

ANNUAL REPORT 2017-18



BAANI MILK PRODUCER COMPANY LIMITED

CIN: U01403PB2014PTC038826

Registered Office: SCO No. 37-38, Urban Estate, Phase-II,
Rajpura Road, Patiala-147 002 (Punjab)
Email: info@baanimilk.com | Phone. No. +91 - 175-5000735

Baani
MILK PRODUCER COMPANY LIMITED

CIN: U01403PB2014PTC038826

REGISTER OFFICE : SCO-37-38, FIRST FLOOR, URBAN ESTATE PH-II, RAJPURA ROAD, PATIALA (PB)-147002

बाणी
मिल्क

रजिस्टर अधिकार : नेम.सी.ई. 37-38



BARBEQUE NATION
BARBEQUE NATION

PB 23M 0101

MANAGER FINANCE
Shri Punit Sharma

COMPANY SECRETARY
Shri Rajesh Saini

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

INTERNAL AUDITOR
Ernst & Young LLP Chartered Accountants

BOARD OF DIRECTORS

Shri Gagandeep Singh	Chairman & Director
Shri Pawanjeet Singh	Director
Shri Gurpiar Singh	Director
Shri Rajpal Singh	Director
Smt Gurmeet Kaur	Director
Shri Surinder Singh Sandhu	Director
Smt Manjeet Kaur	Director
Shri Gurtej Singh	Director
Shri Jaspal Singh	Director
Shri Surinder Pal Singh	Director
Shri Tarlochan Singh	Director
Shri Sriram Singh	Expert Director
Shri Ajay Kumar Khosla	Expert Director
Shri Yuginder Kumar Arora	Expert Director
Shri Narinder Singh Bahga	CE & Director

ਬਾਣੀ
ਬ੍ਰਾਂਡਿਊਸਰ ਕੰਪਨੀ ਲਿਮਿਟਡ

CIN:U01403PB2014PTC038826

38, ਪਾਂਡੀ ਮੌਲਿ, ਅਰਥਨ ਅਸਟੇਟ ਕੇਂਦਰ-2, ਰਾਜਪੁਰਾ ਰੋਡ, ਪਾਂਡਾਲਾ (ਪੰਜਾਬ)-147002

Baani

ਬਾਣੀ ਦੁੱਧ ਦੀ ਲਹਿਰ - ਹਰ ਪਿੰਡ ਹਰ ਸ਼ਹਿਰ



BANKERS

State Bank of India
HDFC Bank
ICICI Bank
Yes Bank
Indusind Bank

REGISTER AND SHARE TRANSFER AGENT
Link Intime India Pvt. Ltd

REGISTERED OFFICE

SCO No. 37-38,
Urban Estate, Phase-II
Rajpura Road, Patiala-147 002 (Punjab)
Email:info@baanimilk.com
Phone.No. +91-175-5000735

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VALUES, VISION AND MISSION

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.

Chairman Speaks

Dear Fellow Shareholders,



I am pleased to inform the overall performance of Baani Milk Producer Company Limited in the fourth financial year, 2017-18.

The year gone by has been challenging, Baani overcame all the challenges and performed remarkably well. Baani achieved a turnover of 356 Crore with earning a net profit of 5.15 Crore after tax.

The directors of Baani are delighted to recommend the dividend to producer members, whose names appeared in the Register of Members of the Company as on March 31, 2018

Baani also gave a loyalty incentive of Rs. 1.79 Crores to its active producer members, who fulfilled the laid down criteria to qualify for incentive

Baani's milk procurement operations continue in eight districts of Punjab viz. Barnala, Bhatinda, Faridkot, Ferozepur, Mansa, Moga, Muktsar and Sangrur under 13 MCCs (Milk Chilling Centres), as on 31st March 2018. During the year, Baani procured 889.83 lakh kgs of raw milk with an average collection of 2.44 lakh kgs per day.

Baani continues its endeavors to maximize productivity by enhancing efficiencies and taking cost reduction measures like reducing the logistics cost by instituting automated tracking system to optimize logistics efficiency, proper supervision, quality checks and logistic controls.

Baani provides technical support and trainings to producer members with emphasis on Hygiene, Good Manufacturing Practices (GMP), Standard Operating Procedures (SOP) etc. A total of 18065 members were trained on 'Clean Milk Production' through 453 training programs. The emphasis continued in inclusion of women members and opening of Bank Account from all members. 100% milk payment was made through bank accounts of members as Baani ensured a competitive milk price payment in every 10-days cycle.

'Baani Feed' and 'Baani Min' showed a substantial improvement in sales registering a growth of 32.5% and 64.6% respectively. 4551.66 MT of 'Baani Feed' and 98.78 MT of 'Baani Min' was sold during the year. A new product Ration balancer introduced with sales volumes reaching to 2.19 Metric ton.

35.24 lakh litres of Poly Pouch Milk (PPM), 3.09 lakh kgs of Curd, 3.10 lakh liters of Lassi and 1.17 lakh kgs of Ghee were sold during the year. Estimating a great potential in Marketing of Milk and Milk products, Baani plans to expand the sales operation in the new markets of Punjab and adjoining states like Haryana and Himachal Pradesh.

Your suggestions are always solicited.

Yours Sincerely,

Sd/-

Gagandeep Singh

DIN: 06868680

Year in Retrospect

The past one year was prolific for Baani. Albeit, the environment was full of challenges for the dairy industry in Punjab with fierce competition impacting several changes in the milk prices. However, strategic decisions, innovation, automation and transparency gave Baani an upper hand in overcoming the challenges and producing desired results.

Baani successfully accomplished targets of two of Sub Project Plans under NDP-I, namely Village Based Milk Procurement System (VBMPS) and Ration Balancing Programme (RBP). The main focus was to make the systems more and more transparent through Automation, maintaining high standards of quality and ensuring ethics of Governance.

Installation of GPRS at village level and seam less integration of the Milk Procurement network provided real time information of all the milk related transactions such as, Milk quantity poured, Fat %, SNF%, and total quantity of milk poured by the members and its total value.

Key Highlights of the year 2017-18 are:-

1. Challenging environment led to greater efforts by all stakeholders of Baani and recorded the growth of approximately by 38% in the turnover over the last year. Baani has achieved turnover of Rs. 356 Crores.
2. Baani with its efficient milk procurement network procured average of 2.44 lakh kgs per day of raw milk. 9163 liters of Poly Pouch Milk (PPM) per day.
3. Under Productivity Enhancement Services, 'Baani Feed' and 'Baani Min' sales showed a substantial growth of 32.5% and 64.6% respectively over the last year. 4551.66 MT of 'Baani Feed' and 98.78 MT of 'Baani Min' was sold during the year. A new product- 'Ration Balancer' was also introduced during the year, recording a sale of 2.19 MT.
4. Sub Clinical Mastitis is one of the major causes impacting the productivity and quality of milk. Through California Mastitis Tests (CMT), it was found that 44% of animals (cows) in Baani area of operations were suffering from Mastitis. Baani undertook the responsibility to generate awareness among farmers on this front and carried out several awareness drives during the year
5. Empowering rural women to take up dairy business remained the focus area and today Baani has approximately 25% women members pouring milk and who have become self-reliant.
6. Baani conducted various 'Producer Awareness Programmes' to make people aware of the activities of a Milk Producer Company. Under this, awareness programmes were conducted on 'Clean Milk Production', 'Women Member Awareness', 'Rural Youth' and 'School Children Awareness' to generate awareness on benefits of adopting dairy business and drinking milk daily as a wholesome nutrient, especially for the children.
7. Baani achieved another milestone by sending SMS to 13206 members having their pouring details of payment cycle 01st to 10th May, 2017. All the information was generated from SAP without any manual intervention.

Dairy Value Chain

Village Based Milk Procurement (VBMPS)

Milk procurement operations of Baani continues in eight districts of Punjab viz. Barnala, Bhatinda, Faridkot, Ferozepur, Mansa, Moga, Muktsar and Sangrur. Further, Baani extended its procurement operations to cover therein active 1004 villages with 1032 Milk Pooling Points (MPPs) under 13 Milk Chilling Centers (MCCs) as on 31st March 2018. During the year, Baani procured 889.83 lakh kgs of Raw Milk with an average collection of 2.44 lakh kgs per day.

By the end of the year 2017-18, 41592 appear as approved members of Baani, indicating a high degree of loyalty and patronage towards the functions and principles held on to by Baani as a Milk Producer Company. The ethos of Transparency, Honesty and Timeliness as Baani's Value, Mission and Vision has enabled in building confidence and trust of the members in the functioning of Baani. Baani also ensured that a competitive milk price was paid to members in every 10-day cycle.

Baani continues its endeavors to maximize the productivity by enhancing efficiencies and taking cost reduction measures like reducing the logistics cost by instituting automated tracking system to optimize logistics efficiency, proper supervision, quality checks and logistic controls.



Collection of milk at MPP

Key Result Indicators: VBMPS as on 31 March 2018

Key Result Indicators	Achievement till March 2018
New MPPs (Cumulative Nos)	764
Total Villages Covered (Cumulative Nos)	1500
Members (Cumulative Nos)	64617
Women Members (Cumulative %)	14414 (22.31%)
Small Holders %	28431 (44%)
Milk Procurement (TKPD)	244

Awareness/ Training Program Conducted during the Year 2017-18

Non IB Training	Achievement till Mar 2018
Training of BMC and MCC Staff on	30
<i>Sahayak Orientation Program</i>	603
Sahayak refresher program	120
<i>Trg on proc, relation & QA for Facilitator</i>	50
Trg on proc, producer relation& QA for	12
<i>Skill development program for</i>	19
Motivation program for assistants	15
<i>Team building and leadership</i>	15
Training program for QA officers	0
<i>Training program for QA assistants</i>	30

Ration Balancing Programme (RBP)

In order to refresh and refine the knowledge of Local Resource Persons (LRPs), Baani conducted 173 'Refresher Training Programs' during the year. After adoption of RBP by farmers, and also including Area Specific Mineral Mixture (ASMM) and Cattle Feed, milk production per animal was enhanced to 0.09 kg per day, fat per animal was 0.06% and cost of feeding was reduced to 9.69% per kg of milk. The impact of RBP increased the net income of farmers by Rs. 17 per animal per day and also reduced methane emission.

