

Pradeshik Cooperative Dairy Federation (PCDF)

Sitting late in the evening in his office, Mr. Vinayak, the newly appointed Managing Director of Pradeshik Cooperative Dairy Federation (PCDF) was wondering on the issues, ignited by the inquisitiveness of some young business management students of a local management school, regarding the future of PCDF. "The government grants are likely to reduce", he thought, "making it difficult for us to set up any further processing plants and extending financial help to some 20 out of 25 milk unions that are members of the federation and running in losses. On the other hand competition is likely to increase with the possible entry of the private enterprises thanks to the liberalisation policies of the government initiated recently. The capacity utilisation of the plants is low and it is not easy to increase the prices of milk supplied to the consumers. Do we carry on with our past strategies or modify them? Do we enter into other areas of businesses taking up new products that are within our reach or be contented with whatever comes to us?" The students had ignited the thought process but there was no one to suggest what to do.

Background of the Company

The year 1917 saw the establishment of 'Katara Co-operation Milk Federation, Allahabad' which was the first milk co-operative in the country. In 1938, Lucknow Milk Producers Co-operative Union was established which was followed by the establishment of milk unions at Allahabad, Varanasi, Kanpur, Haldwani and Meerut. At present there were as many as 25 Milk Producers Unions spread all over the state that were members of the federation.

After agriculture, production of milk is another activity which can lead to the self-sufficiency of small and marginal farmers in rural areas. In the post-independence era, the successive governments, therefore, have been very keen to promote milk production as an additional source of income, after agriculture.

To give a proper direction to dairy development programme, 'Pradeshik Co-operative Dairy Federation' (PCDF) was established in the state in the year 1962. The basic purpose of establishing the federation was to collect milk from the small producers at

remunerative price and supply it to the consumers at proper price, thereby preventing the exploitation of the small producers of milk on the one hand and the consumers on the other by the middlemen. In the year 1977 Operation Flood I (OFI) was started by the government of India for which the implementation responsibility in the state was given to PCDF. The following facilities were established in the state under the programme.

- Two dairies, each with a milk handling capacity of 1 lakh liters at Meerut and Varanasi.
- Two cattle feed plants of 100 metric ton capacity each in the two cities.
- A Jersey cow-breeding unit in Rae Bareilly.
- In 1977, with the help of HFCT, Britain the state government started a highbred breeding project in Moradabad with the objective of improving the breed of cattle.

Keeping in mind the expansion of dairy development programme a separate dairy department was set up by the state government.

In the year 1976 the UP Milk act, 1976 was passed for the purpose of effecting the Operation Flood (OFI) programme. Under the act a post of milk commissioner was created along with a state milk committee. This gave an impetus to the dairy development programme in the state by creation of the following infrastructure:

- Within two years of its existence the department set up ten milk chilling plants of 4000 MT daily handling capacity each and 2 plants of 2000 MT daily handling capacity.
- The financial assistance for the first 10 plants was given by NDDB.
- In April 1978, the dairy plant at Meerut and in 1979 the dairy plant at Varanasi started production.
- In 1979 under the "Faizabad Milk Plan", PCDF established a dairy of 20,000 liters/day handling capacity.
- Cattle feed manufacturing centers were set up at Meerut and Varanasi

In November 1982 Operation Flood II was launched to continue the dairy development programme in a well planned manner. Under this Programme 28 blocks in the state, including the 8 blocks of OF

I were taken up .in September 1987 when the OF II came to an end, OF III was launched. The state of Uttar Pradesh stood as on of the major milk producing state in the country.

Objective of PCDF

The following objectives were set out for PCDF in its emorandum of Association:

- i. To promote procurement, collection, processing and distribution of milk and milk products for the economic development of the farmers.
- ii. To promote all the activities related to the development and expansion of the dairy industry which leads to improvement in the industry and economic development of the milk producers.
- iii. To co-operate establishing chilling centers, Liquid milk centers and other equipment necessary for the procurement, processing, selling and distributing milk without hurting the interests of the members.
- iv. To improve animal health and prevention of diseases by making available facilities for animal treatment, artificial insemination and animal health and to assist members of the unions in achieving the same.
- v. To establish research and quality control laboratories for storage of milk and milk products at levels.
- vi. To encourage market research and development programmes.
- vii. To promote the principles of co-operatives and to encourage co-operation in the milk business among primary milk unions.
- viii. To provide member milk unions with technical, administrative, financial and other assistance based on requirements.
- ix. To explore the possibilities of milk production in new areas by conduction market surveys whenever necessary.
- x. To provide recommendations, guidance, co-operation and control in the running of member milk unions.
- xi) To arrange for the collection, storage and transportation of milk and milk products. Setting up quality control measures for the milk and milk products distributed by the federation.
- xii) To suggest measures for the improvement of productivity of milk producers and member milk unions.
- xiii) To prepare overall production plan for the member milk unions

and the federation.

