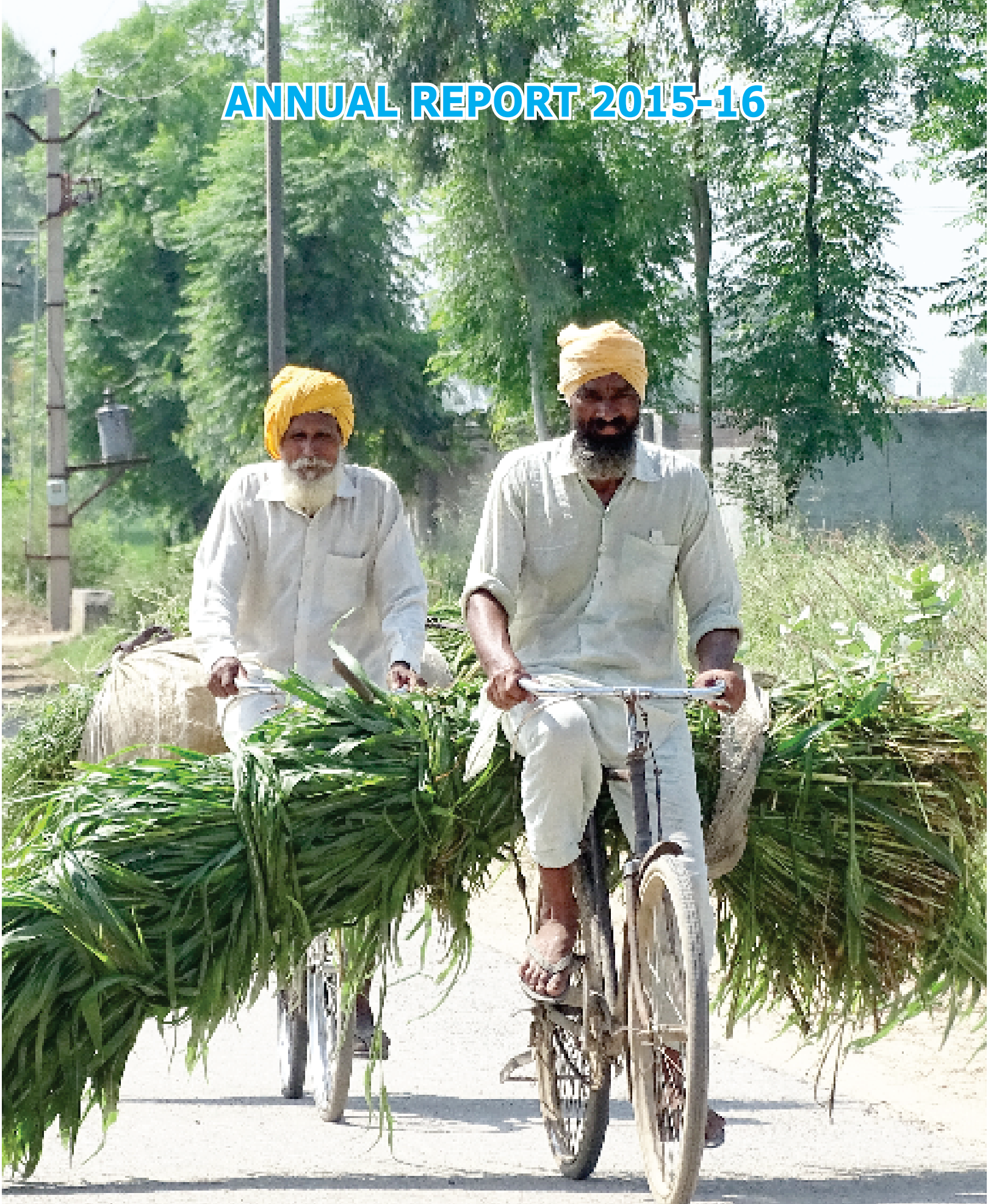


ANNUAL REPORT 2015-16



BAANI MILK PRODUCER COMPANY LTD.

CIN: U01403PB2014PTC038826

Registered Office: SCO No. 37-38,

Urban Estate, Phase-II Rajpura Road, Patiala-147001 (Punjab)

Email: info@baanimilk.com | Phone. No. +91 - 175-5000735

BOARD OF DIRECTORS

Shri Gagandeep Singh
Shri Pawanjeet Singh
Shri Gurpiar Singh
Shri Rajpal Singh
Smt Ranjit Kaur
Smt Gurmeet Kaur
Shri Gurpreet Singh
Shri Harinder Singh
Shri Surinder Singh Sandhu

Chairman
Director
Director
Director
Director
Director
Director
Director
Director

Shri Gurtej Singh
Smt Manjeet Kaur
Shri N V Belavadi
Shri Ajay Kumar Khosla
Shri Yuginder Kumar Arora
Shri Narinder Singh Bahga

Additional Director
Additional Director
Expert Director
Expert Director
Expert Director
CE & Director

CHIEF FINANCIAL OFFICER
Shri Jasmeet Singh Bhatia

STATUTORY AUDITORS
M/s S.B. Bilimoria & Co.,
Chartered Accountants

COMPANY SECRETARY
Shri Rajesh Saini

INTERNAL AUDITOR
Ernst & Young LLP
Chartered Accountants

REGISTERED OFFICE:
SCO No. 37 & 38, Urban Estate
Phase - 2, Rajpura Road
Patiala-147 002, Punjab State
Tel.: 0175 5000735
Email: info@baanimilk.com
Website: www.baanimilk.com

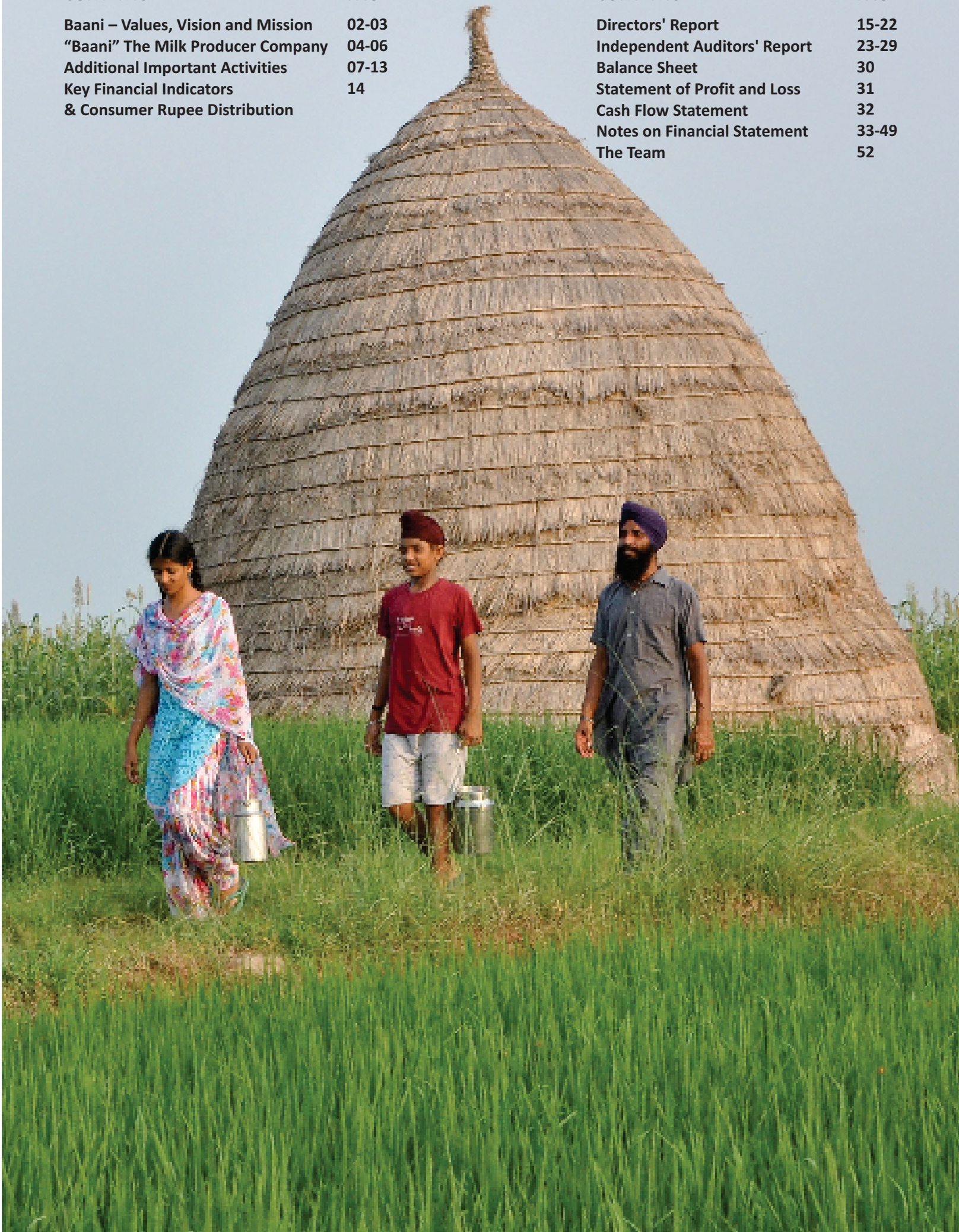
BANKERS
State Bank of Patiala
HDFC Bank LTD
ICICI Bank
Yes Bank

REGISTER AND SHARE TRANSFER AGENT
Link Intime India Pvt. Ltd



CONTENTS	PAGE
Baani – Values, Vision and Mission	02-03
“Baani” The Milk Producer Company	04-06
Additional Important Activities	07-13
Key Financial Indicators	14
& Consumer Rupee Distribution	

CONTENTS	PAGE
Directors' Report	15-22
Independent Auditors' Report	23-29
Balance Sheet	30
Statement of Profit and Loss	31
Cash Flow Statement	32
Notes on Financial Statement	33-49
The Team	52



We are committed to:

Values:

- Honesty and Transparency
- Quality and Excellence
- Team spirit
- Timeliness
- Innovation
- Passion

Mission:

Baani Milk Producer Company is committed to increase income of its members by increasing milk production, reducing milk production cost and by offering competitive price and necessary services.



Vision 2030:

Baani Milk Producer Company will be among top five dairy companies in India and be the first choice of milk producers, customers and its employees.



“BAANI”: THE MILK PRODUCER COMPANY OF PUNJAB

Baani Milk Producer Company Limited (BAANI MPC) was incorporated on 11 August 2014 under the provisions of sub-section 2 of section 7 of the companies' act, 2013 with its head office located at Patiala in Punjab.

Baani started its business operations from 06 November 2014 and is currently operating in eight districts of Punjab with a key objective to create maximum value for its all stakeholders by pooling, purchasing of milk, processing of milk and milk products and marketing the same.

Over the span of just about one year and four months Baani has established itself as a largest Milk Producer Company in Punjab. The Company is owned by the dairy farmers of Punjab, who work hard to ensure that fresh and pure milk and milk products are available to the consumers. The Company is constantly endeavours to transform lives of marginal and small dairy farmers especially women by educating them on smarter methods of milk production and also by providing them the opportunity to participate in a fair and transparent dairy business.

