

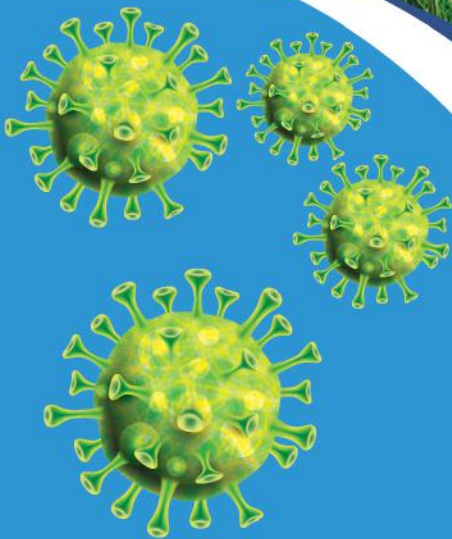


**milma**

**2019-20**

# **ANNUAL REPORT**

**വാർഷിക റിപ്പോർട്ട്**



**KERALA CO-OPERATIVE  
MILK MARKETING FEDERATION LTD.**

കേരള സഹകരണ ക്ഷീര വിപണന ഫെഡറേഷൻ ലിമിറ്റഡ്



Inauguration of National Milk Day 2019 at Thiruvananthapuram by Hon.Minister for Forest,Dairy Development & Animal Husbandry & Zoo Adv. K. Raju.



Inauguration of Centralised Lab Foundation Stone Laying at Edappally by Honourable Minister for Forest, Dairy Development & Animal Husbandry & Zoo Adv K.Raju



Inauguration of Renovated Cattle Feed Plant at Malampuzha by Honourable Minister for Forest, Dairy Development & Animal Husbandry & Zoo Adv. K.Raju.



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## BOARD OF DIRECTORS FOR THE YEAR OF REPORT

(As on 31.03.2020)

**Sri. P.A. Balan Master**  
Chairman, KCMF

**Sri. Rajeshkumar Singh IAS**  
Additional Secretary, AH & DD,  
Govt of Kerala

**Sri. Kallada Ramesh**  
Chairman, TRCMPU Ltd.

**Sri. John Theruvath**  
Chairman, ERCMPU Ltd.

**Sri. K.S. Mani**  
Chairman, MRCMPU Ltd

**Sri. Karumadi Murali**  
Representative, TRCMPU Ltd.

**Adv. S. Gireesh Kumar**  
Representative, TRCMPU Ltd.

**Sri.E.M. Paily**  
Representative, ERCMPU Ltd.

**Sri. K.K. Johnson**  
Representative, ERCMPU Ltd

**Smt. Lissy Xavier**  
Representative, ERCMPU Ltd

**Sri. P. Sreenivasan**  
Representative, MRCMPU Ltd

**Smt. K.K. Anitha**  
Representative, MRCMPU Ltd

**Sri. P.P. Narayanan**  
Representative, MRCMPU Ltd

**Sri. S. Rajeev**  
Regional Head, National Dairy  
Development Board

**Sri. S. Sreekumar**  
Director, Dairy Development Dept.

**Sri. O.B. Suresh Kumar**  
Deputy Secretary  
Finance Dept. Govt of Kerala

**Dr. Patil Suyog Subhash Rao IFS**  
Managing Director

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# Board of Directors



**Sri. P.A. Balan Master**  
Chairman, KCMF



**Sri. Rajeshkumar Singh IAS**  
Additional Secretary  
AH & DD, Govt of Kerala



**Sri. Kallada Ramesh**  
Chairman, TRCMPU Ltd.la



**Sri. John Theruvath**  
Chairman, ERCMPU Ltd.



**Sri. K.S. Mani**  
Chairman, MRCMPU Ltd



**Sri. Karumadi Murali**  
Representative, TRCMPU Ltd.



**Adv. S. Gireesh Kumar**  
Representative, TRCMPU Ltd.



**Sri.E.M. Paily**  
Representative, ERCMPU Ltd.



**Sri. K.K. Johnson**  
Representative, ERCMPU Ltd



**Smt. Lissy Xavier**  
Representative, ERCMPU Ltd



**Sri. P. Sreenivasan**  
Representative, MRCMPU Ltd



**Smt. K.K. Anitha**  
Representative, MRCMPU Ltd



**Sri. P.P. Narayanan**  
Representative, MRCMPU Ltd



**Sri. S. Rajeev**  
Regional Head  
National Dairy Development Board



**Sri. S. Sreekumar**  
Director  
Dairy Development Dept.



**Sri. O.B. Suresh Kumar**  
Deputy Secretary  
Finance Dept. Govt of Kerala



**Dr. Patil Suyog Subhash Rao IFS**  
Managing Director



**KERALA CO-OPERATIVE MILK MARKETING FEDERATION LTD**  
**No.4345, Milma Bhavan, Pattom Palace P. O**  
**Thiruvananthapuram**

**No. M: P&I: AGM/2019-20**

**11-09-2020**

Sir,

Sub : 47th General Body meeting of the KCMMF on 26.09.2020 - convening of - issue of notice.

The 47th General Body meeting of the KCMMF will be held at Kerala Cooperative Milk Marketing Federation Ltd Head Office on 26.09.2020 at 11.00 AM to transact the following business: -

1. Approval of the Notice and Agenda for the 47th General Body meeting of the KCMMF Ltd
2. Confirmation of the Minutes of the 46th General Body meeting held on 31th August, 2019.
3. Action taken report on Minutes of the 46th General Body meeting of 31.08.2019.
4. Presidential Address.
5. Presentation of the provisional Annual Report, Balance Sheet and Profit & Loss Account for the year 2019-20 (period from 01.04.2019 to 31.03.2020) in respect of KCMMF Ltd.
6. Approval of Supplementary Budget for the year 2019-20
7. Approval of the Budget and Capital Budget for the year 2020-21 covering the period from 01.4.2020 to 31.03.2021 in respect of KCMMF Ltd.
8. Appointment of auditors for the audit of accounts of the KCMMF as per section (63) of the KCS Act, 1969 as amended vide KCS (Amendment) Act, 2013 (Act 8 of 2013)
9. Questions and Answers from Members of the Annual General Body
10. Resolution/s if any
11. Any other item with the permission of the Chair

The questions to be answered and the resolutions, if any, to be adopted in the meeting will have to be forwarded to this Office so as to reach on or before 22.09.2020 Detailed Agenda Note will be sent separately.

Kindly make it convenient to attend the meeting.

Yours faithfully,  
**MANAGING DIRECTOR**  
By Order of the KCMMF Board

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Respected Members,

I welcome you all to the 47th Annual General Body meeting of KCMMF. On behalf of the Board of Directors of KCMMF, I have pleasure in presenting the Annual Report and the Provisional Financial statements of KCMMF for the year 2019-20.

As Milma heads into the next decade of the 21st century, if there is in a word that encapsulates 'Milma', a presence of four decades in Kerala is the word 'Trust'. We have been a part in Kerala's growth for over 40 years. Our purpose of direction is guided by our values that determines how we treat our farmers, employees, suppliers, consumers and all stakeholders. Milma's aim is to have a positive impact on people's lives and to create maximum value for its consumers. Over and above everything, we have to remember our farmers who are the first to get up, keeping up with our sobriquet, " The Goodness Kerala wakes upto" to milk their cows and provide their surplus to the milk societies and the cycle of events leading to the consumer who buys milk from Milma for its values and trust. Milma also supplies value added products which is in align with the changing lifestyles and tastes of the consumer.

The world is in the midst of a crisis. The COVID-19 pandemic is the defining global health crisis of our time and the greatest challenge we have faced in this decade. Every day, people are losing jobs and income, with no way of knowing when normality will return. When the entire nation was under lockdown due to the Covid-19 pandemic, our dairy industry has proved to be more resilient than many other sectors in terms of the extent of supply chain disruptions. Our dairy farmers, the majority being smallholders, continued to milk their cows and sell the surplus to the societies and our dairies continued to see that the packed milk reached the consumer. Milma has come a long way from its small step in the eighties to today playing a major role in the state's economy. Our Brand is synonym with quality in Kerala. It is a brand which people trust and follows. However many new players are entering the field and Milma has to rise up to the occasion to meet the new challenges in a professional manner. Milma continues to operate in a democratic manner and the economic progress of the farmer is the prime priority. Milma operates several schemes through the Regional Milk Unions utilizing the funds of its own as well as from State and Central governments. Compounded Cattle feed and mineral mixture are provided to farmers at below the production cost to help farmers tide over the rising costs and depleted incomes. Our Cattle feed plants were running in loss almost 9 months of the year. This was due to the high price of raw materials procured from outside the state. The price of cattle feed was however not increased in commensurate with the increase in price of raw materials. The reduction in price of raw materials in the later part of the year has helped in reducing our losses.

Considering the woes of the farmers, the Programming Committee and the Board of KCMMF increased the consumer price of milk by Rs. 4/- per litre from 19th September 2019. Out of the increase Rs. 3.35 was passed on to the farmers and 16

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paisa to the Society and 32 paisa to the Milma agents, 3 paisa to the Dairy farmers welfare fund and 14 paisa to the milk Unions. Out of the Unions share, 3 paisa was apportioned for Cattle feed intervention fund and 1 paisa for waste disposal.