- xiv) To make arrangements for or provide assistance in processing milk-producing animals to the milk producers of the member unions.
- xv) To provide training facilities to the personnel and government employees involved in milk co-operation and their members.
- xvi) To encourage the production of green fodder among member milk unions and their members.
- xvii) To publicize and promote the objectives and activities of the federation.

Product-line of PCDF

The primary product of PCDF was liquid milk sold under the brand name PARAG. Besides this it also manufactured a variety of milk food products as shown below, all sharing the same brand name.

Current Product-line of 'Parag'

1.	Milk	6.	Skimmed Milk Powder
2.	Ghee	7.	Flavoured Milk
3.	Butter	8.	Ice-cream
4.	Milk Cake	9.	Khoya
5.	Paneer	10.	Fit Milk

The company was considering taking up the following items for manufacture and sale for expanding the product line. One serious problem with the main product i.e., liquid milk was that it was

1.	Complete coffee mix	6.	Lactose Hydrolyzed milk
2.	Gulab Jamun mix	7.	Low fat ice-cream and ice-cream for diabetics
3.	Dairy whitener	8.	Malted Milk
4.	Sliced cheese	9.	Chewing gum
5.	Cereal foods		

perishable and therefore had to be processed within 4-5 hours of collection. Moreover even the processed liquid milk also had a very

short shelf life, not more than about 5-6 hours from cold storage to delivery to the ultimate consumer.

Besides the above problem there was also a problem of seasonality associated with the availability of the milk — the lean periods being the months of April-August. (The average procurement and marketing levels of milk for the years 1990-92 are shown in exhibit 1).

The standard of milk to be sold to the consumer was in accordance with the standards mentioned in the prevention of Food and Adulteration Rules, 1955 (see exhibit 2).

Other Major Activities of PCDF

Besides, processing milk, manufacturing milk products and selling the same there were several other activities carried out by PCDF with the objective of serving its constituent members. The monetary help for these came from the National Dairy Development Board (NDDDB) and the state government. This grant was routed to the milk unions through PCDF some of the resources for these programmes were committed by the unions also. The level of the programmes was decided at the headquarters in Lucknow. The details about the various activities are given below

a) Animal Health Services and Vaccination-

To maintain the health of cattle belonging to rural milk producers, programme of health maintenance and vaccination was started. To provide health services for the cattle, every cooperative had a primary health centre. To protect the cattle from contagious diseases the cooperative had undertaken a programme for vaccination

Year	Mobile health centers	Primary health centers	No.of vaccination
1987-88	1,43,729	2,30,841	2,65,459
1988-89	94,798	2,14,345	2,98,879
1989-90	49,897	1,77,634	2,43,937
1990-91	59,802	1,50,476	2,84,717

b) Artificial Insemination Programme

In order to improve the cattle productivity and milk production of local cows it is essential to upgrade the breed of the cattle. Keeping this objective in mind the following activities were started;

- Artificial insemination using frozen semen
- Organisation of calf rallies for the expansion of artificial insemination programmes, exhibition of better breed obtained as a result of artificial insemination was also held.
- Setting up of cluster artificial insemination committees from 1990-91 to increase the acceptance of artificial insemination.

