



# IMPACT INVESTING

A NAANDI REPORT 2014 - 2017





Ms. Afreen Begum, 19 years, spends evenings learning a bouquet of Life Skills in the N Star Centre of Hassan Nagar, Hyderabad. During the day she attends a regular college for her undergrad course.

*“I want to become a feminist and a social worker. I want to speak out on issues that concern women and help communities around me.*

*Before coming to the N Star Centre, I did not have any exposure or perspectives on women’s issues. Now, I have a better understanding of the community’s views towards the inequalities against women. I want to make a difference. N Star is giving me the confidence and the knowledge I need to achieve my goals and I am confident that I will succeed.”*

AFREEN BEGUM

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# Chairman's Message

This report covers the body of work done by Naandi Foundation during the last three years. The scale and impact of the work undertaken by the Foundation in such a short span of time is a source of great satisfaction and pride for me. These achievements are the consequence of the dedicated sincerity of a passionate team, and their close collaboration with the communities they serve.

The focus of their efforts has been on working with underprivileged girls, unemployed youth and small farmers in rainfed areas. All three constituencies have the potential to be key levers in nation building and they also happen to be themes that I am personally passionate about.

The work on empowering India's girls is carried out under the aegis of Project Nanhi Kali. This is an initiative I founded two decades ago with the objective of inspiring ordinary citizens to support at least one girl's education. The partnership between Naandi and the K.C. Mahindra Education Trust has impacted the lives of 300,000 girls - a full generation - in the last decade across Madhya Pradesh, Rajasthan, Karnataka, Andhra Pradesh, Chhattisgarh and Telangana. In a feat considered rare in the development sector, Project Nanhi Kali has now moved out to new, and even more challenging geographies in Uttar Pradesh, West Bengal,

Punjab and Gujarat. Another high point has been the move to provide digital tablets to over 50,000 high school Nanhi Kalis to learn Maths and English after school hours.

Unemployed youth are trained and empowered through Mahindra Pride Schools - Naandi's pioneering youth programme for skill teaching and job placement. The word Pride is not just a part of the name of the school. It is a word that describes the emotion that imbues every young adult who graduates from here and embarks upon a life of dignity and self-respect. In the last two years the Mahindra Pride School's programme has been reinvented by expanding the 'grooming, skilling and personality development modules' by preparing 50,000 young people every year to become employable. Naandi partners with colleges and polytechnic institutes all over India to run 1,000 Mahindra Pride Classrooms.

Last but not least, is the transformation brought about in the lives of small and marginal farmers using biodynamic agriculture, value addition and niche, global marketing of their produce. The impactful initiative of working with adivasis to create the world's iconic top quality Araku coffee has given birth to a separate social business, started by all four Trustees including me, to retail the coffee as a gourmet

luxury offering in Paris and across France. This has enabled us to pay the farmers the highest price for their raw beans and has helped to upgrade thousands of them from subsistence living to a "middle class" status.

Social impact investing is one of the most satisfying forms of making a contribution. It has given me great pleasure to increase my personal investment to match that of Danone. Communities (the social venture fund of Group Danone) in iPure, a venture to further the scope of providing safe drinking water to rural communities across India. I am also personally investing along with the Michael and Susan Dell Foundation to start Alphabyte, an enhanced education and skilling opportunity for underprivileged children in the National Capital Region.

Naandi Foundation continued its evidence based efforts to influence public policy with the Urban HUNGAMA Survey report that was presented to the nation to highlight the need to keep the spotlight on nutrition for children, both urban and rural.

I am, indeed, honoured to Chair this marquee, nonprofit, Indian Foundation that has transformed millions of lives in various regions across India.



**Anand G Mahindra**  
24-02-2018





# Girls

PROJECT NANHI KALI/  
**N STAR CENTRES/**  
TEENAGE GIRLS SURVEY



**PROJECT NANHI KALI:**  
GIRLS  
5-15 YEARS

Impact:  
**Nearly 300,000  
Nanhi Kalis  
graduated  
through this  
project to date.  
Currently over  
135,000 girls  
across 14  
states in  
India.**





**PROJECT NANHI KALI:**  
GIRLS  
5-15 YEARS

**Background:** India's unique project supporting underprivileged girls with clothes, books and private tuitions on a daily basis – thereby enabling them to successfully complete ten years of schooling.

The last three years have been momentous for Naandi's work with girls. During this period, the leadership teams of K.C.Mahindra Education Trust and Naandi Foundation aimed at the stars for the girls of India. As a result, including in the remote tribal villages of Madhya Pradesh, all our Nanhi Kalis are now equipped with electronic tablets using audio-video lessons ensuring that they can master two 'life-changing' subjects – as a Nanhi Kali put it – Maths and English.

Partnering with a Michael & Susan Dell Foundation invested technology start-up that serves as a content aggregator, we customised the content in a

manner that would help the individual learning levels of each and every Nanhi Kali.

In line with the yellow house colour of Project Nanhi Kali, these Yellow Tablets are in the hands of every high school Nanhi Kali throughout India today. By doing lessons on the tablet in Maths and English on her own, using her own personal login ID and password, each girl student is mastering the subjects and nuances of the digital world at her own pace.

Since inception, Project Nanhi Kali has worked across the country's tough geographies: from rural hamlets at the tip of India, in Tuticorin, to the chawls

of Borivali in suburban Mumbai; from tribal settlements perched on the Araku hills at the Andhra-Odisha border – to tiny bylanes near the red-light area in Delhi. Providing regular academic and material support to these girls was a daunting job: however, Naandi achieved this task and found that it acted as a catalyst to the girls' lives. A quarter of a million girls were thus supported in completing ten years of formal schooling: doing this with after-school tuition on a daily basis, all the year around, for ten years, was unprecedented in India. This was further borne-out by the findings of the Third Party Evaluation conducted in 2015-16 (report available on [www.naandi.org](http://www.naandi.org)). From these, it was clear that we had created the necessary empowerment for girls to be taken through ten years of impactful schooling in the tribal areas of Udaipur, dacoit-famed Sheopur in Madhya Pradesh, naxal-infested Kanker in Chattisgarh and chronically drought-stricken Mahabubnagar of Telangana.

Every day of the year, we stay in touch with every Nanhi Kali: through after-school tuition, home visits and parent's meetings – ensuring in every way that she is safe and learning. ...And at a cost of less than \$50 per child, per year.

The validation by the Third Party Evaluation gave us the courage and inspiration to enter new geographies featuring adverse gender ratio, challenging terrains, greater vulnerability to girl-trafficking – and of course those living in extreme poverty. Thus the Project has now expanded to include 60,000 new girls – Nanhi Kalis – living in Darjeeling, Kolkata, Varanasi, Barabanki, Moga, Gurgaon, Noida and Bharuch.



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*Every day of the year, we stay in touch with every Nanhi Kali - through after-school tuition, home visits and parent's meetings - ensuring in every way that she is safe and learning. ...And at a cost of less than \$50 per child, per year.*



## SPOTLIGHT







**Neha's** *daily* routine was to dive umpteen times to the bottom of the nearby Ram Kund lake and collect coins thrown by pilgrims. She never enjoyed her government school at Panchavati, near Nashik, as it was not equipped for first-generation learners.

Three years ago, Vaishali, the Community Associate from Project Nanhi Kali, swooped down on Neha and took her under her wings.

Today, Neha is a regular in Class 7 thanks to the 'magical' Yellow Tablet that helps her dive effortlessly into learning Maths and English ■

## **N STAR CENTRES**

GIRLS

*16-21 YEARS*

Impact:

**So far 70**

**Centres across**

**Hyderabad,**

**Mumbai,**

**Gurgaon,**

**Visakhapatnam**

**and Pune**

**reaching out to**

**8,000 adolescent**

**girls.**



**N STAR CENTRES**  
GIRLS  
16-21 YEARS

**Background:** With insight from Project Nanhi Kali, we launched India's first ever community-based "Go-to space" for adolescent girls in cities. Grooming, Counselling, Skilling & Transformational Leadership takes place in these Centres.

Over a decade of working with thousands of girls – in fact 300,000 girls in 14 states – meant having reached out to them successfully with after-school academic support, study materials and dignity kits. We were proud to see the girls do well and go on to take up new life challenges. Girls grabbed this opportunity and pushed it to its limits in a bid to transform themselves. In many locations they formed their own 'clubs' and initiated different kinds of social action on their own.

In 2011, when Naandi undertook a massive HUNGaMA (Hunger and Malnutrition) Survey – measuring 100,000 children and interviewing 75,000 mothers – to

our horror, we discovered that most of these mothers were teenage girls. Barely daughters themselves, they had been forced to become mothers. Although child marriages are becoming rare in 2018, the fact remains that adolescent girls are married off early because they are considered unsafe and at risk once they attain puberty: whereas, at a similar time of their development, boys are free men. This we learned from proximity with our Nanhi Kali alumni.

The penny dropped. We realised the time had come to move beyond education. Towards empowerment. We created a programme for



girls in the 16-21 years age-group. The objective was to provide each girl with a safe space where her voice would be heard, where she would learn 21st century skills and realise her full potential as an economic, social and emotional powerhouse... To be the Star she ought to be.

The result was a blitz of N Star Centres established in different urban spaces across the country. These N Star Centres are open all day for any 16-21 year-old girl to walk in, meet her peers, take English and computer classes, upgrade her reading skills and to equip herself with financial literacy as well as an awareness about her own body and health. All the things that she had never been offered by her intermediate course (PlusTwo), or whilst at her Degree college.

Mentored by a 'Champion' (an older woman, trained by Naandi), these N Star Centres are evolving into the girls' favourite 'go-to'

places where they may fully enjoy the opportunity to explore their own potential.

English-speaking, computer-savvy young women are stepping out from N Star Centres in multiple cities: financially literate, aware of their legal rights and confident of keeping themselves both healthy and safe. All this is achieved for \$70 per learner, per year.

The first batch of 70-odd centres are spread across Hyderabad, Mumbai, Visakhapatnam, Pune and the National Capital Region. These have become crucibles of incubation where young women are empowered. Each Centre is sponsored by either a HNI, a corporate, or a Foundation. Buoyed by the success of the pilot phase we hope to scale it up to reach out to every adolescent girl in urban India.



*English-speaking, computer-savvy young women are stepping out from N Star Centres in multiple cities: financially literate, aware of their legal rights and confident of keeping themselves both healthy and safe. All this is achieved for \$70 per learner, per year.*

## TEENAGE GIRLS SURVEY

GIRLS

13-19 YEARS

Impact:

**The report  
covering all  
30 states and  
73,000  
respondents  
will not only  
enrich Project  
Nanhi Kali but  
will also  
influence  
public policy.**



## TEENAGE GIRLS SURVEY

GIRLS

13-19 YEARS

**Background:** Inspired by our work with Nanhi Kalis, we decided to talk and engage with teenage girls across every nook and corner of the country to learn “*What does it mean to be a teenage girl in India?*”

After working with the **Citizen's Alliance against Malnutrition** and launching two separate Survey Reports (**HUNGaMA**), we realised the extent to which primary data offers insights that may be used to influence public policy on key social sector issues. Accordingly, we decided to focus on another data gap. Namely, Adolescent Girls. There is no large scale database – recent or old – on the status of teenage girls in India. If at all, they are a subset of the 15-49 years women's group, or are subsumed under 'Youth'. In a country of 120 million 10-19 year old girls, the absence of a reliable, representative body of evidence on teenage girls and their lives, seemed to us to be a critical data gap.

In its absence, we saw the way our policies and programmes had largely assumed that an adolescent girl is either a helpless and vulnerable victim – whose prime need is protection from sexual aggression – or is a prospective mother who needs to be correctly nourished and vaccinated in a timely manner so that she can give birth to healthy babies. Our policies and programmes had stayed blind to the various activities and experiences that form the life of a teenage girl: ignoring both her aspirations, challenges and the numerous ways through which she negotiates agency in a male-dominated environment skewed by a social discrimination based on people's gender.



It was clear that the voice of our Indian teenage girls needed to be discussed as a matter of public policy – whether by corporate India, civil society or within the government.

This spurred us on to do a first-of-its-kind survey that will answer the big question '***What does it mean to be a teenage girl in India***'. This survey – referred to as the **Teenage Girls Survey** – was designed to give voice to teenage girls throughout India.

The survey has covered girls living in all the 30 states of India – in both rural as well as urban areas. A thousand women surveyors visited homes of teenage girls and interviewed them on various aspects of their lives – schooling and skilling, food habits, aspirations about careers and marriage and their perceptions regarding safety. The surveyors also captured data from the girls giving us

information on BMI (Body Mass Index) and the prevalence of any anaemia. Stories of surveyors' daily adventures – from the lush green hills of Manipur to the dry and dusty hamlets in Rajasthan, or from the steep, snowy slopes in the Kashmir valley to coconut-tree shaded villages in Kerala – have, for the last so many months, formed the staple of Naandi's internal communication. Please visit **[www.nanhikali.org](http://www.nanhikali.org)** to know more. The first ever survey of this kind in this country used no pen or paper and all surveyors were equipped with electronic tablets. At last count, 74,000 homes had been visited in 3,700 villages or wards, in 2,016 blocks, in 600 districts throughout 30 states.

The Survey Report is expected to be released to the nation by mid-2018.



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*At last count, 74,000 homes had been visited in 3,700 villages or wards, in 2,016 blocks, in 600 districts throughout 30 states.*

A close-up photograph of the front and rear of a bright blue Mahindra SUV. The car is parked on a light-colored concrete surface. A person's hand is visible on the right, using a silver metal tool to work on the rear wheel. The wheel has a silver multi-spoke rim and a black tire. In the foreground, on the ground, there are some tools: a screwdriver with a black handle and a pair of blue-handled pliers. The text 'Youth' is overlaid in large orange letters, and 'MAHINDRA PRIDE SCHOOLS/ MAHINDRA PRIDE CLASSROOMS' is overlaid in white letters below it.

# Youth

MAHINDRA PRIDE  
SCHOOLS/  
**MAHINDRA PRIDE  
CLASSROOMS**





**MAHINDRA PRIDE SCHOOLS**  
YOUTH  
*18-30 YEARS*

Impact:  
**Over 25,000  
youth &  
their families  
achieved  
sustainable  
livelihoods  
through  
8 schools  
across  
7 states.**





Photo: Nevin John

**MAHINDRA PRIDE SCHOOLS**  
YOUTH  
18-30 YEARS

## **Background: Ensuring organised corporate sector jobs to unemployed urban youth by conducting a 3-month, focused, skilling and placement programme.**

### **Skilling India – the Mahindra Pride way**

In India, 94% of our youth are not job ready. Furthermore, 65% of India's population is below the age of 25. These two data points reveal the importance of the **Mahindra Pride Schools** in India today.

Set up in Pune in March 2007 as an Affirmative Action, CSR-initiative of the USD 20 billion Mahindra Group, the project envisioned a modest target of training 600 impoverished and socially marginalized young women and men drawn from urban slums and guaranteeing them a white-collar corporate job in 90 days.

Over the years, the Mahindra Pride School has blossomed into a *force majeure* that has been waging war on unemployment from Kashmir to Kerala. With Mahindra Pride Schools operational in Pune, Chennai, Hyderabad, Patna, Chandigarh, Srinagar and Varanasi, MPS has successfully transformed the lives of 25,092 students or 100,000 lives. Each and every alumni of MPS has transformed 3 other lives as they become the lead breadwinner with a corporate job.

This is possible because each of the unskilled, unemployed youth have been carefully selected and skillfully trained by full-time domain experts, English

language teachers and Life-Skill coaches, via a 90 day, 400 hour, intensive programme focussing on high growth verticals such as ITES, Hospitality, Retail and the Automotive Sector. MPS students currently work across the country in reputed corporate houses such as The Marriott Group, Le Meridien Hotels, Tata Consultancy Services, Pizza Hut, KFC, Wipro, Westside, Dell Computers, Tech Mahindra, Cognizant, Ford, etc. Thanks to the close collaboration with these and 250 others, the Pride Schools have an unblemished track record of 100% job placement.

