

ANNUAL REPORT 2017-2018



DAIRY HEALTH AND NUTRITION INITIATIVE INDIA FOUNDATION



Dairy Health and
Nutrition Initiative
India Foundation



**आहार संतुलन कार्यक्रम
(आर. बी. पी. / R.B.P.)**

**आर. बी. पी. की यही पहचान
स्वस्थ पशु स्वशाहल किसान**



**बस एक कॉल आशा को
8400848537**

**पशुओं के लिए आर.बी.पी. अपनायें,
कम खर्च में अधिक दूध पायें।**

आशा महिला मिल्क प्रोड्यूसर कंपनी लि.
प्लॉट नं.-2, बोया मोड, आजाद बस्ती, बाली (पाली) 306701



PARTNERING FOR PROSPERITY

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**क्या आपको उन्नत नस्ल की
बछिया / पाड़ी चाहिए?
वो भी आपके द्वार**

आशा द्वारा
कृत्रिम गर्भाधान सेवा
प्रदान की जाती है।



बस एक कॉल आशा को



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कृत्रिम गर्भाधान के द्वारा आशा की बछिया

आशा महिला मिल्क प्रोड्यूसर कंपनी लि.
प्लॉट नं.-2, बोया मोड, आजाद बस्ती, बाली (पाली) 306701

Board Members

Dr. Deepak Tikku - Chairman

Mr. Arun Pandhi - Director

Dr. Malavika Chauhan - Director



Sakhi MMPC, Alwar Milk Pourers at Sahajpur MPP



Producers Awareness Programme by
Ruhaanii Milk Producer Company, Mansa

AUDITORS:

Deloitte Haskins & Sells LLP

Chartered Accountants,
Indiabulls Finance Centre,
Tower 3, 27th – 32nd Floor,
Senapati Bapat Marg,
Elphinstone Road (West),
Mumbai – 400 013

BANKER:

HDFC Bank,
Fort Branch, Mumbai – 400 001

REGISTERED OFFICE:

C/o Centre for Micro Finance,
D – 240, D Block,
Behind World Trade Park,
Malviya Nagar,
Jaipur – 302 017

Message from Chairman



Dear stakeholders

Dairy Health and Nutrition Initiative India Foundation (DHANII) was incorporated under Section 8 of the Companies Act, 2013 on 1st September 2016 to assist in setting up Producer Companies for upliftment of small and marginalized producers and support their activities by providing technical and financial support to its members.

A Producer Company combines the institutional and ideological strength of cooperatives – ownership limited to users; no trading of shares; patronage not capital based – with the flexibility and autonomy available under Company law.