National Milk Day was celebrated on the birthday of Dr. Verghese Kurien on 26.11.2019. Honorable Minister for Forest, Wildlife, Animal Husbandry, Dairy Development and Zoo, Adv. K. Raju inaugurated the function held at Thiruvananthapuram. During the function, awards were given to the Best APCOS and best farmer for the year 2018-19 which carried an amount of Rs. 1 lakh each, memento and certificate of merit. Vallikunnam APCOS of Alappuzha district won the Best APCOS award and Sri. Saju J.S., Thiruvananthapuram won the best farmer award. Prof. Mukund Das, an associate of Dr. Kurien gave the Dr. Varghese Kurien Memorial lecture.

During the year Milma has soared to new heights in terms of its image and activities. The total revenue generated in the financial year was Rs. 447.59 crores which has shown a positive growth of 6.32 % on consolidated basis on comparison with previous year. During the year both our cattle feed plants suffered heavy loss especially due to the high increase in the price of raw materials. KCMMF's net loss (provisional) during the financial year 2019-20 was Rs. 7.39 crores.

The cattle feed sale has showed negative growth in the year 2019-20. TRCMPU provided subsidy for purchase of Milma cattle feed to the tune of Rs. 253 Lakhs. MRCMPU provided Rs. 403.798 lakhs as cattle feed subsidy to farmers during the year 2019-20. Due to abnormal price hike of the raw materials, the price of cattle feed had to be increased during the reporting year. The Federation took utmost care to maintain the quality of feed throughout the year. By continuously monitoring and interacting with the farmers, the sales could be improved. The sales of cattle feed showed a decrease of 6.33 % compared with previous year.

The milk procurement showed a negative growth in the year 2019-20. The three Regional Unions collected an average quantity of 12,39,621 litres of milk per day, which was a decrease by 1.57%, compared with the last year.

The average milk sales was 13,29,405 litres per day, which is higher by 2.48% in comparison with last year. In this year also we relied on our neighboring states to cover the shortage of milk requirement, and through proper monitoring and planning there was no shortage of milk for supply during the year. The turnover of the three Unions for the year 2019-20 is Rs.3210.20 crore. This is more than Rs.230.17 crore compared with last year. Our dependence on neighboring States for milk has however decreased substantially, which will enable us to achieve self-sufficiency in milk production in the coming year.

Covid-19 struck the world during the last phases of the financial year. Lockdown restrictions affected every industry including Milma. During the initial phases of the lockdown restrictions, both milk procurement and sales of milk were impacted in

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several parts of the country due to supply chain disruptions. Malabar and Ernakulam Milk Union had to send milk for conversion. MRCMPU had to give milk holidays on one day to tide over the situation. However things started improving with the opening of more shops and easing of restrictions and interference of the State Government.

Milma introduced value addition to milk with Vitamin Fortification by adding Vitamin A & D in milk, in association with NDDB and Tata Trusts. A project for promoting Energy Efficiency and renewable Energy in dairy cluster under a project of GEF-UNIDO-BEE is also being implemented in our state and its initial programmes is in progress. This would definitely help Milma to conserve energy and to reduce the manufacturing cost in dairies in the long run, ultimately enabling us to provide better benefits to dairy farmers. GOI has approved the setting of a Centralized laboratory at Edappally, Ernakulam under the Federation, for which they have already granted the funds. The work on the lab will be starting soon. Purchase of Milko screen was also approved for 10 dairies.

The election to the ERCMPU Director Board was held on 21st January 2020 and subsequently Sri.John Theruvath, took over as Chairman of ERCMPU and continued in the KCMMF Board. Sri.P.A.Balanmaster, who was the Chairman of the Ernakulam Region was unanimously elected as Chairman of the KCMMF on 22-1-2019 and continued as the Chairman of the KCMMF. Sri. E.M.Paily, Sri. K.K. Johnson & Smt.Lissy Xavier joined the KCMMF Board as representatives of Ernakulam Region.

The election to the MRCMPU Director Board was held on 7th February 2020 and subsequently Sri.K.S.Mani, took over as Chairman of MRCMPU and joined the KCMMF Board. Sri. P.Sreenivasan, P.P. Narayanan. & Smt.K.K.Anitha joined the KCMMF Board as representatives of Malabar Region. Sri. kallada Ramesh is continuing as the chairman of TRCMPU Ltd. Sri. Karumadi Murali & Adv. S. Gireeshkumar are continuing as the Board Members of KCMMF.

Sri. Devendrakumar Singh IAS Principal Secretary & Agricultural production Commissioner, Govt. of Kerala was the Govt representative in the Federation Board till 2019 August and later Sri.Rajeshkumar Singh, IAS Principal Secretary (AH&DD), Govt. of Kerala was nominated to the Federation Board from August-2019.

Sri. Abraham T Joseph, Director, Dairy Development Department, Pattom Palace.P.O. who was the Board Member of the Federation Board, retired in May 2019 and consequently Smt.Geetha.S., Director, Dairy Development Department, Pattom Palace.P.O. took charge as Board Member of KCMMF from May-2019. Within a few months when Smt.Geetha.S. was transferred to another department, Sri.S.Sreekumar., Director, Dairy Development Department, Pattom Palace P.O. took charge as Board Member of KCMMF from July 2019 onwards.

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Table 1: PAID UP SHARE CAPITAL OF KCMF	
	Rs.in Lakhs
TRCMPU	338.77
ERCMPU	290.75
MRCMPU	362.41
<b>TOTAL</b>	<b>991.93</b>

## NUMBER OF APCOS & FARMERS:

As on 31.03.20 the total numbers of registered APCOS are 3328 of which 3034 APCOS are functioning. The Union wise break up is given below.

**Table: 2 Number of Registered & Functional societies**

Number of Registered & Functional societies		
Union	Registered	Functional
TRCMPU	1075	936
ERCMPU	1040	922
MRCMPU	1213	1176
<b>Total</b>	<b>3328</b>	<b>3034</b>

**Table: 3 Number of Farmers, Pouring Farmers and Women Farmers**

Number of Farmers, Pouring Farmers and Women Farmers			
Union	No. of Farmers	No. of Pouring Farmers	No. of Women Farmers
TRCMPU	324294	42749	54694
ERCMPU	300567	41230	47445
MRCMPU	362062	87995	110046
<b>Total</b>	<b>986923</b>	<b>171974</b>	<b>212185</b>

## PERFORMANCE DURING 2019-20:

### Milk Procurement

The average milk procurement in the year 2019-20 showed a decrease. The average milk procurement per day was 12,39,621 litres per day which was a decrease by 1.57% in comparison with the procurement of 12,59,390 litres per day in the previous year. The decrease in procurement is mainly because of the effect of the flood in 2019.

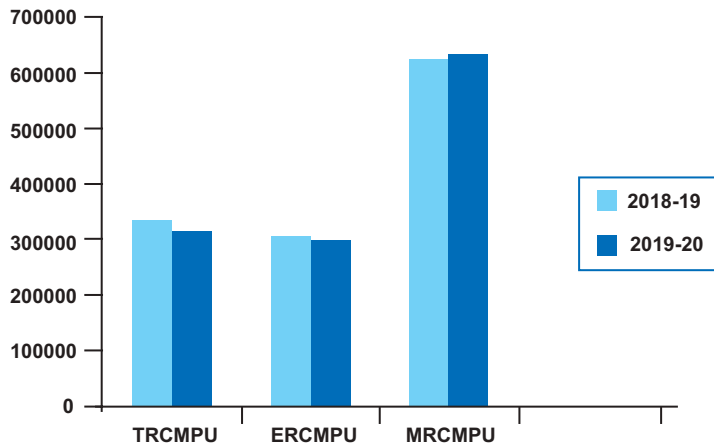
The average milk procured per day during the last two financial years is given below:

**Table 4: Average milk procurement per day**

Procurement lit/day			
	2018-19	2019-20	% Diff
TRCMPU	3,31,114	3,12,538	-5.61
ERCMPU	3,04,780	2,96,243	-2.80
MRCMPU	6,23,496	6,30,840	1.16
<b>Total</b>	<b>12,59,390</b>	<b>12,39,621</b>	<b>-1.57</b>



### Average Milk Procurement Per Day



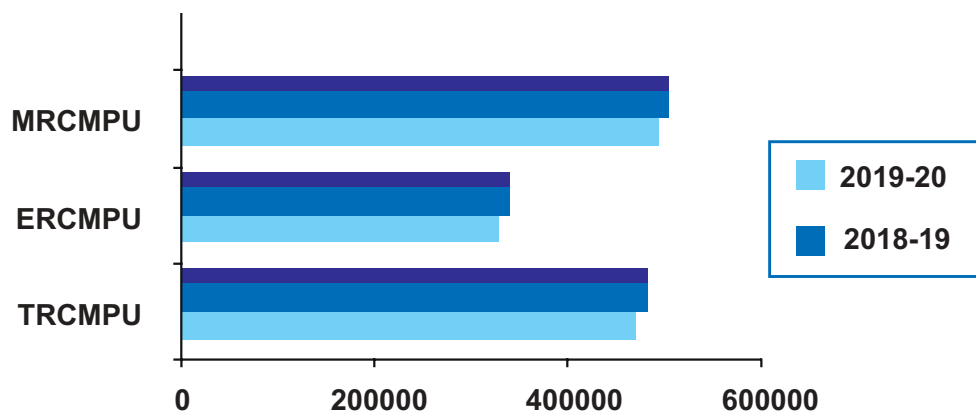
### MILK SALES

Unlike last year, the sale of milk among all the variants showed an increasing trend in the year 2019-20. The average sale per day during the year was 13,29,405 litres, which was higher by 32903 litres than the last year's figure of 12,96,502 litres per day. i.e. an increase of 2.48%. The shortfall between milk procurement and sale was met by arranging milk mostly from State Milk Federations of Karnataka, Tamil Nadu, Maharashtra and purchase of Skimmed Milk Powder (SMP).

