

ANNUAL REPORT



2018-19

www.dhanii.org

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BOARD MEMBERS



(As on March 31, 2019)

Dr. Deepak Tikku - Chairman

Mr. Arun Pandhi - Director

Dr. Malavika Chauhan - Director

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



Dear Stakeholders,

The 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 Milk Producer Companies (MPCs) for the upliftment of small and marginalized producers and to 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 the setting up of another MPC in Yavatmal, thus taking the total tally to 5 MPCs.

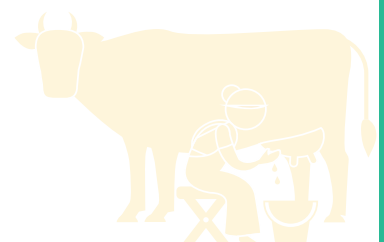
These Producer Companies on an average in the year 2018-19 collected 84,704 kgs of milk per day from about 31,957 members spread over 711 villages. Need based input services like Artificial Insemination, Ration Balancing, supply of cattle-feed / mineral mixture etc. are also provided.

To ensure transparency, the Producer Companies have established GPRS enabled and Tamper proof 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.

Out of the 5 MPCs, 4 have achieved their business break-even. Further expansion of the MPCs are to be undertaken in Rajasthan, Haryana and U.P. during the coming year.

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

Shri Deepak Tikku
Chairman
(DIN-00064125)



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 two hectares, livestock rearing is critical for sustainable incomes. 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, the 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, to increase production and distribution of good quality milk and milk products, and to undertake operations with respect to the encouragement of related activities. The Company incurs expenditure by way of giving grants towards objects and programme expenses which represent initiatives or activities undertaken.

DHANII assists financially in the establishment of Milk Producer Companies which are producer owned enterprises incorporated under 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 five Milk Producer Companies (2 in Rajasthan, 1 in Uttar Pradesh, 1 in Maharashtra and 1 in Punjab). The Maharashtra MPC was operationalized in January 2019. DHANII also supported the linkage of producers of 85 villages of coastal Gujarat with the Maahi Milk Producer Company for generating income from dairying.

While initial field level implementation support came from the Associate Organizations of the Tata Trusts in each of the four states therefore, maximizing utilization of regional human resources for the ground work, mobilization and facilitation. After the MPCs were set up human resource was brought on board and all field implementation is now being done through the MPCs. Associate Organizations have state specific, backend plans to support farmers / producers 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)

This year focus has been on consolidation of activities for the four MPCs in Rajasthan, Punjab and U.P. vis-à-vis the operationalization of a 5th MPC in the Yavatmal area of Maharashtra. MPCs in Rajasthan (Asha & Sakhi) achieved their business break-even in 2017-18, while Punjab and U.P. MPCs too achieved their business break-even and started earning profits, Sakhi MPC in Rajasthan further expanded operations to another 100 villages in Jhunjhunu district. In 2019-20, DHANII further plans to expand the area in Rajasthan, Haryana and U.P under the ambit of Sakhi, Asha, Ruhaanii and Shwethdhara MPCs.

DHANII's Vision/Mission & Objective

Vision

To help achieve India's goal for the SDG-1 – 'to end poverty in all its forms, everywhere', by the development of sustainable women based, scaled up, dairy value chains across some of the most backward regions of India.