MILK PROCUREMENT

Presently, the Company's milk procurement operations spread across in eight districts of Punjab viz. Barnala, Bhatinda, Faridkot, Ferozepur, Mansa, Moga, Muktsar and Sangrur with a coverage of about 910 villages. As on 31st March 2016, there were 917 Milk Pooling Points (MPPs) established under 10 Milk Chilling Centres (MCCs). During the period under report, the Company has procured about 584 lakh kgs of raw milk from about 33000 pourer members.

The members have shown their confidence in the working of the Company with a year on year growth in membership of about 31%. The Company had planned and conducted various member awareness programme with specific focus on increasing women membership thereby enhancing their involvement in the business of the Company.

The Company continues to pay competitive and remunerative prices to its members towards the milk being procured. The Board hereby makes a sincere request to those members of the Company, who do not have their individual bank accounts, to immediately open their individual bank accounts and intimate the same to the Company for their own benefit, which will ensure safe, speedy payment and ease in their dealings with the Company. The Company is continuously striving to increase the productivity through various interventions.

PRODUCER INSTITUTION BUILDING (PIB)

PIB strengthen the business through better governance and member centric approach. The efforts are directed to increase active membership resulting in better economy of scale. The PIB activities differentiate the Milk Producer Company from other players in the dairy sector mainly through its fair and transparent governance systems and patronage based member equity mobilisation. The emphasis is being laid upon opening of Bank Account by members by making the members aware about the benefits of getting the milk payment directly in their bank accounts in time apart from inculcating the habit of savings.

Training and Awareness remained the major thrust area. The PIB group carried out the following activities: Producer Awareness Programme

- Women Awareness Programme
- Quality and Clean Milk Production Programme
- Rural Youth Awareness Programme
- Rural School Children Awareness Programme
- VCG Orientation Programme
- Orientation and Leadership Development for MRG



WOMEN MEMBERS



RURAL SCHOOL CHILDREN AWARENESS PROGRAMME



QUALITY INITIATIVE : LAB AT PHAGUWALA MCC



PLANTING OF SAPLING

QUALITY INITIATIVE

All the hired Milk Chilling Centres (MCCs) are well equipped with the basic testing facilities and instruments for quality testing of raw and chilled milk. Towards ensuring and maintaining high quality standards in the operations of the Company, the Company has provided and is continuously providing sound technical support and trainings to all the concerned with emphasis on hygiene, GMP, SOP etc., which are directly connected to the quality of milk.

ADDITIONAL IMPORTANT ACTIVITIES

Board - Senior Managers Interface Workshop

A workshop on BOARD - SENIOR MANAGERS INTERFACE WORKSHOP was conducted between 9th and 10th DEC 2015 at Patiala.

The aim of the Interface Workshop was to bring BODs and Senior Managers, the two important pillars of the company on one pedestal to synergies their effort to achieve organisational excellence.

The programme was facilitated by Dr NV Belavadi and Shri Sriram Singh from NDDB Dairy Services, New Delhi with an objective to help the participants to re-visit the Values, Vision and Mission of the MPC and also the key priority areas for five years for the company.

Experiential games were used during the programme helped the participants to understand the importance of team efforts, planning, cooperation, sharing of responsibilities, coordination, optimum use of resources, collaboration etc.



World Environment Day - Corporate Social Responsibility

A sincere initiative of planting sapling was under taken by Bani MPC to contribute in noble mission on the occasion of WORLD ENVIRONMENT DAY on 5th June 2015. With active support from Punjab State Forest Department, the saplings were procured from various district nurseries of Punjab State and distributed across our area of operation. Bani Milk Producer Company Limited had arranged plant saplings (medicinal, fruit bearing, ornamental etc.) and demonstrated their commitment towards contributing to improvement of the environment.

Visit of Foreign Delegate under Programme FAO

The National Dairy Development Board (NDDB) and Food & Agriculture Organization (FAO) of the United Nations jointly organized a Dairy Asia Multi-Stakeholder meeting “Towards Sustainability” with the concept of “ From concept to Action” at NDDB Anand, Gujarat.

As part of this meet, Mr. Thumbrongdsakd Phonbumrung, the Regional Project Coordinator FAO/COFC of Food and Agriculture Organization of the United Nations along with 12 dignitaries from Bangladesh, Myanmar, Thailand visited Baani. .

Baani was privileged to host the foreign delegation and briefed them about the nuances of “The Producers Company and the need of producer companies in present time”. Two presentations were made, covering the details on the Design and Formation of Milk Producer Companies, their structure, advantages, design principles membership's strategy and governance in Milk Producer Companies etc.



Motivational Workshop- Dr Devdutt Pattanaik

A workshop was conducted by Dr Devdutt Pattanaik, who is a renowned author, an eminent speaker, mythologist, Leadership Coach, Consultant on Culture and Belief Issues from “The Outstanding Speaking Bureau” on 31 Jul 2015. The programme was attended by Board of Directors, Representative of NDDB Dairy Services and employees of Baani MPC.

Workshop on “Business Sutra” was very educative, informative and a good learning experience for all. The key learning from the workshop was deriving management insights from mythological stories and symbols to reveal a very Indian approach to modern business leadership, and modern life.





Mission Milk – National Dairy Plan-I

National Dairy Plan Phase I (NDP I) is a Central Sector Scheme. It is a scientifically planned multi-state initiative with the following Project Development Objectives :

- To help increase productivity of milch animals and thereby increase milk production to meet the rapidly growing demand for milk.
- To help provide rural milk producers with greater access to the organised milk-processing sector. These objectives would be pursued through adoption of focused scientific and systematic processes in provision of technical inputs supported by appropriate policy and regulatory measures.

Under National Dairy Plan, Bani had submitted four Sub Projects Plans to NDDB for Approval as under:-

1. Village Based Milk Procurement System (VBMPS)
2. Ration Balancing Programme (RBP)
3. Fodder Development (FD)
4. Artificial Insemination (AI)

However, only two Sub Projects Plans – namely VBMPS and RBP were only approved and same have been implemented in eight districts of Punjab.

Village Based Milk Procurement System (VBMPS)

The objectives of VBMPS are:-

- To strengthen Bani by building capabilities of various stakeholders through training and skill development.
- To set up fair and transparent procurement system and to ensure accurate and timely payment to the milk producers.
- To safeguard the interest of small dairy producers by providing round the year access to organized milk market.

The focus area under VBMPS programme was:-

- Capacity Building
- Expansion of milk procurement Network (Village coverage and inclusion of producer members)
- Procurement of equipment for weighing and testing of milk.

Under VBMPs, new members in fresh as well as in existing geographies have been added with focus to increase induction of women members. Training was imparted to Sahayaks and Staff belonging to field operations and MCCs. In addition, Leadership and Motivational training were conducted for office Staff.



VILLAGE BASED MILK PROCUREMENT SYSTEM (VBMPs)

Key Achievements

Key Result Indicator	Achievement till Mar 2016
New MPP (cum) Nos	425
Total Villages Covered (cum) Nos	908
Members (cum) Nos	33218
Women Members (cum) %	17
Small Holder Members(cum) %	52
Milk Procurement (TKPD)	160



RATION BALANCING PROGRAMME (RBP)

Ration Balancing Programme (RBP)

This programme aims at providing animal nutrition advisory services to the milk producers at their doorstep with the help of Local Resource Persons (LRPs), especially trained in use of computer software, under the technical guidance of experts. This will help milk producers to feed their animals an optimal ration using locally available feed materials leading finally to increase in milk yield, reducing production cost and also contributing to reduce methane emission.

The following were the Key Stages:-

1. Registration of Animals
2. Evaluation of Animal Nutrient Status
3. Formation of least cost ration with locally available feed resources.
4. Repeat Advice.

Key Achievements

Key Result Indicator	Achievement till Mar 2016
LRP Deployed (Cum) Nos	675
Total Villages covered (Cum)	1298
Animals Covered (Cum) Nos	67283
% Change in cost of feeding per kg of milk	4.81

Training and Skill Building

The training programs from time to time were organized under VBMPs to potential members, women, school children, rural youths, MRGs and VCGs. Under RBP training was conducted of Potential members, LRPs, Technical Officers and Animal Nutritionists.

Major training programs conducted during the year 2015-16 were:-

VBMPs

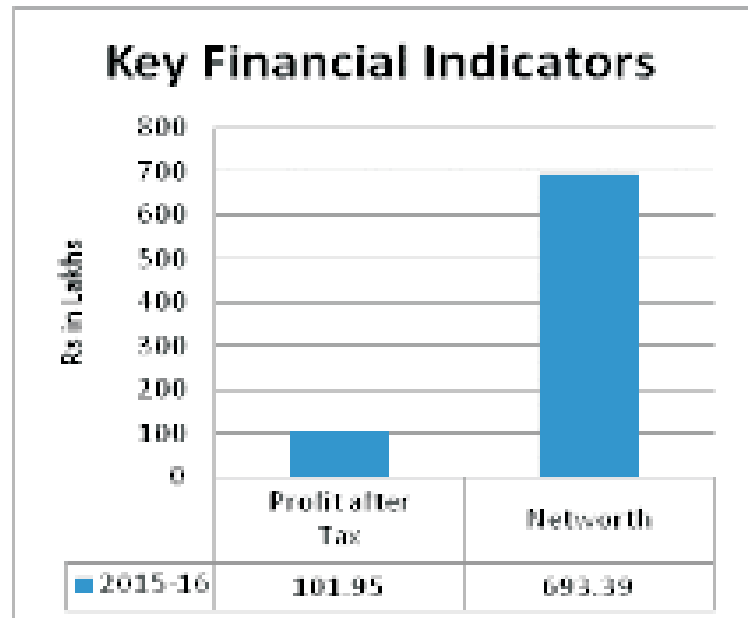
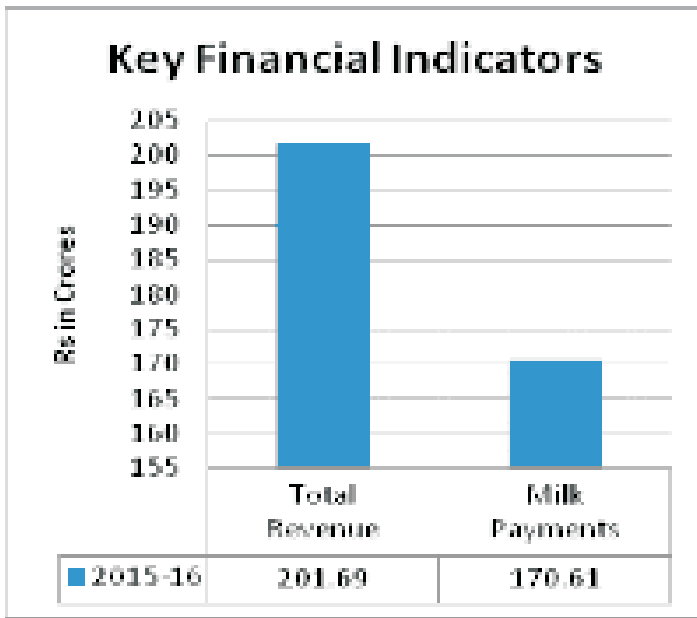
Institutional Building Trainings (PIB)	Achievement till Mar 2016 (Nos)
Producer Awareness Programme	28125
<i>Awareness Programme on Quality & CMP</i>	18308
Women Awareness Programme	11343
<i>Awareness Programme for Rural Youth</i>	760
Children Awareness Programme	1140
<i>MRG Orientation</i>	603
Business Workshop for BoD	10
<i>Exposure visits for BoD</i>	10
IB – Trainers’ Training programme	133
<i>Leadership Development Programme</i>	38
Non IB Training	Achievement till Mar 2016
Training of BMC and MCC Staff on O&M	39
<i>Sahayak orientation program</i>	870
Sahayak refresher program	182
<i>Trg on proc, relation & QA for Facilitator</i>	40
Trg on proc, producer relation& QA for AOs	3
<i>Skill development program for assistants</i>	45
Motivation program for assistants	45
<i>Team building and leadership development</i>	3
Training program for QA officers	2
<i>Training program for QA assistants</i>	65
RBP	Achievement till Mar 2016 (Nos)
LRP basic training	695
<i>LRP refresher training</i>	-
Technical Officer Basic/refresher Training	10
<i>Animal Nutritionist Basic/Refresher Training</i>	2
IT Officer Training	1