Year	Artificial Semen donation Committees	Artificial Semen donation (count) donation per committee	Average artificial semen
1987-88	763	89,330	9.80
1988-89	757	1,00,457	11.10
1989-90	720	1,09,069	12.60
1990-91	718	1,25,483	14.60

c) Natural Fertilization and Embryo Transfer Programme

With the technological and financial assistance of NDDB natural insemination facilities were started in 1987 in Rae Bareilly, Sultanpur and Barabanki which comprised:

- Ensuring the availability of Jersey and Holstein Presian bulls to milk committees in order to improve the breed of cows.
- Setting up of frozen semen banks in Moradabad and Rae Bareilly in order to promote artificial insemination and ensure availability of better quality of semen.

d) Balanced Cattle Feed

Nutritive and balanced cattlefeed is essential to keep the cattle in good health and for increasing the milk production. In order to meet the requirements of balanced cattlefeed in the state a 100 MT per day capacity plant each was set up in Meerut and Varanasi districts. Seeing the increased demand for cattle feed, government approved the establishment of two more 100 MT per day capacity plants in Moradabad and Nainital.

The distribution of balanced cattle feed was carried out through the co-operative milk committees.

	MEERUT			VARANASI		
	1988-89	1989-90	1990-91	1988-89	1990-91	1989-90
Prodn.(MT)	10600.10	12389.10	18361.17	8796.24	15508.00	11832.66
Sales(MT)	10716.76	12423.97	17669.55	7913.01	12335.49	15470.12
% Utilisation Of capacity	35.30	41.50	81.20	29.30	39.30	51.70

e) Green Folder

In order to ensure continued availability of green fodder, the Sien Pasture Scheme was started with the help of NDDB and National Wasteland Development Board. Under this scheme there was a programme to increase the availability of fodder, fruits and fuel through the process of afforestation of farmer's land. A farmer is provided the assistance to the tune of Rs. 5/-per live plant to promote afforestation.

Year	Village Forest
1988-1989	63
1989-1990	488
1990-1991	505
1991-1992	733

f) Distribution of Seeds of Green Fodder

In order to meet the long term objectives of increased milk production and to encourage member producers to cultivate adequate green fodder, facility for distribution of progressive varieties of seeds had been taken up.

g) Hay Treatment

Under the Indian conditions the fodder for cattle is primarily obtained from the by-products of food crops such as hay which are cheap and convenient. But they lack in nutritive value and digestibility. These were, therefore, treated along with urea to increase the nutritive content and this method yielded successful results in various milk union areas.

h) Training

In order to facilitate efficient functioning PCDF provided training to the milk committee workers, management committee members and milk Producers at five training centres located at Lucknow, Kanpur, Agra, Meerut and Varanasi.

Summing up various activities of PCDF, the General Manager (Marketing) said:

"You may say that basically we are in the business of liquid milk and our goal is to remain in the same business. All the other products and activities thus assume secondary importance". "We are therefore", he continued, "not interested and concerned with production and marketing of other products (like butter, ghee, cheese etc.) which makes PCDF different from the other dairy boards (e.g. Gujarat and Maharashtra dairy boards) in terms of its thrust areas of business."

Reflecting upon the thrust on profitability of operations of PCDF, the Managing Director said:

"The primary objective of PCDF being that of serving the milk producers, most of whom are very poor farmers, we have to take a lenient view towards profitability. As long as the milk produced by the farmers can be bought and then sold at fair prices (allowing us profit to remain economically viable), the organization, we believe, has achieved its purpose. Our main policy thrust, therefore, is as follows:

- buy whatever is produced by the milk producers, (although it leads to problems on account of fluctuations in milk supply), and thus help in improving financial status of poor milk producers,
- the main product of the cooperative would remain liquid milk. If supply exceeds demand only then the organisation would produce other products,
- minimize fluctuations in procurement and supply prices of milk and milk products,
- increase milk productivity by the various activities described earlier, and last but not the least,
- maintain the economic viability of the organisation."

Organisational Structure

The organisation was divided into three levels:

- a) Federation Level
- b) Union Level
- c) Committee Level

The details of each of the levels are given in the following paragraphs.

- A) **Federation Level:** Federation was the apex body of the organisation. The organisational chart at federation level has been shown in the exhibit 3. The federation had a Board of Governors. The secretary of the state government was ex-officio chairman of the board. Besides the managing director was generally an IAS officer chosen by the state government to manage the organisation.
- B) **Union Level:** Below the federation level was union level. Milk unions by themselves were independent commercial bodies but the control in terms of their policies was exercised from the federation. The top level of the unions was the board which consisted of nine members. The members represented the following bodies:
- 1) One member representing NDDB
 - 2) One member representing PCDF
 - 3) Chief Executive of the Milk union
 - 4) Six members selected from the constituent members of the milk unions.