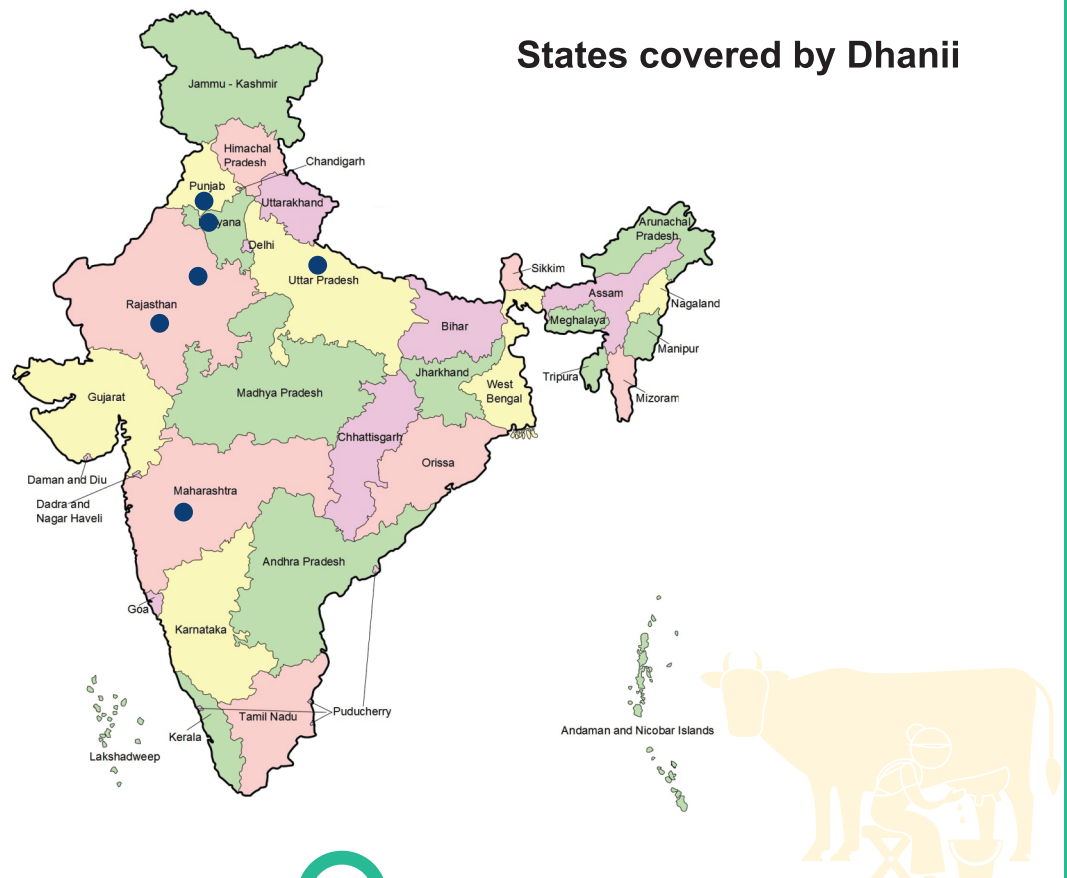
Mission (5 years)

To enrol at least 3 Lakh households in newly established, professionally run, sustainable Milk Producer Companies in 5000 villages in 13 districts, across 5 states of India.