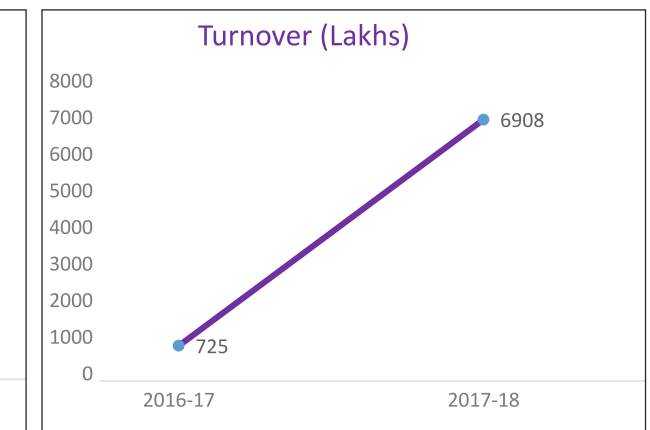
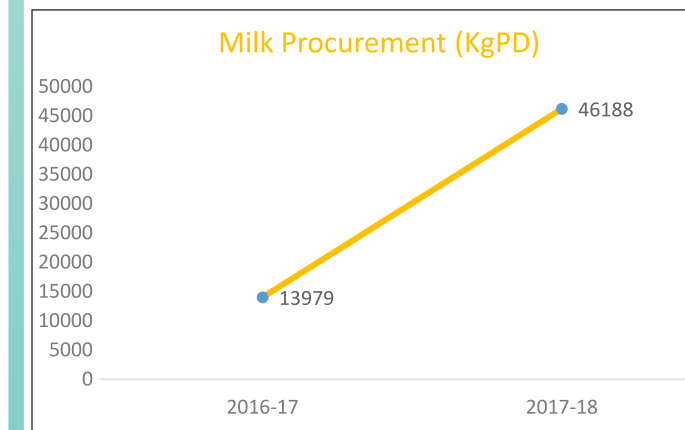
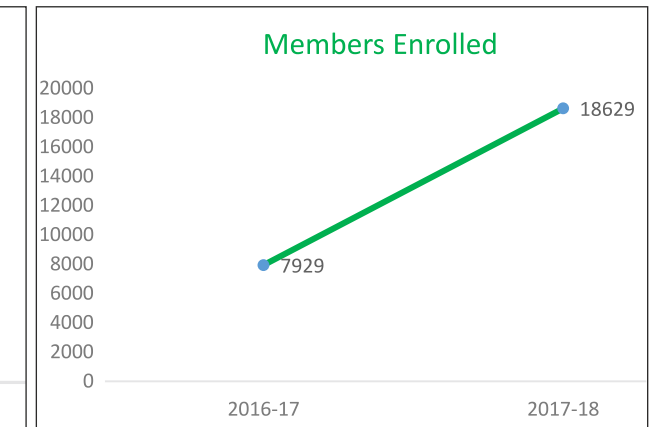
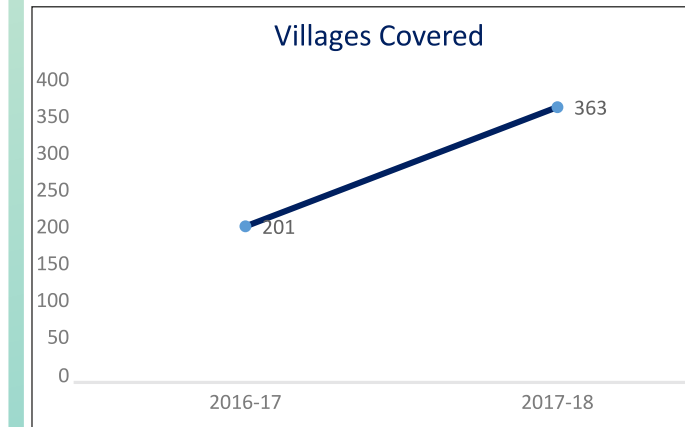
During the year DHANII facilitated setting up of 3 all women and one mixed gender producer companies in Rajasthan, U.P. and Punjab. These producer companies on an average collected about 45,000 kgs of milk per day from about 17000 members spread over 350 villages. Need based input services like Artificial Insemination, Ration Balancing, supply of cattle-feed/mineral mixture etc are also provided.

To ensure transparency, the producer companies have established GPRS enabled and solar power based Data Processor cum Milk Collection units at the Milk Pooling points in the villages. This ensures that the entire producer payment cycle from testing of milk to calculation of member payment and finally the transfer of payment due to the members bank account is done automatically without any manual intervention

The above activities would be expanded during the coming year.

I would like to thank Sir Dorabji Tata Trust for their financial and NDDDB Dairy Services for their technical support.

Shri Deepak Tikku
Chairman
(DIN-00064125)



Growth of DHANII Supported MPCs Over Years



Asha MMPC Bali Board Members on Exposer Visit to Dudu Village

In India, apart from agriculture-based interventions, livestock is a key source of livelihood for small and marginal farmers, contributing nearly 16-20% of their annual household income. Given that around 85% of the Indian farmers have land holding less than 2 hectares¹, livestock rearing is critical for sustainable income². Further, the returns from livestock especially through dairying are significant, with regular and assured cash flows. Unlike agriculture, livestock remains fairly unaffected by the vagaries of nature and natural calamities which can have a devastating impact on farmer incomes and threaten their livelihoods.