The structure of the organisation at the milk union level was functional and consisted of the departments like marketing, finance, operations etc.

- (C) **Committee level:** This was the lower most level of the cooperative. The organisation here consisted of one secretary and the milk producers.

The relationship between the federation and the milk unions was very strong. The policies and guidelines including decisions of product mix

etc. were taken at the federation level. Thus the profitability of the milk unions hinged on the decisions taken by the federation. On being asked why the unions are not deciding their product mix themselves a manager answered, " It is necessary to keep such decisions at the federation level because the primary business of the federation is liquid milk. If the unions are allowed to operate on their own then there will be utter confusion in coordination, also the unions will be more interested in producing milk products. This will have an extremely adverse impact on the supply of liquid milk in the state. The reason of compliance of the unions are that the unions, largely, are dependent on the federation for their finance. Also the employees of the unions are chosen at the federation level".

Information System

The information system of PCDF was primarily a manual one. The use of computers which has become crucial for efficient functioning of the organisation these days had not been adopted as yet. Some executives felt that there was a lot of tardiness in the information system, typical of a government organisation.

The information about the operations is available only at the department named as Management Services Division, and is not available even in the operations department. This department keeps that information in a most haphazard manner which takes a lot of time to retrieve," was the opinion of some of the managers.

Capital Budgeting System

The organisation being heavily dependent on and regulated by government directives, employed little capital budgeting techniques. Since profitability was not a major criterion, the organisation was mainly guided by major directives issued by the government on programmes like operation flood etc.

Manufacturing Process

The manufacturing process of the organisation is described below: The milk was procured at the committee level. The quality of the milk

was then checked and the milk producers were paid according to the quality of the milk that they supplied to the committee. This milk was then taken by the committee to the union which again checked the quality of the milk. The union then paid the committee for the milk brought to them according to the quality of the milk.

The operations on the milk to make it saleable in its final form (which may be a milk product or liquid milk) were done at the union level. The milk was first taken to the chilling centres where it was cooled to 4°C. This was done in order to preserve the milk for further processing. The number of chilling centres were far more than the processing centres. Also a lot of chilling centres were hired by the unions if they did not own them. The directives and funds for building of new chilling centres come from the federation head office.

From the chilling centres the milk was taken to the processing centres (dairies) for further processing. There the milk was pasteurized first. In this process the milk is heated to 75°C and then rapidly cooled to 4°C. The milk is then sent to separators. They serve two functions—first the milk is clarified and in the second step milk and fat are separated. Depending on the separation extent different categories of milk are produced. (The location, capacity and expected additions in the capacity of the dairies in the state are shown in exhibit no 4).

The milk was then sent for packing depending on the demand estimated. The remaining portion of the milk was taken to skimming plant or for producing various other products. Usually the non-fat portion was taken to the skimming centers. The fat and some milk was then used for making butter, ghee, milk cake etc. The product mix produced was dependent on the store stocks as well as the returns on the various products.

About the technology employed in the production a manager commented: "The manufacturing process used by us is not very complex one. Most of the technology employed in the production process is indigenous but some of the old machines are imported and their spares are also imported. Some of the machines are simply not made in India and have to be imported. To give you an example the butter packing machine is not produced by any manufacturer in the country so import is the only option left to Indian butter producers". Most of the imported technology and machines are European because

of the advanced state of the dairy technology in these countries.

Sharing the problems and technology of manufacturing the General Manager (Manufacturing) said:

"In a business like ours, the technology 'does not play an important role in the manufacturing process. Most of the machinery used here for production is predominantly indigenous. We also don't need to upgrade the manufacturing technology significantly as we are not profit driven. The technology required is basically to meet the requirements of supplying the liquid milk for which technology is easily available. The problem we face in the operation is unique to the business and makes the detailed production planning activity almost impossible because we face wide fluctuations in the milk supply on account of our commitment to the farmers".