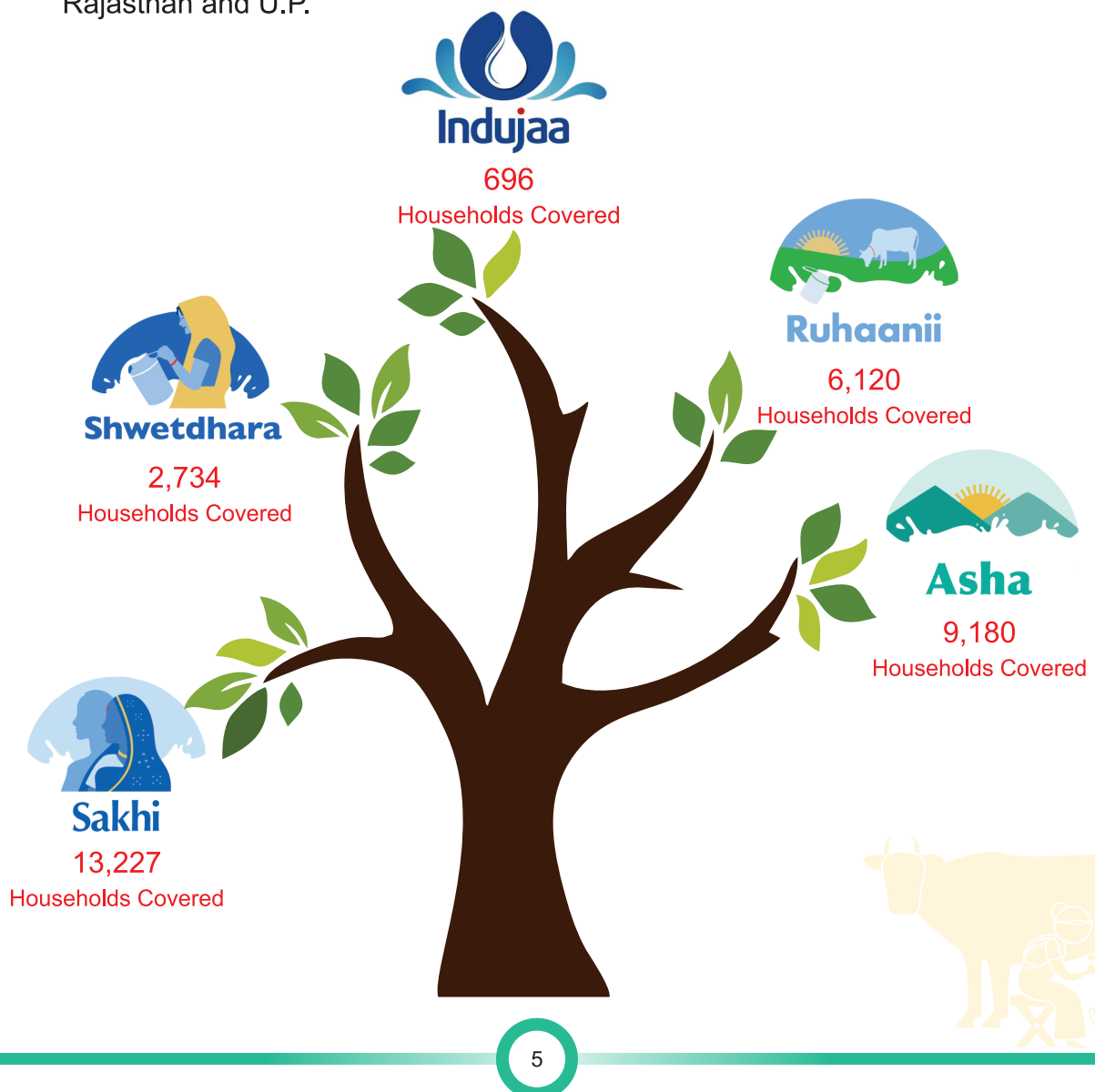
Objective (5 year)

To reach a minimum expected income increase per household of Rs. 50,000 per annum, through association with the dairy value chains.

Operational Areas



- ❖ 5 : fully functional Milk Producer Companies
- ❖ 711 : Villages covered
- ❖ 32,000 : Members linked with MPCs
- ❖ 84,704 KgPD : Average Milk collection in all 5 MPCs
- ❖ Productivity Enhancement Services :-
 - 21,300 Artificial Inseminations
 - 2,900 Ration Balancing Programmes
 - 605 Silage demonstrations
 - 1,805 MT Cattle feed sold
 - 14,012 Kgs : Mineral mixture
- ❖ Sakhi and Asha MPCs business break-evens achieved in 2017-18
- ❖ Ruhaanii and Shwetdhara MPCs business break-evens achieved in 2018-19
- ❖ Tata Trusts' Associate Organizations backend programmes in Punjab, Rajasthan and U.P.





Milk brought by farmers is collected at a Milk Pooling Point in each village. Here, women queue up with fresh milk at the Milk Pooling Point in Sahajpur village in Alwar district of Rajasthan.



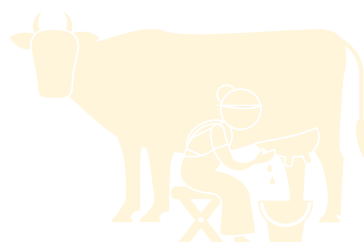
Dairy-appointed sahayaks stationed at Milk Pooling Points use tamper-proof equipment to test the fat and SNF content of milk poured by farmers.