In order to tap the immense potential offered by dairying, Dairy Health and Nutrition Initiative India Foundation (DHANII), was registered on September 1, 2016 as a company limited by Guarantee. The objective of the Company is to assist in promotion, production and maintenance of quality livestock and to increase production and distribution of good quality milk and milk products and to undertake operations with respect to encouragement of related activities. The Company incurs expenditure by way of giving grants towards objects and programme expenses, which represents initiatives / activities, undertaken.

DHANII assists financially in establishing Milk Producer Companies which are producer owned enterprises incorporated under provisions of the Companies Act, 2013 but run on principles of mutual assistance and managed by professionals. With the support of NDDDB Dairy Services (NDS), DHANII is currently promoting four Milk Producer Companies (2 in Rajasthan, 1 in Uttar Pradesh and 1 in Punjab). Further a 5th MPC is in the pipe line which would be operationalized around September, 2018. DHANII is also supporting the linkage of 85 villages of coastal Gujarat with MAAHI Milk Producer Company Limited for generating income from dairying.

Overall, initial field level implementation support came from the Associate Organizations of the Tata Trusts in each of the 3 states and therefore, there was no need to deploy human resources regionally for the ground work, mobilization and facilitation. After the MPCs were set up with human resource hired, all field implementation are being done through the MPCs. The associate organizations are helping in the state specific backend plans to support farmers in catchment areas of these MPCs.

¹ Source: Agriculture Census 2010-11, Table No. 14: All India Number and Area of Operational Holdings by Size Classes (All Social Groups), pp. 51

² Income from agriculture ranges from 16-34% and wage labour contributes to 16-36% of these households. Source: Agriculture Economics Research Review Vol. 27 (No. 1), January – June 2014 (pp. 37-48)

- Note 14** The Company is registered under Section 12AA of the Income Tax Act, 1961 which entitles it to claim an exemption from income tax, provided certain conditions laid down in the Income Tax Act, 1961 are complied with. Provision for income tax would be made only in the year in which the Company is unable to establish reasonable certainty of its ability to fulfill these conditions. The Company has also obtained a certificate under 80G of the Income Tax Act, 1961.
- Note 15** Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For and behalf of the Board of Directors

Deepak Tikku
Director

Arun Pandhi
Director

Date:- 28 September, 2018
Place:- Mumbai

Dairy Health and Nutrition Initiative India Foundation

Notes forming part of the financial statements

Note 13 Unspent Grants as at 31 March, 2018

Programme	Project Description	Opening Balance as at 1 April, 2017	Grants received during the year ended 31 March, 2018	Interest earned during the year ended 31 March, 2018	Transferred to Income and Expenditure Account	Transferred to Capital Grant	Closing Balance as at 31 March, 2018
Sir Dorabji Tata Trust							
SDTT/TDM/DH/AG/IV/2016-17	Tata Dairy Mission Phase 1- Grant 1 dated October 7, 2016	19,81,000	50,000,000	21,989	45,693,000	-	63,09,989
		-	75,000,000	-	73,019,000	-	1,981,000
SDTT/TDM/DH/DK/IV/2016-17	Tata Dairy Mission Phase 1- Grant 2 dated December 19, 2016	(1,000)	15,453,000	17,387	11,634,000	-	38,35,387
		-	18,911,000	-	18,912,000	-	(1,000)
SDTT/MUM/OTHER/DHANI/AG/CK/2017-18/003	Tata Dairy Mission Phase 1- Grant 3 dated June 8, 2017	-	4,460,000	-	4,460,000	-	-
		-	-	-	-	-	-
SDTT/MUM/OTHER/DHANI/AG/CK/2017-18/0013	Tata Dairy Mission Phase 1- Grant 4 dated July 26, 2017	-	27,505,000	-	27,330,177	-	174,823
		-	-	-	-	-	-
Core Grant	Core Grant	(2,77,300)	6,600,000	15,623	1,704,336	99,710	45,34,277
		-	-	-	277,300	-	(277,300)
	Total	17,02,700	104,018,000	54,999	90,821,513	99,710	1,48,54,476

Note: Previous year figures are disclosed in italics.