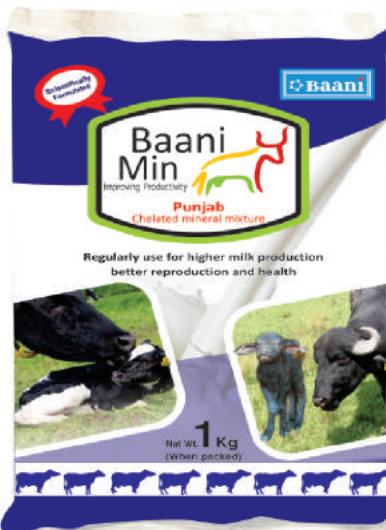
Key Result Indicators	Achievement till Mar 2018
Active LRP (Cumulative Nos.)	145
Villages Covered (Cumulative Nos.)	1528
Animal Covered (Cumulative Nos.)	93397
Farmers Covered (Cumulative Nos.)	51460
% Change in cost of feeding per kg of	9.69

Input Services

'Baani Feed' and 'Baani Min' offers a complete nutrition package and a balanced diet to the cattle, filled with natural ingredients and area specific essential nutrients required to improve their health longevity and milk yield. Baani Feed' and 'Baani Min' showed a substantial improvement in sales registering a growth of 32.5% and 64.6% respectively. 4551.66 MT of 'Baani Feed' and 98.78 MT of 'Baani Min' were sold during the year. 2.19 MT of a new product i.e. 'Ration Balancer' was also sold during the year.



Baani Feed



Baani Min



Ration Balancer



Input Services

Producer Institution Building (PIB)

PIB strengthens the business through better governance and member centric approach. The efforts are directed towards increasing active membership resulting in better economies of scale.

PIB activities differentiate a 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 continued in inclusion of women members and opening of Bank Account of all members. The efforts in this direction led to 100% milk payment through bank accounts of members.

Training programs from time to time were organized under VBMPS for potential members, women, school children, rural youths, MRGs and VCGs.

Major training programs conducted during the year 2017-18 were:-

Institutional Building Trainings	No. of Programs
Producer Awareness Programme	24014
<i>Awareness Programme on Quality & CMP</i>	18065
Women Awareness Programme	11264
<i>Awareness Programme for Rural Youth</i>	792
Children Awareness Programme	1217
<i>MRG Orientation</i>	957
Business Workshop for BoD	15
<i>Exposure visits for BoD</i>	9
IB – Trainers' Training Programme	26
<i>Leadership Development Programme</i>	40



Field Staff Training



Workshop on Strengthening Partnership



Focus on Quality Assurance

All MCCs and Central Laboratory are well equipped with the basic testing facilities and instruments for quality testing of milk. In order to maintain high and efficient quality standards, the following quality initiatives were undertaken:-

- Solar water heating systems were provided in MCCs for CIP and can cleaning.
- GMP equipment was purchased for raw milk testing.
- Maltodextrin Test developed by NDRI has been put to use for quick results.
- Sodium Analyzer test incorporated at Central Lab for improvement in quality of milk.

Baani provides technical support and trainings to all with emphasis on Hygiene, GMP, SOP etc. 18065 members were trained under clean milk production in 2017-18.



Quality Testing

Sales & Marketing- Building Brand

35.24 lakh litres of Poly Pouch Milk (PPM), 3.09 lakh kgs of Curd, 3.10 lakh liters of Lassi and 1.17 lakh kgs of Ghee were sold during the year. Estimating a great potential in Marketing of Milk and Milk products, Baani plans to expand the sales operation in the new markets of Punjab and adjoining states like Haryana and Himachal Pradesh. Emphasis was to enhance product sales, for which concerted efforts were put in for building visibility of the brand, releasing brand advertisements, recruitment of qualified and suitable sales team.



Training of Sales & Marketing Team

Automation: Order of the Day

Various automation initiatives undertaken by Baani during the year are:-

GPRS Enabled DPUs

In a major milestone, Baani introduced advanced GPRS based Data Processing Units (DPUs) at all the MPPs. These DPUs are equipped with GPRS modem and transmit the data from village to central software at head office in real time. This has eliminated the need of serial pen drives which were earlier used to transfer data from MPP to MCC.

New DPUs have increased the efficiency and brought transparency further strengthenin gour values of Honesty, Transparency and timeliness. Further, it also enabled Baani to save on cost of pen drives.

SMS to Member Farmers:

This year, Baani has also started sending Text Messages to all members which contains their pouring details like Milk quantity, milk type, Fat, SNF, Earnings, Deductions and Net Payment. After every payment cycle, every member received this information through SMSs. Earlier, printed sheets were sent to each farmer to inform about the pouring details, which was a costly and time consuming process. It has also enabled in saving paper and cost of printing. This initiative contributes to environment protection.

Investment in Information Technology (IT) Infrastructure:

Baani has made considerable investment in advanced IT Infrastructure to support its growth. In the year 2017-18, Baani Milk purchased backup software and hardware to automatically take backup of all the data. Further, several initiatives were taken to automatically monitor the entire IT infrastructure as a proactive rather than a reactive measure, thus, providing high availability of IT services.

Important Activities

Team Building

Human Resource (HR) is an asset and has played an instrumental role in driving performance of Baani. During the year, the emphasis was to build on higher engagement levels of Baani employees. In order to strengthen the team spirit, a Cricket tournament was organised for the employees. The match witnessed enthusiastic participation from employees and has enabled Baani in boosting the morale employees further.



Exposure Visit for Board of Directors (BoDs)

An exposure visit for the BoDs of Baani was arranged to Maahi MPC, Rajkot during the year to understand the functioning and operations of the MPC. Discussions were facilitated to build knowledge of the visitors. In addition, a visit to an MPP of Maahi MPC and processing plant of Mother Dairy in Junagarh was also organised.



Reception of Board of Directors at Maahi



Plant Visit at Maahi MPC

Skill Development and Leadership Training

'Skill Development' and 'Leadership Training Programme' was facilitated by an in house trainer of NDDB Dairy services, New Delhi. The program received encouraging response from participants as various aspects of self-awareness, psychometric intervention techniques and 90-10 principles were explained. This program enabled the participants in improving interpersonal skills and conflict management approaches. 45 participants attended the program.



Key Highlights

HR Meet at NDDB Dairy Services

An HR meet was organized by HR team of NDDB Dairy Services in February, 2018 at Agra, Uttar Pradesh. The program was attended by two Baani HR representatives. The objective of the program was to build knowledge through learning models and strategic behavioral tools in order to achieve desired results, thereby increasing productivity and harmony among teams.



Participation in Pashu Palan Mela at GADVASU

Baani participated in 'Pashu Palan Mela' under Industrial category in March, 2018 at Ludhiana under the aegis of GADVASU. Baani Was Felicitated With A Second Position Award At The Event.



Incentive to Producer Members

Baani gave a loyalty incentive of Rs. 1.79 Crores to its active producer members, who fulfilled the laid down criteria to qualify for incentive





GLIMPSE OF 4TH ANNUAL





GENERAL MEETING 2016-17



Exposure Visit for Board of Directors (BoDs) : Sheerja

An exposure visit for the BoDs of Sheerja was facilitated at Baani , Patiala during the year to understand the functioning and operations of the MPC.