A further testament to the quality of training being provided at Mahindra Pride Schools is the consistently increasing average starting salary – which at present is Rs.12,636/- per month. Experienced alumni now earn salaries in a bracket ranging from Rs. 28,000 to Rs.100,000 per month.

Transforming young lives in a matter of months: impossible as

it may sound, we see this happen every quarter – year after year. At \$280 per young person, this seems to be a very small price to pay.

The Mahindra Pride Schools' alumni have become a strong family of over 25,000 youth: reflecting a different kind of millennial. Though born in an India with the best economic growth story ever yet, they have found themselves left out of the narrative. Each technological, or globalisation gain – happily enjoyed by us all – has been tantalisingly out of their reach. MPS rescued and mainstreamed them. In return, they want to zealously help skill every other youth. ...And it is this spirit that is the success of the Mahindra Pride Schools. Their pride at being a breadwinner that broke the inter-generational cycle of a poverty trend is now infectious.

They wished – “**May a thousand Mahindra Pride Schools bloom**”. And they certainly did. As Mahindra Pride Classrooms.



*Transforming young lives in a matter of months: impossible though it may sound, we see this happen every quarter - year after year - in our Mahindra Pride Schools. At \$280 per young person, this seems to be a very small price to pay.*



## SPOTLIGHT

***Kanmani*** and her widowed mother used to sell flowers in a street in the metropolis of Chennai. Surely, a degree in Commerce didn't help much.

*During September 2015, a chance meeting with Rosie, a Mahindra Pride School (MPS) alumnus, resulted in Kanmani being enrolled for our 90 day ITES course.*

*Today Kanmani is with Hewlett Packard earning over Rs 300,000/- per year. Her high point was when she bought flowers home for her mother ■*





Photo: Nevin John



**MAHINDRA PRIDE CLASSROOMS**  
YOUTH  
*18-21 YEARS*

Impact:  
**50,000 youth  
made  
employable  
through a  
network of  
1,300 classes  
across 8 States  
in the last  
2 years.**



## MAHINDRA PRIDE CLASSROOMS

YOUTH

18-21 YEARS

**Background:** To replicate in large scale the magic formula of Mahindra Pride Schools, we offered to run classrooms for Employability Skills in polytechnics and other colleges.

**Mahindra Pride Classrooms:  
India's largest and fastest  
growing Youth Skill  
Development Program**

Egged on by the Mahindra Pride Schools' alumni, a deep dive was done to figure out how to increase the number of skilled youth per annum by a power of ten. This predicated two requirements. One: improvising the curriculum by creating 60-80 hour modules of Life and Job Skills. Two: creating an asset light model for expansion.

With modifications to the curriculum swiftly implemented, the new framework for expansion came from the Government of Tamil Nadu: asking us to create

Mahindra Pride Classrooms in every government college – especially polytechnics. Our tipping point was the indirect admission that higher education does not guarantee job-readiness.

The majority of India's degree colleges and polytechnics churn out students by the thousands: students who do not have the skills needed to obtain employment, even though they have the technical knowledge. Our module was designed to address the precise skill sets that these students lack.

Christened the Mahindra Pride Classrooms, this was introduced in FY17 throughout mainstream

Polytechnics, Industrial Training Institutes (ITIs) and Government Colleges by setting up dedicated classrooms for final year students with the avowed intent of significantly enhancing their chances of employment. A dedicated Content Development Cell also took on the task of identifying appropriate coaches and conducting a Train-the-Coach Programme.

The first year saw the setting up of 550 Mahindra Pride Classrooms in Maharashtra, Tamil Nadu and Kerala and the successful training of 24,990 students. The MPCs are already a veritable movement with State Governments, Universities and Colleges eager to have the MPC module in their classrooms. The MPCs are a significantly lower cost option as they use the institution's own classrooms and students. Each state is staffed with a dedicated Placement Coordinator focused on ensuring the placement of all students seeking jobs. The MPC module covers English Speaking, Life

Skills, Aptitude, Interview and Group Discussion concepts and is designed to convert students into well rounded professionals ready for employment. In FY18, the MPCs have commandeered 800 classrooms across 5 states (additionally Telangana and Andhra Pradesh) and, during FY18, will end up training a little over 40,000 students.

Mahindra Pride Classrooms ensure that the job readiness and employability quotient of students is at its highest possible level. The thousands of success stories so far prove that the \$15 investment per youth is more than worth the money.

Until December 2017, in the space of a little under 2 years, Mahindra Pride Classrooms have trained a total of 56,045 students across 1,323 centres – making it India's largest and fastest growing skills development centres network. At this rate, the Mahindra Pride program will soon be the pride of India Inc.



*Mahindra Pride Classrooms ensure that the job-readiness and employability quotient of students is at its highest level possible. The thousands of success stories so far prove that the \$15 investment per youth is more than worth the money.*



A woman wearing a yellow and red patterned sari is kneeling on a large, rectangular tray filled with dark brown coffee beans. She is using a small wooden tool to spread the beans evenly. The tray is part of a larger drying area, with other similar trays visible in the background. The background features a stone wall and lush green trees under a clear blue sky.

# Farmers

BIODYNAMIC  
AGRICULTURE  
**WARDHA/**  
ARAKU







**BIODYNAMIC AGRICULTURE**  
FARMERS  
*POMEGRANATE ORCHARDS*

Impact:  
**Creation of a  
sustainable  
and profitable  
horticultural  
template for  
distressed  
small farmers  
in India.**





## **Background: Providing end-to-end support to transform small farming families from subsistence farming to the biodynamically-sustainable cultivation of pomegranates.**

Naandi's agriculture template will do to Indian agriculture what Tesla singlehandedly did to the 200 year old automobile engineering industry.

This audacious claim is best understood by what we are doing with small farmers in the villages of Wardha district of Vidarbha region in Maharashtra. Otherwise infamous for a record number of farmer suicides, this rain-fed agrarian belt has been going through (agri)cultural turmoil with the introduction of new crops like Bt Cotton.

After spending a year with small farmers (those owning less than 2 hectares of land) it was evident to us that incremental change

was not the answer. Rather it was to redefine the whole paradigm: so that the farmer and his family would only see infinite hope and prosperity.

So we introduced a biodynamic, horticultural protocol which would convert a small subsistence farmer into an orchard owner and an entrepreneur.

To do this, we studied the agronomy of Vidarbha: testing the soil, mapping crop patterns and concluding that the winner was a crop of which Maharashtra had the highest market share in India. The Pomegranate.

So we decided that the new narrative would be – '*paint*

*Vidarbha red with pomegranate*'.

We call it the *Ruby Crop*. It is popular as a health food and has a long shelf life making it well suited for export. For export quality, however, the small farmer in Vidarbha was not yet equipped.

Foreseeing the challenges of erratic weather throughout the region, the idea of 'mounding' was introduced. However, this would only be achievable through the use of massive earth-movers and this kind of machinery is only owned by contractors, or political leaders. Small farmers could never dream of leasing such machines for themselves.

The stark reality of soil health was further evident as we started the planting. With the soil on its death bed, each farmer family was educated on how biodynamic practices would rejuvenate the moribund soil. Such disruptive intervention also had to ensure that the farmer's psyche was fortified with patience. Short term

gains were to be replaced with long term prosperity. Biodynamic agriculture, focused on soil health and leading to a higher immunity for plants and pristine quality fruits, turned out to be the saviour. Border plants used as live fencing, wind breakers and nutrition supplements completed the template needed for a perfect, biodynamically certified orchard. As per this template, 750 farmer families and 1,000 acres across 79 villages were transformed.

Today – two years later – the plants stand tall and proud, having successfully faced two drought ridden summers followed by one harsh, erratic monsoon. The *Wardha Family Farming Project* has caught the attention of the big farmers and even the District Collector...

Thus we see the small farmers once begging for subsidies and loan waivers transformed into exporters, entrepreneurs and orchard owners: boasting the face of a new India.



*The small farmer in Wardha is well on the way to becoming an orchard owner, an entrepreneur and an exporter.*

**BIODYNAMIC AGRICULTURE**  
FARMERS  
*COFFEE FARMS*

Impact:  
**Over 100,000  
adivasis  
sustainably  
liberated from  
poverty by  
producing  
world-class  
speciality  
coffee branded  
as Araku.**





## Background: The successful transformation of thousands of acres of eco-fragile, hilly region in Araku using terroir-based coffee cultivation with bio-diverse biodynamic agriculture practices.

**Subsistence coffee farmers in India unite to transform lives”**  
- *Financial Times, Sep 24, 2017*

The above headline captures the greatest impact we have so far made towards the eradication of poverty. Subsistence tribal farmers in the Araku region transformed through a combination of biodynamic agriculture uniting thousands of farmers under one umbrella into tapping niche global markets.

This would not have been possible without the support of globally renowned coffee cuppers and speciality roasters who visit Araku every year to inspect the farms and processing unit; connect with farmers and Team

Naandi; and most importantly cup the coffees from various farms in the **Cup of Excellence** format to rank them against other high quality, speciality coffees of the world. Christened the **Gems of Araku**, this annual ritual selects the best coffees – the Gems: those that score an exceptional 85 and more. These then go to niche export markets.

With meticulous Standard Operating Procedures put in place at every stage of the process from ‘sapling to savouring’, this terroir based, biodynamically grown Araku coffee has embarked on a journey to becoming modern India’s iconic global brand.

Although, in the last few years, their coffee was sold on an invitation basis to the global coffee experts of both Kyoto and Seoul, the crowning glory for the adivasis came with the retail foray of Araku coffee in to Paris: the gastronomical capital of the world. Structured as a social business venture and led by the Life Trustees of Naandi as investors, this coffee has received excellent attention and response in Paris. Branded as **ARAKU**, the coffee's six SKUs are retailed as both beans and ground coffee through the flagship store as well as through partnered, niche gourmet stores. LVMH's Grand Epicerie is one such partner. In less than a year, the coffee is now sold in over 35 outlets throughout France and Switzerland. An e-commerce platform ([www.arakucoffee.com](http://www.arakucoffee.com)) sells both the coffee and associated accessories across Europe.

farmers profiting immensely from globalisation. In the last few years, hundreds of farmers have earned profits worth a couple of lakhs of rupees from their one acre micro-farms. Financial discipline, controlled consumerism and a focus on nutritional security are other highlights of the programme design.

Nowadays, the adivasi farmers in Araku are brimming with pride. They know their coffee is making not just them, but India, world-renowned.

Araku has become a Verb. For doing the impossible.

The Araku coffee brand story has become one of the best examples of small and marginal



*With meticulous standard operating procedures put in place at every stage of the process from 'sapling-to-savouring', this terroir-based biodynamically-grown Araku coffee has embarked on a journey to becoming modern India's iconic global brand.*



## SPOTLIGHT







*In 2003, Killo Sibbo, an adivasi from Kabada Boddaput village, planted coffee for the first time.*

*In 2009, Sibbo earned Rs.11,466 from his 1.5 acre organic coffee farm. The same year, Naandi initiated Sibbo, his son Dumbru and thousands of similar farmers into growing coffee using biodynamic practices meeting global, speciality coffee standards.*

*In March 2016, Sibbo's family earned a profit of Rs. 2,67,420 from their two acre coffee farm. Sibbo used part of it for buying a tractor which he leases out to his tribesmen to grow millets as nutritional security ■*

Photo: Claude Avezard

## BIO-DIVERSE AGRO-FORESTRY FARMERS

Impact:  
**After nearly  
20 years of  
work and  
planting 20  
million trees  
with 19  
varieties,  
mostly fruits,  
biodiversity &  
prosperity is  
coming back  
to Araku.**







**Background:** Since its inception, Naandi has been working in the remote, eco-fragile Araku region with the adivasi (indigenous tribes) population in the Eastern Ghats of India.

**20 Million Trees planted and growing in the Araku region**

In the course of working with adivasi families from the Araku region, Naandi understood that they cherished nothing greater than regaining the forest that they had lost over the years. They seemed to be wired for the harmonious and mutually supportive relationship enjoyed with the forest. It was evident that the only way forward was to start a reforestation of the entire Araku valley with the adivasis at the centre of planning, planting and preservation. The end-game was to obtain two outcomes: an improvement of the landscape and the generation of additional income for the tribals. It was

clear their desire was that we should plant a mix of local trees consisting of timber, shade and fruit variants. We agreed.

Looking back, we feel we had helped them to recreate not just any forest, but a biodiverse, functional, wooded environment whose legacy has contributed to reversing climate change.

The revenue model for creating the forest in Araku is a classic case of innovation in impact investing. It may be mentioned that the success of our work in Araku over a decade and half has attracted global attention. The **Global Livelihoods Fund** (a Paris based Carbon Offset fund led by Danone and a group



of European companies such as Hermes, Firmenich, Schneider Electric, La Poste, etc), had decided to grant us funds for planting trees in exchange for Carbon Credits. They were looking for an Indian partner and our own Mahindra Group agreed to give grant support to the adivasi community in diversifying the crop portfolio from coffee, vegetables and black pepper by adding as many as 18 varieties of fruits per acre.

This resulted in designing a biodiverse timber, shade and fruit forest across 350 villages. Over 50,000 adivasis stand to benefit from this unique initiative. In record time, using biodynamic practices, we mobilised the communities to plant 5 million trees in under 1,000 days across 6,000 hectares. This activity qualified as a Carbon Sequestration project compliant with UNFCCC's Kyoto Protocol guidelines and is registered with the Government of India, Ministry of Environment.

Building on the success of these plantings, the Mahindra Group created a flagship CSR impact investing project called ***Hariyali*** and extended their support to planting a further 6 million trees. In the meantime, our work with the Government's Integrated Tribal Development Agency and Coffee Board, had resulted in our cumulative planting of an overall, additional 10 million coffee saplings that are adding to the adivasi agricultural heritage.

With these 20 million biodiversity rich, local varieties of trees, Araku is going to be a synonym not just for sustainable agriculture and world-class coffee, but also a template for the total transformation of a region and its communities – with ecological harmony at its leitmotif.



*This project qualified as a carbon sequestration project compliant with UNFCCC's Kyoto Protocol guidelines and is registered with the Government of India, Ministry of Environment.*

## SPOTLIGHT

**Naandi** has created an innovative safe drinking water programme by creating a separate social business called Naandi Community Water Services with Danone. Communities as its joint venture partner. Together they purify the untreated water in over 300 rural communities by setting up water centres called iPure. These centres provide the safe drinking water at an affordable rate of a mere 25 paise per litre to rural households in Andhra Pradesh, Telangana, Haryana and Rajasthan. So far, 2.2 million people have benefitted from this programme. Every day, nearly 700,000 people drink this water ■







## SPOTLIGHT







**We** operate the Bio Gas Plant in Mahindra World City, Chennai, whose framework is one of the first of its kind to create green energy from urban waste.

With a capacity for processing 10 tonnes of food waste per day, the unit produces gas to generate electricity and automobile quality BioCNG. Biodynamic microbial inoculants used in the Plant ensure that the waste is composted to organic bio-fertilisers for free distribution to small and marginal farmers.

The entire process is run by Naandi and has now become a model for any city that aims to reduce landfill, produce clean, green energy and redefine both urban transport and agriculture ■

## GLOSSARY

# What is Biodynamic Agriculture?



Photo: Claude Avezard



**R**udolf Steiner – a German educationalist and visionary – articulated this agricultural method almost 100 years ago: prompted by Polish and German farmers who were struggling with soil, crop, and animal health issues. These farmers asked about the use of mineral fertilisers (known as artificial NPK) and Steiner gave a stern warning that use of these “dead” fertilisers would result in a carbon starved soil leading to all sorts of worsening agricultural maladies. Steiner (echoing Indian agricultural lore) declared that the Earth – and by consequence, the soil – were living and that all amendments in agriculture should arise from organic processes. He



also added that these natural organic processes were not enough and that farmers would have to assist their actions through new catalytic methods. Natural farming methods, he insisted, would not be enough to restore soil and farm health. Humans needed to intervene in order to assist this restorative process. By drawing on his wide reading of Indian wisdom and his experiences with ancient European herbal knowledge, in 1924, Steiner gave a series of eight lectures in which he outlined indications on how to create a new approach in agriculture that would restore productivity and avoid the disorders that were plaguing the farmers. Over the years, these indications and advice were systematised and became known as **Biodynamic Agriculture**.

