

# Deloitte Haskins & Sells LLP

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

Tel: +91 (022) 6185 4000  
Fax: +91 (022) 6185 4501/4601

**Independent Auditors' Report**  
**To,**  
**The Project Management Unit (PMU),**  
**National Dairy Support Project,**  
**National Dairy Development Board.**

## *Report on the Project Financial Statements*

We have audited the accompanying Project Financial Statements of "National Dairy Support Project" ("the Project" or "NDSP"), which comprise the Statement of Sources and Application of Funds, the Statement of Reconciliation claims to total Application of Funds, the Statement of withdrawal Applications, Significant Accounting Policies, and the other explanatory information as at and for the year ended March 31, 2014.

## *PMU's Responsibility for the Project Financial Statements*

The PMU of NDSP is responsible for the preparation of the Project Financial Statements that give a true and fair view of the financial position of the Project in accordance with the requirements of Project Implementation Plan and Terms of Reference agreed in Contract No. PMU/Cons-F/06 dated 10<sup>th</sup> July, 2013 ("the Contract"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Project Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## *Auditor's Responsibility*

Our responsibility is to express an opinion on the Project Financial Statement based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Project Financial Statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Project Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Project Financial statements, whether due to fraud or error. In making those risks assessments, the auditor considers the internal controls relevant to the project's preparation and fair presentation of the Project Financial Statements 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 NDSP's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the NDSP Management, as well as evaluating the overall presentation of the Project Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

DHS LLP

# Deloitte Haskins & Sells LLP

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

Tel: +91 (022) 6185 4000  
Fax: +91 (022) 6185 4501/4601

## *Opinion*

In our opinion and to the best of our information and according to the explanations given to us, the Project Financial Statements, read with Emphasis of Matter paragraph, are prepared, in all material respects, in accordance with the Project Implementation Plan and give a true and fair view of the financial position of the project as at March 31, 2014.

## *Emphasis of Matter*

- (i) It is the policy of the Project to prepare its Sources and Application of Funds Statement on the cash receipts and disbursements basis. On this basis, Sources of Funds are recognized when received rather than when earned, and Application of Funds are recognized when paid rather than when the obligation is incurred;
- (ii) Attention is invited to the Note 5 of the Project Financial Statements regarding the amount of ₹6.65 million accounted as application of funds pending ultimate payment of amount and expenditure of ₹6.96 million not accounted pending receipt of Fund Utilization Certificates (FUCs) from End Implementing Agencies.

Our opinion is not qualified in respect of these matters.

## *Other Reporting Matters*

We report as under to the best of our knowledge and according to the information and explanation given to us;

- (a) In our opinion, proper books of account as required under the Project Implementation Plan are kept by the PMU so far as appears from our examination of those books;
- (b) the Project Financial Statements dealt by this Report are in agreement with the books of account;
- (c) the Project Financial Statements have been prepared as per the Contract read along with the emphasis of matter paragraph;
- (d) the Project funds are utilized for the purposes for which they were intended;
- (e) the expenditures shown in the Project Financial Statements are eligible for financing under the legal agreement as referred in the Contract, are recorded in the books of account of the Project and no other sources of funds have been received by the PMU for incurring these expenditures;
- (f) the Interim Unaudited Financial Reports as referred in the Contract submitted during the period under audit are supported by adequate documentation maintained by PMU to support claims to the World Bank for reimbursement of expenditure;

DWS LLP

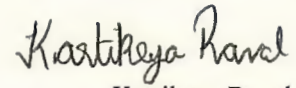
# Deloitte Haskins & Sells LLP

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

Tel: +91 (022) 6185 4000  
Fax: +91 (022) 6185 4501/4601

- (g) In our opinion and according to the information and explanation given to us, the accounting, and internal control system underlying the project, including material compliance with the Project Implementation Plan and Financial Management Handbook as referred in the Contract, and oversight of the utilisation of project funds were adequate and maintained throughout the period under audit.