Progress Highlights 2017-18

- Four fully functional Milk Producer Companies
- 363 villages covering 17,500 milk producers linked with efficient milk procurement system
- 72,300 KgPD of Milk collection in all four MPCs was as on March 31, 2018
- Artificial Inseminations (AI) done in around 11,700 animals for breed improvement
- Over 1,800 animals covered under Ration Balancing Program (RBP)
- 130 Silage demonstrations
- Both Sakhi and Asha MMPC achieving their business break-evens in 2017-18 and now earning profits
- State specific backend plans by Tata Trusts' Associate organizations in Punjab, Rajasthan and U.P. to bring more dairy farmers under the ambit of MPCs



Key Partnerships



- ❖ NDDDB Dairy Services (NDS), New Delhi
- ❖ Tata Trusts Associate Organisations
 - Centre for Microfinance, Jaipur
 - Reviving Green Revolution Cell, Ludhiana
 - Tata Trusts, Project Management Unit, Lucknow

Key Challenges

- To cover more milk producers under the ambit of MPCs, DHANII would need to promote large size MPCs in the selected states for wider outreach and impact. As the volumes expected from large MPCs would be huge, so alternate marketing channels/processing of milk would have to be explored.
- Currently, DHANII is getting financial support from Tata Trusts for its ongoing programmes. In future, it would be crucial for DHANII to raise funds from other sources.

Notes forming part of the financial statements



Note 11 Grant Expenses

Particulars	For the period from 1 April, 2017 to 31 March, 2018 (Rs.)	For the period from 1 September, 2016 to 31 March, 2017 (Rs.)
Grants Expenses	6,17,87,000	91,931,000
Total	6,17,87,000	91,931,000

Note 12 Other Expenses

Particulars	For the period from 1 April, 2017 to 31 March, 2018 (Rs.)	For the period from 1 September, 2016 to 31 March, 2017 (Rs.)
Legal and Professional Charges	8,51,840	41,300
Statutory Audit Fees (refer note below)	2,36,000	236,000
Internal Audit Fees	3,61,080	-
Travel expenses	2,36,329	-
Printing & Stationary	2,416	-
Insurance	1,688	-
Interest on TDS	14,762	-
Bank Charges	221	-
Total	17,04,336	277,300

Note:

Particulars	For the period from 1 April, 2017 to 31 March, 2018 (Rs.)	For the period from 1 September, 2016 to 31 March, 2017 (Rs.)
Auditors Remuneration:		
Statutory Audit Fees	200,000	200,000
Goods and Service Tax thereon	36,000	36,000
Total	236,000	236,000

Note 7 Long Term Loans and Advances

Particulars	As at 31 March, 2018 (Rs.)	As at 31 March, 2017 (Rs.)
Advance Income Tax (TDS Receivable)	5,500	-
	5,500	-

Note 8 Cash and Cash Equivalents

Particulars	As at 31 March, 2018 (Rs.)	As at 31 March, 2017 (Rs.)
(a) Balances with banks		
In Current Account	26,67,837	1,980,000
Fixed Deposit Accounts	1,34,00,000	-
	1,60,67,837	1,980,000
Note:		
(i) Of the above, the balances that meet the definition of cash and cash equivalent as per AS-3 Cash Flow Statement is:	1,60,67,837	1,980,000

Note 9 Other Current Assets

Particulars	As at 31 March, 2018 (Rs.)	As at 31 March, 2017 (Rs.)
Interest Accrued on Fixed Deposits	22,524	-
	22,524	-

Note 10 Grant Income

Particulars	For the period from 1 April, 2017 to 31 March, 2018 (Rs.)	For the period from 1 September, 2016 to 31 March, 2017 (Rs.)
Grant Income		
Transferred from Earmarked Funds	9,08,21,513	92,208,300
Transferred from Capital Grant Funds	15,479	-
Total	9,08,36,992	92,208,300

Notice is hereby given that the Second Annual General Meeting of the Members of Dairy Health and Nutrition Initiative India Foundation will be held, at shorter notice with the consent of the Members, on 28th September 2018, at 6:00 PM at 26th Floor, World Trade Centre, Cuffe Parade, Mumbai 400005, to transact the following business:

ORDINARY BUSINESS:

