



Dairy Health and
Nutrition Initiative
India Foundation

ANNUAL REPORT

2020-21



Board of Directors

Dr. Malavika Chauhan, Chairperson & Director

Mr. Arun Pandhi, Director

Mr. Mehrab Irani, Director

Dr. Nagaraj S. Belawadi, 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, S-88,
Adinath Nagar, Jaipur – 302 018

Message from Our Chairperson

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. Around 68% of the members of the MPCs belong to smallholder category (having 3 or less animals).

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, all 5 MPCs consolidated their operations. A total of around 1,769 villages have been covered with ~78,000 members. The milk collection for all five MPCs was 232,885 KgPD as on March 31, 2021. Since inception, around 661 Crores have been paid back to its members as a producer price by these companies which is about 85 % of the turnover of the companies. Giving a boost to the rural employment, 1,769 Rural youths were deployed as Sahayaks along with 154 AI technicians and 283 as transporters and labourers. Sakhi and Ruhaanii company also launched their first product i.e. Ghee in the month of April and December respectively.

DHANII also approved the expansion plan of four MPCs namely Sakhi, Asha, Ruhaanii and Shwetdhara Milk Producer Company during the year and except Shwetdhara, other two MPCs operationalized the expansion to the approved plans. MPCs are also providing the need-based Productivity Enhancement Services to its members which include the door-step Artificial Insemination, Ration Balancing, supply of cattle-feed/mineral mixture etc.

All the MPCs follow core design principals as envisaged in Producer Companies Act and have IT enabled operations for ensuring transparency at each level. All the 5 MPCs, have achieved their business break-even. Further expansion of Shwetdhara and Indujaa MPCs is planned during 2021-22 to cover 340 additional villages. During the year, Sakhi, Asha, Ruhaanii and Indujaa MPCs bagged 10 awards in the dairy sector.

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

Malavika Chauhan
Chairperson
(DIN:- 07537775)

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Vision and Mission of DHANII

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 income. Further, the returns from livestock especially through dairying are significant, with regular and assured cash flows. Unlike agriculture, livestock remains fairly unaffected by vagaries of nature and natural calamities which can have a devastating impact on farmer incomes and threaten their livelihoods.

Key challenges in dairy sector include:

- India is at top in milk production in the World
- Households- predominantly small holders (3 or less animals)
- About 2/3rd of the Dairy sector is still unorganized
- Cooperative sector covers 25% milk producers and procures about 10% of the milk
- Absence of strong countervailing force in the form of producer organizations

Keeping in view, the above constraints in mind and to tap the immense potential offered by dairying, “Dairy Health and Nutrition Initiative India Foundation (DHANII)” was setup by Tata Trusts in 2016 to sustainably enhance incomes of milk producers by building their capacity vis-à-vis milk production, animal health, breed improvement, animal nutrition and

providing market linkage. The intent behind DHANII and the dairy mission is to help milk producers earn more by improving their knowledge about milk production, breed improvement and animal health and nutrition.

DHANII, entered in collaborative agreement with NDDDB Dairy Services (NDS) for technical support to establish the Producer Owned Institutions i.e. **Milk Producer Companies (MPCs)**. Five MPCs have been formed in states of Rajasthan (2), Punjab (1); Uttar Pradesh (1) and Maharashtra(1), which are fully operational.

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 enroll 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.

Core Design Principles used by Milk Producer Companies

❖ Membership

- Business only with members
- Continuity of membership on meeting minimum quantum and period requirement – No free riders
- Member equity in proportion to patronage – ‘building skin in the game
- Appropriate mechanism for two way communication between members and the company

❖ Governance

- Patronage based member classes and member class representation on Board
- Expert Directors on the Board
- Policy Based governance by the Board

❖ Operations and Management

- Enterprise is managed by hired professionals
- SOP based operations , efficient value chain management
- Continuous capacity building of all the stakeholders
- Robust database and MIS system (IT)



Best Practices used by MPCs

These MPCs are equipped with latest technologies, infrastructure and assured market linkages. The core strength being the use of IT tools such as cloud based data management system, ERPs and 100% bank payment to beneficiaries. Milk brought by the pourers is collected at a 'milk pooling point' in each village. *Sahayaks* stationed at these points, use tamper-proof equipment to test the fat and solid-not-fat (SNF) content of milk deposited by farmers. The farmers (producers) get paid based on the quality of their milk measured on Fat & SNF basis which otherwise isn't usually available in such areas. This transparent system also ensures that they get fair prices for their milk.



