

**AUDIT REPORT**

The Project Director,  
M/s. Karnataka State AIDS Prevention Society (KSAPS),  
No.4/13-1, Crescent Road, High Grounds,  
Bangalore-560001.

Sir,

**Introductory Paragraph**

We have audited the accompanying financial statements of POOL FUND of National AIDS Control Project - Phase III (financed under World Bank Credit No. 3242-IN) as of March 31, 2013. 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 test basis, the evidences 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 the Management and as well as evaluating the overall Financial Statements presentation. We believe that our Audit provides a reasonable basis for our opinion.

**Opinion Paragraph**

In our opinion, the Financial Statements, read with observations, if any, give a true and fair view of the Sources and Applications of the Fund and the financial position of M/S. Karnataka State AIDS Prevention Society (Regd.), Bangalore for the year ended March 31, 2013, in accordance with the consistently applied Accounting Standards.


In addition, (a) with respect to IFRs, adequate supporting documentations have been maintained to support the IFRs subject to our observations given in the Annexure to this report and the Management Letter.

(b) Expenditures which are eligible for financing under the Credit/Grant Agreement, subject to our observations given in the Annexure to this report and the Management Letter.

(c) Procurement of goods and services had been carried out as per the Procurement Manual issued by NACO, GOI and NGO/CBO guidelines subject to our observations given in the Annexure to this report and the Management Letter.

Place: Chennai-44  
Date: 03.08.2013

For M/s. G.KANAGARAJ & Co.,  
CHARTERED ACCOUNTANTS,

  
CA G.KANAGARAJ, B.Com., F.C.A.,  
Membership No. 024197,  
FIRM'S REGN. NO: 0057035

**ANNEXURE TO THE AUDIT REPORT ON THE FINANCIAL STATEMENTS OF POOL FUND- NATIONAL AIDS CONTROL PROJECT(NACO) - PHASE III (FINANCED UNDER WORLD BANK CREDIT NO. 3242-IN) AS OF MARCH 31, 2013 FOR M/s. KARNATAKA STATE AIDS PREVENTION SOCIETY:**


1. The advances outstanding at the year end, based on the records and accounts produced before us, is NIL.
2. We have also observed that the Society has not expended the funds as approved in Annual Action Plan. The variations observed are stated here in below.

COMPONENTS	BUDGET FOR THE YEAR	ACTUAL FOR THE YEAR	DIFFERENCE
Prevention (1)	0.00	Rs.39,256,353.73	- Rs. 39,256,353.73
Care, Support, and Treatment(2)	0.00	0.00	0.00
Capacity Building (3)	0.00	Rs. 1,423,915.42	- Rs. 1,423,915.42
Strategic Information Management (4)	0.00	Rs. 65,825.00	-Rs. 65,825.00
<b>Total</b>	<b>0.00</b>	<b>Rs. 40,746,094.15</b>	<b>-Rs. 40,746,094.15</b>

Place : Chennai-44  
Date :03.08.2013

For M/s. G.KANAGARAJ & Co.,  
CHARTERED ACCOUNTANTS,



  
CA G.KANAGARAJ, B.Com., F.C.A.,  
Membership No. 024197,  
FIRM'S REGN. NO: 005703S





## Karnataka SACS - POOL FUND

No.4/13-1 Crescent Road High Grounds, Bangalore - 560001

National AIDS Control Project - Phase III

### Utilisation Certificate

Certified that an amount of Rs. 0.00 received as grants-in-aid received from Department of AIDS Control (NACO) during the Fin.Year 2012-13 vide letter No. given below and opening Cash/Bank Balance Rs. 48,081,220.59 (and Current Liabilities of Rs.7,538,716.85) and outstanding Advances for Rs. 79,594,118.90 on account of unspent balance brought forward from the previous financial year, and Bank Interest and Miscellaneous Receipts of Rs. 3,862,458.41. a sum of Rs. 40,746,094.15 has been utilized for the purpose for which it was sanctioned and the Cash/Bank balance of Rs. 0.00 (and Current Liabilities of Rs. 0.00 ) and outstanding advances of Rs.0.00. remaining unutilized at the end of the year will be adjusted towards the grants-in-aid payable during the next year . Also an amount of Rs. 83,252,986.90 has been transferred to NDBS .