The farmer-producers get paid based on the quality of their milk measured on these parameters. The transparent system also ensures that they get fair prices for their milk. Producers get payment thrice a month on a payment cycle of 10 days.



Through digitisation, milk producers directly receive payments in their bank accounts with the availability of doorstep banking through bank correspondents in remote areas. The correspondents enable cash withdrawals from bank accounts.



Alwar's women dairy farmers get a big boost with Tata Dairy Mission

In the desert state of Rajasthan, Alwar is the third most populous out of a total of 33 districts, with a largely agrarian economy. Major crops are bajra, maize, jowar, wheat, barley, pulses and oilseeds, with nearly 70% of its population involved in agriculture. A majority of these farmers have small or marginal landholdings, which means that earnings from agriculture can barely provide subsistence. Livestock becomes an important source of livelihood as cash flows are regular and assured.

Women are deeply involved in tending to the livestock, predominantly comprising 84% buffaloes, followed by 11% indigenous cows and 5% crossbred cows. They work together through self-help groups, supporting one another in understanding and developing linkages with banks, maintaining of books of accounts and more.

However, with the organised sector having a very limited reach in these areas, the women had little support. As a result, they were finding it difficult to sell the milk year round at reasonably remunerative prices. The Tata Trusts felt necessary to have an institutional arrangement that

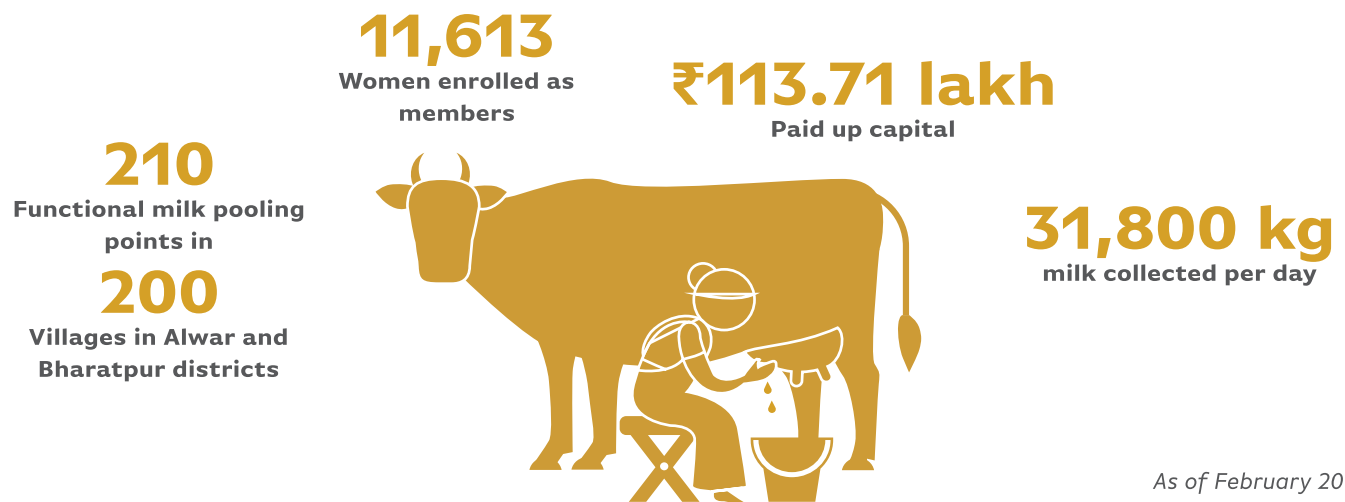
would provide long-term sustainable livelihood alternative to these milk producers by providing round the year assured buyer, as well as timely payment for their milk.