For educating and empowering the milk producers, the right kind of knowledge is crucial for better animal health and nutrition, which in turn could lead to increased milk yields for dairy farmers. MPCs are also providing services on 'ration balancing', artificial insemination, infertility management, breed improvement and other farm advisory services. Over the time, the prices that the dairy farmers receive have also stabilized since they are based on the SNF and fat content. Even if there is a seasonal variation in the milk production, the prices don't change as they get paid based on Fat and SNF basis. With 100% digitization, milk producers directly receive payments in their bank accounts. The milk producer companies in three locations have tied-up with a private bank. Bank representatives go to the milk pooling points so that the farmers can withdraw money if they need to.

MPCs in COVID Scenario

Milk being the essential commodity, the operations of the MPCs continued even in the lockdown period with some precautions designed during the operations such as maintaining social distancing between the members at the Milk Pooling Points in the villages. Overall, except 10-15 days break over 3 months period, the MPCs run their operations and were important economic activity offering better livelihood options to masses in villages. Since, MPCs maintain a 10 days payment cycle to its members, so financial hardship was hardly encountered by the members linked to MPCs



Profile of the DHANII Intervention geographies

MPC	Districts	Small holders (%)
Sakhi	Alwar, Bharatpur, Jhunjhunu, Churu	>70
Asha	Pali, Sirohi, Jalore & Udaipur	>80
Ruhaanii	Mansa, Bathinda, Sirsa, Fatehabad	>50
Indujaa	Yavatmal, Washim	>60
Shwetdhara	Pratapgarh	>75

- Poor quality breeds
- Deficient education and training
- Limited access to quality services
- Shortage of quality fodder
- Unorganized market

5 Years Journey of DHANII

2015-16	- Incorporation of Sakhi and Asha MPCs in Rajasthan
2016-17	- Tata Trusts entered in to MoU with NDDDB Dairy Services (NDS) - Incorporation of DHANII - Incorporation of Ruhaanii and Shwetdhara MPCs in Punjab and Uttar Pradesh respectively
2017-18	- Transfer of Tata Trusts MoU with NDS to DHANII
2018-19	- Incorporation of 5th MPC (Indujaa) in Yavatmal district of Vidarbha region of Maharashtra - Expansion Plan of Milk Procurement Operations of Sakhi and Asha were initiated
2019-20	- Extension of Productivity Enhancement Services project to Sakhi, Asha and Shwetdhara - Further Expansion of Sakhi, Asha, Ruhaanii were approved - NDS collaborative agreement extended
2020-21	- Sakhi, Asha, Ruhaanii completed the expansion targets. These MPCs now have stable milk procurement operations and have the ability to grow at their own

- **Women in leadership role (32 Board of Directors, 4 Chairpersons)**
- **Increased savings in women's bank accounts, Rs 40,000-50,000 from dairy**
- **Reduced migration of rural poor**
- **Ploughing back to rural economy (~Rs 661 Cr paid in the form of milk price since inception which constitute >85 % of the sales realisation)**
- **Boost to Rural Employment**
 - ✓ **1,769** Rural youths/Women as Sahayaks, 154 AI Technicians, 181 Transporters, 102 labourers.
 - ✓ Indirect employment for people engaged in ancillary activities such as milk chilling, transportations