- To receive and adopt the audited financial statements of the Company including Statement of Income & Expenditure and the Cash Flow Statement, for the year ended on March 31, 2018 and the Balance Sheet as at that date, and the Report of the Directors and the Auditors thereon.
- To consider and, if thought fit, to pass the following resolution, with or without modification, as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of section 139 of the Companies Act, 2013, as amended by Companies (Amendment) Act, 2017 and the notification issued by the Ministry of Corporate Affairs dated 7th May, 2018, M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (Registration No. 117366W/W-100018), who were appointed as the auditors of the Company at the Annual General Meeting (AGM) held on September 28, 2017 for a period of 5 years i.e. until the conclusion of the AGM to be held in the year 2022, be paid a remuneration of Rs. 2,50,000/- plus applicable taxes and out-of-pocket expenses for conducting the audit of the accounts of the Company for the financial year 2018-19.”

For and on behalf of the Board

Dr. Deepak Tikku
Chairman
(DIN-00064125)

Place: - Mumbai
Date: - September 28, 2018

Notes: -

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY / PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES MUST BE A MEMBER OF THE COMPANY.

For and on behalf of the Board

Dr. Deepak Tikku
Chairman
(DIN-00064125)

Place: - Mumbai

Date: - September 28, 2018

Notes forming part of the financial statements

Note 3 Other Non Current Liability

Particulars	As at 31 March, 2018 (Rs.)	As at 31 March, 2017 (Rs.)
Capital Grant		
Balance at beginning of the year	-	-
Add: Received during the year	99,710	-
Less: Transferred to Statement of Income and Expenditure	15,479	-
	84,231	-

Note 4 Trade Payables

The amount due to Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information collected by the Management.

Note 5 Other Current Liabilities

Particulars	As at 31 March, 2018 (Rs.)	As at 31 March, 2017 (Rs.)
Balance at beginning of the year	17,02,700	-
Add: Received during the year	104,018,000	93,911,000
Add: Interest earned during the year	54,999	-
Less: Transferred to Statement of Income and Expenditure	90,821,513	92,208,300
Less: Transferred to Capital Grant	99,710	-
	1,48,54,476	1,702,700
(b) Statutory Remittances	1,00,300	23,500
Total	1,49,54,776	1,726,200

Note: The amount unutilized from Earmarked Funds represent amount received from various donors and sponsors for specific projects under taken/ to be undertaken by the company which have remained unutilized as at the Balance Sheet date.

Note 6 Fixed Assets

Particulars	Gross Block (at Cost)				Depreciation				Net Block
	As at 1 April, 2017	Addition during the year	Deduction / sales during the year	As at March 31, 2018	As at 1 April, 2017	For the year	Adjustments during the year	As at March 31, 2018	As at March 31, 2018
A. Assets purchased from Doners Funds									
Tangible Assets									
1 Computers		99,710		99,710		15,479	-	15,479	84,231
Total		99,710		99,710		15,479	-	15,479	84,231

E. Fixed Assets:

Tangible assets are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost includes purchase price and any attributable cost of bringing the assets to its working condition for its intended use.

Components of Grants utilized for meeting costs of capital assets are disclosed as 'Grant for Capital Assets' as a part of 'Other Non-Current Liabilities'. Costs of such assets are capitalized. Amount equivalent to depreciation provided on such asset is released from Capital Grant to Income and Expenditure Account.

F. Depreciation:

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. The depreciation is calculated on straight line method as per the useful / estimated life prescribed in Schedule II to the Companies Act, 2013.

Following are the categories of assets and useful life considered based on Schedule II to the Companies Act 2013:

Assets	Estimated Useful Life
Office Equipment	5 years
Computers	3 years
Furniture & Fixtures	10 years

G. Expenses towards objects:

Grants paid represents expenses towards particular programmes which are executed in collaboration with other organisation's.

H. Employee Benefits:Short Term Benefits:

Short term Employee Benefits are accounted as an expense in the Income and Expenditure account in the year in which services are rendered.

I. Provisions and Contingencies:

A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities (if any) are disclosed in the Notes. Contingent assets are neither recognised nor disclosed in the financial statements.