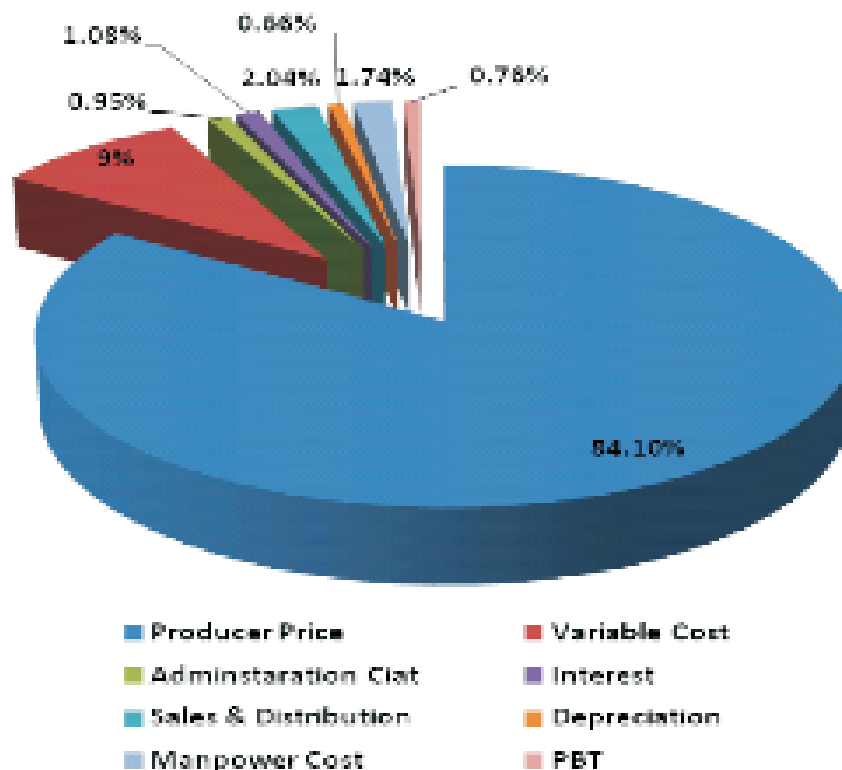
MOTIVATIONAL WORKSHOP



ORIENTATION TRAINING: BOARD OF DIRECTORS



Consumer Rupee Distribution (%) FY 2015-16



DIRECTORS' REPORT

TO THE MEMBERS OF BAANI MILK PRODUCER COMPANY LIMITED

The Directors are pleased to present the Second Annual Report along with the audited Statement of Accounts of Bani Milk Producer Company Limited ('Company') for the period from April 1st 2015 to March 31st 2016.

FINANCIAL RESULTS

The Company's financial performance, for the period ended March 31, 2016 is summarised below:

(₹ in Crore)

Particulars	Period from April 01, 2015 to March 31, 2016	August 01, 2014 to March 31, 2015
Total Revenue	201.69	87.14
Total Expenses	200.15	83.93
Profit Before Tax	1.54	3.21
Tax Expense	0.52	1.05
Net Profit After Tax	1.02	2.16
Limited Return (Dividend) [including tax on distribution of dividend]	0.52	0.17
Transfer to General Reserve	0.53	1.99

STATEMENT OF THE COMPANY'S AFFAIRS:-

The Company during the year has achieved turnover of ₹201.69Crore. The operational revenues generated was ₹ 200.78 Crore, whereas other incomes earned during the period amounted to ₹0.91Crore. The total expenses incurred during the year amounted to ₹ 200.15Crore including depreciation and amortisation expense of ₹ 1.33 Crore. This has resulted into an earning of profit before interest, depreciation and tax (PBIDT) of ₹5.04Crore; and net profit after tax (PAT) of ₹ 1.05Crore.

As against the budgeted total income of ₹246.99Crore and budgeted profit (PAT) of ₹ 1.70Crore for the period, the Company has actually achieved total income of ₹201.69Crore and profit (PAT) of ₹1.05Crore for the said period.

REVIEW OF OPERATIONS:-

MILK PROCUREMENT:

Presently, the Company's milk procurement operations continue to remain extended to eight districts of Punjab viz. Barnala, Bhatinda, Faridkot, Ferozepur, Mansa, Moga, Muktsar and Sangrur and covered therein 908 villages with 917MPPs (Milk Pooling Points) as on 31st March 2016 under 10 MCCs (Milk Chilling Centres). During the year, the Company has procured 583.73 lakh kgs of raw milk.

At the end of the financial year 2015-16, 69% of total members of 31477 have emerged as active members. It indicates high degree of loyalty and patronage toward the functioning and principles of Bani as a Milk Producer Company. The members have thus shown their confidence in the working of the Company. This healthy indicator reflects the onset of the growth saga of the Company, which will certainly reach higher peaks in years to come with the mutual assistance and support of more and more active members. Growth in membership during the financial year 2015-16 was recorded at 37%.

As regards procurement prices, the Company continues to pay competitive and remunerative prices to its members towards the milk being supplied by them. The Board hereby makes a sincere request to all those members of the Company, who do not have their individual bank accounts, to immediately open their bank accounts and intimate the same to the Company for their own benefit, which will ensure safety, speed and ease in dealing with the Company.



SECOND ANNUAL GENERAL





MEETING 2014-15



The Company is continuously endeavouring to maximise the productivity by enhancing efficiencies and taking cost reduction measures like reduce the logistics cost, better supervision, quality checks and better logistic controls etc.

QUALITY INITIATIVE:

All Milk Chilling Centres (MCCs) under use (third party) are well equipped with the basic testing facilities and instruments for quality testing of raw milk. Towards ensuring and maintaining high quality levels in the operations of the Company, the Company has provided and is continuously providing technical support and trainings to all the concerned with emphasis on hygiene, GMP, SOP etc., which are directly connected to the quality of milk. 508 numbers of Clean Milk Production training were conducted and 18308 members were trained.

CATTLE FEED AND MINERAL MIXTURE:

The company is ensuring High quality of milk by taking care of health and nutrition of the cattle that produce it. Baani had introduced the cattle feed and Mineral Mixture under the brand name Baani Feed and Baani Min respectively which offers a complete nutrition package and a balanced diet to the cattle, filled with natural ingredients and essential nutrients required for area specific that improve their health longevity and milk yield. Baani Feed has been launched in two variants Baani Feed and Baani Feed Gold. Sales volume of the Baani Feed was 1940 Metric ton and of Baani Min was 9.3 Metric ton during the year under review.

MILK AND MILK PRODUCTS:

Baani has launched its Milk and Milk Products on 27 March 2016 in Patiala and Bhatinda comprising of 11 SKUs. Four variants of PPM to include FCM in 500 ml & 1000 ml, STANDARDIZED, TM & DTM in 500ml pack, Dahi in 400 & 200 grams, Lassi in 500 ml and 1000ml pack and Ghee in 1 litre pack have been launched. The Company foresees big potential in marketing of Milk and Milk products, in near future in Punjab and rest of the country.

PRODUCER INSTITUTION BUILDING (PIB):

PIB strengthen the business through better governance and member centric approach. The efforts are directed to increase active membership resulting in better economy of scale.

The PIB activities differentiate the Producer Company from the other players in the dairy sector mainly through its open and transparent governance systems and member equity equivalent to their patronage. The emphasis is being laid upon opening of Bank Account by members by making members' aware to get their milk payment directly through their bank accounts for transparency in transactions and timely milk payments apart from inculcating habit of savings.

MPCs Core Design Principles:

Core Designed Principles were strictly observed. Business dealings were restricted only with members. Active user membership & their participation in business and governance were encouraged. All Members will have equity in proportion to patronage and the patronage is based on member classes and member class representation on the Board to ensure inclusiveness in governance.

Appropriate mechanism is instituted for member communication and grievance redressal, professionally managed business operations and economy of a scale sufficient to ensure viability and self-sustenance at the earliest.

Strengthening Member Relations:

The Village Contact Groups (VCG) and Member Relations Groups (MRG) are formed, from among the members of the company who are consistent in pouring milk to the MPC and have given consent to be part of these groups voluntarily.

These groups facilitate in an effective two way channel for communication between members and MPC. The aim is to build relations, resolve grievances of members and create a sense of responsibility and belongingness among the members towards the MPC. VCG and MRG members meet to discuss and review the progress of the Milk Pooling Point (MPP) and share developments with the members These meetings are also attended by employees from the procurement and PIB department to facilitate meaningful and effective interaction.

Women Empowerment:

Albeit women always play a very significant and crucial role in dairy farming, their control over livestock and its products is very minimal. The earning from dairy animals does not remain in the hands of women. Baani MPC has entrusted upon itself responsibility to create an environment for making rural women aware of their role in general and dairying in particular. The following interventions have been initiated to achieve the larger objective of women empowerment:-

- Women awareness programme has been started where participants are informed about their contribution in dairying and enhancing quality milk production resulting in regular income for the family.

- Women are encouraged to become members and their milk payment is transferred to their bank accounts. This may lead to enhanced decision making ability and self-dependence.
- The company communicates about the role of women in every meeting and forum to emphasize the importance of women in dairy sector.
- Women get equal opportunities to become a part of Village Contact Group (VCG) and Member Relation Group (MRG) at the MPP (Milk Pooling Point) level.
- Women members who consistently pour quality milk in required quantity to the MPP of the company, while fulfilling other criteria of continuing membership, have better chance than male members to induct themselves into the Board of Directors of the company. Board meetings give them excellent opportunity to learn management and governance. Currently three directors of the board of MPC are women.