#### The Biodynamic Method

Eight preparations are used in Biodynamics to enliven the soil either directly or through composting.

The two foundational preparations in Biodynamics are BD 500 and 501, each addressing the two fundamental principles of physical existence: the earth and light energies. BD 500, made from fermented cow dung, promotes all the soil's biological processes – the calcium forces necessary for plant form. BD 501, made from quartz silica, is key to stimulating photosynthetic activity in plants and the development of both sugars and starches. These preparations are easily applied and are key to soil and plant health. They are further dynamised in water and applied annually to the farm on appropriately auspicious days of the month.

The other six – BD 502 to 507 – are applied to composts in order to ensure the development

of humus or stable carbon for the soil. The intrinsic value and bioavailability of compost's NPK, is determined due to certain beneficial bacterial and fungal actions and especially due to the quality of the humus created. The compost Preps provide these vital microbial forces. All the biological values of the Preps are the Biodynamic pathway to sustainable agriculture. Further, compost's stable carbon is vital not just to support vibrant microbial life, but is also the key to the soil's water retention – agriculture's greatest challenge today.

Biodynamics places great importance on auspicious positions of the moon, sun, and planets and this is an age-old Indian tradition acknowledged by Steiner in his writings. There is an annual planting calendar published as an easy reference for the application of Biodynamic preparations and all other farm activities. This is in consonance with the realisation that the Earth, the farm, and its soil are all linked to the rhythms of our cosmos: that everything is interconnected.

Additionally, all tried and tested biodiverse, organic practices are an important part of a sustainable Biodynamic agriculture: the practice of rotating crops from field to field and the maintenance of varied animal and plant species – along with cover crops and green manures – nurtures healthy, soil reducing parasites whilst controlling both weeds and pests.

Biodynamics is the agriculture of the future and can work in the most varied agri-climatic zones. It is the key to providing quality, nutritious food whilst rejuvenating the planet's soils with stable, humified carbon – all of which is crucial to mitigating climate change ■



# Financials

## FY14-15





# Deloitte Haskins & Sells LLP

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## INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS TO THE TRUSTEES OF NAANDI FOUNDATION

### Report on the Financial Statements

We have audited the accompanying financial statements of **Naandi Foundation** ("the Trust"), which comprise the Balance Sheet as at March 31, 2015 and the Income and Expenditure Account for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Trust's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Trust in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements. Whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Trust's preparation and fair presentation of the 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 Trust'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 Management, as well as evaluating the overall presentation of the financial statements.

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



**Deloitte  
Haskins & Sells LLP**

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Trust as at March 31, 2015 and its surplus for the year ended on that date.

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants  
(Firm Registration No. 117366W /W- 100018)

**M. Ramachandran**  
Partner  
Membership No. 16399

Kochi, September 30, 2015

**Naandi Foundation**

**Balance sheet as at 31 March, 2015**

(All amounts are in Indian Rupees unless otherwise stated)

	Note	As at 31 March, 2015	As at 31 March, 2014
<b>Funds employed</b>			
Corpus fund	2	7,20,10,000	7,20,10,000
Deficit		(2,99,69,089)	(7,07,89,872)
Restricted funds	3	33,74,26,325	15,68,75,865
Capital grants	4	5,46,402	9,07,670
Deferred income	5	3,01,47,254	5,30,79,005
Loan funds	6	14,94,37,400	17,23,18,208
<b>Total</b>		<b>55,95,98,292</b>	<b>38,44,00,876</b>
<b>Represented by</b>			
<b>Fixed assets</b>	7		
Gross block		31,29,86,272	38,00,79,168
Less : Depreciation		25,42,27,952	29,31,65,179
		5,87,58,320	8,69,13,989
<b>Current assets, loans and advances</b>			
Grants receivable	8	5,72,79,669	13,63,16,664
Cash and bank balances	9	39,14,96,551	18,90,02,522
Loans and advances	10	13,34,49,256	14,81,90,162
		58,22,25,476	47,35,09,348
<b>Less : Current liabilities and provisions</b>			
Current liabilities	11	7,84,80,394	17,27,61,919
Provisions	12	29,05,110	32,60,542
		8,13,85,504	17,60,22,461
<b>Net current assets</b>		50,08,39,972	29,74,86,887
<b>Total</b>		<b>55,95,98,292</b>	<b>38,44,00,876</b>

Organisation overview and Significant accounting policies 1  
See accompanying notes forming part of the financial statements

In terms of our report attached.

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

**For Naandi Foundation**

**M Ramachandran**  
Partner

**Anand Gopal Mahindra**  
Chairman and Trustee

**M. Rajendra Prasad**  
Trustee

Place: Kochi  
Date : September 30, 2015

Place: Mumbai  
Date : September 30, 2015

**Naandi Foundation**

**Income and expenditure account for the year ended 31 March, 2015**

(All amounts are in Indian Rupees unless otherwise stated)

	<b>Note</b>	<b>For the year ended 31 March, 2015</b>	<b>For the year ended 31 March, 2014</b>
<b>Income</b>			
Grants	13	71,60,12,277	90,91,08,018
Other income	14	75,11,135	29,80,895
		<b>72,35,23,412</b>	<b>91,20,88,913</b>
<b>Expenditure</b>			
Program expenses	15	62,60,18,210	83,07,47,898
Employee benefit expense	16	46,20,908	38,46,480
Finance cost	17	2,37,85,195	2,04,58,141
Other Expenses	18	1,38,17,388	1,65,32,439
Depreciation	7	1,44,60,928	2,75,87,389
		<b>68,27,02,629</b>	<b>89,91,72,347</b>
<b>Excess of income over expenditure for the year</b>		4,08,20,783	1,29,16,566
Excess of expenditure over income brought forward		(7,07,89,872)	(8,37,06,438)
<b>Excess of expenditure over income carried to the balance sheet</b>		<b>(2,99,69,089)</b>	<b>(7,07,89,872)</b>

Organisation overview and Significant accounting policies 1

See accompanying notes forming part of the financial statements

In terms of our report attached.

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

**For Naandi Foundation**

**M Ramachandran**  
Partner

**Anand Gopal Mahindra**  
Chairman and Trustee

**M. Rajendra Prasad**  
Trustee

Place: Kochi  
Date : September 30, 2015

Place: Mumbai  
Date : September 30, 2015



**Naandi Foundation**  
**Notes forming part of the financial statements**

**1. Organisation overview and Significant accounting policies**

**1.0 Organisation overview**

Naandi Foundation ("the Trust") is an autonomous public charitable trust registered under Indian Trusts Act, 1882. It was formed in the year 1998 to enable public private partnership in the economic development of marginalised and under privileged communities of the society. Trust is primarily engaged in providing charitable services in the areas of Livelihoods, Education, Healthcare and Safe Drinking Water. Presently, Trust is providing community development services in the states of Andhra Pradesh, Delhi, Gujarat, Haryana, Jammu & Kashmir, Karnataka, Maharashtra, Madhya Pradesh, Nagaland, Orissa, Punjab, Rajasthan, Tamilnadu, Telangana and West Bengal.

**1.1 Basis of preparation of financial statements**

The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting in accordance with the accounting principles generally accepted in India which includes Technical Guide on Accounting for Not-for-Profit Organisations issued by the Institute of Chartered Accountants of India (ICAI) to the extent applicable and other applicable financial reporting framework.

The Trust is a Level III entity in accordance with the applicability of accounting standard to non-corporate entities issued by the Institute of Chartered Accountants of India. Accordingly the Trust has complied with the Accounting Standards as applicable. The following Accounting Standards and disclosures are not applicable to the Trust:

- AS 3 : Cash Flow Statements;
- AS 15 : Employee Benefits;
- AS 17 : Segment Reporting;
- AS 18 : Related Party Disclosures;
- AS 19 : Leases;
- AS 20 : Earnings per share;
- AS 24 : Discontinuing Operations;
- AS 29 : Provisions, Contingent Liabilities and Contingent Assets.

**1.2 Use of estimates**

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

**1.3 Grant recognition**

Unrestricted grants are recognised as revenue when received. Revenue from restricted grants is recognised based on fulfillment of conditions as stipulated in the agreement with the donor.

Grants received in relation to fixed assets are treated as deferred income and recognised in income and expenditure account over the useful life of asset.

**Naandi Foundation**  
**Notes forming part of the financial statements**

**1.4 Fixed assets**

Fixed assets are carried at cost of acquisition or construction less accumulated depreciation. The cost of fixed assets comprises the purchase price, freight, taxes, duties and any other incidental expenses relating to the acquisition and construction of respective assets.

**1.5 Depreciation**

Depreciation on fixed assets is provided using the straight-line method ("SLM") based on the following rates as in the opinion of Management; these rates reflect the estimated useful life of the assets:

<b>Class of assets</b>	<b>Depreciation rates</b>
Buildings	1.63%
Plant and Machinery	4.75%
Furniture and fixture	6.33%
Office equipments	6.33%
(Including electrical installations)	
Leasehold improvements	6.33%
Medical equipments	7.07%
Computer equipment	16.21%
Vehicles	9.50%
Intangible assets	25.00%
Infrastructure facility for mid day meal programme	16.67%

**1.6 Foreign exchange transactions**

Foreign currency transactions are recorded in India Rupees using the exchange rates prevailing on the date of the respective transactions. Exchange differences arising on foreign currency transactions settled during the year are recognised in the Income and Expenditure account. Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date, not covered by forward exchange contracts, are translated into Indian Rupees at the closing exchange rates on that date. The resultant exchange differences are recognised in the Income and Expenditure account. Non-monetary assets are recorded at the rates prevailing on the date of the transaction.

**1.7 Provisions and contingent liabilities**

The Trust recognises a provision when there is a present obligation as a result of an obligating event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions for onerous contracts i.e. contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event, based on a reliable estimate of such obligation.

**Naandi Foundation**  
**Notes forming part of the financial statements**

**1.8 Corpus fund**

Corpus fund represents contributions made by the trustees of the Trust towards the corpus of the Trust.

**1.9 Retirement benefits**

*Defined contribution plan*

The Trust makes specified monthly contribution towards employee provident fund to Government administered provident fund scheme, which is a defined contribution plan. The Trust's contribution is recognised as an expense in the Income and Expenditure account during the period in which the employee renders the related service.

*Defined benefit plans*

Gratuity is a defined benefit scheme. The Trust's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service costs are deducted. The calculation of the Trust's obligation under the plan is performed annually by a qualified actuary using the projected unit credit method.

The Trust recognises all actuarial gains and losses arising from defined benefit plans immediately in the Income and Expenditure account. All expenses related to defined benefit plans are recognised in employee benefits expense in the Income and Expenditure account.

**1.10 Income tax**

The Trust is registered under Section 12A of the Income-tax Act, 1961 ('the Act'). Under the provisions of the Act, the income of the Trust is exempt from tax, subject to the Compliance of terms and conditions specified in the Act.

**1.11 Operating leases**

Assets acquired under leases other than finance leases are classified as operating leases. The total lease rentals (including scheduled rental increases) in respect of an asset taken on operating lease are charged to the Statement of Profit and Loss on a straight line basis over the lease term unless another systematic basis is more representative of the time pattern of the benefit. Initial direct costs incurred specifically for an operating lease are deferred and charged to the Income and expenditure account over the lease term.



**Naandi Foundation****Notes forming part of the financial statements**

(All amounts are in Indian Rupees unless otherwise stated)

	As at 31 March, 2015	As at 31 March, 2014
<b>2. Corpus fund</b>	7,20,10,000	7,20,10,000
	<u>7,20,10,000</u>	<u>7,20,10,000</u>
<b>3. Restricted funds</b>		
(Refer note 19 & 26)		
Advances towards		
- Education program	12,19,38,805	7,39,42,436
- Safe drinking water project	1,20,73,081	2,77,91,152
- Research program	4,89,86,959	3,06,77,760
- Livelihood program	15,39,28,336	2,18,43,328
- Mid-day meal program	4,99,144	26,21,189
	<u>33,74,26,325</u>	<u>15,68,75,865</u>
<b>4. Capital grants</b>		
(Refer note 20)		
Capital grants received towards		
- Education program	5,46,402	9,07,670
	<u>5,46,402</u>	<u>9,07,670</u>
<b>5. Deferred income</b>		
(Refer note 21)		
Grants related to specific depreciable assets		
- Education program	51,11,469	40,03,613
- Research program	41,83,955	31,76,113
- Livelihood program	1,69,83,671	1,77,10,242
- Mid-day meal program	38,68,159	2,81,89,037
	<u>3,01,47,254</u>	<u>5,30,79,005</u>
<b>6. Loan funds</b>		
Secured loans		
Cash Credit facility	-	15,18,47,166
Working Capital Term Loan	12,79,98,799	-
Vehicle loan	14,38,601	4,71,042
Unsecured loans		
From trustee	2,00,00,000	2,00,00,000
	<u>14,94,37,400</u>	<u>17,23,18,208</u>

**Notes:**

- Cash credit facility from Bank have been converted into Working capital term loan during the year.
- Working capital term loan is repayable in five equal annual installments starting from March 2015 to March 2019. The loan is secured by first charged on all current assets of the Trust, both present and future.
- Vehicle loans are secured by first charge on the respective vehicles repayable in 60 monthly instalments upto September 09, 2019.
- Unsecured loan from trustee is repayable on demand and carries an interest at the rate of 8% p.a.

Description	Gross block			Depreciation			Net block		
	As at 31 March, 2014	Additions	Deletions	As at 31 March, 2015	Exp to 31 March, 2014	On deletions for the year	Exp to 31 March, 2015	As at 31 March 2015	As at 31 March 2014
(i) Owned, tangible assets									
Buildings	11,84,27,039	-	1,75,27,852	10,08,94,187	9,59,95,711	15,21,627	8,17,09,888	1,91,84,299	2,25,26,328
Furniture and fixtures	1,01,88,813	10,35,054	11,47,983	1,00,75,884	55,48,116	12,23,263	59,29,436	41,46,448	46,40,697
Plant and machinery	11,55,17,063	-	1,87,79,767	9,67,37,296	9,66,39,154	33,34,964	8,91,17,237	76,09,559	1,80,77,909
Medical equipment	15,07,100	-	-	15,07,100	7,49,530	1,06,552	8,76,062	6,31,838	7,37,990
Office equipment	76,36,540	9,60,643	3,08,171	80,88,012	27,90,146	5,37,342	32,63,748	49,25,266	48,26,794
Electrical installations	29,00,072	-	-	29,00,072	7,15,438	1,57,491	8,72,929	20,27,093	21,84,584
Leasehold improvements	37,25,667	-	-	37,25,667	30,78,276	2,26,468	35,66,744	4,28,923	6,65,291
Computer equipment	2,33,84,252	40,90,687	15,29,539	2,49,45,400	1,34,61,660	27,86,908	1,45,89,613	1,03,55,797	99,32,992
Vehicles	1,43,70,656	26,56,026	26,85,749	1,45,52,933	68,27,495	13,68,971	64,52,753	80,60,200	75,45,041
Cooking & Distribution Vessels	8,21,57,897	-	3,29,17,412	4,92,40,485	8,72,79,932	31,60,807	2,35,19,137	13,35,893	1,48,77,965
Sub total (A)	37,98,08,049	89,42,418	7,49,94,473	35,17,57,986	29,29,97,438	1,44,03,573	25,40,40,498	5,87,17,496	8,68,02,611
Total year (A)	38,76,51,368	78,97,788	1,49,28,097	37,96,18,049	27,27,94,749	73,29,451	29,29,97,438	8,68,02,611	
(ii) Owned, intangible assets									
Intangible assets	2,49,0,119	-	40,833	2,28,286	1,67,741	47,265	1,87,462	40,834	1,81,378
Sub total (B)	2,49,0,119	-	40,833	2,28,286	1,67,741	47,265	1,87,462	40,834	1,81,378
Previous year (B)	2,49,0,119	-	-	2,48,119	1,12,492	55,249	1,67,741	1,81,378	
Total (A+B)	38,06,79,168	89,42,418	7,60,35,306	35,29,86,272	29,29,85,179	1,44,08,838	25,42,37,952	5,87,58,330	8,69,13,989
Total - Previous year (A+B)	38,76,20,487	78,97,788	1,49,38,097	38,06,79,168	27,29,97,241	73,29,451	29,31,45,179	8,69,13,989	