J. Operating cycle:

Based on the nature of activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

To,

The Members**Dairy Health and Nutrition Initiative India Foundation****Jaipur**

The Directors are pleased to present the Second Annual Report and the Audited Financial Statements of the Company for the year ended March 31, 2018.

Operations

DHANII was incorporated under Section 8 of the Companies Act, 2013 on 1st September, 2016 and is limited by Guarantee and does not have Share Capital.

The objective of the Company is to assist in the promotion, production and maintenance of quality livestock and to increase production and distribution of good quality milk and milk products and to undertake operations with respect to encouragement of related activities.

The Company incurs expenditure by way of grants which are given towards meeting the objects of the Company and programme expenses which represent initiatives/activities undertaken by the Company.

DHANII, with technical support of NDDDB Dairy Services (NDS), has assisted in the establishment of 4 Milk Producer Companies (**MPC**) in Rajasthan (Sakhi Mahila Milk Producer Company Ltd, Alwar and Asha Mahila Milk Producer Company Ltd, Pali), Punjab (Ruhaanii Milk Producer Company Ltd, Mansa) and Uttar Pradesh (Shwetdhara Mahila Milk Producer Company Ltd, Pratapgarh). To ensure fair prices for their milk, these producers are being organized under Producer Companies, which are equipped with latest technologies, infrastructure and assured market linkages. During 2017-18: -

- (a) A total of 363 villages have been covered with 17,521 members as against the target of 10,578.

- (b) Milk collection for all four MPCs was 72,289 KgPD as on March 31, 2018 as against the target of 64,000 KgPD.
- (c) Two Rajasthan MPCs are being expanded to cover additional 100 villages each in the adjoining villages/districts.

Plan for 2018-19: -

- (a) Operationalization of the 5th MPC in Yavatmal district of Maharashtra to cover around 8,000 new members from 200 villages.
- (b) Additional areas from Rajasthan, U.P., Tamil Nadu and Maharashtra would be covered under the plan synchronising with new expansion plan.
- (c) In all 5 MPCs around 28,000 dairy farmers would be covered from 574 villages.

Financial Results

Particulars	For the year ended on 31 st March 2018 (Amounts in Rs.)
Total Income	9,08,36,992
Less: Total Expenditure	9,08,36,992
Excess of Income over Expenditure	Nil

Deposits

During the year under review, the Company neither accepted nor renewed any fixed deposits falling within the ambit of Section 73 of the Companies Act, 2013 and The Companies (Acceptance of Deposits) Rules, 2014.

Corporate Social Responsibility (CSR)

The provisions of CSR were not applicable to the Company during the financial year.

Directors' Responsibility Statement

Pursuant to the requirement under Section 134(3)(c) of the Companies Act, 2013 with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- (a) In the preparation of the annual accounts for the year ended on 31st March 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures;

Notes forming part of the financial statements

1. Corporate Information:

Dairy Health and Nutrition Initiative India Foundation ("the Company") is incorporated on 1 September, 2016 as a private company limited by guarantee and not having a share capital and has been granted a license under Section 8(1) of the Companies Act, 2013 by Ministry of Corporate Affairs, Government of India, vide its license number: 107653 dated 29 August, 2016. The objective of the company is to assist in the promotion, production and maintenance of quality livestock and to increase production and distribution of good quality milk and milk products and to undertake operations with respect to encouragement of related activities.

The Company incurs expenditure by way of grants given towards objects and Programme expenses which represents initiatives/activities undertaken by the Company.

2. Significant Accounting Policies:

A. Basis of Preparation of Financial Statements:

The financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 ("the 2013 Act").

The financial statements are prepared under the historical cost convention on accrual basis. The company is a small and medium sized company as defined in the General instructions in respect of Accounting Standards specified under section 133 of the Companies Act, 2013. Accordingly the company has complied with the Accounting Standards as applicable to a Small and Medium sized Company.

B. Use of Estimates:

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the period. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known / materialize.