Training & Capacity Building Programs:

Members are imparted training on various awareness programs related to dairying so that they understand their roles and responsibilities. The training programs from time to time are also organized covering potential members, women, school children, rural youths, MRGs and VCGs. Major training programs conducted during the year 2015-16 were:-

S.No.	Training Programmes	Nos. of Training	Nos. of Participants
1.	Producer Awareness Programme	749	28125
2.	Quality & Clean Milk Production	508	18308
3.	Women Awareness Programme	358	11343
4.	Rural Youth Awareness Programme	15	760
5.	Rural School Children Awareness Programme	13	1140
6.	Leadership Development Programme for MRG	2	38
7.	MRG orientation Programme	-	603
8.	VCG Orientation Programme	-	1466

Creation of Member Database

The Company has also organized creation and maintenance of an updated and accurate Member database. It will help in capturing personal and contact details for the member, the nominee and other family members, educational qualifications, socio-economic information, sources of income, number of milch animals owned by the member household and milk production, consumption and surplus information. Photograph and biometric information (finger prints) of the members would also be included. Accurate member database would help in strengthening member relations further and will aid in appropriate planning.

SUB-PROJECT PLANS

The Company, as an End Implementing Agency (EIA), has been sanctioned two Sub-Project Plans (SPPs) by the NDDB (PMU- NDP-I) under the National Dairy Plan-I (NDP-I) to be implemented from 2014-2015 to 2016-2017 as under:-

- A. Ration Balancing Programme (RBP)
- B. Village Based Milk Procurement System (VBMP)

All the above plans are being implemented in Company's operational districts viz. Barnala, Bhatinda, Faridkot, Ferozepur, Mansa, Moga, Muktsar and Sangrur.

Ration Balancing Programme:

This programme aims at providing animal nutrition advisory services to the milk producers at their doorstep with the help of Local Resource Persons (LRPs), especially trained in use of computer software, under the technical guidance of experts. This will help milk producers to feed their animals an optimal ration using locally available feed materials leading finally to increase in milk yield, reducing production cost and also contributing to reduce methane emission.

As per the plan, during the year 2015-16, the Company has hired and trained 675 LRPs and implement the plan in 1298 villages, covering 67283 animals of 37407 milk producers which will be registered and will be provided guidance for the ration balancing. The same is expected to increase milk production and also reduce the cost of production.

In the year 2016-17, it is planned to have 750 LRPs, operating in 1500 villages and covering about 90,000 Animals.

Village Based Milk Procurement System:

The aim of this plan is to expand the infrastructure for collection and chilling of milk at village level and to reach more milk producers; and also to ensure weighing, testing quality of milk received and making payment in a fair and transparent manner.

By the end of the Financial Year 2015-16 the Company had implemented VBMP activity in eight districts by strengthening coverage of activities to more than 900 villages.

ENVIRONMENT AND SOCIAL MANAGEMENT ACTION PLAN:

During the Financial Year 2016-17 it is proposed to conduct:

- Awareness programmes for SC/ST households on dairying (for households not currently members of PCs) in new villages to discuss the importance of dairy to the livelihood and motivate them to join the MPP.
- Village meetings will be organized to encourage women and youth in dairying and various issues in dairying in that particular village are discussed with the members
- Training on E & S issues and gender sensitization.
- Activity will also be undertaken to ensure that appropriate sanitary methods are used for disposal of wastewater.
- Ensure compliance with emission norms by internal / external transporters.

MATERIAL CHANGES AFTER CLOSURE OF FINANCIAL YEAR:

There is no material/substantial change after the closure of financial year ended 31.03.2016.

CHANGE IN NATURE OF BUSINESS:

Further there is no change in the nature of business of company during the year under review.

LIMITED RETURN (DIVIDEND):

The Board is pleased to recommend a Limited Return (Dividend) of ₹10/- per equity share of the face value of ₹100/- each for the period ended March 31, 2016. This dividend is subject to approval of Members at the ensuing 3rd Annual General Meeting and will be paid to those Members whose names appear in the Register of Members on 31.03.2016. The dividend for the financial year @ ₹ 10/- per equity share will absorb ₹ 0.52 Crore, including Dividend Distribution Tax of ₹ 8.79 lakh.

TRANSFER TO RESERVE:

The Board proposes to transfer an amount of ₹ 52.68 Lakh to the credit of General Reserve in terms of relevant provisions of the Articles of Association of the Company read with Section 581ZI of the Companies Act 1956.

FINANCE:

Cash and cash equivalents as at March 31, 2016 was ₹ 2553.37 lakhs. The company continues to focus on judicious management of its working capital, Receivables, inventories and other working capital parameters were kept under strict check through continuous monitoring.

DEPOSITS:

Your Company has not accepted any deposits during the year under review.

SHARE CAPITAL AND MEMBERSHIP:

As at March 31, 2016, the paid up share capital was ₹431.72 Lacs, subscribed by 31477 members.

VOTING RIGHTS AND ATTENDANCE AT AGM:

Those milk producers, who were members as on date of this report shall be entitled to attend the AGM. However the member shall be entitled to voting rights at AGM provided he/she has poured milk for at least 200 days totalling to at least 500 kg during the financial year 2015-16.

Similarly, new members, who were admitted as members of the Company post March 31, 2016, shall not be entitled to dividend for the FY 2015-16 as well as voting right at ensuing AGM.

BOARD OF DIRECTORS:

During the year under review, Shri Ajay Kumar Khosla, Executive Director, of NDDDB Dairy Services (NDS), has been appointed as an Expert Director of the Company with effect from 5th May, 2015 for a period of two years. Further Shri YK Arora, has also been appointed as an Expert Director of the Company with effect from 25 August, 2015 for a period of two years

In terms of Article 9.6 of the Articles of Association of the Company, Shri Gagandeep Singh (DIN 06868680), Shri Gurpiar Singh (DIN 6868658) and Smt Gurmeet Kaur (DIN 6868692) shall retire at the ensuing AGM and being eligible, offer themselves for re-appointment.

Shri Gurtej Singh (DIN 07455673) and Smt Manjeet Kaur (DIN 07455694), the members of the Company, were appointed as Additional Directors of the Company with effect from April 01, 2016 in terms of Article 9.7(i) of the Articles of Association of the Company. They hold their office till the forthcoming Annual General Meeting (AGM) of the Company; and being eligible seek re-appointment, be considered by the shareholders for re-appointment, as Directors whose period of office shall be liable to retire by rotation.

TRAINING OF BOARD MEMBERS:

During the report period, the directors have been imparted training in the business model of the Company and training in leadership as well as for their awareness for the responsibilities, duties and their capacity building.

DIRECTORS' RESPONSIBILITY STATEMENT:

As required under Section 217 of the Companies Act, 1956 ('Act'), Directors confirm that:

- a) in the preparation of annual accounts, the applicable accounting standards have been followed by the Company;
- b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2016 and of the profit of the Company for the period ended on that date.
- c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d) the directors have prepared the annual accounts on a going concern basis.

AUDITORS:

The Auditors of the Company, M/s.S.B. Billimoria & Co., Chartered Accountants, retire at the ensuing second AGM, and have confirmed their eligibility and willingness to accept office, if re-appointed.

The Board of Directors recommends the re-appointment of M/s. S. B. Billimoria & Co., as the Auditors of the Company at the ensuing AGM.

INTERNAL CONTROL SYSTEM AND AUDIT:

The Company has in place the proper and adequate internal control system, which ensures that all assets are safeguarded and protected and the transactions are authorized, recorded and reported correctly. The internal audit of accounts is conducted regularly by the external firm of Chartered Accountants viz., M/s. Ernst & Young LLP, Chartered Accountants. The Internal Auditors independently evaluate the adequacy of internal controls and carry out the audit.

HUMAN RESOURCE:

People are the assets and have been instrumental in driving the Company's performance. Their passion, commitment, sense of ownership and team work has enabled the Company to achieve growth. The Company has always striven to offer a positive, supportive, open and high performance work culture and environment where innovation is encouraged, performance is recognised and employees are motivated to realise their true potential.

The company has through continuous communication, education, engagement and welfare initiatives established cordial and positive employee relations.

Focus has also been to attract befitting talent, provide opportunities to employees to learn and grow within the organization & develop leadership capabilities. Employees are given the latest business and performance information on a regular basis. Your Company provides healthy and safe work environment to all employees.

The Vision, Mission and Values (VMV) of the Company are being followed in true letter and spirit across all the levels of organization, for sustaining the long term growth of the Company.

INFORMATION TECHNOLOGY:

Information technologies provides support to various functions of the Company and help in making the system streamline and online. The key focus of IT is to provide appropriate technologies to improve efficiency in operations, enable informed decision making and to increase revenue.

IT intervention in our Company are making the system streamline and online.

We have implemented a dedicated help desk system to record, respond & monitor the queries of our members and to ensure a timely redressal of their grievances and provide authentic information & guidance on matters of their interest.

PARTICULARS OF EMPLOYEES:

During the year under report, none of the employees of the Company was in receipt of remuneration equal to or exceeding limit as prescribed under the Companies Act, 1956.

SAFETY AND HEALTH:

Your Company provides a safe and healthy workplace for its employees. There is always focus on the health and safety of employees, especially those physically handling the milk. Regular medical check-ups and necessary training is provided to employees. The Company has adopted eco-friendly practices, and continuously strive to protect the environment by various initiatives like planting of trees.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO:

The Company is in the business of trading in milk and milk products. However the Company has taken all steps necessary for conservation of energy and has been sensitive in making progress towards this initiative. Administrative and office operations are conducted in the manner whereby optimum utilization and maximum possible saving of energy is achieved. Further no specific technology is involved in the business activities of Company. Further foreign exchange earnings and outgo are nil during the year under review.

MEETINGS:

During the financial year 2015-16, four (4) meetings of Board of Directors of the Company were duly convened and held on 05.05.2015, 25.08.2015, 11.12.2015 & 14.03.2016.

AUDITOR'S REPORT:

The observation made in the Auditors' Report read together with relevant notes thereon are self-explanatory and hence, do not call for any further comments.

ACKNOWLEDGMENT:

The Board of Directors would like to express its sincere thanks and appreciation for the contributions and support extended by the members of the Company, Government of Punjab, business associates and bankers for their continued support during the year.

Your Directors also take this opportunity to place on record their sincere thanks to National Dairy Development Board, NDDDB Dairy Services and Mother Dairy Fruit & Vegetable Private Limited for providing encouragement and continuous support.

The Board also places on record its appreciation for the enthusiastic co-operation, hard work and dedication of all the employees of the company and all concerned without which it would not have been possible to achieve all round progress and growth of the Company.

For and on behalf of the Board of Directors

Sd/-
(Gagandeep Singh)
Chairman

Date: 12.08.2016
Place: Patiala

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BAANI MILK PRODUCER COMPANY LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of BAANI MILK PRODUCER COMPANY LIMITED ("the Company"), which comprise the Balance Sheet as at 31 March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

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

Auditors' Responsibility

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under section 143 (11) of the Act.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence 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 the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under section 133 of the Act, as applicable.
 - e) On the basis of the written representations received from the directors as on 31 March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.
 3. As required by Section 581ZG of the Part IXA of the Companies Act, 1956 (in terms of section 465 of the Companies Act, 2013, provisions of part IXA of the Companies Act are applicable to a producer company in a manner as if the Companies Act, 1956 has not been repealed), we give in "Annexure C" a statement on the matters specified in that Section.