**Table 5: Milk sales per day in litres**

Union	Milk Sales Ltrs. per day		
	2018-19	2019-20	% Diff
TRCMPU	4,72,162	4,84,437	2.60
ERCMPU	3,28,743	3,39,798	3.36
MRCMPU	4,95,597	5,05,170	1.93
<b>Total</b>	<b>12,96,502</b>	<b>13,29,405</b>	<b>2.54</b>

### Milk Sales (Ltrs/day)





## MILK PRODUCTS

KCMMF along with the Regional Milk Unions produced and marketed a wide range of quality milk products through the units under them. Milma's Ghee was consumed by the consumers of Middle East also. With the well-organized distribution network, Milma could assure that the products from production unit are delivered to consumers within the minimum possible time. A variety of new products were also introduced to the market during this period.

The Federation has performed well in the sales of most of the milk products. The details of sales of various products are tabled below:

Table 6: SALES OF MILK PRODUCTS			
TRCMPU			
Products	2018-19	2019-20	% Diff
GHEE (MT/Annum)	1423.57	1452.60	2.03
BUTTER (MT/Annum)	126.91	665.30	424.22
ICE-CREAM (Litres/Annum)	618862	765925	23.76
CURD (Kgs/Annum)	7508925	6698761	-10.78
SAMBHARAM (Litres/ Annum)	294637	395694	34.30

### ERCMPU

Products	2018-19	2019-20	% Diff
GHEE (MT/Annum)	1141.62	1263.65	10.69
BUTTER (MT/Annum)	110.11	93.79	-14.82
ICE-CREAM (Litres/Annum)	831456	904650	8.80
CURD (Kgs/Annum)	6220695	6991321	12.39
SAMBHARAM (Packets/ Annum)	1453065	1823364	25.48

### MRCMPU

Products	2018-19	2019-20	% Diff
GHEE (MT/Annum)	2558.62	2441.87	-4.56
BUTTER (MT/Annum)	73.339	69.39	-5.38
ICE-CREAM (Litres/Annum)	11,86,239	1274328	7.42
CURD (Lt/Annum)	21760042	22144129	1.76
SAMBHARAM (Packets/ Annum)	16938038	17381020	2.61
MILMA PLUS (Bottles/ Annum)	840638	1045099	24.32

### CPD

Products	2018-19	2019-20	% Diff
GHEE (MT/Annum)	245	252	2.86
MILMA PLUS (Bottles/ Annum)	1112093	1296073	16.54

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## CENTRALLY SPONSORED SCHEMES

The National Dairy Plan was launched by GOI in the year 2012. In 2014, all the centrally sponsored schemes were brought under an umbrella scheme launched by GOI named as National Programme for Bovine Breeding & Dairy Development (NPBBDD). The Federation/Regional Milk Unions are implementing these schemes.

Under National Dairy Plan, National Dairy Development Board has started two new projects Viz. Village Based Milk Procurement System (VBMPS) and the Ration Balancing Programme (RBP). The VBMPS programme is meant for the organization of new Dairy Co-operative in unexplored areas, reviving defunct societies to increase the milk production quantity. Under this scheme, Data Processor cum Milk Collection Units, Milk Collection accessories and milk cans are provided. Training Programme were conducted for farmers, staff and Managing Committee members at the Training Centres, Farmers Orientation Programme and Farmers Induction Programme at NDDB, Anand, programme on Clean Milk Production, etc.

## VARIOUS DEVELOPMENT ACTIVITIES BY REGIONAL MILK UNIONS

Using their own funds as well as the centrally/state sponsored programmes, Regional Milk Unions are undertaking different projects for the enhancement of milk production and welfare of the farmers as listed below:

### TRCMPU Ltd.

1. Provided cattle feed subsidy of Rs. 253 lakhs in the reporting year.
2. Under Heifer adoption programme cattle feed worth Rs. 275 Lakhs was provided.
3. Union provided Rs.360 lakhs for purchase of milking cows.
4. Provided Rs.99.94 Lakhs for cattle shed renovation.
5. Provided Rs. 22.11 Lakhs as Insurance premium subsidy.
6. Union gave Rs.4.39 lakhs as subsidy for purchase of hand operated milking machines.
7. An amount of Rs. 30 lakhs was provided for dairy farmer's death benefit scheme.
8. Scholarship of Rs.10.34 lakhs were provided to children of farmers.
9. An amount of Rs. 0.02 lakhs given as transport subsidy for transporting cross bred animal across the border.
10. Under LIC Aam Aadmi Bhima Yojana, Union provided Rs.18.10 lakhs as premium.
11. An amount of Rs. 18.30 lakhs was provided for Ksheera Santhwanam Scheme.
12. The society staff were given Rs.27.6 lakhs as staff incentive.
13. An amount of Rs.22.66 lakhs were given under medi claim policy to the society staff.
14. The Union has provided an amount of Rs.9 lakhs as subsidy towards the medi claim policy of the society staff.
15. An amount of Rs.271 lakhs including the amount of Rs.63.33 received under RKVY





utilized at Pathanamthitta Dairy for the expansion work of Godown and replacing the Boiler.

16. An amount of Rs.32 lakhs from the Annual Plan for 2019-20 is utilized for establishing an Ultra Filtration Plant at Pathanamthitta Dairy.
17. An amount of Rs.76 lakhs utilized for installing a 20 KLPH Milk Homogenizer and Rs.40 lakhs for renovation of electrical system at Kollam Dairy.
18. An amount of Rs.40 lakhs utilized for installing new automatic filling and capping machine at Trivandrum Dairy from the Annual Plan 2018-19.
19. Equipments for the production of Paneer is installed in the Trivandrum Dairy and production of Paneer has started.
20. For increasing the facilities at Marketing Cell, Alappuzha, the KCMMF has provided 25 cents of land and infrastructure development activities were started using Union Fund.
21. As an additional income to farmers coming under TRCMPU, the Union has promoted a new scheme known as Haritha Milma for the cultivation of vegetables in the four districts of the Union.
22. In order to maintain the quality of milk at society level itself, Union has taken initiation and 10 APCOS societies were achieved the ISO 22000:2018 Certification.
23. The Pathanamthitta Dairy has attained ISO 22000:2005 (FSMS), ISO 9001:2015(QMS), 14001:2015 (EMS), ISO 45001:2018(OHSMS) within 5years of commencement of the Dairy.
24. In order to increase the milk production in the southern districts of Kerala, the TRCMPU in collaboration with South Indian Bank, implemented a scheme of Rs.40 crores to purchase milch animals.
25. In order to increase the marketability of the products, TRCMPU has opened a special page in the social medias like face book,twitter & instagram in the name "Thiruvananthapuram Milma".
26. From 2019 May onwards, TRCMPU is selling only Fortified Milk to consumers.

### **ERCMPU Ltd.**

1. Renovation works are undergoing at Ernakulam Dairy with an outlay of Rs.79 lakhs for getting quality mark from NDDB.
2. Renovation works are undergoing at Edappally Product Dairy with an out lay of Rs.66 lakhs.
3. Under the DIDF scheme of NDDB, an amount of Rs.375 lakhs was sanctioned to ERCMPU for the expansion activities of Edappally Dairy and the work is in progress.
4. For the expansion activities of dairies coming under ERCMPU, a project proposal worth Rs.27.56 is submitted to GOI under NPDD scheme.
5. A proposal for Rs.11.5 crore is submitted to NPDD under DIDF scheme for installing solar panels at Thripunithura Dairy.

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6. The work of installing bulk milk coolers in the societies under the NPDD scheme for an amount of Rs. 220 is under progress.
7. During 2018-19, the GOK sanctioned Rs.175 lakhs for increasing the production capacity and improving the cooling system of Ernakulam Dairy.
8. The GOK sanctioned an amount of Rs.164 lakhs for the livelihood of farmers of Kottayam District.
9. The GOI sanctioned an amount of Rs.14.24 crore for the flood relief activities.
10. For the upgradation of the laboratories of dairy plants an amount of Rs.2.55 crore sanctioned under NPDD by GOI.
11. ERCMPU has started online milk sale from 03.08.2019.
12. The advertisement in the medias helped to increase the milk sales.
13. 5 number of shoppies opened in the Mala, Poyya Fisheries Farms.
14. Steps have been taken to construct an NABL Accredited Lab at Edappally Dairy.
15. ERCMPU has started online supply of milk through Zomato also.