Our Partners

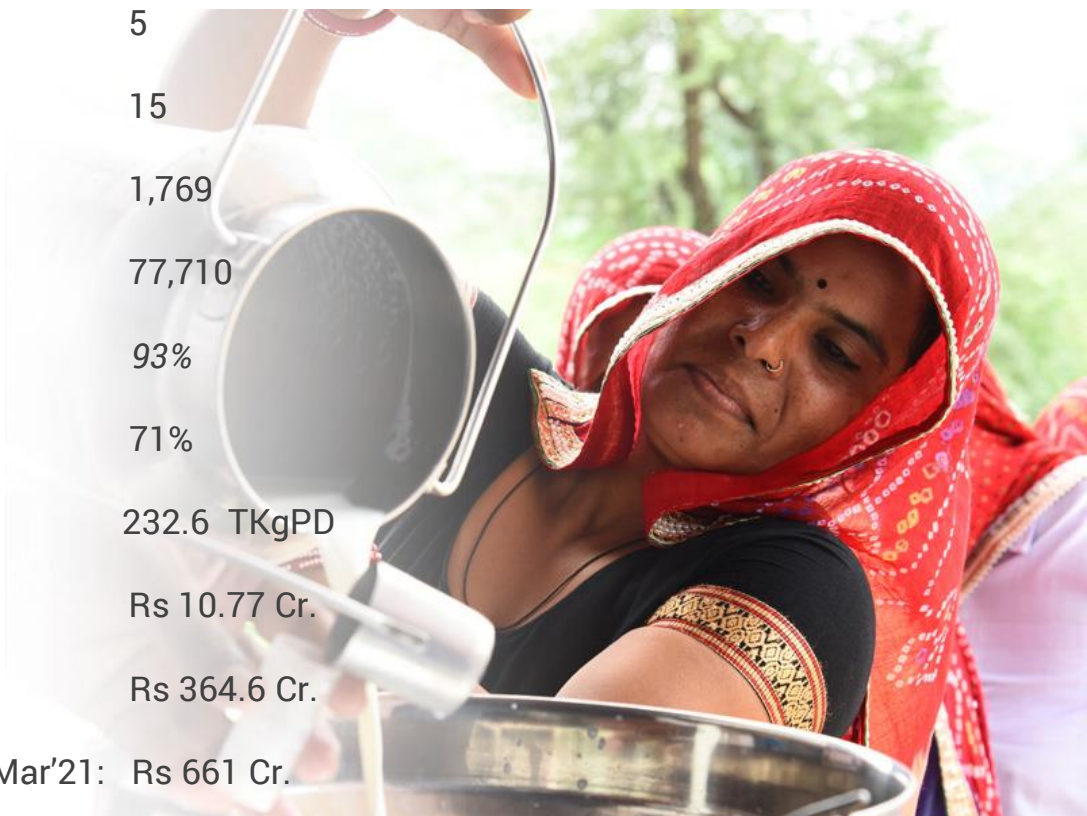


Tata Trusts, Project Management Unit, Lucknow

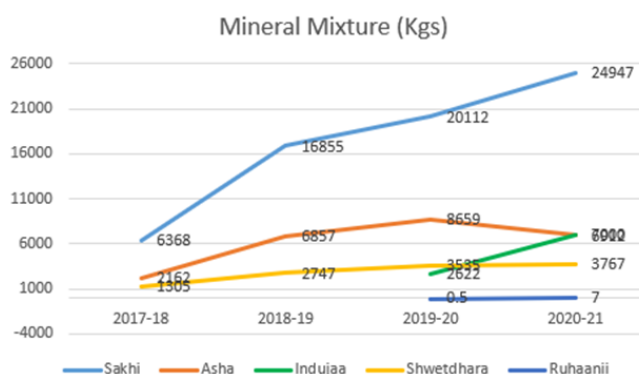
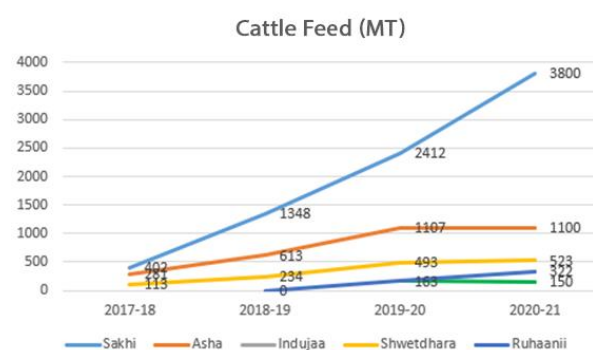
Sukhi Baliraja initiative, Maharashtra

Snapshot of the Year Gone By

States:	5
Districts:	15
Villages:	1,769
Members:	77,710
Women Members:	93%
Small Holders:	71%
Avg Milk Vol. (2020-21):	232.6 TKgPD
Share Capital:	Rs 10.77 Cr.
Turnover (2020-21):	Rs 364.6 Cr.
Producer payment ITD Mar'21:	Rs 661 Cr.
Producer Payment in Mar'21:	Rs 37.64 Cr



(TKgPD - Thousand Kgs per day; YTD – Year till date; ITD – Inception till date)



Voices from the Field

Story of Usha Kanwar- a successful milk producers in Bali, Rajasthan

Usha Kanwar is the resident of Jeewda village, Bali, Rajasthan. She lives with her husband and 5 children. Her husband used to serve in a temple as a *pujari*. She had 3 buffaloes and used to sell the milk to private vendor for which she used to get very low price by that private vendor. She invested daily 4-5 hours for animal caring. But the income was very less to suffice for the household needs and her children's education. She depended on credit and working as a daily wage labourer to meet her requirements.

In November 2016, after the membership mobilization drive in Bali by the Tata Trusts CmF team, she joined a women led Asha Mahila Milk Producer Company under the initiative of "Tata Dairy Mission". Asha MMPC was the supported by the DHANII company (Dairy Health and Nutrition Initiative India Foundation (DHANII)) as a not-for-profit company promoted by Tata Trusts. The intent behind DHANII and the Tata Dairy Mission is to help small and marginalized milk producers earn more by enhancing their knowledge about milk production, breeding and animal health and nutrition.

After being associated with the dairy initiative, her life took a better turn. She has sold 17,739 liters milk, that is approximate Rs. 700,000/- worth milk to Asha MMPCL. The payment for the milk poured is directly credited to her bank account, regularly. Usha wanted to buy more buffaloes for round-the-year income. Unfortunately, she lost her husband in February 2020, and now she was the sole bread earner for the family.