In 2016, therefore, Tata Dairy Mission was launched to focus on sustainably enhancing incomes of marginal and small milk producers. The Dairy Health and Nutrition Initiative India Foundation (DHANII), was incorporated as a Section 8 company (a company set up for not-for-profit purposes in September 2016) by the Trusts to support the mission in its objectives.

DHANII, with the technical support of National Dairy Development Board (NDDB) dairy services, helps milk producers to earn more by improving their knowledge about milk production, breed improvement and animal health and nutrition. As a part of this, five Milk Producer Companies have been operationalised in four states - Rajasthan, Uttar Pradesh, Punjab and Maharashtra.

Sakhi Mahila Milk Producer Company (SMMPC) set up in March 2016 and started operations in November 2016 and broke even in its second year of operations.

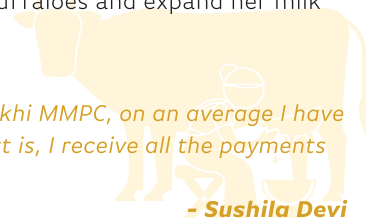
Sakhi Mahila Milk Producer Company, Alwar



Impact of SMMPC

Joining the Sakhi Mahila Milk Producer Company in Alwar, Rajasthan, has changed Sushila Devi's life for the better. Over a period of just three years, the 47-year-old dairy farmer from Buldana village (Laxmangarh tehsil of Alwar district) earned ₹9,74,000 from the sale of milk. She was able to buy five additional cows and two buffaloes and expand her milk production business. The enhanced income has benefited her family in many ways.

"We were selling 10-12 litres of milk daily at a price of ₹28-30/litre earlier. After joining the Sakhi MMPC, on an average I have been able to get a price of ₹40-45/litre and we are selling 160-165 litres of milk daily. Best part is, I receive all the payments directly into my bank account."



OUR PARTNERS



Tata Trusts,
Project Management Unit,
Lucknow

Sukhi Baliraja Initiative (SBI),
Maharashtra-Direct Implementation
project of Tata Trusts

KEY CHALLENGES

- 1 Increase milk collection:** To cover more milk producers under the ambit of MPCs, DHANII supported MPCs would need to bring in more villages under their ambit for wider outreach and impact. Intensification and expansion of procurement network by way of bringing (i) additional MAH under the ambit of MPCs, (ii) increase pourers and consistent pourers and (iii) adding more MPPs within and beyond existing coverage districts. The operationalisation of proposed expansion planned in 2019-20 would also be a challenge.
- 2 Brand Output:** Currently the MPCs are selling milk in bulk with no brand of their own. Though efforts have been started at the Sakhi MPC which is registering its brand and is going to launch ghee but, the immediate challenge will be to establish the brand. Hence, processing and marketing of milk and milk products would be new areas of challenges for the MPCs. now.
- 3 Fund raising:** 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.

NOTICE OF 3RD ANNUAL GENERAL MEETING



Notice is hereby given that the Third Annual General Meeting of the Members of Dairy Health and Nutrition Initiative India Foundation will be held, at a shorter notice with the consent of the Members, on Wednesday, September 25, 2019, at 12:00 noon at 26th Floor, World Trade Centre, Cuffe Parade, Mumbai 400005, to transact the following business:

ORDINARY BUSINESS:

To receive, consider 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, 2019 and the Balance Sheet as at that date, and the Reports of the Directors and the Auditors thereon.

For and on behalf of the Board

Director

Place: - Mumbai

Date: - September 25, 2019

Notes: - 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 NEED NOT BE A MEMBER OF THE COMPANY.

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

Your Directors are pleased to present the Third Annual Report and the Audited Financial Statements of the Company for the year ended March 31, 2019.