For **Deloitte Haskins and Sells LLP**  
Chartered Accountants  
Firm's Registration No. 117366W/W-100018



Kartikeya Raval  
Partner

Membership No. 106189

Place: *Anond*  
Date: September 25, 2014

**National Dairy Support Project**  
**(National Dairy Plan Phase I) (Cr No. 5074-IN)**  
**Project Management Unit, National Dairy Development Board**  
**Statement of Sources and Application of Funds**  
**As at March 31, 2014**

(₹ in million)

	Annexures	March 31, 2014		March 31, 2013	
<b>Sources of Funds</b>					
Funds Received from Government of India	I		2,667.94		1,270.00
Interest received from Banks at Project Management Unit			76.10		10.97
Interest received at End Implementing Agencies			34.82		-
Earnest money Deposits			0.18		0.50
Security Deposit			0.22		0.06
Miscellaneous Receipts			0.26		0.01
<b>Total Sources of Funds</b>			<b>2,779.52</b>		<b>1,281.54</b>
<b>Application of Funds</b>					
<b>Grants to End Implementing Agencies and Centralised expenditure towards projects</b>					
<b>Component A - Productivity enhancement</b>					
<i>Sub Component A 1 - Animal Breed Improvement</i>					
Progeny Testing			158.54		8.53
Pedigree Selection			22.22		2.23
Import of Bulls / Embryos			0.24		-
Strengthening of Semen Station			167.15		-
AI Delivery Services			24.01		-
			<b>372.16</b>		<b>10.76</b>
<i>Sub Component A 2 - Animal Nutrition</i>					
Ration Balancing Program			197.19		7.98
Fodder Development			33.03		1.68
			<b>230.22</b>		<b>9.66</b>
			602.38		20.42
<b>Component B - Village based milk procurement systems</b>			239.10		0.87
<b>Component C - Project Management and Learning</b>			48.18		13.98
<b>Total Grants to End Implementing Agencies &amp; Centralised expenditure towards projects</b>			<b>889.66</b>		<b>35.27</b>
<b>Closing Balance with:</b>					
i) In Bank accounts			1.21		(32.16)
ii) Fixed deposits with Bank			698.00		540.00
iii) End Implementing Agencies	III		1,190.65		738.43
<b>Total Application of Funds</b>			<b>2,779.52</b>		<b>1,281.54</b>

See accompanying notes forming part of the Project Financial Statements

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

*Kartikeya Raval*

Kartikeya Raval  
Partner

Anand Sept 25, 2014

On behalf of Project Management Unit  
National Dairy Support Project

*Dilip Rath*

Dilip Rath  
Mission Director

*Aditya Nath Jha*

Aditya Nath Jha  
General Manager

*V. K. Ladhani*

Vinod Ladhani  
Deputy General Manager

Anand, September 25, 2014

**National Dairy Support Project**  
(National Dairy Plan Phase I) (Cr No. 5074-IN)  
Project Management Unit, National Dairy Development Board

**Annex-I Grants from Government of India**

(₹ in million)

Particulars	Amount	
	March 31, 2014	March 31, 2013
Balance at the beginning of the year	1,270.00	40.00
Add : Funds received during the year	1,397.94	1,230.00
Closing balance at the end of the year	2,667.94	1,270.00

**Annex-II Grants to End Implementing agencies and Centralised expenditure towards projects**

Name of End Implementing Agencies	Amount	
	March 31, 2014	March 31, 2013
<b>Component A - Productivity Enhancement</b>		
<b>Sub-Component A 1 - Animal Breed Improvement - Progeny Testing</b>		
Andhra Pradesh Livestock Development Agency	7.54	-
Animal Breeding Research Organisation	12.75	-
Banaskantha District Cooperative Milk Producers' Union Ltd.	11.00	1.00
Haryana Livestock Development Board	0.83	-
Karnataka Cooperative Milk Producers' Federation Ltd.	25.03	3.81
Mehsana District Cooperative Milk Producers' Union Ltd.	15.37	1.30
Punjab Livestock Development Board	3.82	-
Sabarmati Ashram Gaushala	49.37	0.66
The Tamil Nadu Cooperative Milk Producers' Federation Limited	32.82	1.76
Uttarakhand Livestock Development Board	0.01	-
<b>Sub-total</b>	<b>158.54</b>	<b>8.53</b>
<b>Sub-Component A 1 - Animal Breed Improvement - Pedigree Selection</b>		
Banaskantha District Cooperative Milk Producers' Union Ltd.	3.97	0.85
Sabarmati Ashram Gaushala	10.27	1.38
Ummul Rural Health Research and Development Board	7.98	-
<b>Sub-total</b>	<b>22.22</b>	<b>2.23</b>
<b>Sub-Component A 1 - Animal Breed Improvement - Import of Bulls / Embryos</b>		
Sabarmati Ashram Gaushala	0.24	-
<b>Sub-total</b>	<b>0.24</b>	<b>-</b>
<b>Sub-Component A 1 - Animal Breed Improvement - Semen Station</b>		
Amul Research and Development Association	2.75	-
Andhra Pradesh Livestock Development Agency	21.96	-
Animal Breeding Research Organisation	40.34	-
Karnataka Cooperative Milk Producers' Federation Ltd.	10.20	-
Kerala Livestock Development Board Ltd.	5.05	-
Mehsana District Cooperative Milk Producers' Union Ltd.	13.10	-
MP State Livestock and Poultry Development Corporation	7.67	-
Paschim Banga Go Sampad Bikash Sanstha	8.85	-
Punjab Livestock Development Board	2.04	-
Sabarmati Ashram Gaushala	40.99	-
Tamil Nadu Livestock Development Agency	8.90	-
Uttarakhand Livestock Development Board	5.30	-
<b>Sub-total</b>	<b>167.15</b>	<b>-</b>
<b>Sub-Component A 1 - Animal Breed Improvement - AI Delivery Services</b>		
Maahi Milk Producer Company Ltd.	6.19	-
Paayas Milk Producer Company Ltd.	17.82	-
<b>Sub-total</b>	<b>24.01</b>	<b>-</b>