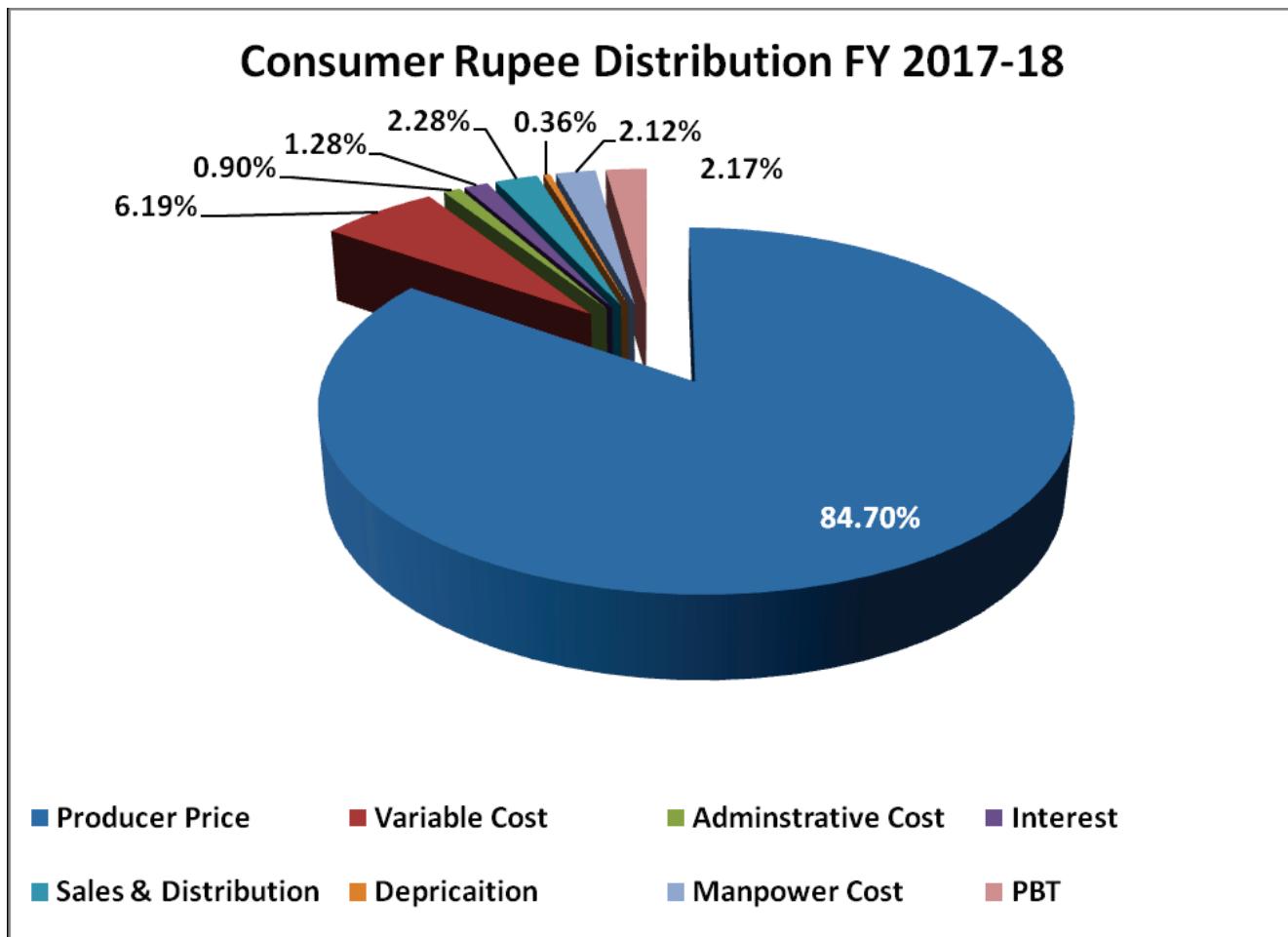
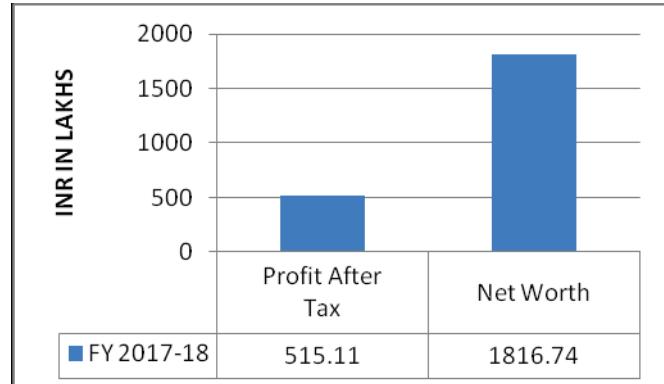
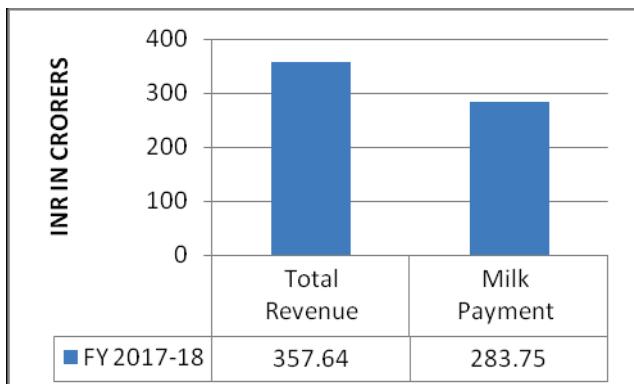


Visit of BOD to MPP



Visit by World Bank Team

KEY FINANCIAL INDICATORS



DIRECTORS' REPORT
TO THE MEMBERS OF BAANI MILK PRODUCER COMPANY LIMITED

The Directors are pleased to present the Fourth Annual Report along with the audited Statement of Accounts of Baani Milk Producer Company Limited ('Company') for the period from Apr 01st 2017 to March 31st 2018

FINANCIAL RESULTS:-

The Company's financial performance, for the year ended March 31, 2018 is summarised below

Particulars	April 01, 2017 to 31 - Mar 2018 (₹ in Crore)	April 01, 2016 to 31 - Mar 2017(₹ in Crore)
Total Revenue	357.63	260.05
Total Expenses	349.87	257.45
Profit Before Tax	7.76	2.60
Tax Expense	2.61	0.93
Net Profit After Tax	5.15	1.67
Limited Return (Dividend) [including tax on distribution of dividend]	0.84	0.73
Transfer to General Reserve	4.31	0.94

STATEMENT OF THE COMPANY'S AFFAIRS: -

The Company during the year has achieved total revenue of ₹357.63 Crores. The operational revenues generated was ₹356.00 Crore, whereas other incomes earned during the period amounted to ₹1.63 Crore. The total expenses incurred during the year amounted to ₹349.87 Crore including depreciation and amortisation expense of ₹ 1.28 Crore. This has resulted into an earning of profit before interest, depreciation and tax (PBIDT) of ₹13.63 Crore and net profit after tax (PAT) of ₹5.15 Crore.

As against the budgeted total income of ₹350.66 Crore and budgeted profit before tax (PBT) of ₹3.98 Crore for the period, the Company has actually achieved total income of ₹357.63 Crore and profit before tax (PBT) of ₹7.76 Crore for the said period.

REVIEW OF OPERATIONS:-

MILK PROCUREMENT:

Company's milk procurement operation continues in eight districts of Punjab viz. Barnala, Bhatinda, Faridkot, Ferozepur, Mansa, Moga, Muktsar and Sangrur. However, Baani extended its procurement operations to cover therein active 1004 villages with 1032 MPPs (Milk Pooling Points) under 13 MCCs (Milk Chilling Centres) as on 31st March 2018. During the year, the Company has procured 889.83 lakh kgs of raw milk with an average collection of 2.44 lakh kgs per day.

At the end of the financial year 2017-18, Total of 41592 were approved members which indicates high degree of loyalty and patronage toward the functioning and principles of Baani as a Milk Producer Company. The ethos of Transparency, Honesty and Timeliness of Company's Value, Mission and Vision has built confidence and trust of

the members in functioning of the Baani. The Company has ensured that competitive milk price is paid to the members in every 10-day cycle.

The Company is continuously endeavouring to maximise the productivity by enhancing efficiencies and taking cost reduction measures like reducing the logistics cost by instituting automated tracking system to optimise logistics efficiency, proper checks and supervision.

QUALITY INITIATIVE:

All Milk Chilling Centres (MCCs) and Central Lab are well equipped with the basic testing facilities and instruments for quality testing of milk. To maintain high and efficient quality standards many quality initiatives were undertaken, such as solar water heating systems were provided in MCCs for CIP and can cleaning. GMP equipment was purchased for raw milk testing. Maltodextrin Test developed by NDRI has been put to use for quick results. Sodium analyser test incorporated at Central Lab for improvement in quality of milk.

Company provides technical support and training to all the concerned with emphasis on Hygiene, GMP, SOP etc. Total of 453 numbers of Clean Milk Production training were conducted and 18065 members were trained.

CATTLE FEED AND MINERAL MIXTURE:

Baani Feed and Baani Min offers a complete nutrition package and a balanced diet to the cattle, filled with natural ingredients and area specific essential nutrients required to improve their health, reproduction and milk yield. Baani Feed and Baani Min has shown substantial improvement in its sales volume to the tune of 4551.66 Metric ton and 98.78 Metric ton respectively during the year under review. A new product **Ration balancer** introduced with sales volumes reaching to 2.19 Metric ton.

MILK AND MILK PRODUCTS:

Total sales during the year was 35.24 lakh litres of PPM, 3.09 lakh kgs Curd, 3.10 lakh litres Lassi and 1.17 lakh kgs of Ghee. The Company foresees big potential in marketing of Milk and Milk products and plan to expand its sales operation in new areas of Punjab and adjoining states of Haryana & Himachal Pradesh. Emphasis was to enhance the product sales, for which concerted efforts were put in for branding, advertisements, hiring qualified and suitable sales team

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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 continued in inclusion of women members and opening of Bank Account from all members. The efforts led to 100% milk payment through bank accounts.

MPCs Core Design Principles:

The Core Design Principles are strictly observed. Business dealings are restricted only with members. Active user membership and their participation in business and governance were encouraged. All members are having equity in proportion to patronage based on the member classes. Board of the company is constituted based on provisions of the Articles of Association which also ensures inclusiveness in governance.

Members' Grievance are addressed in time by the Grievance Redressal Officer of Company with the support of strong field staff.

Member Enrolment and Information Sharing with members:

The automated member enrolment process helped to give better service to members. The company endeavour to expand its member base in existing and new areas. There were 41592 Board Approved Members. The company is committed to share all types of member related information and such information were displayed at MPP premises

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 effective two-way communication between MPC and Producer Members.

VCG and MRG members meet at regular intervals to discuss and review the progress of the Milk Pooling Point (MPP). They share the developments and decisions with the members with the representatives of the company. During the year under review, Company took the initiative of sending SMS to its members about milk payment details. This has immensely benefit members as they will get timely information about milk poured, deductions if any and net payment which helps in enhancing the transparency in Baani's operations.

Women Empowerment:

Baani MPC to give continue its emphasis on enhancing the participation of women members. The following interventions have been initiated to achieve the larger objective of women empowerment:-

- Women awareness programme were conducted during this year also where participants are informed about their contribution in dairying and enhancing quality milk production.
- 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 to be a member on the Board of the company. Board meetings give them excellent opportunity to learn management and governance. Currently two directors of the board of MPC are women.

NDP-I

The Company, as an End Implementing Agency (EIA), was 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. The same were extended for two more years up to FYs 2017-18 & 2018-19:-

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

Ration Balancing Programme:

RBP programme was successful in providing animal nutrition advisory services to the milk producers at their doorstep with the help of Local Resource Persons (LRPs) to facilitate increase in milk yield, reducing production cost and also contributing to reduce methane emission. In the year 2017-18, 188 LRP were trained and 19430 animals of 11923 milk producers were covered under this programme.