Sd/-
For S. B. BILLIMORIA & CO.
Chartered Accountants
(Registration No. 101496W)

Sd/-
Jitendra Agarwal
Partner
(Membership No. 87104)

Place: Gurgaon
Date: 12 August, 2016

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Baani Milk Producer Company Limited ("the Company") as of 31 March, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Sd/-
For S. B. BILLIMORIA & CO.
Chartered Accountants
(Firm Registration No. 101496W)

Sd/-
(Jitendra Agarwal)
Partner
(Membership No. 87104)

Place: Gurgaon
Date: 12 August, 2016

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under 'Reports on Other Legal and Regulatory Requirements' section of our report of even date)

- (I) In respect of its fixed assets :
- a. The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - b. The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - c. The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause (I) (c) of the CARO 2016 is not applicable.
- (ii) As explained to us, the inventories were physically verified during the year by the management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) The Company has not granted any loans, made investments or provided guarantees and hence reporting under clause (iv) of the CARO 2016 is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public, and hence reporting under clause (v) of the CARO 2016 is not applicable.
- (vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) of CARO 2016 is not applicable.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- a. The Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Employee's State Insurance, Income Tax, Sales Tax, Service Tax, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities. We are informed that the operations of the Company during the year did not give rise to any liability for Customs Duty and Excise Duty.
 - b. There are no undisputed amounts payable in respect of Provident Fund, Employee's State Insurance, Income Tax, Sales Tax, Value Added Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31 March, 2016 for a period of more than six months from the date they became payable.
 - c. There are no dues of Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Value Added Tax as on 31 March 2016 on account of disputes.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks and financial institutions. The Company has not taken any loan from government and it has not issued any debentures.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) The Company is a private company and hence the provisions of section 197 of the Companies Act, 2013 do not apply to the Company.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.

- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) The Company is registered under Chapter IXA of the Companies Act, 1956 and hence reporting under clause (xiv) of CARO 2016 is not applicable.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

Sd/-
For S. B. BILLIMORIA & CO.
Chartered Accountants
(Firm Registration No. 101496W)

Sd/-
(Jitendra Agarwal)
Partner
(Membership No. 87104)

Place: Gurgaon

Date: 12 August, 2016

ANNEXURE "C" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 3 under 'Reports on Other Legal and Regulatory Requirements' section of our report of even date)

- i. The amount of debts due from sale of goods and services are as disclosed in note 17 to the financial statements. According to the information and explanations given to us no debts are considered as doubtful of recovery.
- ii. According to the information and explanations given to us, cash on hand as at year-end has been physically verified by the management and no discrepancies were noticed on such verification. According to the information and explanations given to us, the Company does not hold any investment securities.
- iii. The details of assets and liabilities as at 31 March, 2016 are as per the financial statements of the Company as at and for the year ended 31 March, 2016.
- iv. In our opinion and according to the information and explanations given to us, the Company has not done any transaction which appears to be contrary to the provisions of part IXA of the Companies Act, 1956.
- v. According to the information and explanations given to us, the Company has not granted any loan to its directors.
- vi. According to the information and explanations given to us, the Company has not given any donations or subscriptions during the year.

Sd/-
For S. B. BILLIMORIA & CO.
Chartered Accountants
(Firm Registration No. 101496W)

Sd/-
(Jitendra Agarwal)
Partner
(Membership No. 87104)

Place: Gurgaon
Date: 12 August, 2016

BAANI MILK PRODUCER COMPANY LIMITED
BALANCE SHEET AS AT 31 MARCH, 2016

	Note No.	As at 31 March, 2016 Rupees	As at 31 March, 2015 Rupees
A. EQUITY AND LIABILITIES			
1. Shareholders' funds			
(a) Share capital	3	43,172,000	13,783,400
(b) Reserves and surplus	4	25,181,642	19,913,163
		<u>68,353,642</u>	<u>33,696,563</u>
2. Share application money pending allotment	29	1,255,300	1,872,063
3. Deferred grant	5	64,005,332	-
4. Non - current liabilities			
(a) Long - term borrowings	6	74,494,445	-
(b) Long - term provisions	7	1,280,835	549,133
		<u>75,775,280</u>	<u>549,133</u>
5. Current liabilities			
(a) Short - term borrowings	8	834,677,567	-
(b) Trade payables	9		
(i) Total outstanding dues of micro and small enterprises		-	-
(ii) Total outstanding dues of creditors other than micro and small enterprises		128,317,479	71,492,716
(c) Other current liabilities	10	58,511,752	80,823,835
(d) Short - term provisions	11	5,196,096	7,318,965
		<u>1,026,702,894</u>	<u>159,635,516</u>
Total		<u>1,236,092,448</u>	<u>195,753,275</u>
B. ASSETS			
1. Non - current assets			
(a) Fixed assets			
(i) Tangible assets	12	118,332,398	56,925,147
(ii) Intangible assets	12	23,645,954	-
		<u>141,978,352</u>	<u>56,925,147</u>
(b) Deferred tax assets	13	2,363,063	2,719,938
(c) Long - term loans and advances	14	6,952,390	557,920
(d) Other non-current assets	15	4,225,000	100,000
		<u>155,518,805</u>	<u>60,303,005</u>
2. Current assets			
(a) Inventories	16	17,855,623	6,903,436
(b) Trade receivables	17	801,723,283	7,415,175
(c) Cash and cash equivalents	18	255,336,981	119,759,781
(d) Short - term loans and advances	19	1,833,365	854,311
(e) Other current assets	20	3,824,391	517,567
		<u>1,080,573,643</u>	<u>135,450,270</u>
Total		<u>1,236,092,448</u>	<u>195,753,275</u>

See accompanying notes forming part of the financial statements

In terms of our report attached

For S.B. BILLIMORIA & CO.
Chartered Accountants

For and on behalf of the Board of Directors

Sd/-
Gagandeep Singh
Chairman

Sd/-
Rajpal Singh
Director

Sd/-
Narinder Bahga
Chief Executive & Director

Sd/-
JITENDRA AGARWAL
Partner

Sd/-
Rajesh Saini
Company Secretary

Sd/-
Jasmeet Singh Bhatia
Chief Financial Officer

Place: Gurgaon
Date:

Place: Patiala
Date:

BAANI MILK PRODUCER COMPANY LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2016

	Note No.	Year ended 31 March, 2016	Period ended 31 March, 2015
		Rupees	Rupees
1. Revenue from operations	21	2,007,811,019	868,464,304
2. Other income	22	9,119,735	2,921,983
3. Total revenue (1+2)		2,016,930,754	871,386,287
4. EXPENSES			
(a) Purchases of stock in trade	23	1,858,877,209	789,600,574
(b) Changes in inventories of stock-in-trade	24	(9,980,047)	(6,839,953)
(c) Employee benefits expense	25	35,024,311	12,735,157
(d) Finance costs	26	21,715,731	420,747
(e) Depreciation and amortisation expense	12	13,345,623	11,423,561
(f) Other expenses	27	82,576,477	31,954,034
Total expenses		2,001,559,304	839,294,120
5. Profit before tax (3-4)		15,371,450	32,092,167
6. Tax expense:			
(a) Current tax		4,550,000	13,240,000
(b) Deferred tax charge/(credit)		356,875	(2,719,938)
Net tax expense		4,906,875	10,520,062
7. Profit for the year/period (5-6)		10,464,575	21,572,105
8. Earnings per equity share:	32		
(Nominal value Rs. 100 per share)			
(a) Basic		58.14	416.97
(b) Diluted		58.13	416.32

See accompanying notes forming part of the financial statements

In terms of our report attached

For S.B. BILLIMORIA & CO.

Chartered Accountants

For and on behalf of the Board of Directors

Sd/-
Gagandeep Singh
Chairman

Sd/-
Rajpal Singh
Director

Sd/-
Narinder Bahga
Chief Executive & Director

Sd/-
JITENDRA AGARWAL
Partner

Sd/-
Rajesh Saini
Company Secretary

Sd/-
Jasmeet Singh Bhatia
Chief Financial Officer

Place: Gurgaon
Date:

Place: Patiala
Date:

BAANI MILK PRODUCER COMPANY LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2016

	Year ended 31 March, 2016 Rupees	Period ended 31 March, 2015 Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before tax	15,371,450	32,092,167
Adjustments For :		
Finance costs	21,496,257	420,747
Interest income	(7,399,391)	(698,002)
Profit on sale of fixed assets	(64,291)	(62,731)
Provision for employee benefits	662,575	618,260
Depreciation and amortisation expense	13,345,623	11,423,561
Operating Profit before working capital changes	43,412,223	43,794,002
Adjustments for movement in working capital:		
(Increase) in inventories	(10,952,187)	(6,903,436)
(Increase) in trade receivables	(794,308,108)	(7,415,175)
(Increase) in long term loans and advances	(103,750)	(557,920)
(Increase) in short term loans and advances	(979,054)	(854,311)
(Increase) in other non-current assets	(4,125,000)	(100,000)
(Increase) in other current assets	(28,750)	-
Increase in trade payables	56,824,762	71,492,715
Increase in other current liabilities	16,005,199	14,454,452
Cash generated from operations	(694,254,664)	113,910,328
Net income tax (paid)	(16,431,616)	(8,069,851)
Net cash flow from/(used in) operating activities - (A)	(710,686,280)	105,840,477
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Bank balances not considered as Cash and cash equivalents	(162,669,285)	(10,000,000)
Capital expenditure on fixed assets (net of capital grant received)	(90,249,452)	(1,981,594)
Proceeds from sale of fixed assets	66,560	65,000
Interest received	4,121,317	180,435
Net cash flow (used in) investing activities - (B)	(248,730,860)	(11,736,159)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from issue of equity share capital	27,516,537	13,783,400
Share application money received	1,255,300	1,872,063
Proceeds from long term borrowings	81,235,591	-
Repayment of long term borrowings	(1,603,956)	-
Net increase/(decrease) in working capital borrowings	834,677,567	-
Dividend Paid including dividend tax	(498,442)	-
Finance costs paid	(10,257,542)	-
Net cash flow from financing activities - (C)	932,325,055	15,655,463
Net increase in Cash and cash equivalents (A+B+C)	(27,092,085)	109,759,781
Cash and cash equivalents at beginning of the year/period	109,759,781	-
Cash and Cash equivalents at the end of the year/period	82,667,696	109,759,781
Cash and cash equivalents comprises:		
Cash in hand	70,361	14,063
Balances with banks:		
- in current accounts	82,597,335	109,745,718
Cash and cash equivalents as per Cash Flow Statement	82,667,696	109,759,781
Add: Bank balances not considered as Cash and cash equivalent	172,669,285	10,000,000
Cash and bank balances as per Balance Sheet (Note 18)	255,336,981	119,759,781

See accompanying notes forming part of the financial statements

In terms of our report attached

For and on behalf of the Board of Directors

For S.B. BILLIMORIA & CO.
Chartered Accountants

Sd/-
Gagandeep Singh
Chairman

Sd/-
Rajpal Singh
Director

Sd/-
Narinder Bahga
Chief Executive & Director

Sd/-
JITENDRA AGARWAL
Partner

Sd/-
Rajesh Saini
Company Secretary

Sd/-
Jasmeet Singh Bhatia
Chief Financial Officer

Place: Gurgaon
Date:

Place: Patiala
Date:

Notes forming part of the financial statements

1. Corporate information

Bani Milk Producer Company Limited (“the Company”) was incorporated on 11 August, 2014 under Part IXA of the Companies Act, 1956.