Sl. No.	Sanction letter Number and Date	Amount
	D. No. Y-11025/4/2012 - NACO (Fin) Dt. 14/03/12	
	Cash balance of POOL Fund	
	amount transferred to NDBS Fund	
		Total 0.00

2. Certified that I have satisfied myself that the conditions on which the grants-in-aid was sanctioned have been duly fulfilled/are being fulfilled and that I have exercised the following checks to see that the money was actually utilized for the purpose for which it was sanctioned.

#### Kinds of checks exercised

1. Statement of Expenditures
2. Annual Financial Statements

For M/s. G. KANAGARAJ & CO.,  
Chartered Accountants,

Countersigned

CA G. KANAGARAJ, B.Com., F.C.A.,  
SENIOR PARTNER - M. No.: 024197  
Firm Regn. No.: 0057035

(Chartered Accountant)

(Project Director)  
Project Director  
KSAPS, Bangalore

Joint Director (Finance)  
KSAPS, Bangalore



**POOL FUND**

**Utilisation Certificate**

**For The Period 01.04.2012 to 31.03.2013**

Particulars	From 01.04.2012 To 30.09.2012	From 01.10.2012 To 31.03.2013	From 01.04.2012 To 31.03.2013
<b>Opening Balance of Net Current Assets</b>	<b>Amount (Rs.)</b>	<b>Amount (Rs.)</b>	<b>Amount (Rs.)</b>
Cash in hand	41,542.00	0.00	41,542.00
Bank 3	48,039,678.59	44,095,821.84	48,039,678.59
Advance to Others	11,810,293.35	7,889,543.35	11,810,293.35
Advance to NGOs	25,314,469.31	4,283,730.74	25,314,469.31
Advance to Staff	2,025,221.52	1,001,100.52	2,025,221.52
Advance to District Authorities	24,503,117.00	3,980,322.00	24,503,117.00
Advance to District Hospitals	13,893,708.00	9,242,534.00	13,893,708.00
Security Deposit (Paid)	2,047,309.72	2,047,309.72	2,047,309.72
Inter Unit Fund Transfer	0.00	-294,949.00	0.00
<b>Total Amount</b>	<b>127,675,339.49</b>	<b>72,245,413.17</b>	<b>127,675,339.49</b>
<b>Opening Balance of Net Current Liabilities</b>	<b>Amount (Rs.)</b>	<b>Amount (Rs.)</b>	<b>Amount (Rs.)</b>
Employees Contribution to CPF	6,910.00	6,910.00	6,910.00
TDS (Salary)	126,983.00	87,743.00	126,983.00
TDS (Others)	0.00	52,079.00	0.00
Security / Earnest Deposit (Received)	226,811.00	226,811.00	226,811.00
Other Recoveries	6,817,961.85	6,817,961.85	6,817,961.85
Funds from Other Sources	360,051.00	360,051.00	360,051.00
<b>Total Amount</b>	<b>7,538,716.85</b>	<b>7,551,555.85</b>	<b>7,538,716.85</b>
<b>Sources of Funds</b>	<b>Amount (Rs.)</b>	<b>Amount (Rs.)</b>	<b>Amount (Rs.)</b>
Recovery/Deduction of Grants	-9,474,673.00	-46,275,197.84	-55,749,870.84
NACPIII Closure	0.00	-27,503,116.06	-27,503,116.06
<b>Total Amount</b>	<b>-9,474,673.00</b>	<b>-73,778,313.90</b>	<b>-83,252,986.90</b>