Village Based Milk Procurement System:

The aim of VBMPS was fully achieved in expanding the infrastructure for collection of milk at village level and to reach more and more milk producers; and also to ensure transparent weighing, testing quality of milk received and sending data information through GPRS. Even payment SMS were sent to members on 10-day cycle.

In coming two years it is planned to further strengthen and consolidate the existing MPP and increase member base in existing Milk Pooling Points.

Training & Capacity Building Programs:

Training of all stakeholders of Baani has remained the main focus area during the current year also. The training programs were organized for the existing members, potential members, women, school children, rural youths, MRGs and VCGs. Board of Directors were also imparted trainings in various areas to enhance their business skills. Major training programs conducted during the year 2017-18 are:-

S. No	Training Programmes	Nos. of Training Conducted	No of Participants Trained
1	Producer Awareness Programme	601	24014
2	Quality & Clean Milk Production	453	18065
3	Women Awareness Programme	453	11264
4	Rural Youth Awareness Programme	38	792
5	Rural School Children Awareness Programme	19	1217
6	Leadership Development Programme for MRG	2	40
7	MRG orientation Programme	54	957
8	VCG Orientation Programme	229	3417
9	Governance Strategy Workshop	1	15
10	Exposure Visit for BODs	1	9

Creation of Member Database

The Company carried on its efforts to cover more uncovered members under KYM (Know Your Member) to get important details of the member, the nominee and other family members.

MATERIAL CHANGES AFTER CLOSURE OF FINANCIAL YEAR:-

There is no material/substantial change after the closure of financial year ended 31.03.2018.

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 ₹ 8/- per equity share of the face value of ₹100/- each for the period ended March 31, 2018. This dividend is subject to approval of Members at the ensuing 5th Annual General Meeting and will be paid to those Members whose names appear in the Register of Members on 31.03.2018. The dividend for the financial year @ ₹ 8/- per equity share will absorb ₹ 0.84 Crore, including Dividend Distribution Tax of ₹ 0.14 Crore.

TRANSFER TO RESERVE:-

The Board proposes to transfer an amount of ₹ 4.31 Crore 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, 2018 was ₹ 2142.71 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, 2018, the paid up share capital was ₹8.69 Crore, subscribed by 41,592 members.

VOTING RIGHTS AND ATTENDANCE AT AGM:-

As at March 31, 2018, the paid up share capital was Rs. 8.69 Crore, comprising of 41592 members on the register of members of the Company.

After 31 March 2018, Company has enrolled 4396 new members and the membership of 9604 members have been cancelled/ surrendered due to non-fulfilment of membership criteria. Therefore, the total number of members as on the date of this report stands at 36384 members who are entitled for attending the 5th Annual General Meeting.

Out of total 36384 members as on date,

- 20482 members have the rights to exercise vote on all resolutions to be moved at the 5th AGM(including voting on election of their respective class of Director) since they fulfil all the conditions set for their respective class.
- 2806 members have the rights to exercise vote on all resolutions (except voting on election of their respective class of Director) to be moved at the 5th AGM since they failed to fulfil all conditions of their

respective class though they completed minimum 200 days and 500 ltr of milk supply to company during the FY 2017-18.

- 13096 members are entitled to attend 5th AGM but did not have the rights to exercise vote on any resolutions to be moved at the 5th AGM as they have not fulfilled the conditions of minimum 200 days and 500 ltr supply of milk to company.

New members, who were admitted as members of the Company post March 31, 2018, will not be entitled to dividend for FY 2017-18 as well as voting right at 5th AGM.

BOARD OF DIRECTORS:-

Articles 9.5 of the Articles of Association of the Company provides that the number of positions on the Board representing each class of members, to the extent possible, shall be based on patronage of the respective class. The criteria for categorizing members into three different classes viz., Class-A, Class-B and Class-C based on patronage were approved by the members at the first Annual General Meeting of the Company held on 31.10.2014.

Based on the analysis of the data w.r.t., fulfilment and non-fulfilment of patronage criteria by the members during FY 2017-18, it has been found that, out of 41592 total members as on March 31, 2018, 20,591 members have fulfilled all the prescribed criteria of patronage of their respective class. Accordingly, out of these 20,591 members, 1543 comprised of Class-A, 2925 comprised of Class-B and 16,123 comprised of Class-C. Whereas the proportionate percentages (%) of quantity of milk (patronage) supplied by the said Class-A, Class-B and Class-C of members amongst themselves were respectively 35.26%, 20.09% and 44.65 % during FY 2017-18. Accordingly, the composition of the Board providing for representation of each class of members on the Board based on patronage of each class of members comes to 3 Directors for Class-A, 3 Directors for Class-B and 5 Directors for Class C respectively. The Company shall meet the requirement of Article 9.5 as under:-

Class-A Directors-

At present the Board has 3 Directors representing Class-A.

Sh. Surinder Singh Sandhu (A class Director, DIN: 07171405) is liable to retire by rotation in the forthcoming Annual General Meeting of the Company.

As per the class representation based on the patronage criteria, the Board has declared one vacancy in Class -A.

Class-B Directors-

At present the Board has 2 Directors representing Class-B.

No B class Director is liable to retire by rotation in the forthcoming Annual General Meeting of the Company. However, Sh. Rajpal Singh(DIN: 06868662), who does not fall in any class is liable to retire by rotation at the forthcoming Annual General Meeting of the Company.

As per the class representation based on the patronage criteria, the Board has declared one vacancy in Class -B.

Class-C Directors-

At present the Board has 4 Director representing Class-C.

Sh. Pawanjeet Singh (C class Director, DIN: 06868652) is liable to retire by rotation in the forthcoming Annual General Meeting of the Company.

As per the class representation based on the patronage criteria, Board has declared one vacancy in Class -C.

Sh. Pawanjeet Singh (DIN: 06868652), Sh. Rajpal Singh (DIN: 06868662) and Sh. Surinder Singh Sandhu (DIN:

07171405), Directors of Company are liable to retire by rotation at the 5th Annual General Meeting of Company.

Sh. Pawanjeet Singh, Sh. Rajpal Singh did not fulfil the eligibility conditions set for their respective class of proceeding two years and hence cease to be the member of Board under clause 9.16 of Articles of Association.

Based on recommendation of Nominating Committee, the Board recommends the appointment of Shri Surinder Singh Sandhu, Shri Gagandeep Singh, and Shri Balraj Singh representing "Class A", "Class B" and "Class C" respectively to fill up the vacancy of Class-A, Class B and Class C respectively. The statement containing name and qualifications of the Director seeking appointment is annexed to the Notice convening 5thAGM of the Company.

This will make the total strength of Directors in Class-A to 3 Directors, in class B to 3 Directors and in Class C to 4 Directors as permissible under Article 9.5 and 9.6 of the Articles of Association of the Company.

During the year under review, Shri Ajay Kumar Khosla (DIN :01854876), Executive Director, of NDDB Dairy Services (NDS), has been re-appointed as an Expert Director of the Company with effect from 05.05.2017 for a period of two years. Further Shri Yuginder Kumar Arora (DIN: 007253343), has been re-appointed as an Expert Director of the Company with effect from 25.08.2017 for a period of two years.

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.

Further the Board of Directors (BOD) of Baani Milk Producer Co. Ltd., Patiala visited Maahi Milk Producer Co. Ltd. for exposure visit from 29th Jan., 2018 to 02 Feb., 2018. During the exposure visit, CEO of Maahi MPC briefed the BODs on overview of MPC operations, followed by healthy discussion. In addition, visit to MPP and Junagarh plant of Mother Dairy was organized, which provided opportunity to learnings, while seeing the operations and interacting with members/ officers.

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, 2018 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 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:-

Human Resource is an asset and has been instrumental in driving the Company's performance. Proper Policies, SOPs have been put in place, adhering to all Statutory Compliance has always been in fore front to ensure satisfaction of statutory bodies and auditors. Company provides healthy safe and friendly work environment to all employees.

As a team building initiative a cricket tournament was also organized on 24th Feb, 2018 at DMW Cricket among employees of the Company. The colourful event was eye-catching and enthusiastic participation of all was noticeable and it enhances the morale of all the employees of Company.

INFORMATION TECHNOLOGY:-

Baani Milk has continued investing in Information Technology infrastructure keeping in pace with growth during the period under review.

In a major milestone, Baani replaced outdated pen drive based DPUs with new GPRS enabled DPUs at all MPPs enabling real time transmission of data via GPRS from each MPP to a central software at head office. A Central Software called "Milknet" has been deployed at Head office, which provides real time visibility into milk collection data across all the MCCs/MPPs. The combination of GPRS enabled DPUs and Milknet software enabled Baani to further reduce time in making payment to farmers.

To further conform to Baani's values of transparency, we also started sending SMS to farmers about their payment details on payment cycle basis replacing printed details thus saving significant cost on paper & printing.

During FY 2017-18, Baani milk has also successfully completed transition to Goods & Service Tax in SAP.

Further to support growing business operations, new infrastructure was acquired such as in Servers, storage, software etc.

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:-

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.

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 2017-18, Four (4) meetings of Board of Directors of the Company were duly convened as per detail mentioned hereunder:

Board Meeting no.	Date of Board Meeting	Board Strength	No. of Directors Present
17th BM	26.05.2017	15	13
18th BM	18.08.2017	15	14
19th BM	08.12.2017	15	15
20th BM	16.03.2018	15	14

Further during the period under review, the Nomination Committee has met on 02.08.2017.

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.

AWARDS

During the year under review, your Company received a Brand Leadership Award for Punjab State in an event organized in Chandigarh toward its efforts for improvement quality life of more than 40000 producer members, transparency in our operation and boosting of Dairy Industry was appreciated.

Further your Company has also been awarded with IEDRA for the year 2017-18 for excellence in field of Dairy Industry towards its constant efforts in transforming lives of marginal and small dairy farmers and especially

promote women member to take up dairy business.