The Company has started the procurement operations in the state of Punjab from 6th November, 2014. The Company procures milk directly from milk producers through Milk Pooling Points in villages of Punjab and sells to Mother Dairy Fruit and Vegetable Private Limited. The Company also trades in cattle feed.

2. Significant accounting policies

The significant accounting policies are as follows:

a. Basis of accounting

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 and the relevant provisions of the Companies Act, 2013 (“the 2013 Act”) / Companies Act, 1956 (“the 1956 Act”) as applicable. MCA has clarified that the provisions of part IXA of the Companies Act, 1956 shall be applicable to a producer company in the manner as if the Companies Act, 1956 has not been repealed. The financial statements are prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

b. Use of estimates

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

c. Cash and cash equivalents (for the purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

d. Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

e. Revenue recognition

Sales are recognized, net of returns and trade discounts, on transfer of significant risk and rewards of ownership to the buyers, which generally coincides with the delivery of goods to customers.

f. Other income

Interest income on deposits is recognized on accrual basis.

g. Fixed assets (Tangible/Intangible)

Fixed assets are carried at cost less accumulated depreciation / amortisation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other

than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use. Subsequent expenditure on fixed assets after its purchase is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previous assessed standard of performance.

h. Capital work-in-progress

Assets which are not ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

i. Depreciation and amortisation

Depreciation on tangible and intangible fixed assets has been provided on straight line method as per the useful life of the assets assessed as under based on technical advice, taking into account the nature of asset, the estimated usage of assets, the operating condition of the asset, past history of replacements, anticipated technological changes, manufactured warranties and maintenance support etc.

The useful life considered for charging depreciation is as follows:

Description	Useful life (in years)
Plant and equipment	10
Furniture and fixtures	15
Computers and software	3
Office equipment	10

Depreciation is provided pro-rata from the date of addition.

All assets costing Rs. 5,000 or less individually are fully depreciated in the year of capitalisation.

j. Inventories

Inventories comprise finished goods and stores and spares. Inventories are valued at lower of cost and net realizable value after providing for obsolescence and other losses, where considered necessary. Cost is determined using weighted average method. Cost includes all charges incurred in bringing the inventories to their present location and condition. Finished goods include appropriate proportion of overheads.

k. Grants

Government grants and subsidies are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants / subsidies will be received. Government grants related to depreciable fixed assets are treated as deferred grants which is recognised in the statement of profit and loss on a systematic and rational basis over the useful life of the asset, i.e., depreciation charge on assets procured from such grants is appropriated from Deferred Grant and recognized in the Statement of Profit and Loss by way of reduced depreciation charge.

Revenue government grants and subsidies are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis and are deducted in reporting the related expense.

I. Employee benefits

Employee benefits include Provident Fund, Employee State Insurance scheme, Gratuity and compensated absences.

a. Defined contribution plans

The Company's contributions to provident fund and employees state insurance scheme is considered as defined contribution plan and are charged to the Statement of Profit and Loss based on the amount of contributions required to be made as and when services are rendered by the employees.

b. Defined benefit plans

Gratuity is considered as defined benefit plan. Gratuity is provided based on actuarial valuation carried out at the balance sheet date. The incremental liability based on an actuarial valuation as per the 'Projected Unit Credit' method, as at the reporting date, is charged to the Statement of Profit and Loss Account. Actuarial gains and losses are recognized in the Statement of Profit and Loss.

c. Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the services. These benefit includes performance incentives and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related services.

d. Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as a liability at the present value of the defined benefit obligation as at the balance sheet date on the basis of actuarial valuation.

m. Earnings per share

Basic earnings per share is computed by dividing the net profit after tax by weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the year as adjusted to the effects of all dilutive potential equity shares, except where results are anti-dilutive.

n. Taxes on income

Income tax comprises current tax and deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of Income Tax Act, 1961 and other applicable tax laws.

Deferred tax is recognized on timing differences; being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognized for all timing differences. Deferred tax assets are recognized for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realized. However, if there are unabsorbed depreciation and carry forward losses, deferred tax assets are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realize such assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legal enforceable right for such set off.

o. Borrowing cost

Borrowing costs includes interest and ancillary costs incurred. Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset, pertaining to the period from commencement of activities relating to construction/development of qualifying asset upto the date of capitalization of such asset, are capitalized as part of the cost of that asset. All other borrowing costs are recognized as an expense in the statement of profit and loss in the year in which they are incurred.

p. Impairment of assets

At each balance sheet date, the Company reviews the carrying values of its fixed assets to determine whether there is any indication that those assets suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an assets net selling price and value in use. In assessing value in use the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a pre-discount rate that reflects the current market assessments of time value of money and the risks specific to the asset.

Reversal of impairment loss is recognized as income in the statement of profit and loss.

q. Provisions and contingencies

A provision is recognized when the Company has present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions (excluding employee benefits) are not discounted to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent Assets are not recognized in the financial statements. Contingent liabilities are disclosed in the notes to accounts. Contingent assets are not recognized in the financial statements.

r. Leases

Lease arrangements where the risks and rewards incident to ownership of an asset substantially vest with the lessor are recognized as operating leases. Lease rent under operating leases are recognized in the statement of profit and loss account on straight line basis.

s. Material events

Material events occurring after the Balance Sheet date are taken into cognizance.

t. Operating Cycle

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

BAANI MILK PRODUCER COMPANY LIMITED
Notes forming part of the financial statements

Note 3: Share Capital

	As at 31 March, 2016		As at 31 March, 2015	
	Number of shares	Amount Rupees	Number of shares	Amount Rupees
(a) Authorised share capital Equity Shares of Rs. 100 each	2,000,000	200,000,000	2,000,000	200,000,000
(b) Issued, subscribed and fully Paid up share capital Equity Shares of Rs. 100 each	431,720	43,172,000	137,834	13,783,400

See notes (i) to (iii) below

Notes:

(i) Rights, preferences and restrictions attached to shares

The Company has issued one class of equity shares having face value of Rs. 100 each. Each member is entitled to one vote. Members are entitled to limited return (dividend) and bonus in accordance with Article of Association of the Company.

(ii) Reconciliation of number of equity shares and amount outstanding at the beginning and at the end of the year/period:

	As at and for the year ended March 31, 2016		As at and for the period ended 31 March, 2015	
	Number of shares	Amount Rupees	Number of shares	Amount Rupees
Shares outstanding at the beginning of the year/period	137,834	13,783,400	-	-
Shares issued during the year/period	293,886	29,388,600	137,834	13,783,400
Shares outstanding at the end of the year/period	431,720	43,172,000	137,834	13,783,400

(iii) The Company is registered under Part IXA of the Companies Act, 1956 as 'Producer Company' and none of the member holds 5% or more of the share capital of the Company.

BAANI MILK PRODUCER COMPANY LIMITED
Notes forming part of the financial statements

	As at 31 March, 2016	As at 31 March, 2015
	Rupees	Rupees
Note 4: Reserves and surplus		
(a) General Reserve		
Opening balance	19,913,163	-
Add :- Transferred from surplus in Statement of Profit and Loss	5,268,479	19,913,163
Closing balance	25,181,642	19,913,163
(b) Surplus in Statement of Profit and Loss		
Profit for the year/period	10,464,575	21,572,105
Less:		
Proposed limited return (dividend) to members (Rs.10/- per share)	4,317,200	1,378,340
Tax on proposed limited return (dividend)	878,896	280,602
Transferred to General Reserve	5,268,479	19,913,163
Closing balance	-	-
	25,181,642	19,913,163
Note 5: Deferred grant		
(a) Capital grant utilised during the year (see note 34)	78,631,199	-
(b) Less: Depreciation pertaining to assets acquired from grant	14,625,867	-
(c) Closing balance	64,005,332	-
Note 6: Long term borrowings		
Secured		
(a) Term loan from National Dairy Development Board (NDDB)	64,735,591	-
(b) Term Loan from Bank	14,896,044	-
	79,631,635	-
Less: current maturity of long term borrowings (see note 10)	5,137,190	-
	74,494,445	-
(i) Details of Security provided in respect of secured long-term borrowings is as under:		
The term loan from NDDB is secured by first charge over the moveable assets of the Company, present and future, save and except book debts, subject to prior charges created and/or to be created in favour of the Company's bankers.		
The term loan from HDFC bank is secured by first charge over the moveable assets of the company being data based processor and milk collection units and collateral security of by way of lien marked on fixed deposits with banks.		
(ii) Details of terms of repayment for the long term borrowings is as under:		
(a) TERM LOAN FROM NDDB:		
The loan carries interest @9% per annum and is repayable in 60 equal monthly installments over a period of 7 years with a moratorium period of 2 years on principal repayment.		
(b) TERM LOAN FROM BANK:		
Maturity profile of term loans from bank is as set out below:		
Financial year:		
2016-17	5,137,190	-
2017-18	5,663,874	-
2018-19	4,094,980	-
	14,896,044	-
Note 7: Long term provisions		
(a) Provision for employee benefits:		
(i) For compensated absences	636,287	139,277
(ii) For gratuity	644,548	409,856
	1,280,835	549,133

BAANI MILK PRODUCER COMPANY LIMITED
Notes forming part of the financial statements

	As at 31 March, 2016	As at 31 March, 2015
	Rupees	Rupees
Note 8: Short term borrowings		
(a) Secured		
Working capital loan from banks (secured against fixed deposit with banks)	55,000,920	-
(b) Unsecured		
Bills discounting from banks	779,676,647	-
	834,677,567	-
Note 9: Trade payables		
(a) Trade Payables (other than acceptances) (see note 35)	128,317,479	71,492,716
	128,317,479	71,492,716
Note 10: Other current liabilities		
(a) Current maturities on long term borrowings (see note below)	5,137,190	-
(b) Interest accrued but not due on borrowings	11,238,715	-
(c) Unclaimed/Unpaid dividends	1,160,500	-
(d) Advance membership fee	172,600	156,800
(e) Advances from customers	1,653,463	611,880
(f) Trade/security deposits	21,829,970	12,705,886
(g) Grant received (net of utilization) (see note 34)	5,167,900	-
(h) Statutory dues (Contribution to PF, Withholding Taxes, Service Tax etc.)	1,635,718	979,886
(i) Payable for purchase of fixed assets	10,515,696	66,369,383
	58,511,752	80,823,835
Note:		
For details of security of current maturities of long term borrowings - refer to note 6		
Note 11: Short term provisions		
(a) Provision for employee benefits:		
(i) For compensated absences	-	65,944
(ii) For gratuity	-	3,183
(b) Provision for income tax (Previous year: net of advance tax of Rs. 80,69,851)	-	5,590,896
(c) Provision for proposed limited return (dividend)	4,317,200	1,378,340
(d) Provision for tax on proposed limited return	878,896	280,602
	5,196,096	7,318,965