*[Signature]*  
Joint Director (Finance)  
KSAPS, Bangalore



**POOL FUND**

**Utilisation Certificate**

**For The Period 01.04.2012 to 31.03.2013**

Particulars	From 01.04.2012 To 30.09.2012	From 01.10.2012 To 31.03.2013	From 01.04.2012 To 31.03.2013
	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
<b>Utilisation of Funds</b>			
Other Lab. Supplies	230,851.00	0.00	230,851.00
STI Drugs	26,275.00	0.00	26,275.00
IEC	16,604,106.00	0.00	16,604,106.00
NGO Services	1,445,317.00	0.00	1,445,317.00
Training	11,066,751.00	0.00	11,066,751.00
Salary	2,471,768.75	0.00	2,471,768.75
Equipment Maintenance	52,132.00	0.00	52,132.00
Vehicle Maintenance	86,845.00	0.00	86,845.00
Travelling Expenses	3,462,543.00	0.00	3,462,543.00
Rent, Rates & Taxes	9,916.00	0.00	9,916.00
Telephone / Communication Expenses	389,100.00	0.00	389,100.00
Honorarium	386,182.00	0.00	386,182.00
Bank Charges	2,293.00	150.00	2,443.00
Miscellaneous Expenses	657,760.00	0.00	657,760.00
Printing and Stationery	300,066.00	0.00	300,066.00
Leave Salary & Pension Contributions	55,394.00	0.00	55,394.00
Water and Electricity Charges	84,639.00	0.00	84,639.00
Audit Fees	833,636.00	0.00	833,636.00
NGO Services for Priority Interventions	3,121,912.98	-6,314.00	3,115,598.98
Quality Assessment	14,000.00	0.00	14,000.00
Contractual Services - Companies	2,077,241.00	-1,068,000.00	1,009,241.00
Campaigns	1,593,818.00	0.00	1,593,818.00
Contingency	297,081.00	0.00	297,081.00
Consumable Items	2,732,554.00	0.00	2,732,554.00
Meeting Expenses	12,475.00	0.00	12,475.00
Transportation Expenses	53,350.00	0.00	53,350.00
Civil Works	294,291.00	-996,547.00	-702,256.00
Furniture, Fixtures & Supplies	495,895.00	-3,799,070.58	-3,303,175.58
Blood Bank Equipments	52,876.00	-211,504.00	-158,628.00
Vehicles	0.00	-259,850.00	-259,850.00
Office Equipment	0.00	-1,823,839.00	-1,823,839.00
<b>Total Amount</b>	<b>48,911,068.73</b>	<b>-8,164,974.58</b>	<b>40,746,094.15</b>
<b>Bank Interest &amp; Miscellaneous Receipts</b>	<b>Amount (Rs.)</b>	<b>Amount (Rs.)</b>	<b>Amount (Rs.)</b>
Other Receipts	1,614,024.41	11,211.00	1,625,235.41
Interest from Bank	1,328,952.00	908,271.00	2,237,223.00
<b>Total Amount</b>	<b>2,942,976.41</b>	<b>919,482.00</b>	<b>3,862,458.41</b>



  
 Joint Director (Finance)  
 KSAPS, Bangalore



**POOL FUND**

**Utilisation Certificate**

**For The Period 01.04.2012 to 31.03.2013**

Particulars	From 01.04.2012 To 30.09.2012	From 01.10.2012 To 31.03.2013	From 01.04.2012 To 31.03.2013
	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
<b>Current Liabilities</b>			
Employees Contribution to CPF	6,910.00	0.00	0.00
Other Recoveries	6,817,961.85	0.00	0.00
TDS (Salary)	87,743.00	0.00	0.00
TDS (Others)	52,079.00	0.00	0.00
Security / Earnest Deposit (Received)	226,811.00	0.00	0.00
Funds from Other Sources	360,051.00	0.00	0.00
<b>Total Amount</b>	<b>7,551,555.85</b>	<b>0.00</b>	<b>0.00</b>
<b>Closing Balance of Net Current Assets</b>	<b>Amount (Rs.)</b>	<b>Amount (Rs.)</b>	<b>Amount (Rs.)</b>
Bank 3	44,095,821.84	0.00	0.00
Security Deposit (Paid)	2,047,309.72	0.00	0.00
Advance to District Authorities	3,980,322.00	0.00	0.00
Inter Unit Fund Transfer	-294,949.00	0.00	0.00
Advance to District Hospitals	9,242,534.00	0.00	0.00
Advance to Others	7,889,543.35	0.00	0.00
Advance to NGOs	4,283,730.74	0.00	0.00
Advance to Staff	1,001,100.52	0.00	0.00
<b>Total Amount</b>	<b>72,245,413.17</b>	<b>0.00</b>	<b>0.00</b>