### Welfare schemes during the year

Sl. No.	Scheme	No.of farmers / societies	Subsidy Amount (Rs.)
1	Can subsidy	8	22337.00
2	Centrifuge subsidy	2	5500.00
3	Can conveyor subsidy	8	160000.00
4	Cow lift subsidy	11	171687.00
5	Milking machine subsidy	42	542107.00
6	Rubber mat subsidy	1155	1438500.00
7	Cattle loan interest subsidy	442	1317283.00
8	Farm incentive to farms	448	2693376.00
9	Paddy straw subsidy	305	4496262.00

### Project executed during the period 2019-20 utilizing central /state/own

#### I. Subsidies under NPDD Flood Relief Project funds

Sl. No.	Scheme	No.of Beneficiaries	Subsidy Amount (Rs.)
1	Purchase of animals	200	6900085.00
2	Purchase of Heifer	137	2505489.00
3	Cattle shed construction	446	11150000.00
4	Renovation of old sheds	882	13230000.00
5	Rubber mat subsidy	1879	2250000.00

#### II. Lively hood support to Scheduled Tribe people

Sl. No.	Scheme	No.of farmers / societies	Project outlay (Rs. in lakhs)	EIA share (Rs. in lakhs)	Amount disbursed (Rs. in lakhs)
1	Vaniyampara post project support	25	17.50	-	8.55
2	Kuttampuzha post project support	25	23.65	-	16.44
3	Machiaplavu ST Project	50	219.10	8.10	24.02
4	Kolani ST Project	50	164.36	18.00	0.27





## MRCMPU Ltd.

During the year 2019-20, the Union has disbursed an amount of Rs.6.24 crores as additional milk value to the farmers.

- ◆ The Farm Support Programme designed by the Union is for the dairy farmers rearing at least 4 cows with an average quantity of 20 litres of milk supply per day to the DCS with a view to encourage new dairy farms. The financial assistance under Farm Support includes subsidy for milking machines, pressure washer, chaff cutter, genset, slurry pump, biogas, and automatic drinkers. A total amount of Rs.4282750 has been spent towards Farm Support for the year 2019-20.
- ◆ During the year 2019-20 an amount of Rs.403.798 Lakhs is offered to farmers as Cattle Feed Subsidy .
- ◆ SAMAGRA INSURANCE SCHEME implemented by Dairy Development Department by contributing Rs.600 per farmer towards the premium. During the year 2019-20, an amount of Rs. 22 lakhs have been paid.
- ◆ During the year 2019-20, an unique scheme was declared known as “Ksheera Samaswasam”. Rs.20,000 will be sanctioned for critical illness treatment expenses of member farmers from member DCS. An amount of Rs. 21.6 lakhs have been paid during the year 2019-20.
- ◆ During the year 2019-20, another unique scheme was declared known as “Ksheera Bhavanam”. This is to help build houses for the poor farmers with preference to widows. One Ksheera Bhavanam each was planned for each district and the work is progressing in these 6 house sites. Total estimate of the project Rs. 30 Lakhs.
- ◆ During 2019-20, Interest free Revolving Fund will be sanctioned to member DCS upto a maximum of Rs. 2 Lakhs for purchasing cows by needy farmers. They will be given @ Rs.50,000 interest free loans and will be recovered from the DCS through 36 monthly installments. A total of Rs. 2 Crore is earmarked for this purpose.
- ◆ Management grant @ Rs.6000 to 112 nos. of marginal DCS as a promotional activity during the year 2019-20.
- ◆ Ethno Veterinary Medicine Manufacturing units are established at Kozhikode & Wayanad. 12000 nos. plus farmers are supported with ready to use EVM preparation produced by Village Resource Persons.
- ◆ During 2019-20, Seven Decentralized veterinary units are functioning and covered 8442 no. of cases.
- ◆ During 2019-20, Union have reimbursed semen dose charges to 50439 farmers.
- ◆ During 2019-20, Union have implemented Mastitis Control popularization programme Project @ Wayanad and completed 15918 no. of CMT tests. 3059 cases were detected and treated at Wayanad.
- ◆ To strengthen the organizational network, organization of new DCS with adequate financial support would be essential to bring new farmers in to the co-operative ambit. New DCS are planned to be organized with the support of VBMPs.
- ◆ During the year 2019-20 an amount of Rs.51.60 lakhs was released to the farmers towards subsidy for cattle sheds.

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- ◆ A total No of 1750 Heifers were adopted in the year 2019-20 under Heifer Development Programme by supplying Cattle Feed at 50 % cost and providing De-worming pellets, Mineral mixture, fish oil and Artificial Insemination/Insurance facilities as per fixed norms. A total fund provision of Rs.283.68 lakhs being allocated during 2019-20.
- ◆ Fodder: During this year MRCMPU programmed a massive fodder development initiative with an outlay of Rs. 173.40 lakhs. This will support reduction in cost of production of milk.

**The program contains following supports to farmers.**

1. Fodder Subsidy to the farmers - @ Rs. 2/- per kg
  2. Silage Subsidy to the farmers - @ Rs. 2/- per kg
  3. Maize fodder/Maize Straw Subsidy to the farmers - @ Rs. 2/- per kg
- ◆ Last year they have achieved a record fodder production and distribution. They have supplied 4284.31 MT commercial fodder to farmers through societies. Commercial fodder cultivation habit is spreading day by day in Malabar. Besides this 3121.35 MT maize silo and 1571.33 MT maize fodder also supplied.
  - ◆ During the year 2019-20, Building Grants under Lab / Quality Support were sanctioned to 21 Societies worth Rs. 30,46,776.75.
  - ◆ During the year 2019-20, ISO Society Support was sanctioned to 15 Societies with a total fund provision of Rs.49 lakhs.
  - ◆ During the year 2019-20, MBRT support was sanctioned to 22 Societies. 30 farmers each from these DCS were selected on the basis of MBRT rank list and paid an incentive of Rs.1000 per farmer .
  - ◆ Under NPDD IV has supported Rs.18.72 Crore with union share of Rs.4.57 Crore for helping farmers in Cattle Purchase, Cattle shed building & Renovation, Farm support equipments, DCS Supports, Feed Subsidy, Fodder subsidies, DCS-FSMS - Support, CMP Kits, Best quality Milk Supports, Digitalization of DCS.
  - ◆ Under NPDD III Wayanad District is selected as one of the aspirational Districts among the 114 Districts all over India for Dairy Development by Government of India. As a part of the same, Govt. of India had conveyed the Administrative Approval for implementation of the Centrally Sponsored Scheme (NPDD) III for Wayanad District with a total Project outlay of Rs.1696.69 Lakhs with a GOI share of 1043.15 Lakhs for the period 2018-20 for Malabar Milk Union and Rs.741.27 Lakhs was released as First instalment. Malabar Union has utilized around Rs. 603.13 Lakhs in the Financial Year 2019-20.
  - ◆ Under NPDD IV - for flood affected area- In consequence to the recent heavy flood and landslides, which were dreadfully affected the dairy sector of Kerala, Malabar Regional Cooperative Milk Producers' Union Ltd. This project proposal proposes to make use of assistance under National Plan for Dairy Development to mitigate the affected dairy farmers and increase the milk production for sustainable growth. Govt. of India had conveyed Administrative Approval for NPDD IV with a total Project outlay of Rs.1871.62 Lakhs for the period 2018 - 20 for Malabar Union with a GOI assistance of Rs. 1414.14 Lakhs and an amount of Rs. 456.40 Lakhs was released as first installment and Rs. 957.74 Lakhs was released as final installment. Malabar Union has utilized around Rs. 1228.61 Lakhs in the Financial year 2019-20.





- ◆ Project proposal for condensed milk plant at Wayanad Dairy -Govt. of India had sanctioned the Project Proposal for Condensed Milk Plant at Wayanad Dairy under RKVY to Malabar Union with a total Project outlay of Rs.490.00 Lakhs for the period 2018 - 20 with a GOI assistance of Rs. 310.00 Lakhs and Malabar Union has utilized an amount of Rs.365.79 Lakhs in the Financial year 2019-20.
- ◆ Project proposal for fodder hubs under rebuild Kerala initiative-In order to avoid the scarcity of feed and fodder in the flood prone areas in future, GOK has sanctioned a project Proposal for establishment Fodder Hubs in Wayanad, Malappuram and Palakkad Districts under RKI with a total outlay of Rs.630.00 Lakhs with a GOK share of Rs.540.00 Lakhs. Tender Procedure and Consultancy Works are started to complete the scheme in 2020-21.
- ◆ Project proposal for infrastructure for Malappuram dairy- As a part of assistance to KCMMF in the Plan fund, GOK has sanctioned an amount of Rs.186.00 Lakhs as assistance for Infrastructure for Dairy Development Project at Malappuram under Annual Plan III for the year 2019-20. Due to COVID out break the scheme is yet to be completed.