ACKNOWLEDGEMENT

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, NDDB 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

Date:09.08.2018

Place: Patiala

(Gagandeep Singh)

Chairman & Director

**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, 2018, 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 Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006, as amended ("Accounting Standards"), and other accounting principles generally accepted in India.

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 Standards and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2018, 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, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2018 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.

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

Sd/-

Place: Gurugram
Date: 09 August, 2018

Jitendra Agarwal
Partner
(Membership No. 87104)

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, 2018 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, 2018, 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.

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

Sd/-

Place: Gurugram
Date: 09 August, 2018

(Jitendra Agarwal)
Partner
(Membership No. 87104)

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, Goods and Services 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, Goods and Services Tax, Cess and other material statutory dues in arrears as at 31 March, 2018 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 2018 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). In our opinion term loans have been applied by the Company during the year for the purposes for which they were raised.
- (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.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Sd/-

Place: Gurugram
 Date: 09 August, 2018

(Jitendra Agarwal)
 Partner
 (Membership No. 87104)

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 18 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, 2018 are as per the financial statements of the Company as at and for the year ended 31 March, 2018.
- 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.

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

Sd/-

(Jitendra Agarwal)
Partner
(Membership No. 87104)

Place: Gurugram
Date: 09 August, 2018

BAANI MILK PRODUCER COMPANY LIMITED
BALANCE SHEET AS AT 31 MARCH, 2018

	Note No.	As at 31 March, 2018 Rupees	As at 31 March, 2017 Rupees
A. EQUITY AND LIABILITIES			
1. Shareholders' funds			
(a) Share capital	3	8,69,26,500	7,61,01,700
(b) Reserves and surplus	4	<u>8,60,50,949</u>	<u>4,18,67,909</u>
		<u>17,29,77,449</u>	<u>11,79,69,609</u>
2. Share application money pending allotment	29	86,96,700	58,04,100
3. Deferred grant	5	5,33,40,909	6,80,02,480
4. Non - current liabilities			
(a) Long term borrowings	6	-	5,28,67,328
(b) Other long-term liabilities	7	2,83,26,312	2,84,74,972
(c) Long term provisions	8	<u>15,71,399</u>	<u>11,55,855</u>
		<u>2,98,97,711</u>	<u>8,24,98,154</u>
5. Current liabilities			
(a) Short term borrowings	9	76,68,07,197	43,75,78,275
(b) Trade payables	10	-	-
(i) Total outstanding dues of micro and small enterprises		-	-
(ii) Total outstanding dues of creditors other than micro and small enterprises		16,45,22,305	13,96,57,059
(c) Other current liabilities	11	<u>2,74,79,787</u>	<u>3,04,55,385</u>
		<u>95,88,09,289</u>	<u>60,76,90,720</u>
Total		<u>1,22,37,22,058</u>	<u>88,19,65,063</u>
B. ASSETS			
1. Non - current assets			
(a) Fixed assets			
(i) Tangible assets	12	11,72,60,733	13,06,17,993
(ii) Intangible assets	12	1,66,65,496	2,47,25,955
(iii) Capital work in progress	12	<u>4,80,686</u>	<u>29,20,080</u>
		<u>13,44,06,915</u>	<u>15,82,64,028</u>
(b) Deferred tax assets	13	11,84,688	18,44,643
(c) Long term loans and advances	14	54,35,000	83,80,405
(d) Other non-current assets	15	-	3,45,77,316
		<u>14,10,26,603</u>	<u>20,30,66,392</u>
2. Current assets			
(a) Inventories	16	1,90,21,151	1,94,05,110
(b) Trade receivables	17	83,80,41,708	48,46,13,882
(c) Cash and cash equivalents	18	21,42,71,197	16,11,67,216
(d) Short - term loans and advances	19	49,53,077	1,02,66,479
(e) Other current assets	20	<u>64,08,322</u>	<u>34,45,984</u>
		<u>1,08,26,95,455</u>	<u>67,88,98,671</u>
Total		<u>1,22,37,22,058</u>	<u>88,19,65,063</u>

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/-
JITENDRA AGARWAL
Partner

Place: Gurugram
Date: 09.08.2018

Sd/-
Gagandeep Singh
Chairman

Sd/-
Rajesh Saini
Company Secretary

Place: Patiala
Date: 09.08.2018

Sd/-
Rajpal Singh
Director

Sd/-
Punit Sharma
Manager Finance & Accounts

Sd/-
Narinder Bahga
Chief Executive & Director

BAANI MILK PRODUCER COMPANY LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2018

	Note No.	Year ended 31 March, 2018	Year ended 31 March, 2017
		Rupees	Rupees
1. Revenue from operations	21	3,56,00,14,194	2,58,25,92,325
2. Other income	22	1,63,55,665	1,79,53,270
3. Total revenue (1+2)		3,57,63,69,859	2,60,05,45,594
4. EXPENSES			
(a) Purchases of stock in trade	23	3,23,61,27,748	2,35,40,84,059
(b) Changes in inventories of stock-in-trade	24	27,07,596	(14,70,990)
(c) Employee benefits expense	25	4,60,36,216	4,37,40,423
(d) Finance costs	26	4,58,67,432	4,85,95,373
(e) Depreciation and amortisation expense	12	1,27,74,370	1,56,87,841
(f) Other expenses	27	15,52,34,451	11,39,04,203
Total expenses		3,49,87,47,813	2,57,45,40,908
5. Profit before tax (3-4)		7,76,22,046	2,60,04,686
6. Tax expense:			
(a) Current tax		2,55,00,000	88,00,000
(b) Deferred tax charge		6,59,956	5,18,419
(c) Income tax of earlier years written back		(48,482)	-
Net tax expense		2,61,11,474	93,18,419
7. Profit for the year (5-6)		5,15,10,573	1,66,86,267
8. Earnings per equity share:	33		
(Nominal value Rs. 100 per share)			
(a) Basic		66.50	33.54
(b) Diluted		66.27	33.53

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/-
JITENDRA AGARWAL
 Partner

Place: Gurugram
 Date: 09.08.2018

Sd/-
Gagandeep Singh
 Chairman

Sd/-
Rajpal Singh
 Director

Sd/-
Narinder Bahga
 Chief Executive & Director

Sd/-
Rajesh Saini
 Company Secretary

Sd/-
Punit Sharma
 Manager Finance & Accounts

Place: Patiala
 Date: 09.08.2018

BAANI MILK PRODUCER COMPANY LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2018

	Year ended 31 March, 2018 Rupees	Year ended 31 March, 2017 Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before tax	7,76,22,046	2,60,04,686
Adjustments For :		
Finance costs	4,54,95,652	4,85,29,114
Interest income	(1,31,29,166)	(1,39,86,214)
Profit on sale of fixed assets	(5,22,635)	(4,40,391)
Provision for employee benefits	2,12,868	(4,16,172)
Depreciation and amortisation expense	1,27,74,370	1,56,87,841
Operating Profit before working capital changes	12,24,53,135	7,53,78,863
Adjustments for movement in working capital:		
(Increase)/decrease in inventories	3,83,959	(15,49,488)
(Increase)/decrease in trade receivables	(35,34,27,826)	31,71,09,401
(Increase)/decrease in long term loans and advances	25,095	(3,29,279)
(Increase)/decrease in short term loans and advances	55,16,079	(81,41,921)
(Increase)/decrease in other non-current assets	3,45,77,316	(3,03,52,316)
(Increase)/decrease in other current assets	(22,636)	(4,080)
Increase in trade payables	2,48,65,246	1,13,39,581
Increase in other current liabilities	1,19,49,925	12,01,396
Cash generated from operations	(15,36,79,707)	36,46,52,157
Net income tax (paid)	(2,25,31,208)	(98,98,736)
Net cash flow from/(used in) operating activities - (A)	(17,62,10,916)	35,47,53,421
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Bank balances not considered as Cash and cash equivalents	(3,67,62,074)	1,31,80,715
Capital expenditure on fixed assets (net of capital grant received)	(78,73,111)	(3,09,45,349)
Proceeds from sale of fixed assets	6,08,298	4,73,024
Interest received	1,01,89,464	1,43,68,702
Net cash flow (used in) investing activities - (B)	(3,38,37,424)	(29,22,908)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from issue of equity share capital	50,20,700	3,16,74,400
Share application money received	86,96,700	58,04,100
Repayment of long term borrowings	(6,47,35,591)	(1,48,96,044)
Net increase/(decrease) in working capital borrowings	32,92,28,922	(39,70,99,291)
Dividend Paid including dividend tax	(65,58,821)	(39,98,376)
Finance costs paid	(4,52,61,664)	(5,43,04,351)
Net cash flow from financing activities - (C)	22,63,90,246	(43,28,19,562)
Net increase in Cash and cash equivalents (A+B+C)	1,63,41,906	(8,09,89,049)
Cash and cash equivalents at beginning of the year	16,78,647	8,26,67,696
Cash and Cash equivalents at the end of the year	1,80,20,553	16,78,647
Cash and cash equivalents comprises:		
Cash in hand	1,52,755	27,689
Balances with banks:		
- in current accounts	1,78,67,798	16,50,958
Cash and cash equivalents as per Cash Flow Statement	1,80,20,553	16,78,647
Add: Bank balances not considered as Cash and cash equivalent	19,62,50,644	15,94,88,570
Cash and bank balances as per Balance Sheet (Note 19)	21,42,71,197	16,11,67,216