**National Dairy Support Project**  
(National Dairy Plan Phase I) (Cr No. 5074-IN)  
Project Management Unit, National Dairy Development Board

Annex-II Grants to End Implementing agencies and Centralised expenditure towards projects (Contd..)

(₹ in million)

Name of End Implementing Agencies	March 31, 2014	March 31, 2013
<b>Sub-Component A 2 - Animal Nutrition - Ration Balancing Programme</b>		
Banaskantha District Cooperative Milk Producers' Union Ltd.	11.45	1.80
Bengaluru Urban Bengaluru Rural and Ramanagar District Cooperative Milk Producers' Union Ltd.	12.20	0.52
Bhilwara Zila Dugdh Utpadak Sahakari Sangh Ltd.	-	-
Bhopal Sahakari Dudh Sangh Maryadit	6.04	-
Ermakulam Regional Co-Operative Milk Producers' Union Ltd.	7.98	-
Gangol Dugdh Utpadak Sahakari Sangh Ltd.	4.10	-
Kolar-Chikkaballapura District Cooperative Milk Producers' Societies Union Ltd.	11.67	0.42
Kolhapur Zilla Sahakari Dudh Utpadak Sangh Limited	9.83	3.04
Lucknow Producers' Cooperative Milk Union Limited	7.35	0.52
Maahi Milk Producers Company Ltd.	6.56	-
Malabar Regional Co-operative Milk Producers' Union Ltd.	9.20	-
Mehsana District Co-operative Producers' Union Limited	10.16	0.69
Mulukanoor Women Mutually Aided Milk Producers' Union	4.85	-
Paayas Milk Producers Company Ltd.	13.73	-
Pali Zila Dugdh Utpadak Sahakari Sangh Ltd.	0.39	-
Sabarkantha District Cooperative Milk Producers' Union Limited	8.71	0.17
Shri Ganganagar Zila Dudh Utpadak Sahakari Sangh Ltd.	6.97	-
Solapur Zilla Sahakari Dudh Utpadak Va Prakriya Sangh Maryadit	7.90	-
Surat District Cooperative Milk Producers' Union Limited	9.93	0.17
The Doaba District Cooperative Milk Producers' Union Ltd.	0.10	-
The Guntur District Milk Producer's Mutually Aided Co-Op Union Ltd	8.58	-
The Krishna District Milk Producers' Mutually Aided Co-op Union Ltd.	8.40	-
The Ludhiana District Co-Op Milk Producers' Union Ltd.	10.91	0.23
The Panchmahal District Co-Operative Milk Producers' Union Ltd	0.09	-
The Ropar District Coop. Milk Producer's Union Limited	6.34	0.42
The Sirsa District Co-Operative Milk Producer's Union Ltd.	5.18	-
Thirvananthapuram Regional Co-operative Milk Producers' Union Ltd.	8.38	-
Udaipur Dugdh Utpadak Sahakari Sangh Ltd.	0.19	-
<b>Sub-total</b>	<b>197.19</b>	<b>7.98</b>
<b>Sub-Component A 2 - Animal Nutrition - Fodder Development</b>		
Baramati Taluka Sahakari Dudh Utpadak Sangh Maryadit	1.07	-
Bhagirathi District Cooperative Milk Producers' Union Ltd	1.20	-
Bhilwara Zila Dugdh Utpadak Sahakari Sangh Ltd.	1.03	-
Indore Sahakari Dugdh Sangh Maryadit	1.22	-
Kolar-Chikkaballapura District Cooperative Milk Producers' Societies Union Ltd.	2.43	0.72
Kolhapur Zilla Sahakari Dudh Utpadak Sangh Limited	2.58	0.13
Lucknow Producers' Cooperative Milk Union Limited	2.82	0.40
Maahi Milk Producers Company Ltd.	0.39	-
Paayas Milk Producers Company Ltd.	0.29	-
Pune Zila Sahakari Dudh Utpadak Prakriya Sangh Maryadit	1.67	-
Rajarambapu Patil Sahakari Dudh Sangh Ltd	1.85	-
Sabarkantha District Cooperative Milk Producers' Union Ltd.	2.60	-
Shri Ganganagar Zila Dudh Utpadak Sahakari Sangh Ltd.	1.51	-
Solapur Zila Sahakari Dudh Utpadak Va Prakriya Sangh Maryadit	1.55	-
Surat District Cooperative Milk Producers' Union Ltd.	3.02	-
The Doaba District Cooperative Milk Producers' Union Ltd.	1.74	0.13
The Guntur District Milk Producer's Mutually Aided Co-Op Union Ltd	1.33	-
The Krishna District Milk Producers' Mutually Aided Co-op Union Ltd.	1.00	-
The Ropar District Coop. Milk Producer's Union Limited	3.36	0.30
The Sirsa District Co-Operative Milk Producer's Union Ltd.	0.37	-
<b>Sub-total</b>	<b>33.03</b>	<b>1.68</b>