## UNITS OF KCMMF

### CENTRAL PRODUCTS DAIRY (CPD), ALAPPUZHA



### CENTRAL PRODUCTS DAIRY, ALAPPUZHA

Central Products Dairy is the lone dairy under the direct control of KCMMF Ltd. The installed capacity of this Dairy has been enhanced to 1 lakh litres of milk per day. CPD produces a wide range of products such as curd, Ag Mark Ghee and Sterilized Flavoured Milk, Mango RTS in pet bottles. Together with these products, CPD also markets outsourced products such as Milma Mango Refresh in tetra pack, Flavoured Milk and Milk Shakes in Tetra Packs, flavoured Milk and Fruit Juices in Cans and Packaged Drinking Water.

At present, CPD sells about 1,02,000 litres milk per day through TRCMPU Ltd, out of which 95% is Homogenized Toned milk and the balance is Double Toned Milk. The Unit is certified with ISO 9001:2015 and ISO 22000:2005 Management System by IRQS.

2019-20 was one of the best performing year for Central Products Dairy, even though sales were affected by the floods and Covid-19. This year CPD have attained an annual sale turnover of Rs.171.62 crore. CPD launched Milma Plus 200 ml Rose Flavour and 300 ml Packaged drinking water in 2019.





## Achievements in the year 2019-20

1. The total sales turnover during the financial year is Rs.171.62 crore which is highest ever sale in a financial year. Last year our total sale was Rs. 157.30 crore.
2. The total revenue from the product sale was Rs. 27.93 crore.
3. CPD sold 68,547 kg of Samrudhi Ghee and 1,82,964 kg of Milma Ghee in this year. This was achieved despite severe production constraints due to manpower shortage, floods and Covid-19.
4. CPD sells the Dairy Whitener in retail packs of size 200 gm & 500 gm pouches and sells the product throughout Kerala with Supplyco being the major client. The sale of Dairy Whitener during the financial year was 82,265 Kgs.
5. CPD manufactures Mango Ready To Serve beverage in pet bottles (1ltr, 500 ml & 250 ml) and achieved a sale of 1,27,555 litres.
6. CPD outsources Packaging Drinking Water and the sale of Packaged Drinking Water was 31,909 cases.
7. CPD manufactures Skim Milk Curd and sales is done through TRCMPU. The total curd sold in the financial year was 13,72,227 Kgs.
8. CPD sold 3,38,95,517 litres of Homogenized Toned Milk and 13,84,940 litres of Double Toned milk during the year.
9. The sale of Milma Plus in glass and PP bottles was 12,96,073 bottles. Milma Plus Flavoured Milk is being produced in 9 variants i.e Chocolate, Cardamom, Pista, Mango, Strawberry, Coffee, Pineapple, Badam and Rose flavours.
10. The total sale of Milma Flavoured Milk in 180 ml cans during the financial year is 3,40,104 Cans and sale of Milma Fruit Juice in 240 ml Cans is 15,651.
11. The sale of Milma mango Refresh 200ml tetra pack during the financial year is 31,747 trays

## Visitors to Alappuzha Dairy Plant during National Milk Day 2019



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**Table No.7: SALE OF MILK AND OTHER PRODUCTS FROM CPD**

Product	Unit of Measurement	2018-19	2019-20	% growth
Milk				
(DTM&HTM)TRCMPU	Liters/Day	92,479	96,659	4.52%
Milma & Samrudhi Ghee	MT	244	252	3.01%
Curd	Kg	13,94,965	13,72,227	-1.63%
Dairy Whitener	Kg	68,776	82,265	20%
Mango Juice (Refresh)	Trays	14,375	31,747	120.84%
Milma Plus	Bottles	11,12,093	12,96,073	16.54%
Packaged Drinking Water	Cartons	30,621	31,909	4.2%
Mango Juice in Pet Bottles	Liters	1,87,518	1,27,555	-31.97%
Flavoured Milk (Badam & chocolate) in cans	Nos	5,23,428	3,40,104	-35%

### PROJECT AND EXPANSION ACTIVITIES

The followings are the project & expansion activities executed in the year 2019-2020.

As a part of modernisation and enhancement of production, one 10 KLPH self cleaning cream separator, one 2 KL ghee clarifier, one 5 KL ghee storage tank, packing machine etc. installed in the Dairy. A new compressor, curd incubation unit etc. were installed in the refrigeration plant. Constructed and commissioned a new cold store for additional storage space in the cold store. A new conference hall was constructed in the Administrative Block.

### QUALITY ASSURANCE ACTIVITIES-2019-20

In 2019-20 we had carried out an array of activities for enhancing the quality of the products and our systems and introduction of new products. Major achievements are highlighted below.

1. CPD received ISO22000:2005 certification from IRQS (NABCB Approved certification body). This is an important milestone in implementing Food Safety Managements Systems in our Dairy at international standards.
2. The second surveillance audit of ISO: 9001:2015 and ISO22000:2005 is successfully carried out. The audit and certification was carried out by IRQS, which is an NABCB approved certification body.
3. Expanded the Quality Analytical laboratory by constructing a new wing for shelf life analysis of products. This includes a room for storing and testing our products for keeping quality and shelf life analysis and a sampling room for sampling of products.
4. The first food safety audit carried out successfully in December 2019. We have received highest score with A+ in the audit.
5. New microbiological and chemical tests have been started in Q C Laboratory in accordance with the revised testing scheme introduced by FSSAI from January 2020. This includes regular checking of Adulteration, Antibiotic residues and related parameters.

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6. New methods are introduced for quick testing of Adulteration in Milk.
7. Introduced Flavored Milk with Rose Flavor this year.
8. The vitamin fortification of Milk started from May 2019 and continuing successfully.
9. The test marketing of Toned Milk curd is under way. We are planning to introduce the toned milk curd, if market response is favorable.
10. We have given necessary assistance and data's for ISO certification of Few BMC's in our region. This has resulted in the improvement of microbial and chemical quality of Raw Milk and Procesed Milk.
11. New online system is introduced for monitoring and recording of cold store and pasteurizer temperature.
12. Purchase of Milk scanner FT1 with adulteration testing facilities for more vigilant and online screening of milk for adulteration and related parameters is under process with the fund given by central government.
13. Planning for purchase of Gas Chromatography/ HPLC machines for testing of Heavy metals and pesticide residue more frequently.
14. Necessary precautionary measures are being taken for checking the spread of Covid-19 in our Dairy. This includes social distancing, providing mask, Gloves, Sanitizer etc to our employees, disinfecting the incoming vehicles and premises routinely.

### CATTLE FEED PLANTS:

KCMMF is providing various inputs to the numerous farmers associated with milk in the State and among these, compounded cattle feed is the major input. KCMMF caters to the demand of cattle feed of the farmers through its two cattle feed plants, at Pattanakkad and Malampuzha which together have a capacity to produce 650 MT pelletized cattle feed per day. From both these factories, Gomathi Rich pellet Feed is produced. In 2014, a new variant for the use of high yielding cows "Milma Gomathi Gold" cattle feed was introduced which has already made its mark in the market. For the supply under Govt Schemes Gomathi Pellet feed is also manufactured. Another new variant "Milma Bypro" feed which is also beneficial to high yielding cows is also being sold. By adopting stringent quality control measures and through continuous monitoring cattle feed plants could maintain consistency in quality throughout the year. Milma distributes around 70% of feed manufactured through primary co-operative societies and the balance through dealer networks and Government Departments engaged in Animal Husbandry activities. Milma is one among the market leaders in the compounded feed market of Kerala.

It was found difficult to meet the demand of cattle feed in time solely depending on the production of our units alone. To overcome this crisis, arrangement on lease rent production was started in April 2016 after entering into an agreement with SKM Feeds, Erode and now the lease rent operation has stopped. Under the lease rent operation, all raw materials are purchased by KCMMF and the feed is produced at the lease rented plant under the supervision of officers of KCMMF as per the formulation similar to that of own factories. In the financial year we have taken 31940 MT feed production at the lease rented plant.

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## Cattle Feed Plant, Malampuzha

The Malampuzha Cattle Feed Plant started functioning from 1970 onwards with the objective of supplying good quality feed to dairy farmers at reasonable price. The plant was expanded to 100 MT in the year 1986 and subsequently to 200 MT in the year 1994. The Plant started the Pelletization facility after expanding the plant capacity to 300 MT in the year 2006. The modernization of plant incorporating new pellet mill and hammer mill imported from M/s. Andritz Co of Denmark and new batching section, automation with latest state of the art technology was completed and inaugurated on 13th December, 2019 with a cost of more than Rs.12 crore. Cattle Feed Plant, Malampuzha is catering to the needs of the farmers in seven districts from Trichur to Kasargod through more than 1200 APCOS.



During the year 2019-20, the total feed production in the Plant was 607711.95 MT. CFP, Malampuzha achieved a sale of 60424.20 MT feed in the reporting year.

The inauguration of Renovated Feed Plant was done on 13.12.2019 by our Honourable Minister for Forest, Wildlife Protection, Animal Husbandry, Dairy Development, Milk Cooperatives and Zoo Adv. K. Raju in the presence of Sri.P.A.Balan Master (Chairman, KCMMF Ltd), Sri.Kallada Ramesh, (Chairman, TRCMPU Ltd), Sri.JohnTheruvath, (Chairman, ERCMPU Ltd) and Sri.Yoosuf Koroth, (Convenor, Administrative Committee, MRCMPU Ltd) and Dr.Patil Suyog Subhashrao IFS, (Managing Director, KCMMF Ltd)

## Cattle Feed Plant, Pattanakkad

The total feed production in the plant during the reporting year was 74,523.650 MT. We could achieve a sale of 75,226.850 MT in the reporting year. We had also taken 56.650 MT of feed from CFP, Malampuzha on stock transfer arrangement, to cater to the need of the APCOS. The whole demand of this unit was met from the production taken from the unit itself and no custom packing was arranged for the reporting year.