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/-
Jitendra Agarwal
Partner

Sd/-
Gagandeep Singh
Chairman

Sd/-
Rajesh Saini
Company Secretary

Sd/-
Rajpal Singh
Director

Sd/-
Narinder Bahga
Chief Executive & Director

Sd/-
Punit Sharma
Manager Finance & Accounts

Place: Gurugram
Date: 09.08.2018

Place: Patiala
Date: 09.08.2018

BAANI MILK PRODUCER COMPANY LIMITED

Notes forming part of the financial statements

1. Corporate information

Baani 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' (MPP) in villages of Punjab and sells to Mother Dairy Fruit and Vegetable Private Limited. The Company also trades in 'Polypack milk' (PPM), Ghee and 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 a time proportion 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	10
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 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 adjusting 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, 2018		As at 31 March, 2017	
	Number of shares	Amount Rupees	Number of shares	Amount Rupees
(a) Authorised share capital Equity Shares of Rs. 100 each	20,00,000	20,00,00,000	20,00,000	20,00,00,000
(b) Issued, subscribed and fully paid up share capital Equity Shares of Rs. 100 each	8,69,265	8,69,26,500	7,61,017	7,61,01,700

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:

	As at and for the year ended March 31, 2018		As at and for the year ended March 31, 2017	
	Number of shares	Amount Rupees	Number of shares	Amount Rupees
Shares outstanding at the beginning of the year	7,61,017	7,61,01,700	4,31,720	4,31,72,000
Shares issued during the year	1,08,248	1,08,24,800	3,29,297	3,29,29,700
Shares outstanding at the end of the year	8,69,265	8,69,26,500	7,61,017	7,61,01,700

(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

Note 4: Reserves and surplus

(a) General reserve

	As at 31 March, 2018 Rupees	As at 31 March, 2017 Rupees
Opening balance	3,45,40,376	2,51,81,642
Add :- Transferred from surplus in statement of Profit and Loss	4,31,27,013	93,58,734
Closing balance	7,76,67,389	3,45,40,376

(b) Surplus in Statement of Profit and Loss

Opening balance	73,27,533	-
Profit for the year	5,15,10,573	1,66,86,267
Less:		
(i) Final limited return (dividend) to members for the year ended 31 March, 2017 (Rs. 8 per share)	60,88,136	-
(ii) Tax on above limited return (dividend)	12,39,397	-
(iii) Transferred to General reserve	4,31,27,013	93,58,734
Closing balance	83,83,560	73,27,533
	8,60,50,949	4,18,67,909

Note 5: Deferred grant

	As at 31 March, 2018 Rupees	As at 31 March, 2017 Rupees
(a) Opening balance	6,80,02,480	6,40,05,332
(b) Add: Capital grant utilised during the year (see note 35)	72,31,039	2,89,88,431
(c) Less: Assets disposed during the year	1,33,815	-
(d) Less: Depreciation pertaining to assets acquired from grant	2,18,62,554	2,49,91,283
(e) Add: Depreciation on disposal of assets	1,03,759	-
(f) Closing balance	5,33,40,909	6,80,02,480

Note 6: Long term borrowings

Secured

(a) Term loan from National Dairy Development Board (NDDB)	-	6,47,35,591
Less: current maturity of long term borrowings (see note 11)	-	1,18,68,263
	-	5,28,67,328

(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.

(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.

Note: The term loan from NDDB has been fully repaid during the year.

Note 7: Other long-term liabilities

	As at 31 March, 2018 Rupees	As at 31 March, 2017 Rupees
(a) Trade/security deposits	2,83,26,312	2,84,74,972
	2,83,26,312	2,84,74,972

Note 8: Long term provisions

(a) Provision for employee benefits:

(i) For compensated absences (net of Leave encashment fund Rs.12,55,917; previous year Rs.654,531)	15,71,399	11,55,855
	15,71,399	11,55,855

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

	As at 31 March, 2018 Rupees	As at 31 March, 2017 Rupees
Note 9: Short term borrowings		
(a) Secured		
Working capital loan from banks (secured against fixed deposit with banks)	7,36,63,061	7,38,40,841
(b) Unsecured		
Bills discounting from banks	69,31,44,136	36,37,37,434
	<u>76,68,07,197</u>	<u>43,75,78,275</u>
Note 10: Trade payables		
(a) Trade payables (other than acceptances) (see note 36)	16,45,22,305	13,96,57,059
	<u>16,45,22,305</u>	<u>13,96,57,059</u>
Note 11: Other current liabilities		
(a) Current maturities on long term borrowings	-	1,18,68,263
(b) Interest accrued but not due on borrowings	56,97,466	54,63,478
(c) Unclaimed/unpaid dividends	31,26,932	23,58,220
(d) Advances from customers	91,23,395	2,92,664
(e) Membership cancellation payable	35,05,695	7,76,400
(f) Statutory dues (contribution to PF, withholding taxes, GST etc)	26,55,569	21,17,010
(g) Payable for purchase of fixed assets	33,70,730	75,79,350
	<u>2,74,79,787</u>	<u>3,04,55,385</u>

Note:

For details of security of current maturities of long term borrowings - refer to note 6

Note 12: Fixed assets

	Particulars	Gross block			Accumulated depreciation			Amount in Rupees	
		As at April 1, 2017	Additions during the year	Deletions	As at 31 March, 2018	As at April 1, 2017	Depreciation charge for the year	On disposal	As at 31 March, 2018
(a) Tangible assets (owned)									
Plant and equipment	15,78,95,551 (11,89,73,148)	49,57,615 (3,95,75,075)	4,24,795 (6,52,672)	16,24,371 (15,78,95,551)	4,79,62,754 (2,89,02,560)	1,25,83,523 (1,96,80,152)	3,47,276 (6,20,039)	6,01,99,001 (4,79,62,674)	10,22,29,370 (10,99,33,876)
Furniture and fixtures	1,16,56,265 (1,03,70,931)	57,233 (12,85,334)	- (-)	1,17,13,498 (1,16,56,265)	59,54,184 (41,37,302)	6,46,288 (18,16,883)	- (-)	66,00,472 (59,54,184)	51,13,026 (57,02,080)
Office equipment	27,94,476 (27,88,976)	5,57,556 (5,500)	- (-)	33,52,032 (27,94,476)	5,12,396 (2,52,085)	2,82,628 (2,60,311)	- (-)	7,95,024 (5,12,396)	25,57,008 (22,8,080)
Computers	2,56,42,325 (2,43,72,500)	29,53,632 (12,69,825)	1,45,650 (-)	2,84,50,307 (2,56,42,325)	1,29,41,369 (48,31,211)	82,55,137 (80,60,158)	1,07,529 (-)	2,10,88,977 (1,29,41,369)	73,61,330 (1,27,00,957)
Total	19,79,88,617	85,26,036	5,70,445	20,59,44,208	6,73,70,703	2,17,67,516	4,54,805	8,86,83,474	11,72,60,733
Previous year	(15,65,05,551)	(4,21,35,734)	(6,52,672)	(19,79,88,617)	(3,81,73,158)	(2,98,17,505)	(6,20,039)	(6,73,70,623)	(13,06,47,993)
(b) Intangible assets									
(other than self generated)									
Computer software	3,67,23,247 (2,47,81,627)	48,08,889 (11,19,41,620)	- (-)	4,15,32,136 (3,67,23,247)	1,19,97,292 (11,35,673)	1,28,69,348 (1,08,61,620)	- (-)	2,48,66,640 (1,19,97,292)	1,66,65,496 (2,47,25,955)
Total (B)	3,67,23,247	48,08,889	-	4,15,32,136	1,19,97,292	1,28,69,348	-	2,48,66,640	1,66,65,496
Previous year	(2,47,81,627)	(11,19,41,620)	(-)	(3,67,23,247)	(11,35,673)	(1,08,61,620)	(-)	(1,19,97,292)	(2,47,25,955)
Total (A+B)	23,47,11,864	1,33,34,924	5,70,445	24,74,76,344	7,93,67,995	3,46,36,924	4,54,805	11,35,50,115	13,39,26,228
Previous year	(18,12,87,183)	(5,40,77,354)	(6,52,672)	(23,47,11,864)	(3,93,08,831)	(4,06,79,124)	(6,20,039)	(7,93,67,915)	(15,15,43,948)
Year ended 31-Mar-18									
Runnées	2,17,67,516	2,98,17,505							
	1,28,69,348	1,08,61,620							
	2,18,62,554	2,49,91,283							
	1,27,74,370	1,56,87,841							

(i) Depreciation and amortisation expense
Tangible assets
Intangible assets
Less: Depreciation pertaining to assets acquired on grant

(ii) Figures in brackets represent previous year figures

(iii) The details of assets purchased out of capital grant and included in the above schedule are given below (see note 37):

	Particulars	Gross block			Accumulated depreciation			Amount in Rupees	
		As at April 1, 2017	Additions during the year	Deletions	As at 31 March, 2018	As at April 1, 2017	Depreciation charge for the year	On disposal	As at 31 March, 2018
(a) Tangible assets (owned)									
Plant and equipment	4,73,70,128 (2,79,47,032)	(1,94,23,097)	- (-)	4,73,70,128 (4,73,70,128)	1,34,74,700 (62,04,502)	35,55,796 (72,00,197)	- (-)	1,70,30,496 (1,34,74,700)	3,03,39,632 (3,38,93,428)
Furniture and fixtures	49,95,455 (37,10,121)	57,233 (12,85,334)	- (-)	49,95,455 (49,95,455)	46,09,653 (34,22,728)	15,807 (11,86,925)	- (-)	46,25,460 (46,09,653)	3,69,994 (3,85,802)
Office equipment	14,20,267 (14,20,267)	- (-)	- (-)	14,20,267 (14,20,267)	1,95,516 (60,498)	1,34,925 (11,75,018)	- (-)	3,30,441 (1,95,516)	10,89,826 (12,24,751)
Computers	2,09,22,260 (2,09,22,260)	29,53,632 (-)	1,33,815 (-)	2,37,42,078 (2,09,22,260)	1,04,83,732 (38,56,232)	68,10,354 (66,26,501)	1,03,759 (-)	1,71,89,327 (1,04,82,732)	65,52,751 (1,04,39,528)
Total	7,47,08,110	29,53,632	1,33,815	7,75,27,928	2,87,62,601	1,05,16,883	1,03,759	3,83,52,202	4,58,45,509
Previous year	(5,39,99,680)	(2,07,08,431)	(-)	(7,47,08,110)	(1,35,33,960)	(1,52,18,641)	(-)	(2,87,62,601)	(4,59,45,509)
(b) Intangible assets									
(other than self generated)									
Computer software	3,29,11,520 (2,46,31,520)	42,77,407 (82,80,000)	- (-)	3,71,88,926 (3,29,11,520)	1,08,54,549 (10,81,907)	1,13,45,672 (97,72,642)	- (-)	2,22,00,221 (1,08,54,549)	1,49,88,706 (2,20,56,971)
Total	5,36,19,950	42,77,407	1,33,815	3,71,88,926	2,60,7,190	1,13,45,672	1,03,759	2,22,00,221	1,49,88,706
Previous year	(2,46,31,520)	(82,80,000)	(-)	(3,29,11,520)	(10,81,907)	(97,72,642)	(-)	(2,20,56,971)	(2,35,49,613)