**National Dairy Support Project**  
(National Dairy Plan Phase I) (Cr No. 5074-IN)  
Project Management Unit, National Dairy Development Board

Annex-II Grants to End Implementing agencies and Centralised expenditure towards projects (Contd..)

(₹ in million)

Name of End Implementing Agencies	March 31, 2014	March 31, 2013
<b>Component B - Village Based Milk Procurement Systems</b>		
Aurangabad District Coop. Milk Producers Union Ltd.	1.94	0.09
Bengaluru Urban Bengaluru Rural and Ramanagar District Cooperative Milk Producers' Union Ltd.	25.07	0.11
Bhagirathi District Cooperative Milk Producers' Union Ltd	1.02	-
Bhopal Sahakari Dugdha Sangh Maryadit	1.81	-
Bijnor Dugdh Utpadak Sahkari Sangh Ltd.	0.06	-
Dakshina Kannada Co-operative Milk Producers' Union Limited	16.14	-
Ermakulam Regional Co-Operative Milk Producers' Union Ltd.	2.71	-
Hassan Co-Operative Milk Producer's Societies Union Ltd.	5.59	-
Indore Sahakari Dugdh Sangh Maryadit	1.67	-
Jalgaon Jilha Sahakari Dudh Utpadak Sangh Maryadit	4.45	0.01
Kangsaboti Cooperative Milk Producer's Union Ltd.	2.61	-
Kolar-Chikkaballapura District Co-Operative Milk Producers Societies Union Ltd.	10.74	0.15
Kolhapur Zilla Sahakari Dudh Utpadak Sangh Ltd.	10.02	-
Lucknow Producer's Cooperative Milk Union Ltd.	2.07	0.06
Maahi Milk Producer Company Ltd.	2.83	-
Malabar Regional Co-operative Milk Producers' Union Ltd.	0.24	-
Mulakanoor Women Mutually Aided Milk Producers' Union	4.63	-
Mysore ChamaraJanagar District Co-operative Milk Producers' Societies Union Ltd.	30.12	-
Paayas Milk Producer Company Ltd.	30.18	-
Pali Zila Dugdh Utpadak Sahakari Sangh Ltd.	0.39	-
Pune Zilla Sahakari Dudh Utpadak Sangh Maryadit	12.37	0.08
Rajarambapu Patil Sahakari Dudh Sangh Ltd.	2.72	-
Rajkot District Co-operative Milk Producers' Union Ltd.	0.31	-
Sabarkantth District Cooperative Milk Producers' Union Ltd.	3.36	-
Sanganer Taluka Sahakari Dudh & Prakriya Sangh Ltd.	0.08	-
Shimoga Co-operative Milk Producers Societies Union Limited	7.77	-
Shri Vasantdada Dugdh Vyavasay Vikas Zilla Sahakari Sangh Ltd.	1.54	-
The Cuttack Co-operative Milk Producers' Union Limited	5.17	-
The Guntur District Milk Producer's Mutually Aided Co-Op Union Ltd	2.62	-
The Kishan Co-Operative Milk Producers' Union Ltd.	1.95	-
The Krishna District Milk Producers' Mutually Aided Co-op Union Ltd.	6.17	-
The Ludhiana District Co-Op Milk Producers' Union Ltd.	14.54	0.33
The Mandya District Co-Operative Milk Producer's Societies Union Ltd.	15.21	-
The Panchmahal District Co-Operative Milk Producers' Union Ltd.	3.39	-
The Ropar District. Coop. Milk Producer's Union Limited	4.78	0.04
The Sirsa District. Co-Operative Milk Producer's Union Ltd.	0.10	-
Thiruvananthapuram Regional Co-operative Milk Producers' Union Ltd.	0.33	-
Tumkur Co-Operative Milk Producers' Societies Union Ltd.	1.96	-
Udaipur Dugdh Utpadak Sahakari Sangh Ltd.	0.44	-
<b>Sub-total</b>	<b>239.10</b>	<b>0.87</b>