The Plant had incurred a net loss of Rs. 5.34 Crores in the reporting year. This was solely because of the exorbitant increase in raw material prices. Even at this level of loss, we did not make any compromise in the quality of pellet feed. This has really generated a very good impression about the modernized Milma Feed produced at this unit among







our member farmers. In 2019-20 we have installed and commissioned DORB Silo of 500 MT capacity. As of now we have Maize and DORB Silos whereby we were able to have sufficient stock of our major raw material when the price is low.



In connection with the Flood in 2019 and the subsequent calamities effected in different parts of Kerala, the employees at Cattle Feed Plant Pattanakkad has taken an initiative to provide around 120 bags of Milma Rich Feed to the effected dairy farmers as a relief.

### PRODUCTION AND SALES OF CATTLE FEED

Table 8: PRODUCTION IN 2019-20

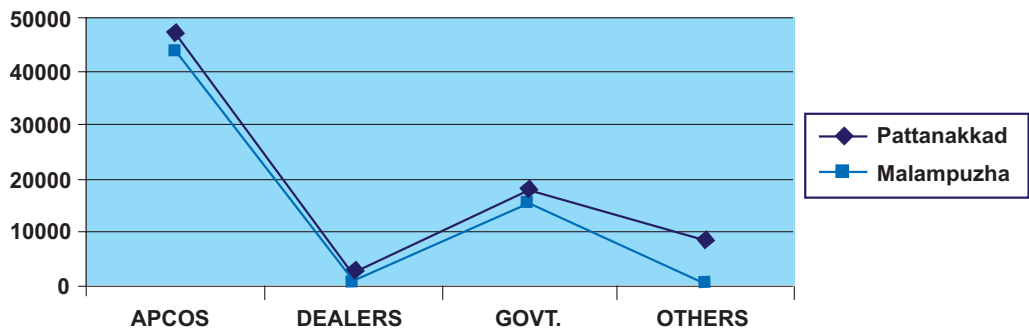
Unit	Qty (MT)	Capacity Utilization(%)
CFP Pattanakkad	74523.65	79.00
CFP Malampuzha	60771.95	67.52
Total	135295.60	73.26

The capacity utilization of our cattle feed plants increased in the year 2019-20. The capacity utilisation increased by 8.46% in comparison with previous year. As in previous years, the major portion of feed sales was through the APCOS and the break up is as follows.

Table 9: SALES OF CATTLE FEED IN 2019-20(in MT)

Units	APCOS MT	Dealers MT	Govt. MT	Others MT	Total MT
Pattanakkad	46911.05	2058.25	17788.35	8469.20	75226.85
Malampuzha	43956.55	584.85	15612.05	270.75	60424.20
Total	90867.60	2643.10	33400.40	8739.95	135651.05

### Sales Distribution of Cattle Feed in 2019-20 (in MT)



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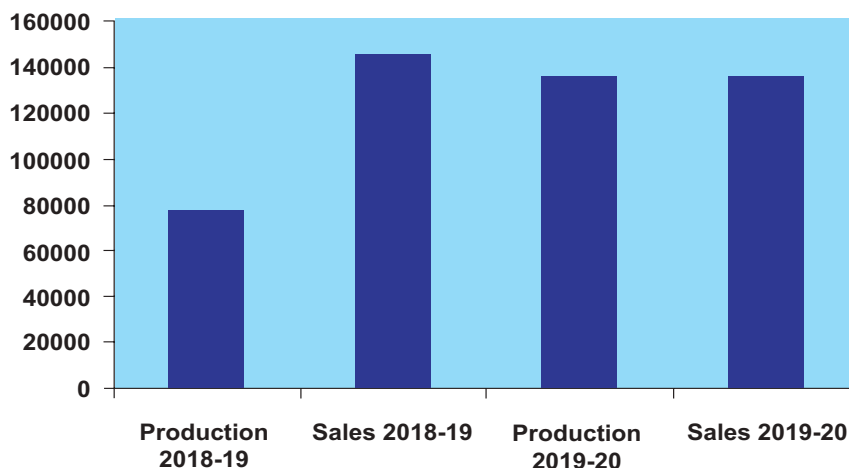
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The cattle feed sales decreased in the year 2019-20 in comparison with previous year. There was a decrease of 6.33 % in sales on compared to previous year. Special care has been taken to maintain consistency in quality of product supplied.

**Table 10: Comparison of Production & Sales of cattle feed in MT**

2018-19		2019-20	
Production	Sales	Production	Sales
77274.35	144832.40	135295.06	135651.05



## KCMMF HEADQUARTERS

Various Departments at the headquarters provide support and regulate the activities of Regional Unions for continual improvement. Some of the activities of the Head Quarters during the year are listed below.

## PROCUREMENT & INPUT

The Procurement & Input section of KCMMF deals with the activities related with Procurement & Input of milk in consultation with the Regional Unions. The main input to the societies is in the form of balanced cattle feed at a reasonable price which also include supply of feed supplements, alternate feeding materials and providing good quality AI facilities. Input also includes provision of various welfare schemes, insurance schemes and subsidies to the farmer. The entire quantity of milk brought from the societies are procured and progressive pricing is given to the farmers without interruptions. The correspondence with Agriculture (AH&DD) regarding the schemes such as NDP (VBMP& RBP), NPDD etc. are done by the P&I section. Correspondence with agencies like KLDB, NCUI, State Cooperative Union, NCDFI, KSDFWB, and Kerala State Planning Board (statistical reports) are also coordinated by Federation P&I section.

KCMMF had formed a multi functional core group consisting of five to six officers from each Milk Union from various departments for improving professionalism in our system. The P & I section also evaluates the cattle feed distribution to Societies from Pattanakkad Cattle Feed Plant and co -ordinates feed sales through Apcos.





## QUALITY CONTROL & PRODUCTION

The major functions assigned related to quality aspects are to ensure good quality and in particular due importance given that the quality of milk and other products manufactured and marketed by Milma through its Units are in accordance with the statutory standards. Though all the Regional Unions have their own schedules for quality monitoring activities and the Federation intervenes in the case of necessity. Guidelines are being issued to Regional Unions for continuous monitoring of the quality of milk and products supplied and all the statutory standards are well maintained. The correspondence with NDDB and Central Govt regarding FSSAI new codex standards are coordinated by the Federation in consultation with Regional Unions. All the units coming under the Regional Milk Unions and Federation are provided with well-equipped Quality Control Laboratories. Even though all the QC laboratories are equipped to conduct all the necessary tests, periodic testing of milk and milk products are arranged through Regional Analytical Labs and other NABL accredited Labs for ensuring quality parameters. Fortification of milk sold in sachets with Vitamins are well established at all the Units during the fiscal year by utilizing the fund allocated by the NDDB and with own fund. The total fortified milk production quantity and the actual vitamin premix consumed during the fiscal year by all the units was 409498906 litres and 8273 kgs respectively.

In addition, in order to have uniformity in the quality and packaging of all products manufactured in different Units, a technical group of production team comprising of the officials of the Units of all Regions and Federation has been constituted in order to attain a Strategy Plan for undergoing common quality parameters, common procedure for production and common packaging for the similar / other products presently manufactured in the respective Regional Unions and is under progress.

The activities of Cattle Feed Plants and Central Products Dairy are being coordinated by the section and monthly analyses are being carried out to review the day to day operations of the units.

## PURCHASE

KCMMF has adopted e-tender system for effecting major purchases. The tendering system for awarding annual contract for dairy consumables and procurement of all raw materials for cattle feed and its packing material is made mostly through e-tender portal of Government of Kerala. The contracts for supply of dairy consumables are finalized, after inviting bids through e-tender annually. The Purchase Committee comprising the Managing Directors of Federation and three Regional Milk Unions, Asst. Manager (Purchase), Senior Manager (Prdn/QC) and Manager (HRD/Mktg) of the Federation finalize the purchase of Dairy consumables.

Procurement of raw materials for Cattle Feed production is a regular activity. Unlike earlier years from 15.09.2019 onwards the process of procuring raw material by inviting offers by e-mail was discontinued. E-tenders with reverse auction for all raw materials are simultaneously hosted in Kerala Govt. e-tender portal [www.etenders.kerala.gov.in](http://www.etenders.kerala.gov.in) and in NCDFI e-market and the lowest rate arrived is accepted. The tendering is carried out once in 10 days. The Units are directed to forward their requirement in advance so that tendering

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process will be smooth. Hosting Karnataka Govt. supported e platform KEONICS was also tried for the purchase of certain materials however the participation in this platform was limited and hence didn't continue. Only in the case of exigencies local offers are entertained whenever there are no participants in the e platforms.