*[Signature]*  
Joint Director (Finance)  
KSAPS, Bangalore



## Karnataka SACS - POOL FUND

No.4/13-1 Crescent Road High Grounds, Bangalore - 560001

National AIDS Control Project - Phase III

## Balance Sheet

For The Period From : 01-Oct-2012 To :31-Mar-2013

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.)
64,693,857.32	GENERAL FUND	01	0.00	7,090,810.58	FIXED ASSETS	02	0.00
7,191,504.85	CURRENT LIABILITIES AND PROVISIONS				CURRENT ASSETS, LOANS AND ADVANCES		
7,090,810.58	CURRENT LIABILITIES	0501	0.00	44,095,821.84	CURRENT ASSETS	0301	0.00
	FIXED ASSET FUND		0.00	28,149,591.33	LOANS AND ADVANCES	0401	0.00
360,051.00	Funds from Other Sources	03	0.00				
79,336,223.75			0.00	79,336,223.75			0.00

For M/s. G. KANAGARAJ & CO.,  
Chartered Accountants,CA G. KANAGARAJ, B.Com., F.C.A.,  
SENIOR PARTNER - M. No.: 024197  
Firm Regn No.: 005703S  
AuditorFC/FM/EOX/2012/2013  
Joint Director (Finance)  
KSAPS, BangaloreProject Director  
Project Director  
KSAPS, Bangalore



## Karnataka SACS - POOL FUND

No.4/13-1 Crescent Road High Grounds, Bangalore - 560001

National AIDS Control Project - Phase III

## Income And Expenditure Account

For The Period From : 01-Oct-2012 To :31-Mar-2013

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.)
16,604,106.00	IEC		0.00	2,942,976.41	Other Income	28	919,482.00
0.00	Excess of Income over Expenditure		1,993,646.00	45,125,030.32	Grants utilised to the extent of revenue expenditure		0.00
2,963,405.00	Kits and Other Lab Supplies	06	0.00				
26,275.00	Medicines	07	0.00				
12,660,569.00	Training and Workshops	08	0.00				
4,567,229.98	NGO Services	11	-6,314.00				
2,913,344.75	Salary (Pay and Allowances)	13	0.00				
138,977.00	Maintenance Costs	14	0.00				
8,194,100.00	Operational Expenses	15	-1,067,850.00				
<b>48,068,006.73</b>			<b>919,482.00</b>	<b>48,068,006.73</b>			<b>919,482.00</b>



*[Signature]*  
Joint Director (Finance)  
KSAPS, Bangalore

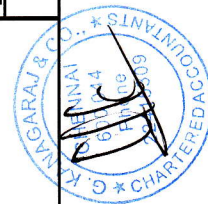
*[Signature]*  
Project Director  
KSAPS, Bangalore



## Receipt And Payment Account

For The Period From : 01-Oct-2012 To :31-Mar-2013

Figures for the previous Period (Rs.)	RECEIPTS	Schedule Reference	Figures for the current Period (Rs.)	Figures for the previous Period (Rs.)	PAYMENTS	Schedule Reference	Figures for the current Period (Rs.)
41,542.00	Opening Balance:			0.00	LOANS AND ADVANCES	17	152,571.00
	Cash in hand		0.00		GENERAL FUND	13	46,275,197.84
48,039,678.59	Balance with Bank	30	44,095,821.84	9,474,673.00	CURRENT LIABILITIES	32	52,079.00
18,884,736.25	LOANS AND ADVANCES	17	1,613,952.00	2,579,902.00	Kits and Other Lab Supplies	18	733,176.00
142,284.00	CURRENT LIABILITIES	32	0.00	1,392,443.00	Training and Workshops	20	0.00
0.00	Operational Expenses	43	1,068,000.00	8,117.00	NGO Services	23	0.00
2,867,886.00	Other Income	56	917,382.00	1,874,267.00	Salary (Pay and Allowances)	25	0.00
<b>69,976,126.84</b>			<b>47,695,155.84</b>	48,118.00	Maintenance Costs	26	0.00
				2,695,176.00	Operational Expenses	27	102,132.00
				7,770,579.00	IEC		380,000.00
					<b>Closing Balance:</b>		
				0.00	Cash in hand		0.00
				44,095,821.84	Balance with Bank	31	0.00
				<b>69,976,126.84</b>			<b>47,695,155.84</b>



Joint Director (Finance),  
KSAPS, Bangalore

Project Director  
KSAPS, Bangalore