**National Dairy Support Project**  
(National Dairy Plan Phase I) (Cr No. 5074-IN)  
Project Management Unit, National Dairy Development Board

Annex-III Advances with End Implementing Agencies

(₹ in million)

Name of End Implementing Agencies	Amount			
	March 31, 2014			March 31, 2013
	Balances of Advances	Interest with End Implementing Agencies	Total	Total
Ambedkarnagar Dugdh Utpadak Sahakari Sangh Ltd.	2.10	-	2.10	-
Amul Research and Development Association	10.25	0.17	10.42	-
Andhra Pradesh Livestock Development Agency	32.68	1.72	34.40	32.18
Animal Breeding Research Organisation	1.05	2.82	3.87	30.34
Aurangabad District Cooperative Milk Producers Union Ltd.	0.31	-	0.31	2.15
BAIF Development Research Foundation	45.00	-	45.00	-
Banaskantha District Cooperative Milk Producers' Union Ltd.	95.67	0.94	96.61	22.23
Baramati Taluka Sahakari Dugh Utpadak Sangh Ltd.	1.31	0.09	1.40	2.38
Bengaluru Urban Bengaluru Rural & Ramnagar District Cooperative Milk Producers' Union Ltd	5.65	-	5.65	11.22
Bhagirathi District Cooperative Milk Producers' Union Ltd	1.75	0.06	1.81	1.64
Bhilwara Zila Dugdh Utpadak Sahakari Sangh Ltd.	9.66	0.12	9.78	-
Bhopal Sahakari Dugdha Sangh Maryadit	3.37	0.30	3.67	11.22
Bijnor Dugdh Utpadak Sahkari Sangh Ltd.	2.13	-	2.13	-
Central Frozen Semen Production & Training Institute	26.30	-	26.30	-
Chittorgarh Pratapgarh Dugdh Utpadak Sahakari Sangh Ltd.	3.62	-	3.62	-
Dakshina Kannada Co-operative Milk Producers' Union Limited	6.16	0.62	6.78	-
Dharwad Cooperative Milk Producers' Societies Union Ltd.	3.79	-	3.79	-
Ernakulam Regional Co-operative Milk Producers' Union Ltd.	1.09	0.20	1.29	-
Gangol Dugdh Utpadak Sahakari Sangh Ltd.	4.77	-	4.77	-
Haryana Livestock Development Board	22.67	0.12	22.79	-
Hassan Co-operative Milk Producer's Societies Union Ltd.	6.68	-	6.68	2.49
Indore Sahakari Dugdh Sangh Maryadit	12.30	0.07	12.37	-
Jalgaon Jilha Sahakari Dugh Utpadak Sangh Maryadit	1.70	-	1.70	6.15
Jalore Sirohi Zila Dugdh Utpadak Sahakari Sangh Limited	2.90	0.01	2.91	-
Kangsaboti Cooperative Milk Producer's Union Ltd.	2.35	0.12	2.47	-
Karnataka Cooperative Milk Producers' Federation Limited	22.97	0.69	23.66	5.19
Kerala Livestock Development Board Ltd.	32.75	0.07	32.82	-
Kolar-Chikkaballapura District Co-operative Milk Producers Societies Union Ltd.	23.32	1.54	24.86	23.10
Kolhapur Zilla Sahakari Dugh Utpadak Sangh Ltd.	16.15	-	16.15	1.14
Kota Zila Dugdh Utpadak Sahkari Sangh Ltd.	8.06	-	8.06	-
Lucknow Producer's Cooperative Milk Union Ltd.	2.45	0.35	2.80	8.58
Maahi Milk Producer Company Ltd.	22.38	-	22.38	-
Malabar Regional Co-operative Milk Producers' Union Ltd.	6.89	0.18	7.07	8.67
Mehsana District Cooperative Milk Producers' Union Ltd.	28.06	2.35	30.41	49.91
MP State Livestock and Poultry Development Corporation	9.53	-	9.53	-
Mulakanoor Women Mutually Aided Milk Producers' Union	8.21	0.08	8.29	-
Mysore Chamarajanagar District Co-operative Milk Producers' Societies Union Ltd.	19.34	0.92	20.26	21.90
Paayas Milk Producer Company Ltd.	94.70	-	94.70	-
Pali Zila Dugdh Utpadak Sahakari Sangh Ltd.	7.19	-	7.19	-
Paschim Banga Go-Sampad Bikash Sanstha	15.35	0.56	15.91	13.50
Pune Zilla Sahakari Dugh Utpadak Sangh Maryadit	9.07	-	9.07	10.04
Punjab Livestock Development Board	61.44	4.52	65.96	67.30
Rajarambapu Patil Sahakari Dugh Sangh Ltd.	6.84	-	6.84	11.41
Rajkot District Co-operative Milk Producers' Union Ltd.	25.99	0.28	26.27	-
Sabarkantha District Cooperative Milk Producers' Union Ltd.	29.92	0.79	30.71	8.94
Sabarmati Ashram Gaushala	140.35	7.25	147.60	166.95
Samalwari Regional Co-Operative Milk Producers' Union Ltd.	13.04	-	13.04	-
Sangamner Taluka Sahakari Dugh & Prakriya Sangh Ltd.	0.33	-	0.33	-
Shimoga Co-operative Milk Producers Societies Union Limited	7.13	0.22	7.35	-
Shivamrut Dugh Utpadak Sahakari Sangh Maryadit	5.82	-	5.82	-
Shri Ganganagar Zila Dugh Utpadak Sahakari Sangh Ltd.	46.24	1.65	47.89	53.47
Shri Vasantdada Dugdh Vyavasay Vikas Zilla Sahakari Sangh Ltd.	2.20	0.03	2.23	-