Financial Results

Particulars	For the year ended on 31st March 2019 (Amounts in Rs.)	For the year ended on 31st March 2018 (Amounts in Rs.)
Total Income	9,08,14,863	9,08,36,992
Less: Total Expenditure	9,08,14,863	9,08,36,992
Excess of Income over Expenditure	Nil	Nil

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 5 Milk Producer Companies (**MPCs**) in Rajasthan (Sakhi Mahila Milk Producer Company Ltd., Alwar and Asha Mahila Milk Producer Company Ltd., Bali); Punjab (Ruhaanii Milk Producer Company Ltd., Mansa); Maharashtra (Indujaa Mahila Milk Producer Company Ltd., Yavatmal) 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 the Financial Year 2018-19: -

- (a) A total of around 700 villages have been covered with 32,000 members as against the target of 22,400.
- (b) Milk collection for all five MPCs was 84,700 KgPD as on March 31, 2019.
- (c) The 5th all women MPC was operationalized in January, 2019.
- (d) Sakhi MPC has been expanded to cover additional 100 villages in Jhunjhunu district.

Plans for Financial Year 2019-20: -

- (a) Consolidation of operations in all 5 MPCs covering around 32,000 dairy farmers from 884 villages.
- (b) Additional areas from Rajasthan, U.P. and Haryana would be covered under the plan synchronising with approved expansion plan covering additional 2,200 villages

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(5) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, your Directors, to the best of their knowledge and belief and according to information and explanation obtained by them, confirmed that:

- (a) In the preparation of the annual accounts for the year ended on 31st March 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (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 2019 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 held on September 28, 2018 and March 12, 2019.

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.

The Auditors Report for the Financial Year 2018-19 do not contain any qualifications, reservations or adverse remarks.

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 exceeding the amount under section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 during 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

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.

Extracts of Annual Return

Pursuant to Section 92(3) of the Act and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, the extract of Annual Return in Form MGT-9 is annexed as Annexure to this Report.

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.

Acknowledgement

Your Directors wish to place on records on record their sincere appreciation for the assistance and support extended by the Consultants, Advisors, Sir Dorabji Tata Trust and NDDDB Dairy Services. We look forward to their continued support in future.

For and on behalf of the Board

Dr. Deepak Tikku
Chairman
(DIN-00064125)
Place: - Mumbai
Date: - September 25, 2019

Arun Pandhi
Director
(DIN-02244978)

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of DAIRY HEALTH AND NUTRITION INITIATIVE INDIA FOUNDATION (“the Company”), which comprise the Balance Sheet as at March 31, 2019, and the Statement of Income and Expenditure, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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 Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity 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, of the state of affairs of the Company as at March 31, 2019, and its income and expenditure, and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. 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.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information obtained at the date of this auditor's report is the information included in the Director's report, but does not include the financial statements and our auditor's report thereon.
- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 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 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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 Standards specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.

- f) Reporting on the adequacy of Internal Financial Control Over Financial Reporting of the Company and the operating effectiveness of such controls, under section 143(3)(i) of the Act is not applicable in view of the exemption available to the Company in terms of the notification no. G.S.R. 583(E) dated 13 June 2017 issued by the Ministry of Corporate Affairs, Government of India, read with general circular No. 08/2017 dated 25 July 2017.
- g) In our opinion and to the best of our information and according to the explanations given to us, the Company being a private company, section 197 of the Act related to the managerial remuneration not applicable.
- h) 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. The Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, is not applicable to the Company, as the 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
Chartered Accountants
(Firm's Registration No 117366W/W-
100018)

Joe Pretto
(Partner)
(Membership No.77491)
(UDIN:)

Mumbai, September 25, 2019

BALANCE SHEET AS AT 31 MARCH, 2019



Particulars		Note No.	As at 31 March, 2019 (Rs.)	As at 31 March, 2018 (Rs.)
I	LIABILITIES			
1	Non Current liabilities			
	(a) Other Non Current Liability	3	50,994	84,231
2	Current liabilities			
	(a) Trade Payables (Includes total outstanding dues of Micro and Small Enterprises Rs. Nil)	4	4,009,971	1,141,085
	(b) Other current liabilities	5	31,371,553	14,954,776
			35,432,518	16,180,092
	TOTAL		35,432,518	16,180,092
II	ASSETS			
1	Non Current Assets			
	(a) Fixed Assets			
	Tangible Fixed Assets	6	50,994	84,231
	(b) Long Term Loans and Advances	7	221,570	5,500
2	Current Assets			
	(a) Cash and Cash Equivalents	8	35,151,707	16,067,837
	(b) Other Current Assets	9	8,247	22,524
			35,432,518	16,180,092
	TOTAL		35,432,518	16,180,092
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, September 25, 2019