**Naandi Foundation****Notes forming part of the financial statements**

(All amounts are in Indian Rupees unless otherwise stated)

	As at 31 March, 2015	As at 31 March, 2014
<b>8. Grant Receivables</b>		
(Refer Note 27)		
(Unsecured)		
Grants receivable		
i) Outstanding for a period exceeding six months from the date they became due for payment		
- Considered good	4,62,02,103	3,36,90,737
- Considered doubtful	-	2,14,31,329
	<u>4,62,02,103</u>	<u>5,51,22,066</u>
ii) Others		
- Considered good	1,10,77,566	10,26,25,927
	<u>5,72,79,669</u>	<u>15,77,47,993</u>
Less: Provision for doubtful grants receivable	-	2,14,31,329
	<u>5,72,79,669</u>	<u>13,63,16,664</u>
<b>9. Cash and cash equivalents</b>		
Cash in hand	13,681	76,353
Cheques in hand	89,00,579	-
Balances with banks:		
- in current accounts	22,13,49,747	8,96,47,174
- in savings accounts	15,20,77,292	5,85,48,544
- in deposit accounts	31,17,480	3,30,21,749
- in earmarked deposit accounts		
balances held as margin money against bank guarantees	60,37,772	77,08,702
	<u>39,14,96,551</u>	<u>18,90,02,522</u>
<b>10. Loans and Advances</b>		
(Unsecured, considered good)		
Advances to staff	12,01,382	13,89,286
Advance to suppliers		
- Capital works	-	-
- Services and other supplies	9,43,89,723	10,97,41,769
Tax deducted at source receivable	2,78,91,201	2,68,94,302
Security deposits	94,65,857	93,67,237
Others	5,01,093	7,97,568
	<u>13,34,49,256</u>	<u>14,81,90,162</u>
<b>11. Current liabilities</b>		
Sundry creditors	6,39,70,786	16,02,87,957
Expenses payable	59,35,257	39,60,673
Statutory liabilities	14,77,816	6,46,218
Other current liabilities	70,96,535	78,67,071
	<u>7,84,80,394</u>	<u>17,27,61,919</u>
<b>12. Provisions</b>		
Provision for gratuity	29,05,110	20,47,025
Provision for compensated absences	-	12,13,517
	<u>29,05,110</u>	<u>32,60,542</u>



**Naandi Foundation**  
**Notes forming part of the financial statements**  
(All amounts are in Indian Rupees unless otherwise stated)

	For the year ended 31 March, 2015	For the year ended 31 March, 2014
<b>13. Grants</b> (Refer note 25)		
<b>Restricted</b>		
Domestic	55,20,20,168	76,16,51,373
Foreign	15,92,43,021	14,34,48,958
<b>Unrestricted</b>		
Domestic	47,49,088	40,07,687
Foreign	-	-
	<b>71,60,12,277</b>	<b>90,91,08,018</b>
<b>14. Other income</b>		
Interest income on:		
Fixed deposits	26,36,933	12,24,058
Savings bank accounts	22,66,826	9,37,811
Profit on Sale of Fixed Assets	42,073	-
Provision no longer required written back	12,13,517	-
Miscellaneous income	13,51,786	8,19,026
	<b>75,11,135</b>	<b>29,80,895</b>
<b>15. Program expenses</b>		
<b>Grants given to Project Aided</b>		
Safe Drinking Water	2,76,76,111	49,69,467
<b>Education and training</b>		
Honorarium to Community Activists	4,94,80,461	4,23,96,415
Personnel Expenses	7,82,99,674	6,85,39,783
Rent	55,35,393	76,86,249
Other Program expenses	19,09,85,153	21,43,10,465
<b>Livelihood</b>		
Honorarium to Community Activists	21,38,711	13,32,082
Personnel Expenses	3,26,74,117	2,90,09,411
Rent	1,21,24,220	1,09,33,794
Other Program expenses	5,71,16,949	5,01,34,134
<b>Research and nutrition</b>		
Honorarium to Community Activists	92,99,617	-
Personnel Expenses	1,23,13,666	93,39,640
Rent	13,30,459	3,68,242
Other Program expenses	4,49,91,028	1,26,03,636
<b>Mid-day meal program</b>		
Personnel Expenses	31,06,948	34,23,518
Other Program expenses	9,89,45,703	37,57,01,062
	<b>62,60,18,210</b>	<b>83,07,47,898</b>

**Naandi Foundation****Notes forming part of the financial statements**

(All amounts are in Indian Rupees unless otherwise stated)

	<b>For the year ended 31 March, 2015</b>	<b>For the year ended 31 March, 2014</b>
<b>16. Employee benefit expense</b>		
Salaries and benefits	46,20,908	38,46,480
	<b>46,20,908</b>	<b>38,46,480</b>
<b>17. Finance cost</b>		
Interest expense on borrowings	2,30,95,398	1,99,92,411
Bank and other finance charges	6,89,797	4,65,730
	<b>2,37,85,195</b>	<b>2,04,58,141</b>
<b>18. Other expenses</b>		
Advances written off	-	4,79,689
Grant Receivables written off	3,32,68,510	1,44,31,329
Less: Provision released for grant receivables written back	(2,14,31,329)	-
	1,18,37,181	1,44,31,329
Rent	12,00,000	12,00,000
Audit fee	4,49,440	4,05,783
Loss on sale of fixed assets, net	-	15,638
Loss on Transfer/damage of Fixed Assets, Net	3,30,767	-
	<b>1,38,17,388</b>	<b>1,65,32,439</b>

**Naandi Foundation****Notes to financial statements (continued)**

(All amounts are in Indian Rupees unless otherwise stated)

**19. Restricted funds**

Restricted funds represent grants received in advance from donors. These funds would be released to income and expenditure account or the deferred income upon fulfillment of conditions stipulated in the agreements with the donors or would be refunded, if unutilised.

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
Opening balance	156,875,865	102,523,744
Add: Receipts	781,166,740	499,707,541
Less: Transfers made	600,616,280	445,355,420
Closing balance	337,426,325	156,875,865

**20. Capital grant**

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
Opening balance	907,670	16,209,829
Add: Receipts	-	490,000
Less: Transfers made	3,61,268	15,792,159
Closing balance	546,402	907,670

**21. Deferred income**

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
Opening balance	53,079,005	75,268,805
Add: Transfer from restricted fund	7,116,349	7,069,105
Less: Income recognized	8,707,172	22,108,932
Less: Other adjustments	21,340,928	7,149,973
Closing balance	30,147,254	53,079,005



**Naandi Foundation****Notes to financial statements (continued)**

(All amounts are in Indian Rupees unless otherwise stated)

**22. Fair value of non-monetary grants**

<b>Particulars</b>	<b>For the year ended 31 March, 2015</b>	<b>For the year ended 31 March, 2014</b>
Rice and wheat received free of cost from Government of Andhra Pradesh, Rajasthan, Madhya Pradesh, Chhattisgarh and Orissa for mid-day meal program	15,227,912	86,945,351
<b>Total</b>	<b>15,227,912</b>	<b>86,945,351</b>

Rice received free of cost from Government of Andhra Pradesh, Rajasthan, Madhya Pradesh, Chhattisgarh and Orissa for midday meal program:

<b>Particulars</b>	<b>For the year ended 31 March, 2015</b>		<b>For the year ended 31 March, 2014</b>	
	<b>Quantity (in kgs)</b>	<b>Value</b>	<b>Quantity (in kgs)</b>	<b>Value</b>
Opening balance	462,993	4,639,277	677,549	9,090,695
Add: Receipts	1,739,833	11,308,917	6,320,125	61,027,262
Less: Utilisations/Refunded	2,202,827	15,948,194	6,534,681	65,478,680
Closing balance	-	-	462,993	4,639,277

Wheat received free of cost from Government of Andhra Pradesh, Rajasthan, Madhya Pradesh, Chhattisgarh and Orissa for midday meal program:

<b>Particulars</b>	<b>For the year ended 31 March, 2015</b>		<b>For the year ended 31 March, 2014</b>	
	<b>Quantity (in kgs)</b>	<b>Value</b>	<b>Quantity (in kgs)</b>	<b>Value</b>
Opening balance	732,299	5,774,975	1,202,622	9,477,335
Add: Receipts	783,799	3,918,995	3,285,712	25,918,089
Less: Utilisations/Refunded	1,516,098	9,693,970	3,756,035	29,620,449
Closing balance	-	-	732,299	5,774,975

**Naandi Foundation****Notes to financial statements (continued)**

(All amounts are in Indian Rupees unless otherwise stated)

**23. Employee benefits****Defined benefit plans**

**Gratuity:** Every employee who has rendered at least five years of continuous service is entitled to a benefit equivalent to one-half month's salary drawn for each year of completed service at the time of retirement/exit in line with the payment of Gratuity Act, 1972. The same is payable at the time of separation from the Company or retirement, whichever is earlier.

**Reconciliation of present value of the obligation and the fair value of the plan assets:**

Particulars	As at 31 March 2015	As at 31 March 2014
Fair value of plan assets at the end of the year	-	-
Present value of the defined benefit obligations at the end of the year	2,905,110	2,047,025
Liability recognised in the balance sheet	2,905,110	2,047,025

**Assumptions at the valuation date:**

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014
Discount rate	8%	8%
Salary escalation rate	10%	10%

**Discount rate:** The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

**Salary escalation rate:** The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

- 24.** The Trust is registered under Section 12A of the Income-tax Act, 1961 ('the Act'). Under the provisions of the Act, the income of the Trust is exempt from tax, subject to the Compliance of terms and conditions specified in the Act.

**Naandi Foundation**

**Notes to financial statements (continued)**

(All amounts are in Indian Rupees unless otherwise stated)

**25. Restricted Grant income:**

S.No.	Program / Donor	For the year ended 31 March, 2015	For the year ended 31 March, 2014
<b>A</b>	<b>Education</b>		
1	Mahindra & Mahindra Group entities	15,651,670	14,121,189
2	KC Mahindra Education Trust	246,701,455	235,505,852
3	Michael & Susan Dell Foundation	31,197,552	39,129,891
4	TOMS	22,679,553	19,556,822
5	Dr Reddy's Laboratories Limited	11,622,394	6,732,525
6	The Municipal Corporation of Greater Mumbai	10,445,237	10,966,338
7	Others	9,879,887	30,187,980
<b>B</b>	<b>Safe Drinking Water Program</b>		
1	Rural Electrification Corporation Limited	13,566,370	-
2	Navabharat Ventures Limited	1,624,881	-
3	Bharat Dynamics Limited	202,675	2,492,474
4	Hygro Chemicals Pharmatek Pvt Limited	647,766	-
5	The Firmenich charitable Foundation	568,047	835,996
6	Security Printing & Minting Corporation of India Limited	1,990,315	-
7	Others	19,373,274	5,022,663
<b>C</b>	<b>Research</b>		
1	Mahindra & Mahindra Limited	5,099,513	4,900,487
2	KC Mahindra Education Trust	4,337,731	963,816
3	Global Alliance for Improved Nutrition	6,969,758	-
4	Effective Intervention	36,385,647	3,421,085
5	Avantha Foundation	16,382,272	17,492,768
6	Others	1,021,847	2,368,739
<b>D</b>	<b>Livelihood</b>		
1	Mahindra & Mahindra Group entities	48,614,978	14,616,989
2	KC Mahindra Education Trust	83,526,316	62,304,540
3	Livelihoods Fund SICAV SIF Group entities	9,133,678	17,428,553
4	Others	4,330,530	3,032,768
<b>E</b>	<b>Midday Meal</b>	107,884,099	412,105,834
<b>F</b>	<b>Others</b>	1,425,744	1,913,022
<b>G</b>	<b>Unrestricted Grant income</b>		
	Dr Reddy's Laboratories Limited	3,600,000	3,600,000
	Others	1,149,088	407,687
	<b>Total</b>	<b>716,012,277</b>	<b>909,108,018</b>



**Naandi Foundation**

**Notes to financial statements (continued)**

(All amounts are in Indian Rupees unless otherwise stated)

**26. Details of Restricted Fund:**

S.No.	Program/Donor	As at 31 March, 2015	As at 31 March, 2014
<b>A</b>	<b>Education</b>		
1	Mahindra & Mahindra Group entities	13,122,745	14,415,889
2	KC Mahindra Education Trust	73,385,434	27,981,446
3	Michael & Susan Dell Foundation	30,372,339	11,837,735
4	TOMS	103,456	11,125,552
5	Dr Reddy's Laboratories Limited	526,468	2,115,141
6	Others	4,428,363	6,466,673
<b>B</b>	<b>Safe Drinking Water Program</b>		
7	Delhi Land and Finance Limited	2,880,000	-
8	Rural Electrification Corporation Ltd	1,431,757	7,596,839
9	Navabharath Ventures Ltd	850,119	-
10	Bharat Dynamics Limited	558,047	298,792
11	HYGRO Chemicals Pharmtek Private Limited	556,234	-
12	The Firmenich charitable Foundation	406,908	974,955
13	Others	5,390,016	18,920,566
<b>C</b>	<b>Research</b>		
14	Mahindra & Mahindra Limited	-	5,099,513
15	KC Mahindra Education Trust	44,667,432	20,036,185
16	Global Alliance for Improved Nutrition	2,078,242	-
17	Effective Intervention	1,383,179	2,630,736
18	Avantha Foundation	-	2,002,414
19	Others	858,106	908,912
<b>D</b>	<b>Livelihood</b>		
20	Mahindra & Mahindra Group entities	122,751,883	4,004,131
21	KC Mahindra Education Trust	27,569,777	11,524,847
22	Others	3,606,676	6,314,350
<b>E</b>	<b>Midday Meal</b>	499,144	2,621,189
	<b>Total</b>	<b>337,426,325</b>	<b>156,875,865</b>

**Naandi Foundation****Notes to financial statements (continued)**

(All amounts are in Indian Rupees unless otherwise stated)

**27. Details of Grant Receivables:**

S.No.	Program/Donor	As at 31 March, 2015	As at 31 March, 2014
<b>A</b>	<b>Education</b>		
1	The Municipal Corporation of Greater Mumbai	8,044,844	5,528,613
2	Others	185,682	1,036,807
<b>B</b>	<b>Safe Drinking Water Program</b>		
3	Government of Punjab	-	11,551,647
4	Others	4,226,315	-
<b>C</b>	<b>Research</b>		
5	Avantha Foundation	369,455	-
<b>D</b>	<b>Livelihood</b>		
6	Livelihoods Fund SICAV SIF	978,705	4,362,383
7	Others	191,361	476,503
E	Midday Meal	43,283,307	112,989,590
F	Others	-	371,121
	<b>Total</b>	<b>57,279,669</b>	<b>136,316,664</b>

28. Previous year's figures have been re-grouped and reclassified wherever necessary, to conform to current year's classification.

For Naandi Foundation

Anand Mahindra  
Chairman and Trustee

M. Rajendra Prasad  
Trustee

Place: Mumbai  
Date : September 30, 2015

# Financials

## FY15-16







Photo: Claude Avezard

# Deloitte Haskins & Sells LLP

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## INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF NAANDI FOUNDATION

### Report on the Financial Statements

We have audited the accompanying financial statements of **Naandi Foundation** ("the Trust"), which comprise the Balance Sheet as at March 31, 2016 and the Income and Expenditure Account for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Trust's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Trust in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Trust's preparation and fair presentation of the 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 Trust'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 Management, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Trust as at March 31, 2016, and its deficit for the year ended on that date.