**National Dairy Support Project**  
(National Dairy Plan Phase I) (Cr No. 5074-IN)  
Project Management Unit, National Dairy Development Board

Annex III - Advances with End Implementing Agencies (Contd..)

(₹ in million)

Name of End Implementing Agencies	Amount			
	March 31, 2014			March 31, 2013
	Balances of Advances	Interest with End Implementing Agencies	Total	Total
Solapur Zilla Sahakari Dugh Utpadak Va Prakriya Sangh Maryadit	3.68	-	3.68	0.99
Surat District Cooperative Milk Producers' Union Ltd.	2.99	0.06	3.05	7.52
Tamil Nadu Livestock Development Agency	2.52	0.80	3.32	11.42
The Cuttack Co-operative Milk Producers' Union Limited	4.25	-	4.25	3.73
The Doaba District Cooperative Milk Producers' Union Ltd.	1.62	0.05	1.67	0.88
The Guntur District Milk Producer's Mutually Aided Co-Op Union Ltd	10.51	0.64	11.15	10.61
The Ichhamati Co-Operative Milk Producers Union Ltd.	2.50	0.05	2.55	-
The Kishan Co-Operative Milk Producers' Union Ltd.	2.85	0.04	2.89	-
The Krishna District Milk Producers' Mutually Aided Co-op Union Ltd.	15.20	0.57	15.77	17.88
The Ludhiana District. Co-Op Milk Producers' Union Ltd.	3.41	0.61	4.02	12.54
The Mandya District Co-Operative Milk Producer's Societies Union Ltd.	11.20	0.55	11.75	15.41
The Panchmahal District Co-Operative Milk Producers' Union Ltd	23.26	0.18	23.44	19.74
The Ropar District Co-Operative Milk Producer's Union Limited	3.66	0.43	4.09	12.33
The Sirsa District Co-Operative Milk Producer's Union Ltd.	8.07	0.14	8.21	-
The Tamil Nadu Co-Operative Milk Producers' Federation Limited	16.68	1.15	17.83	24.54
Thiruvananthapuram Regional Co-operative Milk Producers' Union Ltd.	4.76	-	4.76	7.99
Tirhut Dugdh Utpadak Sahkari Sangh Ltd.	8.60	-	8.60	-
Tumkur Co-Operative Milk Producers' Societies Union Ltd.	12.29	0.51	12.80	14.25
Udaipur Dugdh Utpadak Sahakari Sangh Ltd.	9.88	-	9.88	-
Urmul Rural Health Research and Development Trust	3.82	0.12	3.94	6.50
Uttarakhand Livestock Development Board	25.00	0.08	25.08	-
Vikramshila Dugdh Utpadak Sahakari Sangh Ltd.	8.10	-	8.10	-
<b>Sub-total</b>	<b>1,155.83</b>	<b>34.82</b>	<b>1,190.65</b>	<b>738.43</b>