From the income she got from selling milk to Asha MMPC, she decided to purchase more animal. And on the advice of the ASHA MMPC she also decided to get her cattle and buffalo insured for future security. She got insurance from SBI General insurance with the help of Dr. Sandip Bana (Veterinary Executive) And as luck might have it, one of her buffalo died in March 2021. ASHA team supported her to initiate the process for insurance claim. After an investigation by the insurance company, her claim was approved and she received Rs. 40,000/- as claim settlement.

She has been able to repay her previous debt with the money. Now she is able to pay her children's fees regularly for continuing their education and also able to shoulder the expenses for her younger daughter's marriage. Additionally, she is also availing the other services provided by Asha and received various benefits including affordable animal feeds, mineral mixture and veterinary care services through animal health camps, as a member. She has also motivated other farmers and linked 5 members with Asha.

Usha Kanwar dreams to send her children to big schools and wants to make them teacher. She also wants to buy one more buffalo to enhance her income level. She is full of thanks to the Asha MMPC and says, "I have been able to stand on my feet, because ASHA MMPC gave me an opportunity and platform."

The women led producer company is making a huge difference in the lives of the farmers of Bali block of Pali district.

Income Utilization by Beneficiaries



- Animal Purchase
- Education of Kids (Govt to Private Schools)
- House construction
- Tractor EMI payment
- Marriage of kids
- Debt clearing



"It's hard to elaborate how our lives have changed in such a short span. The earnings have been incredible! I have bought two more buffaloes worth 78,000 rupees. Now, I am the primary earning member in the family. Me and my sister have recently also bought 1 bigha land for farming. Debts are now a thing of the past," adds Sarla with a subtle sense of pride.

Sarla Devi, Alwar

"I am able to save at least INR 8,000 every month. Indujaa has brought a new ray of hope in our lives. I am now planning to increase my business and purchase 5 more buffaloes in the coming year," she says with a hint of pride on her face.

Asmita Kailash Kaje, Yavatmal

Awards Won by the Milk Producer Companies

Sakhi MPC



- 'Best Governance Mechanism – North Region' award by Samunnati and The Economic Times Farmer Producer Organizations (FPO) Summit & Awards, New Delhi, October 18, 2019.
- 'Best Dairy Startup'- India Dairy Awards 2020 by "Agriculture Today Group, January 10, 2020
- 'NDDB award for prompting digital payments', November 26, 2020 (National Milk Day)
- 'Best Medium Sized Company' by "Agriculture Today Group", January 30, 2021
- 'CEO of the Year Award' by "Agriculture Today Group, January 30, 2021

Asha MPC



- 'Agri Business of Year Award' at Small Business Awards 2020 hosted by Franchise India and Cohosted by ZEE Business, the Economic Times, G7CR Technologies, Mumbai, February 13, 2020
- 'Small Businesses of the Year Award', Franchise India, February 26, 2021
- 'Best Milk Producer Company (Rajasthan)-Topgallant Media International Service Pride Award', March 19, 2021
- 'Dr V Kurien Innovative Dairy Farmers Award', June 01, 2021
- 'Agri Startup Award'-MANAGE Samunnati, June 11, 2021
- 'Most Socially Responsible Company of the Year Award', Franchise India, August 18, 2021

Indujaa MPC



- 'NDDB Award for Prompting Digital Payments', November 26, 2020
- "Best Small Sized Company" by "Agriculture Today Group", January 30, 2021

Ruhaanii MPC



- NDDB award for prompting digital payments, November 26, 2020

Independent Auditor's Report

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, 2021, and the Statement of Income and Expenditure, the Statement of Cash Flows 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, 2021, and its excess of income over 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 thereunder, 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 comprises 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, 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

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 Statement of Cash Flows dealt with by this Report are in agreement with the relevant 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 as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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, 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, , 2021
(UDIN:)

Dairy Health and Nutrition Initiative India Foundation

(Private company limited by guarantee and not having share capital)