The price of major ingredients fluctuates based on its seasonal availability and hence maximum efforts are made to tap market advantage of such commodities through purchase intervention made in time. Adequate inventories of all major/critical ingredients are ensured at plants to avoid production interruptions for want of material and to sustain prescribed quality standards of feed produced. The rebate structure of most of the cattle feed raw materials were revised and made more stringent from February 2020 onwards. The purchase of major ingredient; DORB is also arranged from North India through rake after floating tender in e-tender site. However, the benefit of procuring DORB in bulk from northern states like Uttar Pradesh, Madhya Pradesh, Chhattisgarh etc., could not be enjoyed fully during the year since comparably higher price prevailed in those states on various reasons. The season of this commodity during the year at south was satisfactory and material could be sourced at better rates during harvest season. The system of purchasing other major ingredients like maize and protein sources and filler materials through e-tenders/NCDFI e-market hosted once in ten days is followed and procurement based on bids so received is arranged after verifying its cost benefits compared to the prevailing market situations.

After the flood season prevailed in Kerala in August 2018, the material prices of almost all the raw materials have increased considerably which has affected the viability of our cattle feed plants.

The routine purchases are carried out by a Purchase Committee comprising Asst. Manager (Purchase), Senior Manager (Prdn/QC) and Manager (HRD/Mktg) of the Federation. The committee takes the advice from the Unit Heads of both Cattle Feed Plants before finalizing the purchases of raw materials.

The vendor base has expanded over the years ensuring regular supply of raw materials and packing materials of good quality at competitive price. The procurement system takes advantages of fluctuations in price of the commodities and evens out the peak price by bulk purchase on decline of price. The adequate inventory of essential and critical ingredients at its optimum level at plants is ensured in order to maintain the assigned quality of our product.

Adequate stock of molasses at both feed plants is ensured by arranging purchase of molasses at reasonable rates through e-tenders. Now a system generated SMS will be send to all the suppliers who are in our vendor list once the tender is hosted in Kerala Govt. e-tender platform/ NCDFI platform. Using the link available in the SMS the suppliers can view the tender details and participate.

In spite of all odds, all measures were taken to keep the price of all commodities under check and to sustain better quality of cattle feed produced and marketed to the dairy farmers of the State.





## MARKETING

KCMMF is the brand owner of “Milma” which is licensed to the Regional Milk Unions for using to market their products. Federation coordinates the marketing activities undertaken by Milma and all major policy decisions are taken at State level. The Programming Committee meets regularly and reviews the milk procurement and sales position, take decisions on pricing, new product introduction and other aspects related to marketing of products by the milk Unions. The Marketing Section manages the lean-flush management which includes the movement of milk and milk products between the Unions and make arrangements to purchase milk/milk products from other States and also conversion of surplus milk, if any. This year Federation used the NCDFI platform for purchase of milk, Butter and SMP as KMF and TCMPF had increased the price of milk supplied. Milk was even purchased from Maharashtra milk unions also. The procurement and selling price of milk was revised by Rs. 4/- per litre from 19.09.2019. Towards the end of the financial year, lockdown was introduced throughout the country. This affected our milk and milk products sale towards the end of the financial year and we had to find alternate sources for conversion of surplus milk even after stopping outside purchase completely.

Common sales promotion campaigns are planned and implemented by the Marketing Section. A sales promotion campaign for Ice Cream and Ghee was carried out during this year, by telecasting very attractive TVC and also through social media, exhibit boards etc. The ad and its visuals were well accepted by consumers. Due to the campaign, these products showed increased sales and new markets.

## HUMAN RESOURCE DEVELOPMENT

KCMMF and the Regional Milk Unions have a pool of qualified, skilled and efficient officers and staff to carry forward the business. The Federation takes the lead in formulation of the personnel policies, procedures and standards besides framing of common service rules, finalization of long-term settlement, bonus etc. Labour relationship remains good and there have been almost no strike. As the appointments of the Federation are to be carried out through KPSC, there is serious manpower shortage being experienced by the Federation due to delay in getting timely appointment of personnel though KPSC. The gap in manpower shortage is managed through contract appointments. The HRD Department gives timely advice on various personnel matters to the Regional Milk Unions and Dairies.

Promotion policy for employees under Standing orders was amended last in 2007 and as per the demand of Trade Unions which were pending for years, we have completed the initial level meetings with Trade Unions in 2019 and 2020 and the final round meeting could not be completed due to restrictions of Corona outbreak. Also the staff pattern for KCMMF and Regional Unions which was last revised in 2014 is undergoing revision and final proposal will be submitted to Government for approval after the respective Boards of each Unions approves the same.

As per the Govt order dated 21.11.2018, one recruitment committee was formed and recruitment activities for ERCMPU is continuing.

Training programs including Induction Training for new joinees are being planned

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for imparting training in the forthcoming financial year. Welfare Committees were revived for planning recreational activities for employees.

## COMPUTER SECTION

KCMMF Ltd, has a full-fledged Information Technology Department functioning at the Head Office since 1986. Information Technology is the backbone that enables KCMMF to function effectively in teams across tasks, functions and offices of Milma.

### Milma moving to the Cloud and Open Source Systems !

#### Early Starters

Milma has been an early starter in the field of computing and had the earliest ERP in Kerala. We have been conservative but have developed the entire systems for the efficient running of the Dairy and Cattle Feed plants. However, we have been stuck on the on-premise servers using Local Area Network, because the systems have grown large and are touching most aspects of the business, it takes time and expense to move on to web based system.

#### Incorporating our Partners and Stakeholders

Milma's computerization have been restricted to within the organization so far. The benefits of including our partners and stakeholders will give our business a great boost. Our partners & stakeholders including the Societies, Sales Agents, Suppliers and others have not been able to access our computer based systems to improve their business performance.

Moving the computing to the clouds and interconnecting all our stakeholders will improve the business and we will be able to bring in digital economy and payment systems into the organization. This will in effect integrate the systems into a holistic information delivery system.

#### Competition

Competition is fast emerging from all sides and newer ways of reaching out to the customer have to be thought off. Milma has led the State in digital transformation and information systems. We believe this has been one of the success factors that has kept our costs lower than others. Moving to the next generation is essential for further growth and keeping competitors at bay.

#### Customers

A web / cloud based system will make it easy for us to reach out to the customers and increase their loyalty to Milma. This is essential in the times of increasing competition. An integrated cloud based system will reach the nook and corner of the state and deliver personalized service to their mobiles and computers. It will be easy to think of many more applications and make them a reality with cloud based systems.

#### Societies and Farmers

A very important achievement will be the ability to get in-touch with the far flung

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societies all over the state and truly involve them in the development process. The milk-billing / society to dairy to cattle-feed plant accounting and movement of information will be quicker. Managing inputs to the dairy farmer will become personalized. All services, Feed and Fodder, Veterinary Doctors and other services can be coordinated digitally, making the lives of farmers much happier.

### Email Culture

The culture of quick information exchange between the Societies – Chilling Centres / BMCU's – Dairies – Unions – Milk-Booths – Customer – Suppliers – Cattle-Feed Plants – HQ and others through an e-mail network will make decisions instantaneous. This will speed up execution and deliver many gains to Milma.

### Instant Integrated Management Information Systems

Another important decision making tool of the MIS will be made available on the Mobile Phone making it easy for anyone to make instantaneous decisions thus improving the efficiency and effectiveness of the organization.

### The Future

Machine Learning, Artificial Intelligence, Block chains are the technologies of the future which will be the key technologies to give Strategic Advantage to Milma. These will not be possible through an on-premise Servers using internal LAN based computing system.

### Open Source Systems

Together with moving into Cloud we are also moving into Free and Open Source Systems. This will put us in a position to interact with the communities of the world and exchange information and derive benefits from the latest in technology. As a benefit, we also will reduce the cost of software. This will save a lot of foreign exchange for our Nation.

During the financial year 2019-2020 we have started our new cloud based ERP system (sales module) using Cloud based Free and Open Source Systems in AWS cloud server. The new cloud based sales module implemented in all units under MRCMPU, Trivandrum Dairy, TRCMPU Head Office under TRCMPU and Central Products Dairy under KCMMF. Mobile intending system and mobile payment system (nanma app), online mobile banking are also included in the newly developed software. Implemented SMS facility in e-tendering activities for purchase section.

### PROJECTS

The Engineering Projects under Federation/Regional Milk Unions is implemented by the Project wing of KCMMF. This includes setting up of new Dairy Plants, Cattle feed plants, modernization & process upgradation of existing dairies and cattle feed plants, augmenting the capacities of the existing plants by modernizing with the state of the art technologies and modern facilities. The projects are executed on turnkey as well as consultancy basis. The detailed project reports with cost estimation, financial viability statements etc are prepared and submitted to the State/Central Govt/other funding agencies. After approval of the project proposals, detailed planning on implementation of projects is done prior to commencement



of bidding process. The financial and physical budgeting for implementation of the project, preparation of detailed Engineering drawings, technical specification, tender document are also prepared simultaneously. After finalization of the tenders, physical implementation of the project work commences which is monitored closely on a day-to-day basis. The progress is reviewed and evaluated based on the periodical site meetings and reviews. Submission of drawings/documents for getting approval from various statutory bodies, Liaisoning etc are done by the Projects Section. The Projects Section also purchases the dairy equipment, other service machineries, electrical equipments etc required for the project. The tenders are finalized through the e-tendering process of the State Govt. by uploading in the e-portal of State Govt. [www.etenders.kerala.gov.in](http://www.etenders.kerala.gov.in). The bids submitted by various bidders are technically & financially evaluated after opening. The tenders are scrutinized and the proposals for awarding the works/purchases are placed before the Purchase committee constituted by State Govt. The purchase committee is taking decision on the proposals and accord sanction for finalization of various works, purchase of equipment etc. funded by Govt. of India/State Govt. under various schemes implemented by Federation & Regional Milk Unions.