For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
(Firm Registration No. 117366W/W-100018)

(Sumit Trivedi)  
(Partner)  
(Membership No. 209354)

Secunderabad, September 29, 2016



**Naandi Foundation**

**Balance sheet as at 31 March, 2016**

(All amounts are in Indian Rupees unless otherwise stated)

	Note	As at 31 March, 2016	As at 31 March, 2015
<b>FUNDS EMPLOYED</b>			
Corpus fund	2	7,20,10,000	7,20,10,000
Deficit in Income and Expenditure Account		(3,45,23,219)	(2,99,69,089)
Restricted funds	3	34,62,76,989	33,74,26,325
Capital grants	4	-	5,46,402
Deferred income	5	3,18,40,784	3,01,47,254
Loan funds	6	11,10,67,850	14,94,37,400
<b>Total</b>		<b>52,66,72,404</b>	<b>55,95,98,292</b>
<b>REPRESENTED BY</b>			
<b>Fixed assets</b>	7		
Gross block		14,43,24,778	31,29,86,272
Less : Depreciation		8,47,32,229	25,42,27,952
		5,95,92,549	5,87,58,320
<b>Current assets, loans and advances</b>			
Grants receivable	8	1,23,08,219	5,72,79,669
Cash and bank balances	9	37,76,54,913	39,14,96,551
Loans and advances	10	9,96,78,750	13,34,49,256
		48,96,41,882	58,22,25,476
<b>Less : Current liabilities and provisions</b>			
Current liabilities	11	1,88,07,171	7,84,80,394
Provisions	12	37,54,856	29,05,110
		2,25,62,027	8,13,85,504
<b>Net current assets</b>		46,70,79,855	50,08,39,972
<b>Total</b>		<b>52,66,72,404</b>	<b>55,95,98,292</b>

Organisation Information and Significant accounting policies 1

See accompanying notes forming part of the financial statements

In terms of our report attached.

**For Deloitte Haskins & Sells LLP**

Chartered Accountants

**For Naandi Foundation**

**Sumit Trivedi**

Partner

**S. Gopalakrishnan**

Trustee

**M. Rajendra Prasad**

Trustee

Place: Secunderabad

Date : 29 September, 2016

Place: Bengaluru

Date : 29 September, 2016



**Naandi Foundation**

**Income and expenditure account for the year ended 31 March, 2016**

(All amounts are in Indian Rupees unless otherwise stated)

	Note	For the year ended 31 March, 2016	For the year ended 31 March, 2015
<b>INCOME</b>			
Grants	13	73,82,61,484	71,60,12,277
Other income	14	6,74,98,304	75,11,135
		<b>80,57,59,788</b>	<b>72,35,23,412</b>
<b>EXPENDITURE</b>			
Program expenses	15	68,39,80,637	62,60,18,210
Employee benefits expense	16	56,60,669	46,20,908
Finance cost	17	1,90,53,982	2,37,85,195
Other Expenses	18	9,44,12,063	1,38,17,388
Depreciation	7	72,06,567	1,44,60,928
		<b>81,03,13,918</b>	<b>68,27,02,629</b>
<b>(Deficit)/ Surplus for the year</b>		<b>(45,54,130)</b>	<b>4,08,20,783</b>
Deficit brought forward		<b>(2,99,69,089)</b>	<b>(7,07,89,872)</b>
<b>Deficit carried to Balance Sheet</b>		<b>(3,45,23,219)</b>	<b>(2,99,69,089)</b>

Organisation Information and Significant accounting policies 1

See accompanying notes forming part of the financial statements

In terms of our report attached.

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

**For Naandi Foundation**

**Sumit Trivedi**  
Partner

**S. Gopalakrishnan**  
Trustee

**M. Rajendra Prasad**  
Trustee

Place: Secunderabad  
Date : 29 September, 2016

Place: Bengaluru  
Date : 29 September, 2016

## **Naandi Foundation**

### **Notes forming part of the financial statements**

#### **1. Organisation information and Significant accounting policies**

##### **1.0 Organisation information**

Naandi Foundation ("the Trust") is an autonomous public charitable trust registered under Indian Trusts Act, 1882. It was formed in the year 1998 to enable public private partnership in the economic development of marginalised and under privileged communities of the society. The Trust is primarily engaged in providing charitable services in the areas of Livelihoods, Education, Healthcare and Safe Drinking Water. Presently, the Trust is providing community development services pan-India including the states of Andhra Pradesh, Delhi, Gujarat, Haryana, Jammu & Kashmir, Karnataka, Maharashtra, Madhya Pradesh, Nagaland, Orissa, Punjab, Rajasthan, Tamilnadu, Telangana and West Bengal.

##### **1.1 Basis of accounting and preparation of financial statements**

The financial statements have been prepared on the accrual basis of accounting under the historical cost convention in accordance with the accounting principles generally accepted in India ("the Indian GAAP") which includes Technical Guide on Accounting for Not-for-Profit Organisations issued by the Institute of Chartered Accountants of India (ICAI), to the extent applicable and, other applicable financial reporting framework.

The Trust is categorized as a Level III entity in accordance with the applicability of accounting standards to non-corporate entities issued by the Institute of Chartered Accountants of India. Accordingly, the Trust has complied with the applicable Accounting Standards and the following Accounting Standards and disclosures are not applicable to the Trust:

- AS 3 : Cash Flow Statements;
- AS 15 : Employee Benefits;
- AS 17 : Segment Reporting;
- AS 18 : Related Party Disclosures;
- AS 19 : Leases;
- AS 20 : Earnings per share;
- AS 24 : Discontinuing Operations;
- AS 29 : Provisions, Contingent Liabilities and Contingent Assets.

##### **1.2 Use of estimates**

The preparation of financial statements in conformity with the Indian GAAP requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

##### **1.3 Grant recognition**

Unrestricted grants are recognised as revenue when received. Revenue from restricted grants is recognised based on fulfillment of conditions as stipulated in the agreement with the donor.

Grants received in relation to fixed assets are treated as deferred income and recognised in income and expenditure account over the useful life of asset.

**Naandi Foundation**  
**Notes forming part of the financial statements**

**1.4 Fixed assets**

Fixed assets are carried at cost of acquisition or construction less accumulated depreciation. The cost of fixed assets comprises the purchase price, freight, taxes, duties and any other incidental expenses relating to the acquisition and construction of respective assets.

**1.5 Depreciation**

Depreciation on fixed assets is provided using the straight-line method ("SLM") based on the following rates, as in the opinion of Management these rates reflect the estimated useful life of the assets:

<b>Class of assets</b>	<b>Depreciation rates</b>
Buildings	1.63%
Plant and Machinery	4.75%
Furniture and fixtures	6.33%
Office equipment	6.33%
(Including electrical installations)	
Leasehold improvements	6.33%
Medical equipment	7.07%
Computer equipment	16.21%
Vehicles	9.50%
Intangible assets	25.00%
Infrastructure facilities for mid-day meal program	16.67%

**1.6 Foreign exchange transactions**

Foreign currency transactions are recorded in Indian Rupees using the exchange rates prevailing on the date of the respective transactions. Exchange differences arising on foreign currency transactions settled during the year are recognised in the Income and Expenditure account. Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date, not covered by forward exchange contracts, are translated into Indian Rupees at the closing exchange rates on that date. The resultant exchange differences are recognised in the Income and Expenditure account. Non-monetary assets are recorded at the rates prevailing on the date of the transaction.

**1.7 Provisions and contingent liabilities**

The Trust recognises a provision when there is a present obligation as a result of an obligating event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions for onerous contracts i.e. contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event, based on a reliable estimate of such obligation.

**1.8 Corpus fund**

Corpus fund represents contributions made by the trustees of the Trust towards the corpus of the Trust.



**Naandi Foundation**  
**Notes forming part of the financial statements**

**1.9 Employee benefits**

*Defined contribution plan*

The Trust makes specified monthly contribution towards employee provident fund to Government administered provident fund scheme, which is a defined contribution plan. The Trust's contribution is recognised as an expense in the Income and Expenditure account during the period in which the employee renders the related service.

*Defined benefit plans*

Gratuity is a defined benefit scheme. The Trust's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service costs are deducted. The calculation of the Trust's obligation under the plan is performed annually by a qualified actuary using the projected unit credit method.

The Trust recognises all actuarial gains and losses arising from defined benefit plans immediately in the Income and Expenditure account. All expenses related to defined benefit plans are recognised in employee benefits expense in the Income and Expenditure account.

**1.10 Income tax**

The Trust is registered under Section 12A of the Income-tax Act, 1961 ('the Act'). Under the provisions of the Act, the income of the Trust is exempt from tax, subject to the compliance of terms and conditions specified in the Act.

**1.11 Operating leases**

Assets acquired under leases other than finance leases are classified as operating leases. The total lease rentals (including scheduled rental increases) in respect of an asset taken on operating lease are charged to the Statement of Profit and Loss on a straight line basis over the lease term unless another systematic basis is more representative of the time pattern of the benefit. Initial direct costs incurred specifically for an operating lease are deferred and charged to the Income and expenditure account over the lease term.

**Naandi Foundation****Notes forming part of the financial statements**

(All amounts are in Indian Rupees unless otherwise stated)

	As at 31 March, 2016	As at 31 March, 2015
<b>2. Corpus fund</b>	7,20,10,000	7,20,10,000
	<b>7,20,10,000</b>	<b>7,20,10,000</b>
<b>3. Restricted funds</b>		
(Refer note 19 & 26)		
Advances towards		
- Education program	18,16,58,747	11,97,16,113
- Safe drinking water project	1,31,39,070	1,20,73,080
- Research program	3,57,15,183	4,83,36,803
- Livelihood program	11,23,23,035	15,22,66,552
- Mid-day meal program	-	4,99,144
- Others	34,40,954	45,34,633
	<b>34,62,76,989</b>	<b>33,74,26,325</b>
<b>4. Capital grants</b>		
(Refer note 20)		
Capital grants received towards		
- Education program	-	5,46,402
	<b>-</b>	<b>5,46,402</b>
<b>5. Deferred income</b>		
(Refer note 21)		
Grants related to specific depreciable assets		
- Education program	85,87,729	51,11,469
- Research program	43,39,169	41,83,955
- Livelihood program	1,89,13,886	1,69,83,671
- Mid-day meal program	-	38,68,159
	<b>3,18,40,784</b>	<b>3,01,47,254</b>
<b>6. Loan funds</b>		
Secured loans		
Working Capital Term Loan	8,99,97,184	12,79,98,799
Vehicle loan	10,70,666	14,38,601
Unsecured loans		
From trustee	2,00,00,000	2,00,00,000
	<b>11,10,67,850</b>	<b>14,94,37,400</b>

**Notes:**

- Cash credit facility from Bank have been converted into Working capital term loan during the previous year.
- Working capital term loan is repayable in five equal annual installments starting from March 2015 to March 2019. The loan is secured by first charged on all current assets of the Trust, both present and future.
- Vehicle loans are secured by first charge on the respective vehicles repayable in 60 monthly instalments upto September 09, 2019.
- Unsecured loan from trustee is repayable on demand and carries an interest at the rate of 8% p.a.

7. Fixed assets

Description	Gross block (At Cost)			Depreciation / Amortisation			Net block	
	As at 31 March, 2015	Additions	Deductions	As at 31 March, 2016	Exp in 31 March, 2015	On for the year for the year 31 March, 2016	As at 31 March 2016	As at 31 March 2015
<b>(i) Owned, tangible assets</b>								
Buildings	10,08,94,187	-	6,94,43,995	3,14,50,192	8,17,09,803	3,68,914	1,26,34,807	1,91,84,299
Furniture and fixtures	1,00,75,884	4,44,270	3,88,326	1,01,31,828	59,29,436	8,33,526	85,96,244	41,46,448
Plant and machinery	9,63,37,296	-	5,99,26,186	3,64,11,110	8,93,17,737	4,08,267	3,67,02,297	76,19,599
Medical equipment	15,07,198	-	-	15,07,198	8,76,062	1,06,532	9,82,614	6,31,038
Office equipment	81,89,612	4,12,878	62,957	85,38,533	32,63,746	5,17,654	37,37,992	49,25,266
Electrical installations	29,00,022	17,166	-	29,17,188	8,72,929	1,82,437	10,55,366	18,61,822
Leasehold improvements	37,35,667	-	-	37,35,667	33,06,744	2,36,908	35,43,212	4,28,923
Computers	2,59,45,408	69,20,085	8,46,388	3,20,29,087	1,55,89,613	31,97,215	1,79,77,366	1,83,55,787
Vehicles	1,45,32,933	30,05,301	5,95,107	1,69,43,127	64,52,733	13,31,654	73,22,929	86,80,200
Cooking & Distribution Vessels	4,37,40,483	-	4,37,40,483	-	4,69,21,602	-	-	13,18,013
<b>Sub total (A)</b>	<b>31,27,57,986</b>	<b>1,08,09,780</b>	<b>17,95,05,444</b>	<b>14,40,64,242</b>	<b>25,40,40,699</b>	<b>71,84,627</b>	<b>8,45,32,827</b>	<b>5,65,61,405</b>
Previous year (A)	37,98,19,649	89,42,410	7,59,94,473	31,27,57,986	29,29,97,438	1,44,13,573	25,40,40,699	5,87,17,496
<b>(ii) Owned, intangible assets</b>								
Intangible assets	2,28,286	32,250	-	2,60,536	1,87,462	21,940	2,09,462	40,824
<b>Sub total (B)</b>	<b>2,28,286</b>	<b>32,250</b>	<b>-</b>	<b>2,60,536</b>	<b>1,87,462</b>	<b>21,940</b>	<b>2,09,462</b>	<b>40,824</b>
Previous year (B)	2,69,119	-	40,833	2,28,286	1,67,341	47,333	1,87,462	40,824
<b>Total (A+B)</b>	<b>31,29,86,272</b>	<b>1,40,41,930</b>	<b>17,95,05,444</b>	<b>14,43,24,778</b>	<b>25,42,27,952</b>	<b>71,86,567</b>	<b>8,47,32,289</b>	<b>5,66,02,549</b>
<b>Total - Previous year (A+B)</b>	<b>38,66,79,168</b>	<b>89,42,410</b>	<b>7,60,35,306</b>	<b>31,29,86,272</b>	<b>29,31,65,179</b>	<b>1,44,60,828</b>	<b>25,42,27,952</b>	<b>5,87,59,529</b>



**Naandi Foundation****Notes forming part of the financial statements**

(All amounts are in Indian Rupees unless otherwise stated)

	<u>As at 31 March, 2016</u>	<u>As at 31 March, 2015</u>
<b>8. Grant Receivables</b>		
(Refer Note 27)		
(Unsecured, considered good)		
Grants receivable		
i) Outstanding for a period exceeding six months from the date they became due for payment	24,40,133	4,62,02,103
ii) Others	98,68,086	1,10,77,566
	<u>1,23,08,219</u>	<u>5,72,79,669</u>
<b>9. Cash and bank balances</b>		
Cash in hand	3,132	13,681
Cheques in hand	18,08,000	89,00,579
Balances with banks:		
- in current accounts	11,73,99,774	22,13,49,747
- in savings accounts	24,85,62,456	15,20,77,292
- in deposit accounts	33,62,284	31,17,480
- in earmarked deposit accounts		
balances held as margin money against bank guarantees	65,19,267	60,37,772
	<u>37,76,54,913</u>	<u>39,14,96,551</u>
<b>10. Loans and Advances</b>		
(Unsecured, considered good)		
Advances to staff	10,03,413	12,01,382
Advance to suppliers		
-Capital works	25,35,610	-
-Services and other supplies	5,70,57,213	9,43,89,723
Tax deducted at source receivable	2,83,37,756	2,78,91,201
Security deposits	98,64,532	94,65,857
Others	8,80,226	5,01,093
	<u>9,96,78,750</u>	<u>13,34,49,256</u>
<b>11. Current liabilities</b>		
Sundry creditors	62,84,248	6,39,70,786
Expenses payable	30,94,918	59,35,257
Statutory liabilities	16,38,819	14,77,816
Other current liabilities	77,89,186	70,96,535
	<u>1,88,07,171</u>	<u>7,84,80,394</u>
<b>12. Provisions</b>		
Provision for gratuity	37,54,856	29,05,110
	<u>37,54,856</u>	<u>29,05,110</u>

**Naandi Foundation**
**Notes forming part of the financial statements**

(All amounts are in Indian Rupees unless otherwise stated)