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

	As at 31 March, 2018 Rupees	As at 31 March, 2017 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	3,32,319	10,57,928
b. Provision for compensated absences and gratuity	5,24,596	3,82,160
c. Disallowances under section 35D of the Income Tax Act, 1961	1,15,595	2,28,967
d. Others	2,12,178	1,75,588
	11,84,688	18,44,643
Note 14: Long term loans and advances (Unsecured, considered good)		
(a) Security deposits	9,13,420	8,42,420
(b) Advance income tax (Net of provision for tax Rs.5,30,14,856; Previous year Rs.2,72,29,947)	44,69,146	73,89,456
(c) Prepaid expense	52,434	1,48,529
	54,35,000	83,80,405
Note 15: Other non-current assets		
(a) Fixed deposits with banks*	-	3,45,77,316
	-	3,45,77,316
*These comprises fixed deposits under lien and having a maturity of more than 12 months from the Balance sheet date (see note 9)		
Note 16: Inventories (At lower of cost and net realisable value)		
(a) Stock-in-trade (in transit)	1,38,86,515	1,82,90,991
(b) Stock -in-trade - others	16,96,880	2,64,522
(c) Stores and spares	34,37,756	8,49,598
	1,90,21,151	1,94,05,110
Note 17: Trade receivables (Unsecured, considered good)		
(a) Outstanding for a period less than six months from the date they were due for payment	83,80,41,708	48,46,13,882
	83,80,41,708	48,46,13,882

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

	As at 31 March, 2018 Rupees	As at 31 March, 2017 Rupees
Note 18: Cash and cash equivalents		
(a) Cash and cash equivalents		
(i) Cash in hand	1,52,755	27,689
(ii) Balance with banks:		
a) In current accounts	1,78,67,798	16,50,958
Cash and cash equivalents (as per AS 3 - Cash flow statement)	<u>1,80,20,553</u>	<u>16,78,647</u>
(b) Other bank balances		
(i) In deposit accounts		
- original maturity more than 3 months	9,38,51,663	3,80,00,000
(ii) Balances held as security against bank borrowings	9,92,72,049	11,91,30,350
(iii) In earmarked accounts		
- Unpaid dividend accounts	31,26,932	23,58,220
	<u>21,42,71,197</u>	<u>16,11,67,216</u>

Note:

- (i) Balances with banks include deposits amounting to Rs. Nil (previous year Rs. 90,00,000) which have maturity of more than 12 months from the balance sheet date.
- (ii) Fixed deposit amounting to Rs. 9,92,72,050 (previous year Rs. 11,91,30,350) have been pledged against bank overdraft facility (see note 9).

Note 19: Short - term loans and advances

(Unsecured, considered good)

(a) Advances to vendors	16,35,015	56,51,036
(b) Prepaid expenses	25,53,505	12,14,625
(c) Gratuity fund (net of liability Rs. 23,62,531; previous year Rs.17,12,898)	4,93,868	2,91,192
(d) Grant receivable (see note 35)	2,70,689	31,09,626
	<u>49,53,077</u>	<u>1,02,66,479</u>

Note 20: Other current assets

(Unsecured, considered good)

(a) Interest accrued but not due on bank deposits	63,52,856	34,13,154
(b) Others	55,466	32,830
	<u>64,08,322</u>	<u>34,45,984</u>

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

Note 21: Revenue from operations

(a) Sale of products (refer note (i) below)

	Year ended 31 March, 2018	Year ended 31 March, 2017
	Rupees	Rupees
	3,56,00,14,194	2,58,25,92,325
	<u>3,56,00,14,194</u>	<u>2,58,25,92,325</u>

Note:

Sale of products comprises:

(i) Traded goods

a. Raw milk	3,27,35,04,209	2,38,18,62,224
b. Processed milk and milk products	19,44,68,865	13,22,64,992
c. Cattle feed	9,20,41,120	6,84,65,108
Total	<u>3,56,00,14,194</u>	<u>2,58,25,92,325</u>

Note 22: Other income

(a) Interest income		
(i) On deposits with banks	1,31,29,166	1,39,86,214
(ii) On Income tax refund	3,63,018	-
(iii) On others	2,68,310	99,165
(b) Other non-operating income		
(i) Membership fee	12,51,321	12,58,350
(ii) Profit on sale of fixed assets	5,22,635	4,40,391
(iii) Miscellaneous income	8,21,215	21,69,149
	<u>1,63,55,665</u>	<u>1,79,53,270</u>

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

	Year ended 31 March, 2018	Year ended 31 March, 2017
	Rupees	Rupees
Note 23: Purchases of stock-in-trade		
(a) Raw milk	2,97,71,89,720	2,17,40,79,158
(b) Purchase of processed milk and milk products	17,92,75,223	11,80,79,657
(c) Cattle feed	7,96,62,805	6,19,25,244
	<u>3,23,61,27,748</u>	<u>2,35,40,84,059</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	1,82,90,991	1,68,20,000
(b) Inventories at the end of the year	1,55,83,395	1,82,90,991
(c) Net (increase)/decrease in inventory	<u>27,07,596</u>	<u>(14,70,990)</u>
Note 25: Employee benefits expense		
(a) Salaries and wages	4,19,80,009	4,00,81,572
(b) Contribution to provident and other funds	35,87,320	32,12,814
(c) Staff welfare expenses	4,68,887	4,46,038
	<u>4,60,36,216</u>	<u>4,37,40,423</u>

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

Note 26: Finance costs

(a) Interest expense on borrowings
 (b) Interest on delayed payment of income tax, VAT etc

Year ended 31 March, 2018	Year ended 31 March, 2017
Rupees	Rupees
4,54,95,652	4,85,29,114
3,71,780	66,259
<u>4,58,67,432</u>	<u>4,85,95,373</u>

Note 27: Other expenses

(a) Consumption of stores and spares	41,77,301	30,09,828
(b) Power and fuel	6,99,656	6,42,965
(c) Rent including lease rent	29,93,804	29,46,575
(d) Rates and taxes	8,31,681	8,32,397
(e) Contractual and retainership expenses	2,96,97,644	2,25,14,723
(f) Repair and maintenance - machinery	74,88,817	56,32,674
(g) Repair and maintenance - others	55,76,194	3,51,462
(h) Freight, forwarding and distribution expenses	8,06,09,379	5,70,87,897
(i) Insurance charges	16,42,804	13,73,597
(j) Legal and professional fees	79,98,226	63,07,701
(k) Printing and stationery	12,73,245	10,26,235
(l) Auditor's remuneration (refer note (i) below)	11,69,598	8,90,457
(m) Travelling and conveyance	45,69,204	61,79,524
(n) Communication expenses	16,97,879	14,89,148
(o) Advertisement and publicity	10,23,904	4,78,939
(p) Miscellaneous expenses	37,85,115	31,40,083
	<u>15,52,34,451</u>	<u>11,39,04,203</u>

Note:

(i) Auditors' remuneration comprises:

a. Statutory audit fee	8,70,000	6,00,000
b. Tax audit fee	1,10,000	1,00,000
c. Out of pocket expenses	13,198	85,457
d. Service tax on above	1,76,400	1,05,000
	<u>11,69,598</u>	<u>8,90,457</u>

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, 2018	As at 31 March, 2017
	Rupees	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	1,00,000	1,00,000

Note 29

The Company had received share application money of Rs. 86,96,700 against which allotment has been made at the Board Meeting held on 29 June, 2018.

Note 30

In respect of the year ended 31 March, 2018, the directors in their meeting dated 09th August, 2018 have proposed a final dividend of Rs.69,54,120/- (Re.8 per share) to be paid on fully paid equity shares. The equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in the financial statements. The proposed equity dividend is payable to all holders of fully paid equity shares. The total equity dividend and tax thereon amounts to Rs.69,54,120/- and Rs.14,29,440/- respectively.