C. Revenue Recognition:

- Earmarked grants are initially credited to a liability account in the Balance Sheet and are transferred to Statement of Income and Expenditure in the year in which and to the extent to which the Company complies with the conditions attached to them.
- Donations are recognized as income in Statement of Income and Expenditure in the period in which the collections are actually received.
- Interest Income is recognized on time proportion basis taking into account the amount outstanding.

D. Expenses towards objects:

Grant expenses represents expenses towards particular programmes, which are executed in collaboration with other charitable organization.

Programme expenses represent expenses towards programmes which are executed by the Company.

Cash Flow Statement for the year ended 31 March 2018

Particulars	Note No.	For the year ended 31 March 2018 Rs.	For the period from 1 September 2016 to 31 March 2017 Rs.
A. Cash flow from operating activities			
Excess of Income over Expenditure		15,479	-
Adjustments for Non cash expenses			
Depreciation		(54,999)	-
Interest on fixed deposits			
Excess of Income over Expenditure before working capital changes		(39,520)	-
Adjustments for changes in working capital:			
Trade Payables		8,87,285	253,800
Other Current Liabilities		84,231	
Other Current Liabilities		1,32,28,576	1,726,200
Net cash flow generated from operating activities (A)		1,41,60,572	1,980,000
Income tax paid		(5,500)	-
Net cash flow generated from operating activities (A)		1,41,55,072	1,980,000
B. Cash flow from investing activities			
Net cash flow from investing activities (B)		-	-
C. Cash flow from financing activities			
Purchase of fixed assets		(99,710)	
Interest received on fixed deposits with bank		32,475	
Net cash flow used in financing activities (C)		(67,235)	-
Net increase in Cash and cash equivalents (A+B+C)		1,40,87,837	1,980,000
Cash and cash equivalents at the beginning of the period		1,980,000	-
Cash and cash equivalents at the end of the year		1,60,67,837	1,980,000
Reconciliation of Cash and cash equivalents with the Balance Sheet:			
Cash and cash equivalents as per Balance Sheet (Refer Note 8)		1,60,67,837	1,980,000
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements		-	-
Net Cash and cash equivalents (as defined in AS 3 Cash flow statement) included in Note 8		1,60,67,837	1,980,000
See accompanying notes forming part of the financial statements	1-15		

In terms of our report attached.
For Deloitte Haskins & Sells LLP
Chartered Accountants

Joe Pretto
Partner

Mumbai, 28 September, 2018

For and on behalf of
Dairy Health and Nutrition Initiative India Foundation

Deepak Tikku
DIN: 00064125

Arun Pandhi
DIN: 02244978

Mumbai, 28 September, 2018

- (b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2018 and of the particulars of Income over Expenditure of the Company for the period ended on that date;
- (c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors have prepared the annual accounts on a going concern basis; and
- (e) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Meetings of the Board

During the year 2 (Two) Board Meetings were convened and held on September 28, 2017 and February 14, 2018.

Directors

There has been no change in the constitution of the Board of Directors during the year under review.

Auditors

M/s. Deloitte Haskins & Sells LLP Chartered Accountants, Mumbai (Firm Registration No. 117366W/W-100018) were appointed as the Statutory Auditors of the Company for a period of 5 (Five) years from the conclusion of the First Annual General Meeting till the conclusion of the Annual General Meeting to be held in the year 2022.

Subsidiary and Associate Companies

The Company does not have any Subsidiary/Associate/JV company.

Particulars of Loans, Guarantees or Investments

The Company did not give any loans, guarantees or make any investment pursuant to the provisions of Section 186 of the Companies Act, 2013.

Particulars of employees

The Company had no employees who were in receipt of remuneration of Rs. 1,02,00,000 or more per annum, if employed for the full year or Rs. 8,50,000 or more per month during any part of the financial year.

Related Party Transactions

During the year, the Company has not entered into any related party transactions.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

In view of the nature of activities being carried on by the Company, the provisions of Rule 8 of Companies (Accounts) Rules, 2014 regarding conservation of energy and technology absorption respectively are not applicable to the Company.

There was no inflow or outflow of foreign exchange involved during the year under review.

Material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report

No material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year and the date of this Report.