Balance Sheet as at 31 March, 2021

Particulars		Note No.	As at 31 March, 2021 (Rs.)	As at 31 March, 2020 (Rs.)										
I	EQUITY AND LIABILITIES													
1	Shareholders Funds													
	(a) Share Capital	3	-	-										
	(b) Reserves and Surplus	4	34,393	360										
2	Non Current liabilities													
	(a) Other Non Current Liability	5	44,247	89,332										
3	Current liabilities													
	(a) Trade Payables	6												
	Micro and Small Enterprises		-	-										
	Other than Micro and Small Enterprises		15,72,715	55,05,505										
	(b) Other current liabilities	7	4,48,69,433	41,06,423										
			4,65,20,788	97,01,620										
	TOTAL		4,65,20,788	97,01,620										
II	ASSETS													
1	Non Current Assets													
	(a) Fixed Assets													
	Tangible Fixed Assets	8	44,247	89,332										
	(b) Long Term Loans and Advances	9	1,15,069	4,88,032										
2	Current Assets													
	(a) Cash and Cash Equivalents	10	4,63,61,472	91,24,256										
	TOTAL		4,65,20,788	97,01,620										
See accompanying notes forming part of the financial statements		1-19												
<table border="0"> <tr> <td colspan="2"> In terms of our report attached For Deloitte Haskins & Sells LLP Chartered Accountants Firm Registration Number : 117366W/W-100018 Joe Pretto Partner Membership Number: 77491 Mumbai, Date : September 28, 2021 </td><td colspan="3"> For and on behalf of Dairy Health and Nutrition Initiative India Foundation Arun Pandhi Director DIN: 02244978 Mumbai, Date : September 28, 2021 </td></tr> <tr> <td colspan="2"></td><td colspan="3"> Mehrab Irani Director DIN: 07845807 Mumbai, Date : September 28, 2021 </td></tr> </table>					In terms of our report attached For Deloitte Haskins & Sells LLP Chartered Accountants Firm Registration Number : 117366W/W-100018 Joe Pretto Partner Membership Number: 77491 Mumbai, Date : September 28, 2021		For and on behalf of Dairy Health and Nutrition Initiative India Foundation Arun Pandhi Director DIN: 02244978 Mumbai, Date : September 28, 2021					Mehrab Irani Director DIN: 07845807 Mumbai, Date : September 28, 2021		
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		Mehrab Irani Director DIN: 07845807 Mumbai, Date : September 28, 2021												

Dairy Health and Nutrition Initiative India Foundation

(Private company limited by guarantee and not having share capital)

Statement of Income and Expenditure for the year ended 31 March, 2021

	Particulars	Note No.	For the year ended 31 March, 2021 (Rs.)	For the year ended 31 March, 2020 (Rs.)
I	INCOME			
	(a) Grant income	11	14,97,26,599	9,65,99,111
	(b) Other income	12	73,488	360
	Total Income		14,98,00,087	9,65,99,471
II	EXPENDITURE			
	(a) Grants Paid	13	14,12,66,000	7,87,69,900
	(b) Professional Charges		45,57,750	1,42,04,250
	(c) Other Expenses	14	38,97,219	35,81,041
	(d) Depreciation	8	45,085	43,920
	Total Expenditure		14,97,66,054	9,65,99,111
III	Excess of Income over Expenditure before tax		34,033	360
	Tax expense		-	-
	Excess of Income over Expenditure for the year		34,033	360
See accompanying notes forming part of the financial statements		1-19		
<p>In terms of our report attached</p> <p>For Deloitte Haskins & Sells LLP</p> <p>Chartered Accountants</p> <p>Firm Registration Number : 117366W/W-100018</p> <p>Joe Pretto</p> <p>Partner</p> <p>Membership Number: 77491</p> <p>Mumbai, Date : September 28, 2021</p>				
<p>For and on behalf of</p> <p>Dairy Health and Nutrition Initiative India Foundation</p> <p>Arun Pandhi</p> <p>Director</p> <p>DIN: 02244978</p> <p>Mumbai, Date : September 28, 2021</p>				
<p>Mehrab Irani</p> <p>Director</p> <p>DIN: 07845807</p> <p>Mumbai, Date : September 28, 2021</p>				

Dairy Health and Nutrition Initiative India Foundation

Cash Flow Statement for the year ended 31 March 2021

(Private company limited by guarantee and not having share capital)

Particulars	Note No.	For the period for the year ended 31 March, 2021 (Rs.)	For the period for the year ended 31 March, 2020 (Rs.)
A. Cash flow from operating activities			
Excess of Income over Expenditure		34,033	360
Adjustments for Non Cash Items:			
Depreciation		45,085	43,920
Excess of Income over Expenditure before working capital changes		79,118	44,280
Adjustments for changes in working capital:			
Other Non Current Liabilities		(45,085)	38,338
Trade Payables		(39,32,790)	14,95,534
Other Current Liabilities		4,07,63,010	(2,72,65,130)
Other Current Assets		-	8,247
Cash flow generated from / (used in) operating activities		3,68,64,253	(2,56,78,731)
Income tax paid		3,72,963	(2,66,462)
Cash flow generated from / (used in) operating activities (A)		3,72,37,216	(2,59,45,193)
B. Cash flow from investing activities			
Purchase of fixed assets		-	(82,258)
Net cash used in investing activities (B)		-	(82,258)
C. Cash flow from financing activities (C)			
Net cash flow generated from financing activities (C)		-	-
Net increase in Cash and cash equivalents (A+B+C)		3,72,37,216	(2,60,27,451)
Cash and cash equivalents at the beginning of the year		91,24,256	3,51,51,707
Cash and cash equivalents at the end of the year		4,63,61,472	91,24,256
Reconciliation of Cash and cash equivalents with the Balance Sheet:			
Cash and cash equivalents as per Balance Sheet (Refer Note 10)		4,63,61,472	91,24,256
Net Cash and cash equivalents (as defined in AS 3 Cash flow statement) included in Note 10		4,63,61,472	91,24,256
See accompanying notes forming part of the financial statements	1-19		
<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p>In terms of our report attached For Deloitte Haskins & Sells LLP Chartered Accountants Firm Registration Number : 117366W/W-100018 Joe Pretto Partner Membership Number: 77491 Mumbai, Date: September 28, 2021</p> </div> <div style="width: 45%;"> <p>For and on behalf of Dairy Health and Nutrition Initiative India Foundation</p> <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p>Arun Pandhi Director DIN: 02244978 Mumbai, Date: September 28, 2021</p> </div> <div style="width: 45%;"> <p>Mehrab Irani Director DIN: 07845807 Mumbai, Date: September 28, 2021</p> </div> </div> </div> </div>			