BAAANI MILK PRODUCER COMPANY LIMITED
Notes forming part of the financial statements

Note 12: Fixed assets

Particulars	Gross block			Accumulated depreciation			Amount in Rupees		Net block As at 31 March, 2015
	As at April 1, 2015	Additions during the year	Deletions	As at 31 March, 2016	As at April 1, 2015	Depreciation charge for the year	On Disposal	As at 31 March, 2016	
(a) Tangible assets (owned)									
Plant and equipment	59,127,641 (-)	59,890,886 (59,173,021)	45,380 (45,380)	118,973,148 (59,127,641)	11,155,716 (-)	17,789,954 (11,198,827)	43,111 (43,111)	28,902,559 (11,155,716)	90,070,588 (47,971,925)
Furniture and fixtures	6,625,644 (-)	3,745,287 (6,625,644)	-	10,370,931 (6,625,644)	87,751 (-)	4,049,551 (87,751)	-	4,137,302 (87,751)	6,233,629 (6,537,893)
Office equipment	1,290,103 (-)	1,498,873 (1,290,103)	-	2,788,976 (1,290,103)	69,937 (-)	182,148 (69,937)	-	252,085 (69,937)	2,536,891 (1,220,166)
Computers	1,262,209 (-)	23,110,291 (1,262,209)	-	24,372,500 (1,262,209)	67,046 (-)	4,814,164.15 (-67,046.00)	-	4,881,211 (67,046)	19,491,290 (1,195,163)
Total	68,305,597 (-)	88,245,338 (68,350,977)	45,380 (45,380)	156,505,555 (68,305,597)	11,380,450 (-)	26,835,818 (11,423,561)	43,111 (43,111)	38,173,157 (11,380,450)	118,332,398 (56,925,147)
(b) Intangible assets (other than self generated)									
Computer software	-	24,781,627	-	24,781,627	-	1,135,673	-	1,135,673	23,645,954
Total	-	24,781,627	-	24,781,627	-	1,135,673	-	1,135,673	23,645,954
Previous period									

Figures in brackets represents previous period's numbers

Notes:

(i) Depreciation and amortisation expense

	Year ended 31-Mar-16	Period ended 31-Mar-15
Tangible assets	26,835,818	11,423,561
Intangible assets	1,135,673	-
Less: Depreciation pertaining to assets acquired on grant	14,625,867	-
	13,345,623	11,423,561

(ii) The details of assets purchased out of capital grant and included in the above schedule are given below (see note 34):

Particulars	Gross block			Accumulated depreciation			Amount in Rupees		Net Block As at 31 March, 2015
	As at April 1, 2015	Additions during the period	Deletions	As at 31 March, 2016	As at April 1, 2015	Depreciation charge for the period	On Disposal	As at 31 March, 2016	
(a) Tangible assets (owned)									
Plant and equipment	-	27,947,032	-	27,947,032	-	6,204,502	-	6,204,502	21,742,529
Furniture and fixtures	-	3,710,121	-	3,710,121	-	3,422,728	-	3,422,728	287,393
Office equipment	-	1,420,267	-	1,420,267	-	60,498	-	60,498	1,359,769
Computers	-	20,922,260	-	20,922,260	-	3,856,231	-	3,856,231	17,066,029
Total	-	53,999,680	-	53,999,680	-	13,543,960	-	13,543,960	40,455,719
(b) Intangible assets (other than self generated)									
Computer software	-	24,631,520	-	24,631,520	-	1,081,907	-	1,081,907	23,549,613
Total	-	24,631,520	-	24,631,520	-	1,081,907	-	1,081,907	23,549,613

BAANI MILK PRODUCER COMPANY LIMITED
Notes forming part of the financial statements

	As at 31 March, 2016	As at 31 March, 2015
	Rupees	Rupees
Note 13: Deferred tax assets		
Tax effect of items constituting deferred tax assets:		
a. On difference between book balance and tax balance of fixed assets	1,477,837	2,023,795
b. Provision for compensated absences and gratuity	423,483	204,415
c. Disallowances under section 35D of the Income Tax Act	343,451	457,934
d. Others	118,292	33,794
	2,363,063	2,719,938
Note 14: Long - term loans and advances (Unsecured, considered good)		
(a) Security deposits	661,670	557,920
(b) Advance income tax (Net of provision for tax Rs. 45,50,000)	6,290,720	-
	6,952,390	557,920
Note 15: Other non-current assets		
(a) Fixed deposits with banks*	4,225,000	100,000
	4,225,000	100,000
*These comprises fixed deposits under lien and having a maturity of more than 12 months from the Balance sheet date		
Note 16: Inventories (At lower of cost and net realisable value)		
(a) Stock-in-trade (in transit)	16,820,000	6,839,953
(b) Stock - Others	96,305	-
(c) Stores and spares	939,318	63,483
	17,855,623	6,903,436
Note 17: Trade receivables (Unsecured, considered good)		
(a) Outstanding for a period less than six months from the date they were due for payment	801,723,283	7,415,175
	801,723,283	7,415,175

BAANI MILK PRODUCER COMPANY LIMITED
Notes forming part of the financial statements

	As at 31 March, 2016	As at 31 March, 2015
	Rupees	Rupees
Note 18: Cash and cash equivalents		
(a) Cash and cash equivalents		
(i) Cash in hand	70,361	14,063
(ii) Balance with banks:		
a) In current accounts	82,597,335	109,745,718
Cash and cash equivalents (as per AS 3 - Cash flow statement)	<u>82,667,696</u>	<u>109,759,781</u>
(b) Other bank balances		
(i) In deposit accounts		
- original maturity more than 3 months	171,508,785	10,000,000
(ii) In earmarked accounts		
- Unpaid dividend accounts	1,160,500	-
	<u>255,336,981</u>	<u>119,759,781</u>
Note 19: Short - term loans and advances (Unsecured, considered good)		
(a) Loans and advances to employees	-	31,575
(b) Advances to vendors	673,018	-
(c) Prepaid expenses	1,160,347	822,736
	<u>1,833,365</u>	<u>854,311</u>
Note 20: Other current assets (Unsecured, considered good)		
(a) Interest accrued but not due on bank deposits	3,795,641	517,567
(b) Others	28,750	-
	<u>3,824,391</u>	<u>517,567</u>

BAANI MILK PRODUCER COMPANY LIMITED
Notes forming part of the financial statements

	Year ended 31 March, 2016	Period ended 31 March, 2015
	Rupees	Rupees
Note 21: Revenue from operations		
(a) Sale of products (refer note (i) below)	2,007,811,019	868,464,304
	2,007,811,019	868,464,304
Note:		
Sale of products comprises:		
(i) Traded goods		
a. Raw milk	1,973,857,990	867,321,334
b. Processed milk and milk products	1,225,177	-
d. Cattle feed	32,727,852	1,142,970
Total	2,007,811,019	868,464,304
Note 22: Other income		
(a) Interest income		
(i) On deposits with banks	7,399,391	698,002
(b) Other non-operating income		
(i) Membership fee	760,800	2,161,250
(ii) Profit on sale of fixed assets	64,291	62,731
(iii) Miscellaneous income	895,253	-
	9,119,735	2,921,983

BAANI MILK PRODUCER COMPANY LIMITED
Notes forming part of the financial statements

	Year ended 31 March, 2016	Period ended 31 March, 2015
	Rupees	Rupees
Note 23: Purchases of stock-in-trade		
(a) Raw milk	1,691,261,582	739,427,375
(b) Procurement expenses	134,618,578	49,052,758
(c) Purchase of processed milk and milk products	1,070,518	-
(d) Cattle feed	31,926,531	1,120,441
	<u>1,858,877,209</u>	<u>789,600,574</u>
Note 24: Changes in inventories of stock-in-trade		
Decrease/(increase) in inventories of stock-in-trade		
(a) Inventories at the beginning of the year	6,839,953	-
(b) Inventories at the end of the year	16,820,000	6,839,953
(c) Net (increase) in inventory	<u>(9,980,047)</u>	<u>(6,839,953)</u>
Note 25: Employee benefits expense		
(a) Salaries and wages	31,485,993	11,415,317
(b) Contribution to provident fund	2,214,760	782,198
(c) Contribution to gratuity fund/expense	1,053,439	438,116
(d) Staff welfare expenses	270,119	99,526
	<u>35,024,311</u>	<u>12,735,157</u>

BAANI MILK PRODUCER COMPANY LIMITED
Notes forming part of the financial statements

	Year ended 31 March, 2016	Period ended 31 March, 2015
	Rupees	Rupees
Note 26: Finance costs		
(a) Interest expense on borrowings	21,496,257	-
(b) Interest on delayed payment of income tax	219,474	420,747
	21,715,731	420,747
Note 27: Other expenses		
(a) Consumption of stores and spares	2,008,816	1,302,517
(b) Power and fuel	533,968	120,831
(c) Rent including lease rent	2,616,099	738,175
(d) Rates and taxes	510,616	146,748
(e) Contractual and retainer ship expenses	13,047,132	3,844,385
(f) Repair and maintenance - machinery	7,263,106	1,927,426
(g) Repair and maintenance - others	185,427	64,736
(h) Freight, forwarding and distribution expenses	40,244,027	15,373,657
(i) Insurance charges	1,248,766	467,868
(j) Legal and professional fees	4,461,041	905,106
(k) Printing and stationery	412,912	511,160
(l) Internal audit fees	761,425	561,800
(m) Auditor's remuneration (refer note (i) below)	740,507	570,000
(n) Travelling and conveyance	4,033,546	1,466,996
(o) Training expenses	587,677	324,456
(p) Security expenses	638,416	197,289
(q) Communication expenses	930,240	187,632
(r) Recruitment expenses	54,697	311,874
(s) Preliminary expenses written off	-	1,731,295
(t) Advertisement and publicity	713,750	-
(u) Patent and trademark expenses	119,632	-
(v) General meeting expenses	584,811	-
(w) Miscellaneous expenses	879,866	1,200,083
	82,576,477	31,954,034
Note:		
(i) Auditors' remuneration comprises:		
a. Statutory audit fee	600,000	425,000
b. Tax audit fee	-	75,000
c. Out of pocket expenses	46,731	-
d. Service tax on above	93,776	70,000
	740,507	570,000

BAANI MILK PRODUCER COMPANY LIMITED
Notes forming part of the financial statements

Note 28: Contingent liabilities and commitments (to the extent not provided for)

Particulars	As at 31 March, 2016 Rupees	As at 31 March, 2015 Rupees
A. Contingent liabilities		
(a) Claims against the Company not acknowledged as debt	Nil	Nil
(b) Bank guarantees issued on behalf of the Company - Guarantee given to Sale Tax department	100,000	100,000

Note 29

The Company had received share application money of Rs. 12,55,300 against which allotment will be made within 3 months.