Report of the Study on the Environment of PCDF

The fast changing environment of the company impressed upon the need to have a review of the company's business to enable development of strategies for the future. The management, therefore, appointed a task force to analyse the issues involved. The task force study led to the following findings:

a) The Socio-economic Environment

- Dairies suffered from a bad image.
- Milk was perceived as a very nutritional food' by people.
- The demand for liquid milk was rising steadily and the per capita consumption of milk was going up.
- The demand for milk products was stagnating.
- Due to traditional food habits, people have an aversion to processed, poly pack milk.
- Due to liberalisation policies of the government the private sector enterprises may now enter the dairy industry. This removal of entry barriers will have a strong impact on the milk industry.

b) Government Attitude

- The government was strongly committed to dairy development. The thrust of the programmes initiated by it was

rural.

- Political interference in the market was significant.
- Of late, the funds allocated by the government for dairy development were going down.

c) The Customers

- Customers were geographically widely distributed so they had varied needs.
- Convenience, flexibility of timings and quantities purchasable were the factors valued most by the consumers.
- The quality was judged by the fat content by the consumers. They did not attach too much importance to freshness and hygiene.
- The demand for milk and milk products was very high in summer and low in winter.

d) The Suppliers

- The supply of milk fluctuated widely from very high in winter to low in summer.
- The suppliers of basic raw material i.e., milk were the poor and small farmers, whose bargaining power was low. The local level politics causes lot of harm to dairy development schemes.

e) The Competitors

- The main competitor to PCDF were the small vendors having a few cows and buffaloes, known as *dudhias*. Their strong points were the convenience they offered to the consumers through door to door selling and were perceived to be "fail proof". They were however, not organised.
- Also the private producers of milk products were the competitors.
- The milk and milk products of the competitors were by and large unbranded and offered price flexibility, at times of glut they offered low prices.

f) Distribution Network

A lack of efficient distribution network was making it difficult for the organisation to compete against the clever *dudhias*. The lackadaisical attitude of some of the employees hampered the efficient distribution. Epitomising them were the following:

- Procedural delays and shuttling of consumers' and dealers' complaints had left both of them dissatisfied.
- The field staff lacked business instinct because of which selling suffers.
- The company had a wide network of retail outlets spread all over the state of UP, Delhi and Calcutta.

g) Product Range

- PCDF offered a wide range of products. However, all the products in all the pack sizes were rarely available with any retailer. This made the available product range inadequate to meet the needs of various customers.
- Since priority was given to the supply of liquid milk as a matter of policy, the width of the product range in times of short supply was greatly reduced.

h) Price

The prices charged by PCDF for its products were lower than the prevailing market prices i.e lower than those charged by the competitor, despite the inefficiencies in the system and partly perhaps due to the social service objective. of PCDF: A list of the market prices of the products and milk charged by PCDF and its competitors is given in exhibit no 5.

i) Promotion

- Not much of the electronic and print media was used for the advertisements as the company was able to allocate only a shoestring budget for the purpose.
- The sales offices were ramshackle and shabby which hardly infused confidence in customers and gave an image of inefficiency and penury.

- There was an awareness of the 'Parag' brand name among the consumers.
- A manager commented that "The unions which are supposed to be independent commercial bodies have a very low advertising budget of their own and most of the promotion is done at the head-quarters level. Thus our unions do not have much flexibility in this area."

All the products of PCDF had the same brand name despite the incongruence in the benefits they provided. For example, Parag ice cream had the same brand name as Parag Ghee.

k) The Product

- The product suffered from an image of low quality.
- Although the milk supplied to the consumers by the cooperatives was good, it did not gratify traditional palates.
- In winter, external vendors supply fresh milk which was better in fat content and had the flavour of natural milk. This reduced the demand for polypack milk.
- In summer the reconstituted polypack milk gave an odour which was not well received by the consumers.
- The processed milk though nutritional and hygienically packed did not come up to the traditional standards.

l) Production

PCDF had a low capacity utilisation of its dairy plants. This was caused by a wide fluctuation in demand and supply of milk in a year (See exhibit 6). The supply of milk was very high in winter when the demand was low. Reverse was true in the months of summer. The capacity of the plants had to be such that it met the requirements during peak procurement of milk. Milk being a perishable item could not be left unprocessed for long. This led to a high capacity installation of chilling and processing, which remained idle for most part of the year.

The large numbers of processing plants spread all over the state, however, were advantageous to keep the cost of transportation of milk from suppliers to the plants low.

The cost of operations was high because of inefficiencies and overstaffing. Overstaffing was a problem which could not be solved easily as the cooperative does not believe in retrenching redundant staff. This and other social objectives increased the cost of operations greatly.