Dairy Health and Nutrition Initiative India Foundation

(Private company limited by guarantee and not having share capital)

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.

Dairy Health and Nutrition Initiative India Foundation

(Private company limited by guarantee and not having share capital)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

Dairy Health and Nutrition Initiative India Foundation

(Private company limited by guarantee and not having share capital)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

G. Expenses towards objects:

Grants paid represents expenses towards particular programmes which are executed in collaboration with other organizations.

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 recognized 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.

Dairy Health and Nutrition Initiative India Foundation

(Private company limited by guarantee and not having share capital)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 3 Share Capital

The Company is a Private Limited Company within the meaning of Section 2 (68) of the Companies Act, 2013. The Company is limited by Guarantee and does not have a share capital. The liability of each member is restricted to Rs.1000. In the event of winding up or dissolution of the Company, there remains, after the satisfaction of all the debts and liabilities, any property whatsoever, the same shall not be distributed amongst the members of the Company but shall be given or transferred to such other Company having objects similar to the objects of this Company, subject to such conditions as the Tribunal may impose, or may be sold and proceeds thereof credited to the Rehabilitation and Insolvency Fund formed under section 269 of the Act.

Note 4 Reserves and Surplus

Particulars	As at 31 March, 2021 (Rs.)	As at 31 March, 2020 (Rs.)
Income and Expenditure Account		
Opening balance	360	-
Add: Excess of Income over Expenditure for the year	34,033	360
Closing Balance	34,393	360

Note 5 Other Non Current Liability

Particulars	As at 31 March, 2021 (Rs.)	As at 31 March, 2020 (Rs.)
Capital Grant		
Balance at beginning of the year	89,332	50,994
Add: Received during the year	-	82,258
Less: Transferred to Statement of Income and Expenditure	45,085	43,920
	44,247	89,332

Note 6 Trade Payables

Particulars	As at 31 March, 2021 (Rs.)	As at 31 March, 2020 (Rs.)
Dues to small and medium enterprises (refer note below)		
Provision for Audit Fees	2,76,250	2,70,000
Provision for Expenses	10,07,510	5,64,705
Others	2,88,955	46,70,800
Total	15,72,715	55,05,505

Dairy Health and Nutrition Initiative India Foundation

(Private company limited by guarantee and not having share capital)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note: 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 7 Other Current Liabilities

Particulars	As at 31 March, 2021 (Rs.)	As at 31 March, 2020 (Rs.)
Earmarked Grant		
Balance at beginning of the year	35,72,663	3,10,24,049
Add: Received during the year	19,10,92,000	7,16,98,477
Add: Refund received from Onward Grantee during the year	11,59,905	1,61,12,407
Add: Interest earned during the year	6,52,807	4,30,287
Add: Adjustment during the year	14,098	-
Less: Transferred to Statement of Income and Expenditure	14,96,81,514	9,65,55,191
Less: Refund paid to Donor during the year	22,25,475	1,90,55,108
Less: Transferred to Capital Grant	-	82,258
	4,45,84,484	35,72,663
(b) Statutory Remittances	2,84,949	5,33,760
Total	4,48,69,433	41,06,423

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.

Dairy Health and Nutrition Initiative India Foundation

(Private company limited by guarantee and not having share capital)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 8 Fixed Assets

Sr. No.	Particulars	Gross Block (at Cost)			Depreciation			Net Block		
		As at 1 April, 2020	Addition during the year	Deduction / sales during the year	As at March 31, 2021	As at 1 April, 2020	For the year	Adjustments during the year	As at March 31, 2021	As at March 31, 2020
	Assets purchased from Donors Funds									
	Tangible Assets									
1	Computers	1,81,968	-	-	1,81,968	92,636	45,085	-	1,37,721	44,247
		99,710	82,258	-	1,81,968	48,716	43,920	-	92,636	89,332
	Total	1,81,968	-	-	1,81,968	92,636	45,085	-	1,37,721	44,247
	Previous Year	99,710	82,258	-	1,81,968	48,716	43,920	-	92,636	89,332