Note 30: Employee benefit plans

Defined-contribution plans

The Company offers its employees defined contribution plan in the form of provident fund and family pension fund. Provident fund and family pension fund cover all regular employees. Provident Fund Contribution is deposited with the Regional Provident Fund Commissioner (RPFC). Both the employees and the Company pay predetermined contributions into the provident fund and pension fund. The contributions are normally based on a certain proportion of the employee's salary.

The Company has recognised Rs. 22,14,760 (previous period Rs. 7,82,198) for Provident Fund and Pension Fund contribution in the statement of profit and loss.

Defined-benefits plans

The Company offers its employees defined-benefit plans in the form of a gratuity scheme (a lump sum amount). Benefits under the defined benefit plans are based on years of service and the employee's compensation (immediately before retirement). Commitments are actuarially determined at year-end. Actuarial valuation is done based on "Projected Unit Credit" method. Gains and losses of changed actuarial assumptions are charged to the statement of Profit and Loss.

The following tables sets out the funded status of the defined benefit plan in respect of Gratuity and amount recognised in the financial statements.

i. Change in defined benefit obligation

	31 March, 2016 Rupees	31 March, 2015 Rupees
Present value of obligations at the beginning of the year/period	413,039	-
Interest cost	29,764	-
Current service cost	1,424,625	413,039
Benefits paid	(77,292)	(25,077)
Actuarial (gain)/loss on obligation	(363,602)	25,077
Present value of obligations at the end of the year/period	1,426,534	413,039

ii. Fair value of plan assets

	31 March, 2016 Rupees	31 March, 2015 Rupees
Fair value of plan assets at the beginning of the year/period	-	-
Actual return on plan assets	37,348	-
Contribution made	821,930	-
Withdrawals	(77,292)	-
Fair value of plan assets at the end of the year/period	781,986	-

BAANI MILK PRODUCER COMPANY LIMITED
Notes forming part of the financial statements

iii. Amount recognised in the Balance Sheet

	31 March, 2016	31 March, 2015
	Rupees	Rupees
Present value of defined benefit obligations	1,426,534	413,039
Fair value of plan assets	781,986	-
Net liability/(asset) recognised in the balance sheet	644,548	413,039

iv. Expenses recognised in the Statement of Profit and Loss

	31 March, 2016	31 March, 2015
	Rupees	Rupees
Current service costs	1,424,625	413,039
Interest cost	29,764	
Expected return on plan assets	(29,786)	
Net actuarial gain/(loss) recognized	(371,164)	(25,077)
Expense recognized in the Statement of Profit and Loss	1,053,439	438,116

v. Balance Sheet reconciliation

	31 March, 2016	31 March, 2015
	Rupees	Rupees
Net liability/(asset) at the beginning of the year/period	413,039	
Expense as above	1,053,439	438,116
Contributions	821,930	-
Benefits paid	-	(25,077)
Net liability/(asset) at the end of the year/period	644,548	413,039

vi. Principal actuarial assumptions

	31 March, 2016	31 March, 2015
Discount rate	7.95% p.a	7.85% p.a
Expected salary escalations	10.00% p.a.	10.00% p.a.
Expected return on plan assets	8.00% p.a.	N.A
Attrition rate	10.00% p.a	10.00% p.a
Remaining Working Life	25.74 Years	24.18 Years
Mortality table used	IAL 2006-08 Ultimate	IALM 2006-08 Ultimate

The discount rate is based on prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of obligation.

The estimates of future salary increases considered, takes into account the inflation, seniority, promotions, increments and other relevant factors.

vii. Experience adjustment

	31 March, 2016	31 March, 2015
Present value of obligation	1,426,534	413,039
Fair value of plan assets	781,986	-
Funded status	644,548	413,039
Gain/(loss) on obligations	363,602	(25,077)
Gain/(loss) on plan assets	-	-

Compensated absences

Principal actuarial assumptions

	31 March, 2016	31 March, 2015
Discount rate	7.95% p.a	7.85% p.a
Expected salary escalations	10.00% p.a.	10.00% p.a.
Expected return on plan assets	8.00% p.a	N.A
Attrition rate	10.00% p.a	10.00% p.a
Remaining Working Life	25.74 Years	24.18 Years
Mortality table used	IAL 2006-08 Ultimate	IALM 2006-08 Ultimate

The discount rate is based on prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of obligation.

The estimates of future salary increases considered, takes into account the inflation, seniority, promotions, increments and other relevant factors.

BAANI MILK PRODUCER COMPANY LIMITED
Notes forming part of the financial statements

Note 31: Leasing arrangements

The Company has taken certain properties, equipment and vehicles under operating lease which can be renewed on mutually agreed terms and conditions. The lease rental expenses of Rs. 26,16,099 (previous period Rs. 7,38,175) in respect of obligation under operating leases have been recognized in the statement of profit and loss.

Future minimum lease payment are:

Particulars	As at March 31, 2016 Rupees	As at March 31, 2015 Rupees
Payable not later than one year	1,489,425	1,418,500
Payable later than one year but not later than five years	6,740,588	6,419,608
Payable later than five years	4,232,221	6,042,626
	12,462,234	13,880,734

Note 32: Earnings Per Equity Share

Particulars	Unit	Year ended March 31, 2016	Period ended March 31, 2015
Net profit after tax	Rs.	10,464,575	21,572,105
Weighted average number of equity shares outstanding during the year/period	Numbers	179,996	51,736
Nominal value per Equity Shares	Rupees	100	100
Basic earnings per share	Rupees	58.14	416.97
Equity shares used to compute diluted earnings per share	Numbers	180,031	51,816
Diluted earnings per share	Rupees	58.13	416.32

BAANI MILK PRODUCER COMPANY LIMITED
Notes forming part of the financial statements

	<u>As at March 31, 2015</u>	<u>As at March 31, 2015</u>
	Rupees	Rupees
Note 34 Details of Government grants		
Details of grants received from NDDB and its utilisation is as under:		
(a) Grant received during the year	127,717,000	-
(b) Utilised during the year		
(i) For capital assets	78,631,199	-
(ii) For revenue expenses	43,917,901	-
Total utilised (i) + (ii)	<u>122,549,100</u>	<u>-</u>
(c) Balance carried forward (a-b)	<u>5,167,900</u>	<u>-</u>

Note:-

Grant utilised for purchase of capital assets has been recorded as deferred grant and revenue grant utilised has been netted off with respective expense (see note 2k).

Note 35

According to the information available with the Management, on the basis of intimation received from suppliers, regarding their status under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), there are no suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) therefore Company has no amounts due to Micro and Small Enterprises under the said Act.

Note 36

The disclosures as required under Accounting Standard AS-17 on Segment reporting are not required as the Company primarily deals in single business segment of Milk and Milk Products and operates in one geographical area.

Note 37:

Previous period figures are for the period 11 August, 2014 (date of incorporation of the Company) to 31 March, 2015, hence are not strictly comparable with current year.

Previous period's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification / disclosure.

For and on behalf of the Board of Directors

**Sd/-
Gagandeep Singh**
Chairman

**Sd/-
Rajpal Singh**
Director

**Sd/-
Narinder Bahga**
Chief Executive & Director

**Sd/-
Rajesh Saini**
Company Secretary

**Sd/-
Jasmeet Singh Bhatia**
Chief Financial Officer

Place: Patiala
Date:

BAANI DOODH KI LEHAR,



PUNJAB KE DOODH UTPADKAON

HAR GAON HAR SHEHAR



KI APNI COMPANY

THE TEAM

Chief Executive

Narinder Singh Bahga

Executive Assistant to CEO

Mukesh Kumar

COMPANY SECRETARY & LEGAL

Rohit Shyam Sharma, Sr. Executive

HR & ADMINISTRATION

Gagan Deep Sharma, Sr. Manager

Gurjinder Singh Gill, Dy. Manager

Harwinder Singh, Executive

Mandeep Kaur, Executive

PRODUCER INSTITUTION BUILDING

Jatinder Kumar Sood, Sr. Manager

Pragya Bharati, Assistant Manager

Rohit Kumar, Assistant Manager

Sumit Kumar, Executive

Nirvair Singh Khosa, Executive

Saravjeet Bhangu, PIB Officer

Sudama Ram, PIB Officer

Paras Gupta, PIB Officer

Mandeep Singh, PIB Officer

Gurpreet Singh Grewal, PIB Officer

Sonu Yadav, PIB Officer

Raj Singh, PIB Officer

Davinder Singh, PIB Officer

ANIMAL NUTRITION

Arun Kumar Shukla, Manager

Hardeep Singh Handa, IT Executive

Sumeet Singh Chib, Animal Nutritionist

Brijesh Singh, Animal Nutritionist

Surendra Mohan, Technical Officer

Mandeep Singh, Technical Officer

Iqbal Singh, Technical Officer

Kamaljeet, Technical Officer

Gagandeep Singh, Technical Officer

Jagjit Singh, Technical Officer

QUALITY ASSURANCE

Raman Tiwari, Sr. Manager

Kuldeep Singh, Executive

Lokendra Singh Sikarwar, Executive

Anuruddha Pratap Singh

INFORMATION TECHNOLOGY

Hitendra Sharma, Sr. Manager

Ashok Kumar, Assistant Manager

Naresh Puri, Executive

Mayur Singla, Executive

BUSINESS EXCELLENCE

Laxmee Kanta Sahoo, DGM

Manjinderpal Singh, Assistant Manager

FINANCE & ACCOUNTS

Jasmeet Singh Bhatia, DGM

Punit Sharma, Assistant Manager

Pradeep Singhal, Sr. Executive

Sanjeev Kumar, Executive

Vikas Sharma, Executive

PURCHASE

Pankaj Singla, Sr. Manager

Dilip Kumar Nayak, Sr. Executive

Harpreet Singh, Executive

PROCUREMENT

Navdeep Kumar Dham, Sr. Manager

Lakhvinder Singh, Dy. Manager

Tarsem Sharma, Assistant Manager

Ajay Sharma, Assistant Manager

Kaushlendra Nath Panday, Executive

Vineet Kumar, Area Incharge

Anuj Kumar Pandey, Area Incharge

Kulwinder Singh, Area Incharge

Hardeep Singh, Area Incharge

Jaskarn Singh, Area Incharge

Gursir Singh, Area Incharge

Jagsir Singh, Area incharge

Bhavnes Kumar, Assistant Manager

Yuvraj Gautam, Sr. Executive

SALES & MARKETING

Manish Kapila, Manager

Tarun Chawla, Assistant Manager



PUNJAB KE DOODH UTPADKAON KI APNI COMPANY



BAANI MILK PRODUCER COMPANY LTD.

CIN: U01403PB2014PTC038826

Registered Office: SCO No. 37-38,

Urban Estate, Phase-II Rajpura Road, Patiala-147001 (Punjab)

Email: info@baanimilk.com | Phone. No. +91 - 175-5000735