
Other Recoveries	58,176.00	0.00
Total	511,492.00	0.00

Kits and Other Lab Supplies

Schedule 18

Particulars	As at 31-Mar-08 (Rs.)	As at 31-Mar-07 (Rs.)
Other Lab. Supplies	845,354.00	0.00
Blood Lab. Supplies	2,993,929.00	0.00
Total	3,839,283.00	0.00

Medicines

Schedule 19

Particulars	As at 31-Mar-08 (Rs.)	As at 31-Mar-07 (Rs.)
STI Drugs	326,193.00	0.00
OI Drugs	161,439.00	0.00
Total	487,632.00	0.00

Training and Workshops

Schedule 20

Particulars	As at 31-Mar-08 (Rs.)	As at 31-Mar-07 (Rs.)
Training	537,086.50	0.00
Total	537,086.50	0.00

NGO Services

Schedule 23

Particulars	As at 31-Mar-08 (Rs.)	As at 31-Mar-07 (Rs.)
NGO Services	6,600.00	0.00
NGO Services for Priority Interventions	1,279,321.50	0.00
Total	1,285,921.50	0.00

Salary (Pay and Allowances)

Schedule 25

Particulars	As at 31-Mar-08 (Rs.)	As at 31-Mar-07 (Rs.)
Salary	6,422,141.00	0.00
Leave Salary & Pension Contributions	379,737.00	0.00
Total	6,801,878.00	0.00

Maintenance Costs

Schedule 26

Particulars	As at 31-Mar-08 (Rs.)	As at 31-Mar-07 (Rs.)
Equipment Maintenance	288,891.00	0.00
Building Maintenance	2,115,938.02	0.00
Total	2,404,829.02	0.00

Operational Expenses

Schedule 27

Particulars	As at 31-Mar-08 (Rs.)	As at 31-Mar-07 (Rs.)
Travelling Expenses	1,396,366.25	0.00
Rent, Rates & Taxes	332,096.00	0.00
Telephone/Communication Expenses	315,754.50	0.00
Miscellaneous Expenses	78,419.50	0.00
Printing & Stationery	240,566.00	0.00
Advertisement (Other than IEC)	145,537.00	0.00
Water and Electricity Charges	1,495,727.69	0.00
Audit Fees	32,584.00	0.00
Legal Expenses	1,500.00	0.00
Postage/Courier	38,280.16	0.00
Total	4,076,831.10	0.00

Balance with Bank

Schedule 31

Particulars	As at 31-Mar-08 (Rs.)	As at 31-Mar-07 (Rs.)
BoB-6812	7,476,249.88	0.00
Cheque in Transit	19,408,000.00	0.00
Total	26,884,249.88	0.00