Note

1) Previous year figures are in italics

Dairy Health and Nutrition Initiative India Foundation

(Private company limited by guarantee and not having share capital)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 9 Long Term Loans and Advances

Particulars	As at 31 March, 2021 (Rs.)	As at 31 March, 2020 (Rs.)
Advance Income Tax (TDS Receivable)	1,15,069	4,88,032
	1,15,069	4,88,032

Note 10 Cash and Cash Equivalents

Particulars	As at 31 March, 2021 (Rs.)	As at 31 March, 2020 (Rs.)
Balances with banks		
In Current Account	4,63,61,472	91,24,256
	4,63,61,472	91,24,256
Note:		
(i) Of the above, the balances that meet the definition of cash and cash equivalent as per AS-3 Cash Flow Statement is:	4,63,61,472	91,24,256

Note 11 Grant Income

Particulars	For the year ended 31 March, 2021 (Rs.)	For the year ended 31 March, 2020 (Rs.)
Grant Income		
Transferred from Earmarked Funds (net)	14,96,81,514	9,65,55,191
Transferred from Capital Grant Funds	45,085	43,920
Total	14,97,26,599	9,65,99,111

Note 12 Other Income

Particulars	For the year ended 31 March, 2021 (Rs.)	For the year ended 31 March, 2020 (Rs.)
Interest on Income Tax Refund	34,878	360
Provision no Longer Required	38,610	-
Total	73,488	360

Dairy Health and Nutrition Initiative India Foundation

(Private company limited by guarantee and not having share capital)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 13 Grants Paid

Particulars	For the year ended 31 March, 2021 (Rs.)	For the year ended 31 March, 2020 (Rs.)
Grants Paid	14,12,66,000	7,87,69,900
Total	14,12,66,000	7,87,69,900

Note 14 Other Expenses

Particulars	For the year ended 31 March, 2021 (Rs.)	For the year ended 31 March, 2020 (Rs.)
Legal and Professional Charges	29,40,805	21,57,933
Statutory Audit Fees (refer note below)	2,98,540	2,95,000
Internal Audit Fees	5,31,000	5,31,000
Travel, Lodging & Boarding expenses	1,08,449	5,10,163
Printing & Stationery	-	73,019
Insurance	3,848	3,957
Interest on TDS	-	3,375
Bank Charges	236	353
Computer Expenses	8,841	5,841
Miscellaneous Expenses	5,500	400
Total	38,97,219	35,81,041

Note:

Particulars	For the year ended 31 March, 2021 (Rs.)	For the year ended 31 March, 2020 (Rs.)
Auditors Remuneration:		
Statutory Audit Fees	2,50,000	2,50,000
Goods and Service Tax thereon	45,000	45,000
Total	2,95,000	2,95,000

Dairy Health and Nutrition Initiative India Foundation

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 15 Unspent Grants as at 31 March, 2021

Programme	Project Description	Opening Balance as at 1 April, 2020	Grants received during the year	Refund by Onward Grantee	Interest earned during the year	Adjustments during the year	Transferred to Income and Expenditure Account	Grants refunded to Donor during the year	Transferred to Capital Grant	Closing Balance as at 31 March, 2021	
Sir Dorabji Tata Trust											
SDTT/TDM/DH/AG/Iv/2016-17	Tata Dairy Mission Phase 1- Grant 1 dated October 7, 2016 (Sakhi, Asha & Shwetdhara Phase - 1)	18,59,850	-	11,59,905	-	-	-	-	-	30,19,755	*
		26,26,355	-	1,21,65,209	87,786	-	-	1,30,19,500	-	18,59,850	
SDTT/TDM/DH/DK/Iv/2016-17	Tata Dairy Mission Phase 1- Grant 2 dated December 19, 2016 (Ruhaanii Phase - 1)	5,207	-	-	-	-	-	-	-	5,207	*
		6,09,078	-	32,32,771	-	-	-	38,36,642	-	5,207	
SDTT/MUM/OTHER/DH/ANII/AG/CK/2017-18/003	Tata Dairy Mission Phase 1- Grant 3 dated June 8, 2017 (Maahi)	-	-	-	-	-	-	-	-	-	
		-	-	7,14,427	-	-	-	7,14,427	-	-	
SDTT/MUM/OTHER/DH/ANII/AG/CK/2017-18/0013	Tata Dairy Mission Phase 1- Grant 4 dated July 26, 2017 (NDS)	(431)	-	-	-	-	(431)	-	-	-	*
		(431)	-	-	-	-	-	-	-	(431)	
Core Grant	Core Grant - Grant 5	22,42,153	-	-	-	-	-	22,25,475	-	16,678	*
		21,75,246	57,477	-	9,430	-	-	-	-	22,42,153	
SDTT/MUM/DHA/DHA/II/2018-19/0008	Expansion Plan of Milk Producer Companies Operations - Grant 6 dated May 8, 2018 (Sakhi Phase - 2)	29,714	30,00,000	-	-	-	-	-	-	30,29,714	*
		27,97,851	-	-	28,863	-	27,97,000	-	-	29,714	
SDTT/MUM/DHA/DHA/II/2018-2019/0004/VK/ck	Expansion Plan of Milk Producer Companies Operations - Grant 7 dated May 8, 2018 (Asha Phase - 2)	1,62,800	34,92,000	-	-	3,486	-	-	-	36,58,286	*
		1,46,335	93,80,000	-	16,465	-	93,80,000	-	-	1,62,800	