	For the year ended 31 March, 2016	For the year ended 31 March, 2015
<b>13. Grants</b>		
(Refer note 25)		
<b>Restricted</b>		
Domestic	52,82,02,695	55,20,20,168
Foreign	19,79,37,844	15,92,43,021
	<u>72,61,40,539</u>	<u>71,12,63,189</u>
<b>Unrestricted</b>		
Domestic	1,21,20,945	47,49,088
Foreign	-	-
	<u>1,21,20,945</u>	<u>47,49,088</u>
	<u><b>73,82,61,484</b></u>	<u><b>71,60,12,277</b></u>
<b>14. Other income</b>		
Interest income on:		
Fixed deposits	10,32,544	26,36,933
Savings bank accounts	67,08,209	22,66,826
Profit on Sale/transfer of Fixed Assets	12,84,267	42,073
Provision no longer required written back (Refer note 29)	5,79,84,890	12,13,517
Miscellaneous income	4,88,394	13,51,786
	<u><b>6,74,98,304</b></u>	<u><b>75,11,135</b></u>
<b>15. Program expenses</b>		
<b>Grants given to Project Aided</b>		
Safe Drinking Water	1,84,58,893	2,76,76,111
<b>Education and training</b>		
Educational kits, learning and training material	13,00,19,664	10,57,27,314
Honorarium to community activists	6,26,46,637	4,94,80,461
Personnel expenses	7,79,07,994	7,82,99,674
Rent	55,06,319	55,35,393
Other Program expenses	6,11,59,304	8,52,57,839
<b>Livelihood</b>		
Saplings and Farm related inputs and tools	8,28,74,246	1,67,70,154
Honorarium to community activists	48,45,828	21,38,711
Personnel expenses	4,55,28,459	3,26,74,117
Rent	1,42,67,592	1,21,24,220
Other Program expenses	9,96,10,642	4,03,46,795
<b>Research and nutrition</b>		
Honorarium to community activists	1,54,28,902	92,99,617
Personnel expenses	2,05,61,531	1,23,13,666
Rent	16,32,358	13,30,459
Learning and training material	68,92,741	65,46,456
Other Program expenses	3,66,39,527	3,84,44,572
<b>Mid-day meal program</b>		
Personnel expenses	-	31,06,948
Other Program expenses	-	9,89,45,703
	<u><b>68,39,80,637</b></u>	<u><b>62,60,18,210</b></u>

**Naandi Foundation****Notes forming part of the financial statements**

(All amounts are in Indian Rupees unless otherwise stated)

	For the year ended 31 March, 2016	For the year ended 31 March, 2015
<b>16. Employee benefits expense</b>		
Salaries and benefits	56,60,669	46,20,908
	<u>56,60,669</u>	<u>46,20,908</u>
<b>17. Finance cost</b>		
Interest Expense on Term Loans		
- Banks	1,74,04,114	2,14,95,398
-Others	16,00,000	16,00,000
Bank and other finance charges	49,868	6,89,797
	<u>1,90,53,982</u>	<u>2,37,85,195</u>
<b>18. Other expenses</b>		
Advances/ deposits written off (Refer note 29)	4,97,25,526	-
Grant Receivables written off (Refer note 29)	4,29,93,357	3,32,68,510
Less: Provision released for grant receivables written back	-	(2,14,31,329)
	4,29,93,357	1,18,37,181
Rent	12,00,000	12,00,000
Audit fee	4,60,000	4,49,440
Loss on Transfer/damage of Fixed Assets, Net	33,180	3,30,767
	<u>9,44,12,063</u>	<u>1,38,17,388</u>



**Naandi Foundation****Notes to financial statements**

(All amounts are in Indian Rupees unless otherwise stated)

**19. Restricted funds**

Restricted funds represent grants received in advance from donors. These funds would be released to income and expenditure account or the deferred income upon fulfillment of conditions stipulated in the agreements with the donors or would be refunded, if unutilised.

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
Opening balance	337,426,325	156,875,865
Add: Receipts* (Including interest credited where applicable)	745,510,082	781,166,740
Less: Transfers made	736,659,418	600,616,280
<b>Closing balance</b>	<b>346,276,989</b>	<b>337,426,325</b>

\* including transfers inter-se

**20. Capital grant**

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
Opening balance	546,402	907,670
Add: Receipts	-	-
Less: Transfers made	546,402	3,61,268
<b>Closing balance</b>	<b>-</b>	<b>546,402</b>

**21. Deferred income**

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
Opening balance	30,147,254	53,079,005
Add: Transfer from restricted fund and Capital grants	10,708,451	7,116,349
Less: Income recognised	5,146,762	8,707,172
Less: Other adjustments	3,868,159	21,340,928
<b>Closing balance</b>	<b>31,840,784</b>	<b>30,147,254</b>

**22. Fair value of non-monetary grants**

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
Rice and wheat received free of cost from Government of Andhra Pradesh, Rajasthan, Madhya Pradesh, Chhattisgarh and Orissa for mid-day meal program	-	15,227,912
<b>Total</b>	<b>-</b>	<b>15,227,912</b>

Rice received free of cost from Government of Andhra Pradesh, Rajasthan, Madhya Pradesh, Chhattisgarh and Orissa for midday meal program:

Particulars	For the year ended 31 March, 2016		For the year ended 31 March, 2015	
	Quantity (in kgs)	Value	Quantity (in kgs)	Value
Opening balance	-	-	462,993	4,639,277
Add: Receipts	-	-	1,739,833	11,308,917
Less: Utilisations/Refunded	-	-	2,202,827	15,948,194
<b>Closing balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Naandi Foundation****Notes to financial statements**

(All amounts are in Indian Rupees unless otherwise stated)

**Wheat received free of cost from Government of Andhra Pradesh, Rajasthan, Madhya Pradesh, Chhattisgarh and Orissa for midday meal program:**

Particulars	For the year ended 31 March, 2016		For the year ended 31 March, 2015	
	Quantity (in kgs)	Value	Quantity (in kgs)	Value
Opening balance	-	-	732,299	5,774,975
Add: Receipts	-	-	783,799	3,918,995
Less: Utilisations/Refunded	-	-	1,516,098	9,693,970
Closing balance	-	-	-	-

**23. Employee benefits****Defined benefit plans**

**Gratuity:** Every employee who has rendered at least five years of continuous service is entitled to a benefit equivalent to one-half month's salary drawn for each year of completed service at the time of retirement/exit in line with the payment of Gratuity Act, 1972. The same is payable at the time of separation from the Company or retirement, whichever is earlier.

**Reconciliation of present value of the obligation and the fair value of the plan assets:**

Particulars	As at 31 March 2016	As at 31 March 2015
Fair value of plan assets at the end of the year	-	-
Present value of the defined benefit obligations at the end of the year	3,754,856	2,905,110
Liability recognised in the balance sheet	3,754,856	2,905,110

**Assumptions at the valuation date:**

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Discount rate	8%	8%
Salary escalation rate	10%	10%

**Discount rate:** The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

**Salary escalation rate:** The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

- 24.** The Trust is registered under Section 12A of the Income-tax Act, 1961 ('the Act'). Under the provisions of the Act, the income of the Trust is exempt from tax, subject to the compliance of terms and conditions specified in the Act.

**Naandi Foundation**

**Notes to financial statements**

(All amounts are in Indian Rupees unless otherwise stated)

**25. Grant income:**

S.No.	Program / Donor	For the year ended 31 March, 2016	For the year ended 31 March, 2015
<b>I</b>	<b>Restricted Grant Income</b>		
<b>A</b>	<b>Education</b>		
1	Mahindra & Mahindra Group entities	16,240,266	15,651,670
2	KC Mahindra Education Trust	293,980,414	246,701,455
3	Michael & Susan Dell Foundation	28,300,363	31,197,552
4	TOMS	23,058,477	22,679,553
5	Dr Reddy's Laboratories Limited	210,029	11,622,394
6	The Municipal Corporation of Greater Mumbai	-	10,445,237
7	Others	11,650,373	9,879,887
<b>B</b>	<b>Safe Drinking Water Program</b>		
1	Rural Electrification Corporation Limited	10,827,200	13,566,370
2	Navabharat Ventures Limited	1,951,870	1,624,881
3	Bharat Dynamics Limited	855,000	202,675
4	Hygro Chemicals Pharmatek Pvt Limited	336,192	647,766
5	The Firmenich charitable Foundation	-	568,047
6	Security Printing & Minting Corporation of India Limited	-	1,990,315
7	Bharathi Cements	2,775,255	-
9	Others	1,608,932	19,373,274
<b>C</b>	<b>Research</b>		
1	Mahindra & Mahindra Limited	-	5,099,513
2	KC Mahindra Education Trust	8,290,487	4,337,731
3	Global Alliance for Improved Nutrition	5,346,152	6,969,758
4	Effective Intervention	52,493,702	36,385,647
5	Avantha Foundation	16,557,929	16,382,272
6	Others	270,428	1,021,847
<b>D</b>	<b>Livelihood</b>		
1	Mahindra & Mahindra Group entities	145,022,569	48,614,978
2	KC Mahindra Education Trust	79,638,054	83,526,316
3	Livelihoods Fund SICAV SIF Group entities	9,542,777	9,133,678
4	Danone Eco Fund	7,792,342	-
5	Others	241,416	4,330,530
<b>E</b>	<b>Midday Meal</b>	398,322	107,884,099
<b>F</b>	<b>Others</b>	8,751,990	1,425,744
	<b>Sub-total Restricted Grants</b>	<b>726,140,539</b>	<b>711,263,189</b>
<b>II</b>	<b>Unrestricted Grant income</b>		
	Dr Reddy's Laboratories Limited	11,701,282	3,600,000
	Others	419,663	1,149,088
	<b>Sub-total Unrestricted Grants</b>	<b>12,120,945</b>	<b>4,749,088</b>
	<b>Total Grants</b>	<b>738,261,484</b>	<b>716,012,277</b>



**Naandi Foundation**  
**Notes to financial statements**  
 (All amounts are in Indian Rupees unless otherwise stated)

**26. Details of Restricted Fund:**

S.No.	Program/Donor	As at 31 March, 2016	As at 31 March, 2015
<b>A</b>	<b>Education</b>		
1	Mahindra & Mahindra Group entities	10,994,382	13,122,747
2	KC Mahindra Education Trust	151,549,409	70,825,360
3	Michael & Susan Dell Foundation	18,318,167	30,372,339
4	TOMS	500,521	103,456
5	Dr Reddy's Laboratories Limited	-	526,468
6	Others	296,268	4,765,743
	<b>Sub-total</b>	<b>181,658,747</b>	<b>119,716,113</b>
<b>B</b>	<b>Safe Drinking Water Program</b>		
7	Delhi Land and Finance Limited	2,874,254	2,880,000
8	Rural Electrification Corporation Ltd	-	1,431,757
9	Navabharath Ventures Ltd	658,249	850,119
10	Bharat Dynamics Limited	558,047	558,047
11	HYGRO Chemicals Pharmtek Private Limited	2,628,042	556,234
12	Others	6,420,478	5,796,923
	<b>Sub-total</b>	<b>13,139,070</b>	<b>12,073,080</b>
<b>C</b>	<b>Research</b>		
13	KC Mahindra Education Trust	35,656,766	44,667,432
14	Global Alliance for Improved Nutrition	-	2,078,242
15	Effective Intervention	58,417	1,383,177
16	Others	-	207,952
	<b>Sub-total</b>	<b>35,715,183</b>	<b>48,336,803</b>
<b>D</b>	<b>Livelihood</b>		
17	Mahindra & Mahindra Group entities	58,867,539	122,230,380
18	KC Mahindra Education Trust	44,143,857	27,569,776
19	Others	9,311,639	2,466,396
	<b>Sub-total</b>	<b>112,323,035</b>	<b>152,266,552</b>
<b>E</b>	<b>Midday Meal</b>	-	499,144
<b>F</b>	<b>Other Programs</b>	3,440,954	4,534,633
	<b>Total (A+B+C+D+E+F)</b>	<b>346,276,989</b>	<b>337,426,325</b>

**Naandi Foundation****Notes to financial statements**

(All amounts are in Indian Rupees unless otherwise stated)

**27. Details of Grant Receivables:**

S.No.	Program/Donor	As at 31 March, 2016	As at 31 March, 2015
<b>A</b>	<b>Education</b>		
1	The Municipal Corporation of Greater Mumbai	2,440,133	8,044,844
2	KC Mahindra Education Trust	10,442	185,682
3	Others	678,321	-
<b>B</b>	<b>Safe Drinking Water Program</b>		
4	Rural Electrification Corporation Ltd	1,429,890	36,96,000
5	Others	-	530,315
<b>C</b>	<b>Research</b>		
6	Avantha Foundation	223,903	369,455
7	Effective Intervention	3,331,889	-
<b>D</b>	<b>Livelihood</b>		
8	Livelihoods Fund SICAV SIF	-	978,705
9	KC Mahindra Education Trust	1,797,109	191,361
10	Danone Eco Fund	2,396,532	-
<b>E</b>	<b>Midday Meal</b>	-	43,283,307
<b>F</b>	<b>Others</b>	-	-
	<b>Total</b>	<b>12,308,219</b>	<b>57,279,669</b>

28. Program expenses includes expenditure incurred towards purchase of materials viz., learning and training materials, shoes, dresses, educational kits, saplings, farm-related inputs and tools etc., and subsequent distribution of such materials free of cost, in accordance with the requirements of the respective Programs.
29. Consequent to the discontinuation and closure of the Midday Meal Program by the Trust, certain old and irrecoverable balances of advances/deposits given, aggregating Rs 49,725,526 and Grant Receivables aggregating Rs 42,993,357 were written off during the year. Further, there were certain related accounts payables aggregating Rs 56,275,461 which have been written back to the Income and expenditure account during the year.
30. Previous year's figures have been re-grouped and reclassified wherever necessary, to conform to current year's classification.

**For Naandi Foundation**S. Gopalakrishnan  
TrusteeM. Rajendra Prasad  
TrusteePlace : Bengaluru  
Date : 29 September, 2016

# **Financials**

## **FY16-17**







Photo: Claude Avezard

# Deloitte Haskins & Sells LLP

Chartered Accountants  
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Secunderabad - 508 001  
Telangana, India

## INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF NAANDI FOUNDATION

Tel: +91 (040) 6603 2600  
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### Report on the Financial Statements

We have audited the accompanying financial statements of Naandi Foundation ("the Trust"), which comprise the Balance Sheet as at March 31, 2017 and the Income and Expenditure Account for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Trust's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Trust in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Trust's preparation and fair presentation of the 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 Trust'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 Management, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Trust as at March 31, 2017 and its surplus for the year ended on that date.