Details of significant material orders passed by the Regulators / Courts / Tribunals impacting the going concern status and Company's Operations in future

There are no significant material orders passed by the Regulators / Courts / Tribunal which would impact the going concern status of the Company and its future operations. Hence, no disclosure pursuant to Rule 8 (5) (vii) of Companies (Accounts) Rules, 2014 is required.

Statement of Income and Expenditure for the year ended 31 March, 2018

	Particulars	Note No.	For the year ended 31 March, 2018 (Rs.)	For the period from 1 September, 2016 to 31 March, 2017 (Rs.)
I	INCOME			
	Grant income	10	9,08,36,992	92,208,300
	Total Income		9,08,36,992	92,208,300
II	EXPENDITURE			
	(a) Grant Expenses	11	6,17,87,000	91,931,000
	(b) Professional Charges		2,73,30,177	-
	(c) Other Expenses	12	17,04,336	277,300
	(d) Depreciation		15,479	-
	Total Expenditure		9,08,36,992	92,208,300
III	Excess of Income over Expenditure		-	-
	See accompanying notes forming part of the financial statements	1-15		

For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of
Dairy Health and Nutrition Initiative India Foundation

Joe Pretto
Partner

Deepak Tikku
Director
DIN: 00064125

Arun Pandhi
Director
DIN: 02244978

Mumbai, 28 September, 2018

Mumbai, 28 September, 2018

Balance Sheet as at 31 March, 2018

Particulars	Note No.	As at 31 March, 2018 (Rs.)	As at 31 March, 2017 (Rs.)
I LIABILITIES			
1 Non Current liabilities			
(a) Other Non Current Liability	3	84,231	-
2 Current liabilities			
(a) Trade Payables (Includes total outstanding dues of Micro and Small Enterprises Rs. Nil)	4	11,41,085	253,800
(b) Other current liabilities	5	1,49,54,776	1,726,200
		1,61,80,092	1,980,000
TOTAL		1,61,80,092	1,980,000
II ASSETS			
1 Non Current Assets			
(a) Fixed Assets			
Tangible Fixed Assets	6	84,231	-
(b) Long Term Loans and Advances	7	5,500	-
2 Current Assets			
(a) Cash and Cash Equivalents	8	1,60,67,837	1,980,000
(b) Other Current Assets	9	22,524	-
TOTAL		1,61,80,092	1,980,000
See accompanying notes forming part of the financial statements	1-15		

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

Joe Pretto
Partner

Mumbai, 28 September, 2018

For and on behalf of
Dairy Health and Nutrition Initiative India Foundation

Deepak Tikku
Director
DIN: 00064125

Mumbai, 28 September, 2018

Details in respect of adequacy of internal financial controls with reference to the Financial Statements pursuant to Rule 8 (5) (viii) of Companies (Accounts) Rules, 2014

The Company has an adequate internal financial control system, commensurate with the size of its business operations.

Risk Management Policy

The Company does not have a formal risk Management Policy as the elements of risk threatening the Company's existence are very minimal, as the Company is in its initial stage of operations.

For and on behalf of the Board

Dr. Deepak Tikku
Chairman
(DIN-00064125)

Place: - Mumbai

Date: - September 28, 2018

Arun Pandhi
Director
(DIN-02244978)

INDEPENDENT AUDITOR'S REPORT



To,
The Members of
Dairy Health and Nutrition Initiative India Foundation

Report on the Financial Statements

We have audited the accompanying financial statements of **DAIRY HEALTH AND NUTRITION INITIATIVE INDIA FOUNDATION** ("the Company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Income and Expenditure and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006, as amended ("Accounting Standards"), and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.



Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2018, and its income and expenditure and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Income and Expenditure, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting prescribed under section 133 of the Act, as applicable.
 - e) On the basis of the written representations received from the directors of the Company and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. This report does not include a statement on the matters specified in paragraph 3 and 4 of the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, since the Order is not applicable to the Company, being a Company licensed to operate under section 8 of the Companies Act 2013, as specified in paragraph 1(2)(iii) of the Order.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/ W-100018)

Joe Pretto
Partner
(Membership No. 77491)

Mumbai, 28 September 2018