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

Dr. Deepak Tikku
Director
DIN: 00064125

Dr. Malavika Chauhan
Director
DIN: 07537775

Mumbai, September 25, 2019

Arun Pandhi
Director
DIN: 02244978

STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR ENDED 31 MARCH, 2019



Particulars		Note No.	For the year ended 31 March, 2019 (Rs.)	For the year ended 31 March, 2018 (Rs.)
I	INCOME			
	Grant income	10	90,814,863	90,836,992
	Total Income		90,814,863	90,836,992
II	EXPENDITURE			
	(a) Grant Expenses	11	79,680,000	61,787,000
	(b) Professional Charges		8,539,715	27,330,177
	(c) Other Expenses	12	2,561,911	1,704,336
	(d) Depreciation		33,237	15,479
	Total Expenditure		90,814,863	90,836,992
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

Dr. Deepak Tikku
Director
DIN: 00064125

Arun Pandhi
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Mumbai, September 25, 2019

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CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2019



Particulars	Note No.	For the period for the year ended 31 March, 2019 (Rs.)	For the period for the year ended 31 March, 2018 (Rs.)
A. Cash flow from operating activities			
Excess of Income over Expenditure		-	-
Adjustments for Non Cash Items:			
Depreciation		33,237	15,479
Interest on fixed deposits		(2,160,697)	(54,999)
Excess of Income over Expenditure before working capital changes		(2,127,460)	(39,520)
Adjustments for changes in working capital:			
Trade Payables		2,868,886	887,285
Other Non Current Liabilities		(33,237)	84,231
Other Current Liabilities		16,416,777	13,228,576
Other Current Assets		14,278	-
Cash flow generated from operating activities		17,139,244	14,160,572
Income tax paid		(216,070)	(5,500)
Net cash flow generated from operating activities (A)		16,923,174	14,155,072
B. Cash flow from investing activities		-	-
Net cash flow from investing activities (B)		-	-
C. Cash flow from financing activities (C)			
Purchase of fixed assets		-	(99,710)
Interest received on fixed deposits with bank		2,160,697	32,475
Net cash flow used in financing activities (C)		2,160,697	(67,235)
Net increase in Cash and cash equivalents (A+B+C)		19,083,870	14,087,837
Cash and cash equivalents at the beginning of the period		16,067,837	1,980,000
Cash and cash equivalents at the end of the year		35,151,707	16,067,837
Reconciliation of Cash and cash equivalents with the Balance Sheet:			
Cash and cash equivalents as per Balance Sheet (Refer Note 8)		35,151,707	16,067,837
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		35,151,707	16,067,837
See accompanying notes forming part of the financial statements	1-15		

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

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

Joe Pretto
Partner

Dr. Deepak Tikku
Director
DIN: 00064125

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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:

a) 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. b) Donations are recognized as income in Statement of Income and Expenditure in the period in which the collections are actually received. c) 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.

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.

Note 3 Other Non Current Liability

Particulars	As at 31 March, 2019 (Rs.)	As at 31 March, 2018 (Rs.)
Capital Grant		
Balance at beginning of the year	84,231	-
Add: Received during the year	-	99,710
Less: Transferred to Statement of Income and Expenditure	33,237	15,479
	50,994	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, 2019 (Rs.)	As at 31 March, 2018 (Rs.)
Earmarked Grant		
Balance at beginning of the year	14,854,476	1,702,700
Add: Received during the year	103,832,000	104,018,000
Add: Refund received from Onward Grantee during the year	18,675,192	-
Add: Interest earned during the year	2,160,697	54,999
Less: Transferred to Statement of Income and Expenditure	90,781,626	90,821,513
Less: Refund paid to Donor during the year	17,716,691	-
Less: Transferred to Capital Grant	-	99,710
	31,024,049	14,854,476
(b) Statutory Remittances	347,504	100,300
Total	31,371,553	14,954,776