For Deloitte Haskins & Sells LLP  
Chartered Accountants  
(Firm Registration No. 117366W/W-100018)

Sumit Trivedi  
Partner  
(Membership No. 209354)

Secunderabad, September 23, 2017

**Naandi Foundation**

**Balance sheet as at 31 March, 2017**

(All amounts are in Indian Rupees unless otherwise stated)

	Note	As at 31 March, 2017	As at 31 March, 2016
<b>FUNDS EMPLOYED</b>			
Corpus fund	2	9,20,10,000	7,20,10,000
Surplus / (Deficit) in Income and Expenditure Account		(29,69,342)	(3,45,23,219)
Restricted funds	3	39,15,78,151	34,62,76,989
Deferred income	4	7,43,48,748	3,18,40,784
Loan funds	5	7,07,22,040	11,10,67,850
<b>Total</b>		<b>62,56,89,597</b>	<b>52,66,72,404</b>
<b>REPRESENTED BY</b>			
<b>Fixed assets</b>	6		
Gross block		19,62,04,716	14,43,24,778
Less : Depreciation		9,61,74,772	8,47,32,229
		10,00,29,944	5,95,92,549
<b>Current assets, loans and advances</b>			
Grants receivable	7	67,95,764	1,23,08,219
Cash and bank balances	8	44,99,17,885	37,76,54,913
Loans and advances	9	9,96,39,508	9,96,78,750
		55,63,53,157	48,96,41,882
<b>Less : Current liabilities and provisions</b>			
Current liabilities	10	2,73,02,189	1,88,07,171
Provisions	11	33,91,315	37,54,856
		3,06,93,504	2,25,62,027
<b>Net current assets</b>		<b>52,56,59,653</b>	<b>46,70,79,855</b>
<b>Total</b>		<b>62,56,89,597</b>	<b>52,66,72,404</b>

Organisation information and Significant accounting policies

1

See accompanying notes forming part of the financial statements

In terms of our report attached

**For Deloitte Haskins & Sells LLP**

Chartered Accountants

**For Naandi Foundation**

**Sumit Trivedi**

Partner

**S. Gopalakrishnan**

Trustee

**M. Rajendra Prasad**

Trustee

Place: Secunderabad

Date : September 23, 2017

Place: Bengaluru

Date : September 23, 2017



**Naandi Foundation**

**Income and Expenditure Account for the year ended 31 March, 2017**

(All amounts are in Indian Rupees unless otherwise stated)

	Note	For the year ended 31 March, 2017	For the year ended 31 March, 2016
<b>INCOME</b>			
Grants	12	73,78,24,246	73,82,61,484
Other income	13	1,01,42,765	6,74,65,124
		<b>74,79,67,011</b>	<b>80,57,26,608</b>
<b>EXPENDITURE</b>			
Program expenses	14	67,28,33,730	68,39,80,637
Employee benefits expense	15	70,57,941	56,60,669
Finance cost	16	1,26,17,286	1,90,53,982
Other Expenses	17	1,08,11,388	9,43,78,883
Depreciation	6	1,30,92,789	72,06,567
		<b>71,64,13,134</b>	<b>81,02,80,738</b>
<b>Surplus / (Deficit) for the year</b>		3,15,53,877	(45,54,130)
Deficit brought forward		(3,45,23,219)	(2,99,69,089)
<b>Surplus / (Deficit) carried to Balance Sheet</b>		<b>(29,69,342)</b>	<b>(3,45,23,219)</b>

Organisation information and Significant accounting policies 1

See accompanying notes forming part of the financial statements

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

**For Naandi Foundation**

**Sumit Trivedi**  
Partner

**S. Gopalakrishnan**  
Trustee

**M. Rajendra Prasad**  
Trustee

Place: Secunderabad  
Date : September 23, 2017

Place: Bengaluru  
Date : September 23, 2017

**Naandi Foundation**  
**Notes forming part of the financial statements**

**1. Organisation information and Significant accounting policies**

**1.0 Organisation information**

Naandi Foundation ("the Trust") is an autonomous public charitable trust registered under Indian Trusts Act, 1882. It was formed in the year 1998 to enable public private partnership in the economic development of marginalised and under privileged communities of the society. The Trust is primarily engaged in providing charitable services in the areas of Livelihoods, Education, Healthcare and Safe Drinking Water. Presently, the Trust is providing community development services pan-India including the states of Andhra Pradesh, Delhi, Gujarat, Haryana, Jammu & Kashmir, Karnataka, Maharashtra, Madhya Pradesh, Nagaland, Orissa, Punjab, Rajasthan, Tamilnada, Telangana and West Bengal.

**Significant accounting policies**

**1.1 Basis of accounting and preparation of financial statements**

The financial statements have been prepared on the accrual basis of accounting under the historical cost convention in accordance with the accounting principles generally accepted in India ("the Indian GAAP") which includes Technical Guide on Accounting for Not-for-Profit Organisations issued by the Institute of Chartered Accountants of India (ICAI), to the extent applicable and, other applicable financial reporting framework.

The Trust is categorized as a Level III entity in accordance with the applicability of accounting standards to non-corporate entities issued by the Institute of Chartered Accountants of India. Accordingly, the Trust has complied with the applicable Accounting Standards and the following Accounting Standards and disclosures are not applicable to the Trust:

- AS 3 : Cash Flow Statements;
- AS 15 : Employee Benefits;
- AS 17 : Segment Reporting;
- AS 18 : Related Party Disclosures;
- AS 19 : Leases;
- AS 20 : Earnings per share;
- AS 24 : Discontinuing Operations;
- AS 29 : Provisions, Contingent Liabilities and Contingent Assets.

**1.2 Use of estimates**

The preparation of financial statements in conformity with the Indian GAAP requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

**1.3 Grant recognition**

Unrestricted grants are recognised as revenue when received. Revenue from restricted grants is recognised based on fulfillment of conditions as stipulated in the agreement with the donor.

Grants received in relation to fixed assets are treated as deferred income and recognised in income and expenditure account over the useful life of asset.

Non-monetary grant received is recognised at the nominal value of Rs 1.

**Naandi Foundation**  
**Notes forming part of the financial statements**

**1.4 Fixed assets**

Fixed assets are carried at cost of acquisition or construction less accumulated depreciation. The cost of fixed assets comprises the purchase price, freight, taxes, duties and any other incidental expenses relating to the acquisition and construction of respective assets.

**1.5 Depreciation**

Depreciation on fixed assets is provided using the straight-line method ("SLM") based on the following rates, as in the opinion of Management these rates reflect the estimated useful life of the assets:

<b>Class of assets</b>	<b>Depreciation rates</b>
Buildings	1.63%
Plant and machinery	4.75%
Furniture and fixtures	6.33%
Office equipment (Including electrical installations)	6.33%
Leasehold improvements	6.33%
Medical equipment	7.07% to 20.00%
Computer equipment	16.21% to 33.33%
Vehicles	9.50%
Intangible assets	25.00%
Infrastructure facilities for mid-day meal program	16.67%

Assets costing less than Rs. 5,000 individually are fully depreciated in the year of acquisition.

**1.6 Foreign exchange transactions**

Foreign currency transactions are recorded in Indian Rupees using the exchange rates prevailing on the date of the respective transactions. Exchange differences arising on foreign currency transactions settled during the year are recognised in the Income and Expenditure account. Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date, not covered by forward exchange contracts, are translated into Indian Rupees at the closing exchange rates on that date. The resultant exchange differences are recognised in the Income and Expenditure account. Non-monetary items are recorded at the rates prevailing on the date of the transaction.

**1.7 Provisions and contingent liabilities**

The Trust recognises a provision when there is a present obligation as a result of an obligating event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions for onerous contracts i.e. contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event, based on a reliable estimate of such obligation.

**1.8 Corpus fund**

Corpus fund represents contributions made by the trustees of the Trust towards the corpus of the Trust.



**Naandi Foundation**  
**Notes forming part of the financial statements**

**1.9 Employee benefits**

*Defined contribution plan*

The Trust makes specified monthly contribution towards employee provident fund to Government administered provident fund scheme, which is a defined contribution plan. The Trust's contribution is recognised as an expense in the Income and Expenditure account during the period in which the employee renders the related service.

*Defined benefit plans*

Gratuity is a defined benefit scheme. The Trust's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service costs are deducted. The calculation of the Trust's obligation under the plan is performed annually by a qualified actuary using the projected unit credit method.

The Trust recognises all actuarial gains and losses arising from defined benefit plans immediately in the Income and Expenditure account. All expenses related to defined benefit plans are recognised in employee benefits expense in the Income and Expenditure account.

**1.10 Income tax**

The Trust is registered under Section 12A of the Income-tax Act, 1961 ("the Act"). Under the provisions of the Act, the income of the Trust is exempt from tax, subject to the compliance of terms and conditions specified in the Act.

**1.11 Operating leases**

Assets acquired under leases other than finance leases are classified as operating leases. The total lease rentals (including scheduled rental increases) in respect of an asset taken on operating lease are charged to the Statement of Profit and Loss on a straight line basis over the lease term unless another systematic basis is more representative of the time pattern of the benefit. Initial direct costs incurred specifically for an operating lease are deferred and charged to the Income and expenditure account over the lease term.

**Naandi Foundation****Notes forming part of the financial statements**

(All amounts are in Indian Rupees unless otherwise stated)

	<u>As at</u> <u>31 March, 2017</u>	<u>As at</u> <u>31 March, 2016</u>
<b>2. Corpus fund</b>		
Opening balance	7,20,10,000	7,20,10,000
Add: Received during the year	2,00,00,000	-
	<u>9,20,10,000</u>	<u>7,20,10,000</u>
<b>3. Restricted funds</b>		
(Refer Notes 18 & 24)		
Advances towards		
- Education and training program	19,91,60,063	18,16,58,747
- Safe drinking water project	6,58,32,954	1,31,39,070
- Research and nutrition program	20,11,357	3,57,15,183
- Livelihood program	12,04,39,597	11,23,23,035
- Others	41,34,180	34,40,954
	<u>39,15,78,151</u>	<u>34,62,76,989</u>
<b>4. Deferred income</b>		
(Refer Note 20)		
Grants related to specific depreciable assets		
- Education and training program	4,44,93,021	85,87,729
- Research and nutrition program	94,29,789	43,39,169
- Livelihood program	2,04,25,938	1,89,13,886
	<u>7,43,48,748</u>	<u>3,18,40,784</u>
<b>5. Loan funds</b>		
<b>Secured loans</b>		
Working capital term loan	5,99,98,964	8,99,97,184
Vehicle loan	7,23,076	10,70,666
<b>Unsecured loan</b>		
From trustee	1,00,00,000	2,00,00,000
	<u>7,07,22,040</u>	<u>11,10,67,850</u>

**Notes:**

- a. Working capital term loan is repayable in five equal annual instalments starting from March 2015 to March 2019. The loan is collaterally secured by:
  - (i) Hypothecation of receivables/book debts including government receivables and all other current assets.
  - (ii) First charge on the entire unencumbered fixed assets present and future of the trust.
  - (iii) Post dated cheque of Rs 6.00 crores of the FCRA account of the Trust.
- b. Vehicle loans are secured by first charge on the respective vehicles repayable in 60 monthly instalments up to September 09, 2019.
- c. Unsecured loan from trustee is repayable on demand and carries an interest at the rate of 8% p.a.

**Naradi Foundation**

**Notes forming part of the financial statements**

(All amounts are in Indian Rupees unless otherwise stated)

**6. Fixed assets**

Description	Gross block (At Cost)			Depreciation / amortisation			Net block		
	As at 31 March, 2016	Additions	Deletions / Adjustments	As at 31 March, 2017	Exp in 31 March, 2016	For the year 31 March, 2017	Deletions / Adjustments	As at 31 March, 2017	As at 31 March, 2016
(i) Owned, tangible assets									
Buildings	3,14,50,192	-	-	3,14,50,192	1,26,54,897	3,68,914	(1,27,795)	1,83,23,678	1,83,15,285
Furniture and fixtures	1,01,20,828	22,82,424	10,87,109	1,13,27,153	65,56,244	14,19,911	5,62,196	39,03,194	35,65,584
Plant and machinery	3,68,11,110	11,95,362	13,805	3,79,92,587	3,07,02,297	4,33,468	(46,942)	68,09,679	61,08,813
Medical equipment	15,07,100	64,56,200	-	79,63,300	9,82,614	6,51,505	(31,909)	63,17,272	5,24,486
Office equipment	83,28,923	4,32,564	8,79,423	80,90,844	37,57,992	5,65,103	(2,83,788)	35,56,961	48,90,941
Electrical installations	29,17,188	4,91,897	2,41,816	31,67,269	10,55,266	26,415	11,81,920	19,85,349	18,61,822
Leasehold improvements	37,29,667	-	-	37,29,667	35,43,212	2,36,468	7,41,775	30,37,905	1,92,405
Computers	3,20,29,097	5,80,83,100	(2,68,290)	7,03,80,457	1,79,77,266	75,13,778	51,983	4,49,41,296	1,40,51,731
Vehicles	1,69,43,127	61,56,178	12,67,594	2,18,35,911	73,27,929	18,01,543	7,59,188	1,34,70,599	96,20,198
Sub total (A)	14,40,64,242	5,50,97,535	32,17,597	19,59,44,180	8,45,27,827	1,30,81,497	16,66,124	10,00,05,700	5,95,41,405
Previous year (A)	31,27,57,986	1,08,09,700	17,95,83,444	14,40,64,242	25,40,40,499	71,84,627	17,67,02,290	5,95,41,405	
(ii) Owned, intangible assets									
Intangible assets	2,60,526	-	-	2,60,526	2,09,402	11,092	(15,879)	24,164	51,134
Sub total (B)	2,60,526	-	-	2,60,526	2,09,402	11,092	(15,879)	24,164	51,134
Previous year (B)	2,29,286	32,250	-	2,60,526	1,87,462	21,940	-	51,134	
Total (A+B)	14,43,24,778	5,50,97,535	32,17,597	19,62,04,706	8,47,37,229	1,30,92,789	16,50,246	10,00,29,844	5,95,92,549
Total - Previous year (A+B)	31,29,86,272	1,08,41,950	17,95,83,444	14,43,24,778	25,42,27,952	72,06,567	17,67,02,290	5,95,92,549	



**Naandi Foundation****Notes forming part of the financial statements**

(All amounts are in Indian Rupees unless otherwise stated)

	<u>As at 31 March, 2017</u>	<u>As at 31 March, 2016</u>
<b>7. Grant receivables</b>		
(Refer Note 25)		
(Unsecured, considered good)		
Grants receivable		
i) Outstanding for a period exceeding six months from the date they became due for payment	-	24,40,133
ii) Others	67,95,764	98,68,086
	<u>67,95,764</u>	<u>1,23,08,219</u>
<b>8. Cash and bank balances</b>		
Cash in hand	-	3,132
Cheques in hand	6,98,25,000	18,08,000
Balances with Banks:		
- in current accounts*	13,39,28,602	11,73,99,774
- in savings accounts	22,31,11,745	24,85,62,456
- in deposit accounts	2,30,52,538	33,62,284
- in earmarked deposit accounts		
balances held as margin money against bank guarantees	-	65,19,267
	<u>44,99,17,885</u>	<u>37,76,54,913</u>
*Includes balance in designated FCRA Bank account Rs 19,756,857 (March 31, 2016: Rs 8,493,087)		
<b>9. Loans and advances</b>		
(Unsecured and considered good unless otherwise stated)		
Advances to staff	5,18,464	10,03,413
Advance to suppliers		
-Capital works	3,38,84,927	25,35,610
-Services and other supplies	3,11,39,871	5,70,57,213
Tax deducted at source receivable	2,06,45,731	2,83,37,756
Security deposits	1,20,04,359	98,64,532
Other receivables	50,79,125	-
Others	14,46,156	8,80,226
	<u>10,47,18,633</u>	<u>9,96,78,750</u>
Less: Provision for doubtful receivables	50,79,125	-
	<u>9,96,39,508</u>	<u>9,96,78,750</u>
<b>10. Current liabilities</b>		
Sundry creditors	1,38,31,966	62,84,248
Expenses payable	24,51,090	30,94,918
Statutory liabilities	37,99,136	16,38,819
Other current liabilities	72,19,997	77,89,186
	<u>2,73,02,189</u>	<u>1,88,07,171</u>
<b>11. Provisions</b>		
Provision for gratuity	33,91,315	37,54,856
	<u>33,91,315</u>	<u>37,54,856</u>

**Naandi Foundation**

**Notes forming part of the financial statements**

(All amounts are in Indian Rupees unless otherwise stated)

	<b>For the year ended 31 March, 2017</b>	<b>For the year ended 31 March, 2016</b>
<b>12. Grants</b>		
(Refer note 23)		
<b><i>Restricted</i></b>		
Domestic	58,30,02,518	52,82,02,695
Foreign	13,49,46,499	19,79,37,844
	<u>71,79,49,017</u>	<u>72,61,40,539</u>
<b><i>Unrestricted</i></b>		
Domestic	1,98,75,229	1,21,20,945
	<u>1,98,75,229</u>	<u>1,21,20,945</u>
	<b><u>73,78,24,246</u></b>	<b><u>73,82,61,484</u></b>
<b>13. Other income</b>		
Interest income on:		
Deposits with banks	26,11,734	10,32,544
Savings bank accounts	59,08,558	67,08,209
Income tax refund	2,55,128	-
Profit on Sale/transfer of fixed assets	-	12,51,087
Provision no longer required written back (Refer note 27)	6,87,834	5,79,84,890
Miscellaneous income	6,79,511	4,88,394
	<b><u>1,01,42,765</u></b>	<b><u>6,74,65,124</u></b>
<b>14. Program expenses</b>		
<b>Grants given to Project Aided</b>		
Safe drinking water	2,82,50,874	1,84,58,893
<b>Education and training</b>		
Distribution of Educational kits, learning and training material	5,83,97,021	13,00,19,664
Honorarium to community activists	6,00,88,997	6,26,46,637
Personnel expenses*	7,28,08,031	7,79,07,994
Rent	97,08,049	55,06,319
Other program expenses	6,46,22,491	6,11,59,304
<b>Livelihood</b>		
Saplings and farm related inputs and tools	6,32,38,818	8,28,74,246
Honorarium to community activists	48,13,153	48,45,828
Personnel expenses*	5,30,83,167	4,55,28,459
Rent	2,01,99,053	1,42,67,592
Other program expenses	12,19,02,303	9,96,10,642
<b>Research and nutrition</b>		
Honorarium to community activists	1,24,94,384	1,54,28,902
Personnel expenses*	2,92,10,488	2,05,61,531
Rent	6,60,447	16,32,358
Learning and training material	17,79,597	68,92,741
Other Program expenses	7,15,76,857	3,66,39,527
	<b><u>67,28,33,730</u></b>	<b><u>68,39,80,637</u></b>
*includes contribution to provident fund	47,64,556	49,74,111