PCDF operated chilling and processing plants at the union level. Some of the unions had their own plants and some of them had hired facilities. The location and construction of these plants was decided at Headquarters level in consultation with NDDDB (which was also the primary provider of the funds). The data for the plants (chilling and processing plants) has been given in exhibit no. 4).

m) Finance

PCDF being the apex body overseeing the implementation of operation flood in the state of Uttar Pradesh, had access to substantial funds allocated by NDDDB for this purpose till recently. Its cost of capital was low as it got subsidies and grants from the state government and the NDDDB. Moreover, being in the priority sector it could get loans from the commercial banks at a very low interest rate.

The company had been making small profits for the last 2 years (see exhibits 7 and 8). However, 20 out of 25 milk unions that were members of the federation were in red and were being given regular financial aid by PCDF, using the grants given by the UP State government for this purpose from time to time. The scene was, however, likely to change fast with the increasing pressure on the exchequer and the shift in the policy of the government towards state corporations in the country and in the state.

EXHIBIT-1

Products of 'Parag'

1.	Milk	6.	Skimmed Milk Powder
2.	Ghee	7.	Flavored Milk
3.	Butter	8.	Ice-cream
4.	Milk Cake	9.	Khoya
5.	Paneer	10.	Fit Milk

Future Plans

1.	Complete Coffee Mix	6.	Lactose Hydrolysed Milk
2.	Gulab Jamun Mix	7.	Low fat ice-cream and ice-cream for diabetics
3.	Dairy Whitener	8.	Malted Milk
4.	Sliced Cheese	9.	Chewing Gum
5.	Cereal Foods		

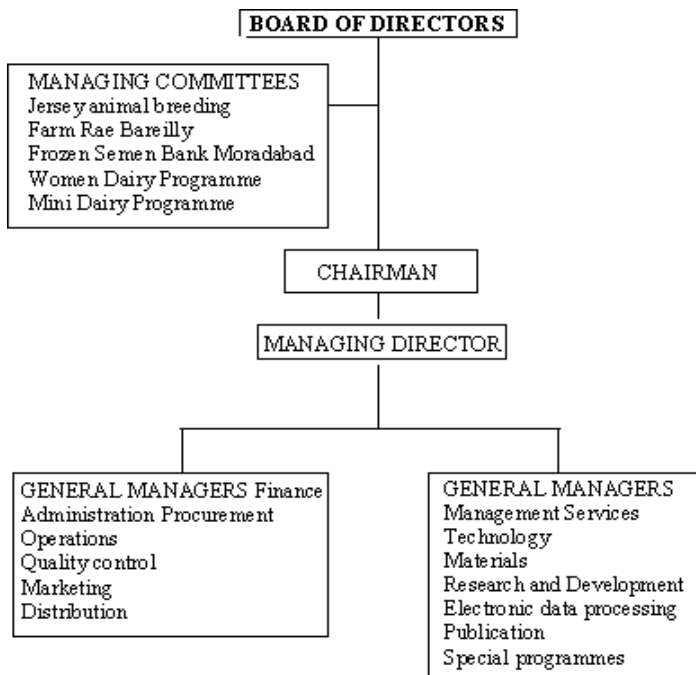
EXHIBIT-2

STANDARD OF MILK SUPPLIED

(ADHERING TO THE FOOD AND ADULTERATION RULES, 1955)

	Fat	SNF
Full Cream Milk	6.0 %	9.0%
Standard Milk	4.5%	8.5%
Toned Milk	3.0%	8.5%
Double Toned Milk	1.5%	9.0%
Skimmed Milk	0.0%	9.0%

**EXHIBIT-3
ORGANISATION STRUCTURE OF THE COMPANY**



**EXHIBIT- 4
MILK PROCESSING CAPACITIES OF PCDF AND
LOCATIONS**

in '000 litres per day

LOCATION	EXISTIN G DAIRY PLANT	CAPACIT Y CHILLIN G CENTRE	EXPECTE D DAIRY PLANT	CAPACIT Y CHILLIN G CENTRE
AGRA	10	30	10	30
ALIGARH	-	-	60	-
ALLAHABAD	20	-	60	-
BALLIA	-	10	-	20
BARABANKI	-	30	-	50
BULANDSHAHR	-	60+35	-	100
ETAH	-	30	-	20
ETAWAH	-	30	-	20