Note 31: 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. 28,85,393 (previous year Rs.28,17,125) 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

Present value of obligations at the beginning of the year	
Interest cost	17,12,898
Current service cost	1,28,467
Benefits paid	8,06,803
Actuarial (gain)/loss on obligation	-
Present value of obligations at the end of the year	(2,85,637)

31 March, 2018	31 March, 2017
Rupees	Rupees
17,12,898	14,26,534
1,28,467	1,00,373
8,06,803	14,41,625
-	(1,76,447)
(2,85,637)	(10,79,187)
23,62,531	17,12,898

ii. Fair value of plan assets

Fair value of plan assets at the beginning of the year	
Expected return on plan assets	20,04,090
Contribution made	1,08,104
Benefit paid	11,78,461
Withdrawals	-
Actuarial gain/(loss) on plan assets	(4,86,465)
Fair value of plan assets at the end of the year	52,209

31 March, 2018	31 March, 2017
Rupees	Rupees
7,81,986	20,04,090
62,536	1,08,104
13,80,787	11,78,461
(1,76,447)	-
(49,358)	(4,86,465)
4,586	52,209
20,04,090	28,56,399

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

iii. Return on plan assets

Expected return on plan assets
 Actuarial gain/(loss) on plan assets
 Actual return on plan assets

	31 March, 2018 Rupees	31 March, 2017 Rupees
Expected return on plan assets	1,08,104	62,536
Actuarial gain/(loss) on plan assets	52,209	4,586
Actual return on plan assets	1,60,313	67,122

iii. Amount recognised in the Balance Sheet

Present value of defined benefit obligations
 Fair value of plan assets
 Net liability/(asset) recognised in the balance sheet

	31 March, 2018 Rupees	31 March, 2017 Rupees
Present value of defined benefit obligations	23,62,531	17,12,898
Fair value of plan assets	28,56,399	20,04,090
Net liability/(asset) recognised in the balance sheet	(4,93,868)	(2,91,192)

iv. Expenses recognised in the Statement of Profit and Loss

Current service costs
 Interest cost
 Expected return on plan assets
 Net actuarial gain/(loss) recognized during the year
 Expense recognized in the Statement of Profit and Loss

	31 March, 2018 Rupees	31 March, 2017 Rupees
Current service costs	8,06,803	14,41,625
Interest cost	1,28,467	1,00,373
Expected return on plan assets	(1,08,104)	(62,536)
Net actuarial gain/(loss) recognized during the year	(3,37,846)	(10,83,773)
Expense recognized in the Statement of Profit and Loss	4,89,320	3,95,689

v. Balance Sheet reconciliation

Net liability/(asset) at the beginning of the year
 Expense as above
 Contributions
 Withdrawals
Net liability/(asset) at the end of the year

	31 March, 2018 Rupees	31 March, 2017 Rupees
Net liability/(asset) at the beginning of the year	(2,91,192)	6,44,548
Expense as above	4,89,320	3,95,689
Contributions	11,78,461	13,80,787
Withdrawals	(4,86,465)	(49,358)
Net liability/(asset) at the end of the year	(4,93,868)	(2,91,192)

vi. Principal actuarial assumptions

	31 March, 2018	31 March, 2017
Discount rate	7.70% p.a	7.50% p.a
Expected salary escalations	10.00% p.a.	10.00% p.a.
Expected return on plan assets	4.60% p.a.	4.60% p.a.
Attrition rate	15.00% p.a	20.00% p.a
Remaining Working Life	24.22 Years	22.96 Years
 Mortality table used	 IAL 2006-08 Ultimate	 IAL 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, 2018	31 March, 2017	31 March, 2016	31 March, 2015
Present value of obligation	23,62,531	17,12,898	14,26,534	4,13,039
Fair value of plan assets	28,56,399	20,04,090	7,81,986	-
Funded status	(4,93,868)	(2,91,192)	6,44,548	4,13,039
Gain/(loss) on obligations	2,85,637	10,79,187	3,63,602	(25,077)
Gain/(loss) on plan assets	52,209	4,586	-	-

Compensated absences:

Principal actuarial assumptions

	31 March, 2018	31 March, 2015
Discount rate	7.70% p.a	7.50% p.a
Expected salary escalations	10.00% p.a.	10.00% p.a.
Expected return on plan assets	6.30% p.a.	6.30% p.a.
Attrition rate	15.00% p.a	20.00% p.a
Remaining working life	24.22 Years	22.96 Years
Mortality table used	IAL 2006-08 Ultimate	IAL 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 32: Leasing arrangements

The Company has entered into operating lease arrangements for office premises. The lease agreement is for a period of nine years with a non-cancellable period of three years. The lease agreement provides for increase in lease payments by 5% every year. The lease rental expenses of Rs.29,93,804 (previous year Rs.29,46,575) in respect of obligation under operating leases have been recognised in the statement of profit and loss.

Future minimum lease payment are:

Particulars	As at March 31, 2018	As at March 31, 2017
	Rupees	Rupees
Payable not later than one year	16,42,091	15,63,896
Payable later than one year but not later than five years	74,31,499	70,77,618
Payable later than five years	3,35,323	23,31,295
	94,08,913	1,09,72,809

Note 33: Earnings per equity share

Particulars	Unit	Year ended March 31, 2018	Year ended March 31, 2017
Net profit after tax	Rs.	5,15,10,573	1,66,86,267
Weighted average number of equity shares outstanding during the year	Numbers	7,74,618	4,97,478
Nominal value per equity shares	Rupees	100	100
Basic earnings per share	Rupees	66.50	33.54
Equity shares used to compute diluted earnings per share	Numbers	7,77,271	4,97,637
Diluted earnings per share	Rupees	66.27	33.53

Note 34

Disclosures as required by the Accounting Standard (AS) 18 – "Related Party Disclosures" are as below:

A. Name of the related parties and nature of relationship

Nature of relationship	Name of person
Key Management Personnel (KMP):	Mr. Narinder Singh Bahga (Chief Executive)

B. The nature and volume of transactions during the year with the above related parties are as follows:

Nature of transactions	Amount in Rupees	
	KMP	Total
Managerial remuneration:	48,24,251 (44,51,892)	48,24,251 (44,51,892)

Note: Figures in brackets relates to previous year

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

	As at March 31, 2018	As at March 31, 2017
	Rupees	Rupees
Note 35: Details of Government grants		
Details of grants received from NDDB and its utilisation is as under:		
(a) Opening Balance	(31,09,626)	51,67,900
(a) Grant received during the year	3,92,26,205	7,51,19,042
(b) Utilised during the year		
(i) For capital assets	72,31,039	2,89,88,431
(ii) For revenue expenses	2,91,56,229	5,44,08,137
Total utilised (i) + (ii)	<u>3,63,87,268</u>	<u>8,33,96,568</u>
(c) Balance carried forward (a-b)	<u>(2,70,689)</u>	<u>(31,09,626)</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 36

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 37

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 38

Previous year'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/-
Punit Sharma
Manager Finance & Accounts

Place: Patiala
Date: 09.08.2018

THE TEAM BAANI

Chief Executive

Narinder Singh Bahga

Executive Assistant to CE

Mukesh Kumar

CS & LEGAL

Rajesh Saini, Sr. Manager

Rohit Shyam Sharma,
Sr. Executive

HR & ADMINISTRATION

Gagan Deep Sharma, Sr. Manager

Gurjinder Singh Gill, Dy. Manager
Harwinder Singh, Executive
Mandeep Kaur, Sr. Executive

PRODUCER INSTITUTION
BUILDING

**Jatinder Kumar Sood,
Sr. Manager**

Pragya Bharati, Assistant Manager
Rohit Kumar, Assistant Manager
Nirvair Singh Khosa, Sr.PIB Officer
Saravjeet Bhangu, PIB Officer
Sudama Ram, PIB Officer
Gurpreet Singh Grewal, PIB Officer
Sonu Yadav, PIB Officer
Raj Singh, PIB Officer
Davinder Singh, PIB Officer
Robin Garg, PIB Officer
Parampreet Singh, PIB Officer
Gurpreet Kaushal, PIB Officer
Manu Sharma, PIB Officer
Narinder Singh, PIB Officer
Nitin Sharma, PIB Officer

ANIMAL NUTRITION

Hardeep Singh Handa, IT Executive

Surendra Mohan, Technical Officer
MadhuBala, Technical Officer
Jaskaran Singh, Technical Officer

QUALITY ASSURANCE

Raman Tiwari, Sr. Manager

Niti Dhingra, Sr. Executive
Kuldeep Singh, Executive
Lokendra Singh, Executive
Anuruddha Pratap Singh, Assistant
Manager

INFORMATION TECHNOLOGY

Hitendra Sharma, Sr. Manager

Ashok Kumar, Dy. Manager
Arun A, Assistant Manager
Naresh Puri, Executive
Mayur Singla, Executive

BUSINESS EXCELLENCE

Laxmee Kanta Sahoo, DGM

Manjinderpal Singh, Dy. Manager

SALES & MARKETING

Arvinder Pal Singh Bhatia, Sr. Manager

Manish Kapila, Manager

PURCHASE

Pankaj Singla, Sr. Manager

Dilip Kumar Nayak, Sr. Executive
Manohar Lal, Executive

FINANCE & ACCOUNTS

Punit Sharma, Manager

Pradeep Singhal, Assistant Manager
Sanjeev Kumar, Executive
Vikas Sharma, Executive

PROCUREMENT

Navdeep Kumar Dham, Sr. Manager

Tarsem Sharma, Assistant Manager
Krishnendu Mondal, Dy. Manager
Lakhvinder Singh, Dy. Manager

Kulwinder Singh, Area In-charge

Hardeep Singh, Area In-charge

Gursir Singh, Area In-charge

Bhavnesh Kumar, Assistant Manager

Navjot Singh, Area In-charge

Sarabjot Singh, Area In-charge

Lovish, Area Incharge

Gurshinder Singh, Area In-charge

Jagdeep Singh, Area In-charge

Simranjeet Singh, Area In-charge

Amrinder Pal Singh, Area In-charge

Gurmukh Singh, Area In-charge

Jaskarn Singh, Area In-charge

ਬਾਣੀ ਦੁੱਧ ਦੀ ਲੁਹਿਗ, ਹਰ ਪਿੰਡ ਹਰ ਸ਼ਹਿਗ



ਪੈਸਚੁਰਾਈਜਡ ਫੁੱਲ ਕਰੀਮ ਦੁੱਧ



ਪੈਸਚੁਰਾਈਜਡ ਟੋਨਡ ਦੁੱਧ



ਪੈਸਚੁਰਾਈਜਡ ਡਬਲ ਟੋਨਡ ਦੁੱਧ



BAANI MILK PRODUCER COMPANY LIMITED

CIN: U01403PB2014PTC038826

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