**Naandi Foundation****Notes forming part of the financial statements**

(All amounts are in Indian Rupees unless otherwise stated)

	<b>For the year ended 31 March, 2017</b>	<b>For the year ended 31 March, 2016</b>
<b>15. Employee benefits expense*</b>		
Salaries and benefits	36,97,000	36,73,282
Gratuity	33,60,941	19,87,387
	<b>70,57,941</b>	<b>56,60,669</b>
* also refer Note 14 for Personnel expenses disclosed under Program expenses.		
<b>16. Finance cost</b>		
Interest expense on term loans		
- Banks	1,13,87,483	1,74,04,114
- Others	12,06,575	16,00,000
Bank and other finance charges	23,228	49,868
	<b>1,26,17,286</b>	<b>1,90,53,982</b>
<b>17. Other expenses</b>		
Advances / deposits written off (Refer note 27)	4,94,569	4,97,25,526
Grant Receivables written off (Refer note 27)	24,40,133	4,29,93,357
Rent	12,42,000	12,00,000
Audit fee	7,08,000	4,60,000
Provision for doubtful receivables	50,79,125	-
Loss on transfer / damage of fixed assets (net)	8,47,561	-
	<b>1,08,11,388</b>	<b>9,43,78,883</b>



**Naandi Foundation****Notes forming part of the financial statements**

(All amounts are in Indian Rupees unless otherwise stated)

**18. Restricted funds**

Restricted funds represent grants received in advance from donors. These funds would be released to income and expenditure account or the deferred income upon fulfillment of conditions stipulated in the agreements with the donors or would be refunded, if unutilized.

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
Opening balance	346,276,989	337,426,325
Add: Receipts* (Including interest credited where applicable)	811,172,590	745,510,082
Less: Transfers made	765,871,428	736,659,418
<b>Closing balance</b>	<b>391,578,151</b>	<b>346,276,989</b>

\* including transfers inter-se

**19. Capital grant**

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
Opening balance	-	546,402
Add: Receipts	-	-
Less: Transfers made	-	546,402
<b>Closing balance</b>	<b>-</b>	<b>-</b>

**20. Deferred income**

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
Opening balance	31,840,784	30,147,254
Add: Transfer from restricted fund and capital grants	54,729,030	10,708,451
Less: Income recognized	12,026,328	5,146,762
Less: Other adjustments	194,738	3,868,159
<b>Closing balance</b>	<b>74,348,748</b>	<b>31,840,784</b>

**21. Employee benefits****Defined benefit plans**

**Gratuity:** Every employee who has rendered at least five years of continuous service is entitled to a benefit equivalent to one-half month's salary drawn for each year of completed service at the time of retirement/exit in line with the Payment of Gratuity Act, 1972. The same is payable at the time of separation from the Company or retirement, whichever is earlier.

**Reconciliation of present value of the obligation and the fair value of the plan assets:**

Particulars	As at 31 March, 2017	As at 31 March, 2016
Fair value of plan assets at the end of the year	-	-
Present value of the defined benefit obligations at the end of the year	3,391,315	3,754,856
Liability recognised in the balance sheet	3,391,315	3,754,856

**Naandi Foundation**

**Notes forming part of the financial statements**

(All amounts are in Indian Rupees unless otherwise stated)

**Assumptions at the valuation date:**

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
Discount rate	8%	8%
Salary escalation rate	10%	10%

**Discount rate:** The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

**Salary escalation rate:** The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

22. The Trust is registered under Section 12A of the Income-tax Act, 1961 ('the Act'). Under the provisions of the Act, the income of the Trust is exempt from tax, subject to the compliance of terms and conditions specified in the Act.

**23. Grant income:**

S. No	Program / Donor	For the year ended 31 March, 2017	For the year ended 31 March, 2016
<b>I</b>	<b>Restricted Grant Income</b>		
<b>A</b>	<b>Education and training</b>		
1	Mahindra & Mahindra Group entities	12,168,648	16,240,266
2	KC Mahindra Education Trust	283,985,785	293,980,414
3	Michael & Susan Dell Foundation	12,940,881	28,300,363
4	TOMS	1,059,586	23,058,477
5	Others	622,418	11,860,402
	<b>Sub-total</b>	<b>310,777,318</b>	<b>373,439,922</b>
<b>B</b>	<b>Safe Drinking Water Program</b>		
1	Rural Electrification Corporation Limited	625,712	10,827,200
2	Navabharat Ventures Limited	144,013	1,951,870
3	Bharat Dynamics Limited	630,000	855,000
4	Hygro Chemicals Pharmatek Private Limited	2,311,979	336,192
5	Bharathi Cements	2,882,288	2,775,255
6	Deutsche Bank	8,852,387	-
7	Sembcorp Gayathri Power Limited	1,655,417	-
8	DOBI Global Services	1,868,029	-
9	Dhumuka Agrotech Private Limited	1,152,825	-
10	Delhi Land and Finance Limited	3,452,699	5,747
11	Others	3,939,116	1,603,185
	<b>Sub-total</b>	<b>27,514,465</b>	<b>18,354,449</b>
<b>C</b>	<b>Research and nutrition</b>		
1	KC Mahindra Education Trust	71,255,033	8,290,487
2	Global Alliance for Improved Nutrition	-	5,346,152
3	Effective Intervention	42,604,578	52,493,702
4	Avantha Foundation	8,486,682	16,557,929
5	Others	-	270,428
	<b>Sub-total</b>	<b>122,346,293</b>	<b>82,958,698</b>
<b>D</b>	<b>Livelihood</b>		
1	Mahindra & Mahindra Group entities	130,258,458	145,022,569
2	KC Mahindra Education Trust	101,937,853	79,638,054
3	Livelihoods Fund SICAV SIF Group entities	6,173,720	9,542,777
4	Danone Eco Fund	11,089,235	7,792,342
5	Kashi Vishwanatha Vidya Samasthe	3,840,773	-
6	Titan Company Limited	2,167,750	-
7	Others	1,843,152	241,416
	<b>Sub-total</b>	<b>257,310,941</b>	<b>242,237,158</b>

**Naandi Foundation**

**Notes forming part of the financial statements**

(All amounts are in Indian Rupees unless otherwise stated)

<b>E</b>	<b>Midday Meal</b>	-	398,322
<b>F</b>	<b>Others</b>	-	8,751,990
<b>G</b>	<b>Sub-total Restricted Grants (A+B+C+D+E+F)</b>	717,949,017	726,140,539
<b>H</b>	<b>Unrestricted Grant Income</b>		
1	Mahindra Vehicle Manufacturers Limited	2,000,000	-
2	Dr Reddy's Laboratories Limited	15,073,348	11,701,282
3	Others	2,801,881	419,663
<b>H</b>	<b>Sub-total Unrestricted Grants</b>	19,875,229	12,120,945
	<b>Total Grants ( G+H)</b>	737,824,246	738,261,484

**24. Details of Restricted fund:**

S.No.	Program / Donor	As at 31 March, 2017	As at 31 March, 2016
<b>A</b>	<b>Education and training</b>		
1	Mahindra & Mahindra Group entities	14,992,093	10,994,382
2	KC Mahindra Education Trust	176,712,902	151,549,409
3	Michael & Susan Dell Foundation	5,878,266	18,318,167
4	TOMS	1,454,463	500,521
5	Others	122,339	296,268
	<b>Sub-total</b>	<b>199,160,063</b>	<b>181,658,747</b>
<b>B</b>	<b>Safe Drinking Water Program</b>		
1	Delhi Land and Finance Limited	-	2,874,254
2	Deutsche Bank	55,397,813	-
3	Navabharath Ventures Ltd	679,236	658,249
4	Bharat Dynamics Limited	558,047	558,047
5	HYGRO Chemicals Pharmtek Private Limited	316,063	2,628,042
6	Global water challenge	5,079,961	5,079,961
7	Others	3,801,834	1,340,517
	<b>Sub-total</b>	<b>65,832,954</b>	<b>13,139,070</b>
<b>C</b>	<b>Research and nutrition</b>		
1	KC Mahindra Education Trust	-	35,656,766
2	Effective Intervention	1,749,734	58,417
3	Avantha Foundation	261,623	-
	<b>Sub-total</b>	<b>2,011,357</b>	<b>35,715,183</b>
<b>D</b>	<b>Livelihood</b>		
1	Mahindra & Mahindra Group entities	64,307,980	58,867,539
2	KC Mahindra Education Trust	49,496,761	44,143,857
3	Others	6,634,856	9,311,639
	<b>Sub-total</b>	<b>120,439,597</b>	<b>112,323,035</b>
<b>E</b>	<b>Other Programs</b>	4,134,180	3,440,954
	<b>Sub-total</b>	<b>4,134,180</b>	<b>3,440,954</b>
	<b>Total (A+B+C+D+E)</b>	<b>391,578,151</b>	<b>346,276,989</b>



**Naandi Foundation**

**Notes forming part of the financial statements**

(All amounts are in Indian Rupees unless otherwise stated)

**25. Details of Grant receivables:**

S. No	Program / Donor	As at 31 March, 2017	As at 31 March, 2016
<b>A</b>	<b>Education and training</b>		
1	The Municipal Corporation of Greater Mumbai	-	2,440,133
2	KC Mahindra Education Trust	794,254	10,442
3	Others	-	678,321
<b>B</b>	<b>Safe Drinking Water Program</b>		
1	Rural Electrification Corporation Limited	153,087	1,429,890
2	Sembcorp Gayatri Power Limited	203,233	-
3	Thermal Powertech Corporation India Limited	250,872	-
4	Uranium Corporation India Limited	219,780	-
5	Delhi Land and Finance Limited	578,446	-
6	Kalburgi Cements Private Limited	292,427	-
<b>C</b>	<b>Research and nutrition</b>		
1	Avantha Foundation	-	223,903
2	Effective Intervention	-	3,331,889
3	KC Mahindra Education Trust	1,518,994	-
<b>D</b>	<b>Livelihood</b>		
1	KC Mahindra Education Trust	2,725,191	1,797,109
2	Danone Eco Fund	-	2,396,532
3	Accenture Foundation	59,480	-
	<b>Total</b>	<b>6,795,764</b>	<b>12,308,219</b>

26. Program expenses includes expenditure incurred towards purchase of materials viz., learning and training materials, shoes, dresses, educational kits, saplings, farm-related inputs and tools etc., and subsequent distribution of such materials free of cost, in accordance with the requirements of the respective Programs.
27. During the previous year, consequent to the discontinuation and closure of the Mid-day Meal Program by the Trust, certain old and irrecoverable balances of advances/deposits given, aggregating Rs 49,725,526 and Grant Receivables aggregating Rs 42,993,357 were written off and there were certain related accounts payables aggregating Rs 56,275,461 which have been written back to the Income and expenditure account during the previous year.

**28. Fair value of non-monetary grant:**

Particulars	For the year ended 31 March, 2017	For the year ended 31 March, 2016
Fair value of fixed assets received free of cost from Mahindra Namaste Limited	3,286,000	-
<b>Total</b>	<b>3,286,000</b>	<b>-</b>

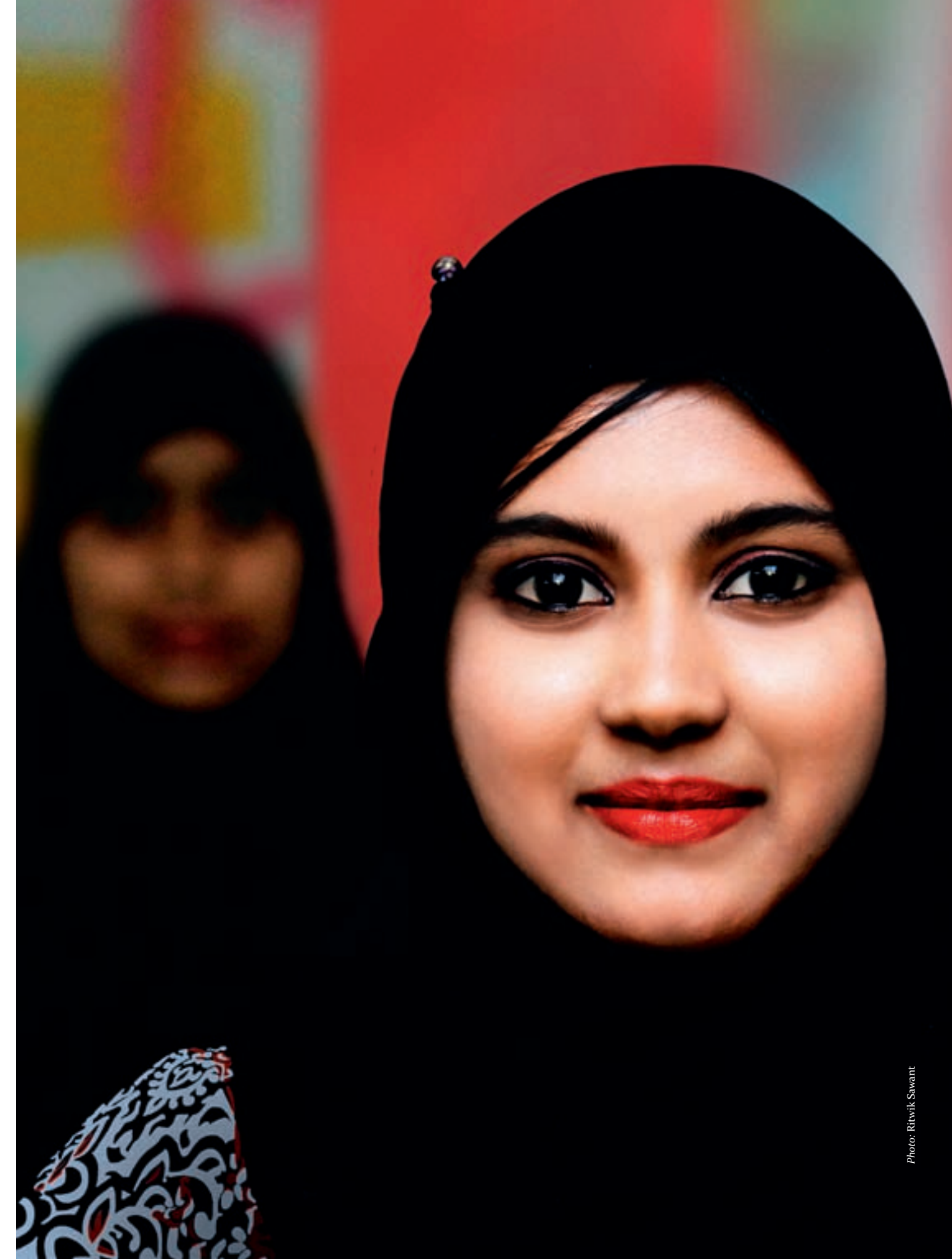
29. Previous year's figures have been re-grouped and reclassified wherever necessary, to conform to current year's classification.

**For Naandi Foundation**

Place : Bengaluru  
Date : September 23, 2017

**S. Gopalakrishnan**  
Trustee

**M. Rajendra Prasad**  
Trustee





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