FARUKHABAD	-	30	-	30
FATEHPUR	-	30	-	50
GHAZIABAD	-	30	-	-
GHAZIPUR	-	30	-	20
HARDOI	-	30	-	30
JAUNPUR	-	10	-	10
KANPUR	50	10	150	50
LUCKNOW	40	-	150	-
MAINPURI/				
FIROZABAD	-	30	-	20
MATHURA	-	30	10	30
MEERUT	350	40	350	40
MORADABAD	150	100	150	100
BIJNOR	-	20	-	-
MUZZAFARNAGAR	-	60	-	60
RAE BAREILLY	-	20	10	20
SAHARANPUR	-	30	-	30
SITAPUR	-	20	10	20
SULTANPUR	-	10	30	20
UNNAO	-	20	-	20
VARANASI	100	-	100	-
NOIDA	-	-	400	-

FACILITIES FOR MANUFACTURE OF SMP (METRIC TONS)		CATTLE FEED PLANTS (MT)	
MEERUT	10 + 30	MEERUT	100
MORADABAD	15	MORADABAD	100
VARANASI	5		200
	60		

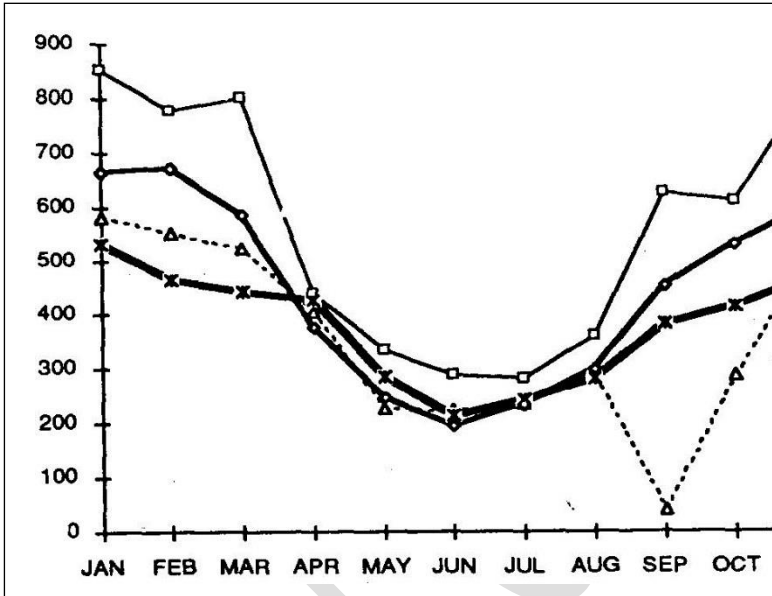
EXHIBIT - 5
MILK PRODUCT PRICES OF PCDF AND COMPETITORS

Product	Brand Name	Packing (Qty.)	Price (Rs.)
A. BUTTER	Parag	500 gm.	36.00
	Amul	500 gm.	38.00
	Vijaya	500 gm.	38.00
B. GHEE	Parag	1 Kg.	90.00
	Parag .	500 gm.	45.00
	Everyday	1 Kg.	92.50
	Indana	1 Kg.	100.00
	Milkfood	1 Kg.	90.30
	Anik	1 Kg.	101.00
	Sapan	1 Kg.	98.80
	C. WMP	Amul	500 gm.
	Parag	1Kg.	62.00
	Everyday	500 gm.	48.50
	Nespray	500 gm.	52.30
	D. SMP	Vijaya	500 gm.
	Verka	500 gm.	38.00
	Parag	500 gm.	36.70
	E. PANEER	Parag	1 Kg.
F. MILK CAKE	Parag	1 Kg.	45.00
G. FLAVOURED MILK	Parag	200 ml.	4.50

EXHIBIT - 6
MILK PROCUREMENT IN THOUSAND
LITRES PER DAY

MONTH	YEAR			
	1989-90	1990-91	1991-92	1992-93
JANUARY	582.7	534.6	665.3	854.2
FEBRUARY	552.0	465.3	671.9	778.0
MARCH	524.4	442.9	584.6	800.9
APRIL	405.0	427.4	375.6	441.1
MAY	226.6	284.4	245.2	335.2
JUNE	223.9	215.7	196.2	289.7
JULY	238.2	244.0	232.7	281.6
AUGUST	292.3	281.4	297.2	361.2
SEPTEMBER	40.3	383.5	451.8	627.9
OCTOBER	287.1	414.6	529.3	610.9
NOVEMBER	493.5	464.5	592.7	801.8
DECEMBER	569.1	492.4	672.0	849.5