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

Sr. No.	Particulars	Gross Block (at Cost)				Depreciation				Net Block	
		As at 1 April, 2018	Addition during the year	Deduction / sales during the year	As at March 31, 2019	As at 1 April, 2018	For the year	Adjustments during the year	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018
A. Assets purchased from Doners Funds											
	Tangible Assets										
1	Computers	99,710	-	-	99,710	15,479	33,237	-	48,716	50,994	
		-	99,710	-	99,710	-	15,479	-	15,479		84,231
	Total	99,710	-	-	99,710	15,479	33,237	-	48,716	50,994	84,231

Note 7 Long Term Loans and Advances

Particulars	As at 31 March, 2019 (Rs.)	As at 31 March, 2018 (Rs.)
Advance Income Tax (TDS Receivable)	221,570	5,500
	221,570	5,500

Note 8 Cash and Cash Equivalents

Particulars	As at 31 March, 2019 (Rs.)	As at 31 March, 2018 (Rs.)
(a) Balances with banks		
In Current Account	7,951,707	2,667,837
Fixed Deposit Accounts	27,200,000	13,400,000
	35,151,707	16,067,837
Note:		
(i) Of the above, the balances that meet the definition of cash and cash equivalent as per AS-3 Cash Flow Statement is:	35,151,707	16,067,837

Note 9 Other Current Assets

Particulars	As at 31 March, 2019 (Rs.)	As at 31 March, 2018 (Rs.)
Interest Accrued on Fixed Deposits	8,247	22,524
	8,247	22,524

Note 10 Grant Income

Particulars	For the year ended 31 March, 2019 (Rs.)	For the year ended 31 March, 2018 (Rs.)
Grant Income		
Transferred from Earmarked Funds	90,781,626	90,821,513
Transferred from Capital Grant Funds	33,237	15,479
Total	90,814,863	90,836,992

Note 11 Grant Expenses

Particulars	For the year ended 31 March, 2019 (Rs.)	For the year ended 31 March, 2018 (Rs.)
Grants Expenses	79,680,000	61,787,000
Total	79,680,000	61,787,000

Note 12 Other Expenses

Particulars	For the year ended 31 March, 2019 (Rs.)	For the year ended 31 March, 2018 (Rs.)
Legal and Professional Charges	1,213,221	851,840
Statutory Audit Fees (refer note below)	295,000	236,000
Internal Audit Fees	7,222	361,080
Travel, Lodging & Boarding expenses	931,117	236,329
Printing & Stationary	87,438	2,416
Insurance	2,026	1,688
Interest on TDS	1,380	14,762
Bank Charges	130	221
Computer Expenses	19,067	-
Miscellaneous Expenses	5,310	-
Total	2,561,911	1,704,336

Note:

Particulars	For the year ended 31 March, 2019 (Rs.)	For the year ended 31 March, 2018 (Rs.)
Auditors Remuneration:		
Statutory Audit Fees	250,000	200,000
Goods and Service Tax thereon	45,000	36,000
Total	295,000	236,000

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

Dr. Deepak Tikku
Director
DIN: 00064125

Arun Pandhi
Director
DIN: 02244978

Dr. Malavika Chauhan
Director
DIN: 07537775

Mumbai, September 25, 2019

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Double Strength Calcium launched by Asha MMPC



Members at Jaitpur village in Partapgarh District at MPP to Pour Milk



Mastitis Disease Diagnosis Demonstration



**Producers Awareness Programme by Indujaa MMPC
in Yawatmal District of Maharashtra**



**Chaff Cutter introduced by Asha MMPC
in Pali District of Rajasthan**



**Sushila Devi from Butiyana village
in Alwar District of Rajasthan**



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