**National Dairy Support Project**  
**(National Dairy Plan Phase I) (Cr No. 5074-IN)**  
**Project Management Unit, National Dairy Development Board**

**Reconciliation of Claims to Total application of funds for the year ended March 31, 2014**

Particulars	₹ in million		
	For the year ended 31st March, 2014	For the year ended 31st March, 2013	As at 31st March, 2014
Bank Funds claimed during the reporting period (A)	768.95	31.74	800.69
Total Expenditure made during the year (B)	854.39	35.27	889.66
Less : Ineligible expenditure (Refer Note 5 (a)) (C)	6.65	-	6.65
Add : Expenditure not claimed (Refer Note 5 (b)) (D)	6.95	-	6.95
Total eligible expenditure claimed (E) = (B) - (C) + (D)	854.69	35.27	889.96
World Bank Share @ 90% of (E) above (F)	769.22	31.74	800.96

See accompanying notes forming part of the Project Financial Statements

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

*Kartikeya Raval*

Kartikeya Raval  
Partner

*Anand . Sept 25, 2014*

On behalf of Project Management Unit  
National Dairy Support Project

*Dilip Rath*

Dilip Rath  
Mission Director

*Aditya Nath Jha*

Aditya Nath Jha  
General Manager

*V. U. Ladhani*

Vinod Ladhani  
Deputy General Manager

Anand, September 25, 2014

**National Dairy Support Project**  
**(National Dairy Plan Phase I) (Cr No. 5074-IN)**  
**Project Management Unit, National Dairy Development Board**

**Withdrawal Applications submitted by PMU for the year ended March 31, 2014**

WA No.	Date of Submission	Total Expenditure (₹ in million)	Percentage of Reimbursement	Amount of Claimed for reimbursement	As in CAAA website		
					Claim No.	Date Submitted	Status
3	10-Sep-13	39.17	90%	35.25	2013001995	10-Sep-13	Disbursed
4	31-Oct-13	114.32	90%	102.89	2013002706/1	31-Oct-13	Disbursed
5	12-Feb-14	158.92	90%	143.03	2013004211/1	12-Feb-14	Disbursed
6	30-May-14	541.98	90%	487.78	2014000639/1	30-May-14	Disbursed
	<b>TOTAL</b>	<b>854.39</b>		<b>768.95</b>			

See accompanying notes forming part of the Project Financial Statements

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

*Kartikaya Raval*

Kartikaya Raval  
Partner

*Anand . Sept 25, 2014*

**On behalf of Project Management Unit**  
**National Dairy Support Project**

*Dilip Rath Achya Nath Jha*

Dilip Rath      Aditya Nath Jha      Vinod Ladhani  
Mission Director      General Manager      Deputy General Manager

*V. U. Ladhani*

*Anand September 25, 2014*

**National Dairy Support Project**  
**(National Dairy Plan Phase I) (Cr No. 5074-IN)**  
**Project Management Unit, National Dairy Development Board**

**Notes Forming Part of Project Financial Statement**

1. National Dairy Support Project (“NDSP or the Project”) / National Dairy Plan Phase I (“NDP - I”) is a Central Sector Scheme implemented through a line of credit from International Development Association (“IDA”) for a period of six years from Financial Year 2011-12 to 2016-17. The total outlay of the Plan is ₹22,420 million comprising of ₹15,840 million as International Development Association (IDA) credit, ₹1,760 Million as Government of India share ₹2,820 million as share of End Implementing Agencies (EIAs) and ₹2,000 million by National Dairy Development Board (NDDDB) and its subsidiaries by way of technical and implementation support. The Project is being implementing by the Project Management Unit (“PMU”) in NDDDB through EIAs.

The Project’s Development Objective is to help increase the productivity of milch animals and thereby increase the milk production to meet the rapidly growing demand of milk and to help provide rural milk producers with greater access to organised milk processing sector in project areas.