EXHIBIT - 7
MILK PROCUREMENT



EXHIBT-8
ABRIDGED BALANCE SHEET OF PCDF

ASSETS		As on 31.3.1992	As on 31.3.1991	As on 31.3.1990
1.	Fixed Assets	4, 23, 38,545.99	6, 95,23,196.15	10, 06,37,122.21
2.	Deposits	37, 23,445.93	52, 85,209.56	37, 42,432.10
3.	Moving Assets, Credits@ Category 'A' Current Assets	38,39,98,046.56	33,22,22,567.22	26,85,03,368.07
4.	Category 'B' Debts& Advances	1, 93,742.63	22, 06,594.84	46, 40,056.96
5.	Transferred from P&L A/c	12, 81, 30,750.45	13, 29, 86,841.07	11, 98, 30,101.12
	TOTAL	55, 83, 84,531.56	54, 22, 24,408.84	49, 73, 53,080.09

LIABILITIES

1.	Share capital	18, 93, 52,007.69	15, 95, 04,007.69	15, 32, 65,645.84
2.	Reserves & Surplus	8, 31, 57,773.65	7, 00, 93,189.80	6, 36, 72,412.21
3.	Secured Loans	22, 11, 23,299.55	22, 11, 23,299.55	21, 20, 59,044.93
4.	Prepaid current Liabilities & Provisions	9, 15, 03,961.08	9, 15, 03,961.08	6, 83, 55,977.11
	TOTAL	55, 83, 84,531.56	54, 22, 24,408.84	49, 73, 53,080.09

EXHIBT-9
ABRIDGED P & L ACCOUNT OF PCDF

		For Year Ending 31.3.1992	For Year Ending 31.3.1991	For Year Ending 31.3.1990
Expenses				
1.	Administrative Expenses	2,36,08,261.87	2,33,94,894.07	1,87,10,718.01
2.	General Expenses	99,13,865.27	1,39,21,921.65	1,17,85,363.78
3.	Selling and Distribution Expenses	1,90,83,765.66	2,67,93,662.83	1,98,62,506.47
4.	Other Expenses	22,80,796.29	23,00,105.80	12,28,454.60
	Sub Total Expense	5,48,866,89.49	6,64,105,85.32	3,45,870,45.52
5.	Deferred Rev. Expenditure	20,12,852.21	24,33,461.75	24,33,461.75
6.	Loss	45,05,765.36	42,53,444.99	46,23,438.99
7.	Interest Expenses	1,74,87,193.66	1,39,75,221.73	1,43,06,7490-.93
	TOTAL EXPENSES	8,88,91,024.47	8,70,72,712.82	7,29,50,693.53

REVENUE				
1.	Transferred from Capital Accounts	4,81,67,128.89	4,36,21,397.93	2,44,13,868.61
2.	Commission on Sales	2,60,50,109.57	2,27,08,596.68	3,22,17,265.14
3.	Training Fee Received	71,22,740.00	44,35,358.90	19,11,706.30
4.	Grants from U.K.	87,991.89	25,872.00	92,928.00
5.	Service Fee & Royalties	28,91,034.19	12,13,652.06	5,30,820.76
6.	Income from Investments	1,28,974.40	-----	2,10,720.56
7.	Fed. Commission on Central Taxes	-----	5,04,287.37	9,76,924.11
8.	Operation Flood III	-----	10,30,000.00	-----
9.	Income from previous operations	22,476.00	1,94,045.26	2,77,467.67
10.	Income from Publication	1,42,927.50	4,31,907.80	-----
11.	Other Income	36,03,669.97	31,10,733.05	54,08,799.53
12.	Income from Lucky Coupon scheme	-----	-----	1,73,431.75
13.	Other Receipts	6,73,972.06	26,57,906.26	49,675.10
14.	Transferred to B/S	-----	71,38,955.51	66,87,086.00
	TOTAL	8,88,91,024.47	8,70,72,712.82	7,29,50,693.53