SDTT/MUM/DHA/DHANII/2018-2019/0005/VK/ck	Tata Dairy Mission Phase 2- Grant 8 dated May 8, 2018 (Indujaa)	(29,77,004)	3,37,80,000	-	-	-	2,45,00,000	-	-	63,02,996	*
		2,11,85,076	1,88,75,000	-	2,25,017	-	4,32,62,097	-		(29,77,004)	
SDTT/MUM/DHA/DHANII/2018-2019/0006/VK/ck	Dairy Development Project in Vidarbha & Marathwada Region of Maharashtra - Grant 9 dated May 8, 2018	-	-	-	-	-	-	-	-	-	
		14,84,539	-	-	-	-	-	14,84,539	-	-	
SDTT/MUM/RPA/DHANII/2019-2020/0082-AK/al	Core Expenses for DHANII Admin Grant	37,46,242	-	-	52,091	-	38,58,610	-	-	(60,277)	*
		-	71,10,000	-	39,444	-	33,20,944	-	82,258	37,46,242	
SDTT/MUM/RPA/DHANII/2019-2020/0083-AK/a	Expansion Plan of Sakhi Mahila Milk Producer Company Limited, Alwar (Phase 3)	2,729	99,95,000	-	-	5	1,00,00,000	-	-	(2,266)	*
		-	1,95,00,000	-	2,729	-	1,95,00,000	-	-	2,729	
SDTT/MUM/RPA/DHANII/2019-2020/0088-AK/al	Two Years Extension of Support Services being provided by NDDB Dairy Services (NDS)	(15,19,250)	60,68,000	-	8,585	-	45,57,335	-	-	-	*
		-	60,77,000	-	-	-	75,96,250	-	-	(15,19,250)	
SDTT/MUM/RPA/DHANII/2019-2020/0089-AK/al	Extension of Productivity Enhancement Services in Villages Covered by Three Milk Producer Companies	20,653	33,36,000	-	-	8,198	28,93,000	-	-	4,71,851	*
		-	1,06,99,000	-	20,553	-	1,06,98,900	-		20,653	
SDTT/MUM/RPA/DHANII/2019-2020/0107-AK/al	Expansion Plan of Four Milk Producer Companies promoted under Tata Dairy Mission	-	13,14,21,000	-	5,92,131	2,409	10,38,73,000	-	-	2,81,42,540	*
		-	-	-	-	-	-	-	-	-	
Total		35,72,663	19,10,92,000	11,59,905	6,52,807	14,098	14,96,81,514	22,25,475	-	4,45,84,484	
		3,10,24,049	7,16,98,477	1,61,12,407	4,30,287	-	9,65,55,191	1,90,55,108	82,258	35,72,663	
<i>Note: Previous year figures are disclosed in italics.</i>											
* Grants closed during the year.											

Dairy Health and Nutrition Initiative India Foundation

(Private company limited by guarantee and not having share capital)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 16 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 fulfil these conditions. The Company has also obtained a certificate under 80G of the Income Tax Act, 1961.

Note 17 COVID-19 impact on projects

The financial year 2020-21 witnessed second wave and lockdown was observed in various states. The impact of COVID-19 was similar in initial months in terms of restrictions but Milk Procurement activities were functioning during the year.

All dairy MPCs were fully functional throughout the lockdown period and milk holidays were not observed like previous year.

During the year, farmers protests impacted the movement of the milk tankers at times but later on the situation normalised.

Although there were restrictions on travel, DHANII managed to carry out its activity to a large extent due to coordination with MPCs and with NDDDB Dairy Service (NDS). However the financial impact for 2020 -21 from these activities are not material.

Note 18 The bifurcation of costs within various cost centres, budgets and the variances have been done based on Management's Judgement.

Note 19 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

Arun Pandhi

Director

DIN: 02244978

Mehrab Irani

Director

DIN: 07845807

Mumbai, Date September 28, 2021

Mumbai, Date September 28, 2021

Notes

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Dairy Health and
Nutrition Initiative
India Foundation

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