2. The funds for the project flow from the budget of Department of Animal Husbandry, Dairying and Fisheries, Ministry of Agriculture, Government of India (GOI) to the PMU in NDDDB as grant-in-aid for onward distribution to the EIAs. A separate bank account for receipt of funds and also separate project accounts are being maintained for NDSP/NDP - I funds as stipulated in the administrative approval issued by the GOI.
3. The policies mentioned hereunder are adopted in the preparation of Sources and Application of Funds statement (the “Statement”).
  - 3.1 The NDP - I, being a central government project, accounts are maintained on cash receipts and disbursement basis, under Historical Cost convention and generally accepted accounting practices and standards in India. On this basis funds received from Government and other receipts are recognised when received rather than when earned and expenditures are recognised when paid rather than when the obligation is accrued.
  - 3.2 PMU accounts for the funds received from Government of India as and when it is received. The same is disbursed to various EIAs for various approved sub-projects on requirement basis and pending such disbursement, it is kept in bank accounts.
  - 3.3 The Grants to End Implementing Agencies and Centralised Expenditures shown in the Statement includes amount spent on implementation of the approved sub-projects in line with the grant agreements entered with respective EIAs. Amount spent includes capital and revenue expenditures.

Balance with EIAs represents unspent amount out of the grant advanced by PMU.
  - 3.4 PMU accounts for the interest income as and when it is received in bank account of PMU.
4. EIAs have contributed ₹216.04 million (Previous year: Nil) during the financial year 2013-14 and have spent ₹193.15 million (Previous year: Nil) during the year. There is an unspent balance amounting to ₹22.89 million (Previous year: Nil) as on March 31, 2014. Contribution of EIAs towards various sub-projects for expenditure made by them and unspent balances are not considered in the Sources and Application of funds.



5. Project Financial Statements have been prepared without making the following adjustments for the reasons mentioned below:

- (a) An expenditure of ₹6.65 million was approved and claimed by PMU, NDDDB in Interim Unaudited Financial reporting (IUFRR) for the period October - December 2013 for payment made by EIA – Karnataka Milk Federation under Component – A Productivity Enhancement – Progeny Testing sub-project towards procurement of Milk Component Analyser. However, the vendor has not encashed the cheque drawn for payment within its validity period and hence the cheque has expired. The payment has been accounted for and presented in the Statement of Sources and Application of Funds as at March 31, 2014.
- (b) PMU, NDDDB could not claim an amount of ₹6.95 million in IUFRR for the period January – March 2014 which was spent by EIAs towards sub-projects as EIAs submitted their claim to PMU post submission of IUFRR to the Government of India / the World Bank. Details of sub-project wise expenditures not claimed and not accounted in FY 2013-14 are given below:

Sub Project	Name of EIA	₹ in million
Component – A Productivity Enhancement – Pedigree Selection	Haryana Livestock Development Board	0.63
	Uttarakhand Livestock Development Board	1.83
	Bhilwara Zila Dugdh Utpadak Sahakari Sangh Limited	0.40
	<b>Sub-total (A)</b>	<b>2.86</b>
Component – B Village Based Milk Procurement Systems	Shivamrut Dudh Utpadak Sahakari Sangh Maryadit	0.46
	Jalore Sirohi Zila Dugdh Utpadak Sahakari Sangh Limited	0.31
	Bhilwara Zila Dugdh Utpadak Sahakari Sangh Limited	1.54
	The Ichhamati Co-Operative Milk Producers Union Limited	1.78
	<b>Sub-total (B)</b>	<b>4.09</b>
	<b>Sub-total (A) + (B)</b>	<b>6.95</b>

- (c) PMU, NDDDB has reversed claim of ₹6.65 million ('a' above) and has admitted claim of ₹6.95 million ('b' above) during financial year 2014-15. The said claims have appropriately been reported in IUFRR submitted for the period April - June, 2014.

Thus PMU, NDDDB has claimed reimbursement lower by ₹0.27 million from World Bank (i.e. World Bank share @ 90% of ₹0.30 million) during the year financial year 2013-14.



6. The expenditure reported in the Project Financial Statement are based on the Project books of account and other relevant records maintained at PMU, NDDDB and the Fund Utilization Certificates received from various End Implementing Agencies and found satisfactory by PMU.
7. The figures of the previous year have been regrouped wherever necessary.

In terms of our report for even date attached.

**For Deloitte Haskins & Sells LLP**  
**Chartered Accountants**

*Kartikaya Raval*

Kartikaya Raval  
Partner

*Anand*, Sept 25, 2014

**On behalf of Project Management Unit**  
**National Dairy Support Project**

*Dilip Rath*

Dilip Rath  
Mission Director

*Aditya Nath Jha*

Aditya Nath Jha  
General Manager

*V. U. Ladhani*

Vinod Ladhani  
Deputy General Manager

Anand, September 25, 2014