The following infrastructural developmental activities were executed with the financial assistance under various schemes of Central Government, State Government and using internal resources for KCMF, TRCMPU, ERCMPU & MRCMPU during the reporting year.

## KCMF PROJECTS

### 1. Cattle Feed Plant, Pattanakkad

Supply & installation of 1 No. 500MT DORB silo with an outlay of Rs.211.71 lakhs was completed during February 2020. An amount of Rs.220.00 lakhs has been received under State Plan Fund & NPDD scheme. Supply and installation of DORB elevator plant and Aspiration system for Silo unloading system with a total outlay of Rs.16.29 lakhs was also completed during February 2020.

Civil & mechanical works for installation of Fire hydrant System with a total outlay of Rs.94.86 lakhs using own funds was awarded and works started in the reporting year.

### 2. Cattle Feed Plant, Malampuzha.

The modernization & process upgradation of the plant which includes supply & erection of imported machinery such as hammer mill, pellet mill, cooler and allied equipments, electrical, mechanical & automation works with a total outlay of Rs.1200.00 lakhs was completed in the reporting year. An amount of Rs.775.50 lakhs was received under RKVY & State Plan Schemes. The modernized plant was inaugurated on 13th December 2019 by the Hon'ble Minister for Forest, AH & Dairy Development.

### 3. Central Products Dairy, Alappuzha

The modernization & expansion of the plant with supply & installation of dairy equipments, ammonia compressors in the refrigeration plant, cold store expansion, related electrical and mechanical works with a total outlay of Rs.420.00 lakhs were completed and equipments were commissioned in the reporting year. This amount was received under State Plan Scheme.







## MRCMPU PROJECTS

### 1. Wayanad Dairy.

Under RKVY, an amount of Rs.310.00 lakhs and under NPDD, an amount of Rs.741.27 lakhs was received for the milk condensing plant and expansion of Wayanad Dairy respectively. The civil & mechanical works were completed and the electrical works were taken up in the reporting year.

### 2. New dairy plant at Moorkanad, Malappuram

The 2nd phase civil works consisting of the production block, workers amenities block, canteen, services block etc awarded at a total cost of Rs.1420.00 lakhs is in progress and 80% of works are completed in the reporting year. Construction of LT room, Boiler house and briquette storage room are in initial stage. Tender procedure for water gallery and pump house are initiated.

### 3. Palakkad Dairy

The expansion activities of the Effluent Treatment Plant at a total outlay of Rs.75.00 lakhs is in progress and 80% of works are completed in the reporting year.

## ERCMPU PROJECTS

### 1. Ernakulam Dairy Expansion

Civil works for implementing quality mark & FSSAI norms was awarded with a total outlay of Rs.78.53 lakhs in the reporting year. The works are in final stages.

### 2. Products Dairy, Edappally

Civil works for construction of marketing block, vehicle parking shed, security cabin, entrance gate etc was awarded with an outlay of Rs.65.98 lakhs in the reporting year. The works are in final stages.

The construction works of State Central Laboratory at Edappally using the allotted funds of Rs.210.00 lakhs under NPDD was entrusted with KCMMF. The Board of KCMMF Ltd has decided to set up this laboratory at the premises of ERCMPU H.O./Products Dairy, Edappally.

### 3. Thrissur Dairy Expansion

The modernization & expansion of the plant with supply & installation of dairy equipments, incubation room, related electrical and mechanical works were completed and the plant was inaugurated on 2nd September 2019. An amount of Rs.681.00 lakhs under State Plan Fund and RKVY scheme of GOI was received for the dairy expansion.

## TRCMPU PROJECTS

### 1. Pathanamthitta Dairy Expansion

The civil & structural works for the expansion of the dairy plant with an outlay of Rs.271.33 lakhs was awarded in the reporting year. An amount of Rs.300.00 lakhs was sanctioned under RKVY for the above project. 60% of the civil construction completed.



## AUDIT

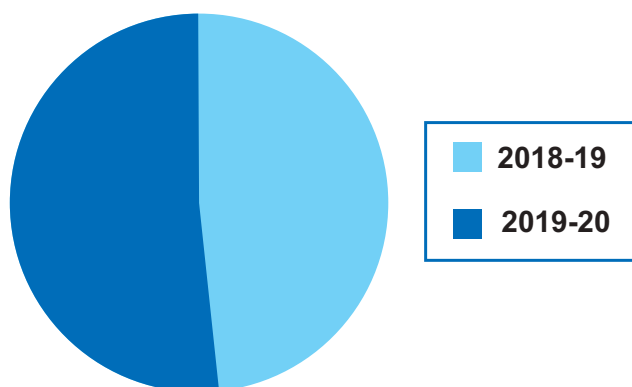
A team of Auditors under the leadership of Deputy Director of Co-operative Societies carries out the concurrent audit of the Federation and the Regional Milk Unions. An Asst. Director is posted at the federation and at the Regional Union Head offices and there are sufficient Numbers of Auditors to carry out the audit in time. A concurrent auditor is posted in each unit and all aspects of our business are audited. In addition to this Internal auditors are posted at all the units of KCMMF to monitor and report the functions related. In light of the modification in the Kerala Cooperative Act & Rules 2013, suitable modification will be made in the auditing procedure.

## FINANCE

During the year 2019-20, KCMMF achieved a turnover of Rs.447.59 crores (provisional) against the turnover of Rs. 420.98 crores during the previous year. The provisional net loss of the reporting year is Rs. 7.39 crores. Fluctuations in the cattle feed rawmaterial prices, manpower shortage, availability of cattle feed raw material etc. are the major constraints faced by the Federation. Turnover of KCMMF units for the reporting year in comparison with previous year are as follows:

**Table 11: Turnover of KCMMF Units (Amount in Lakhs)**

Year	CFP (P)	CFP (M)	CPD	Total	% Decrease/increase over the previous year
2018-19	13125.94	13445.87	15526.69	42098.50	(10.61)
2019-20*	14661.54	13144.05	16953.51	44759.10	6.32



The provisional turnover and the profit/loss of the Federation and the Unions for the financial year 2019-20 in comparison with previous year are given under:

**Table 12: Turnover of KCMMF (Amount in Crores)**

	TRCMPU	ERCMPU	MRCMPU	KCMMF	TOTAL
2018-19	892.30	597.19	1069.56	420.98	2980.03
2019-20	965.05	657.94	1139.62	447.59	3210.20
% Diff	8.15	10.17	6.55	6.32	7.72

**Table 13: Profit / Loss of KCMMF (Amount in Crores)**

	TRCMPU	ERCMPU	MRCMPU	KCMMF	TOTAL
2018-19	2.70	5.89	2.94	-3.48	8.05
2019-20	0.64	0.65	0.27	-7.39	-5.83





We are sincerely attempting for the betterment of the living condition of our farmers by passing on remunerative price for their produce along with other welfare measures. We have to strengthen our farmers by enhancing their capability to produce more milk and thereby ensuring the prosperity of our state and nation and attain our dream of self-sufficiency.

## CONCLUSION

The ability to guarantee quality and food safety requires immense hard work, expertise, and investments in infrastructure. Milma, with its over 40 years of history in Kerala is among the few companies that have been conscious of this and prides itself on the significant work that it has done to upgrade the quality of supplies and stringent quality standards that it enforces for all its products. We are now operating in a highly volatile, unpredictable and changing environment. Social transformation, emerging technology, new trends in communications and polarization require us to keep evolving in a manner that we do not lose sight of the objective. The role of a responsible organization like Milma is not just to its shareholders alone, but to society at large by providing tasty, nutritious products at reasonable rate reflecting changing contemporary lifestyle. Our core principles remain the same - Food & Beverage offerings that speak to the highest standards of Safety and Quality.

The demand for milk and milk products are always increasing in Kerala and Milma plays an integral part in fulfilling this demand. Milma also plays a significant role in keeping the milk price steady in the market. Along with milk, Milma also produces a wide range of products to satisfy the requirement of the consumers. The rise of urbanization and the increased purchasing power of middle class are leading to a change in the life style and consumption pattern of processed food including dairy products. By the implementation of centrally aided programmes, new areas are being identified to start new dairy cooperatives and thereby increasing the milk productivity. By adopting such methods, the achievement of self-sufficiency in milk production will not be a distant dream.

Both the cattle feed plants were on the path of modernization which increased the capacity utilization. Earlier, breakdown of old machineries have been an area of concern. Utilizing Central and State funds, many of these outdated machineries were replaced with imported machineries and the infra-structure facilities of the plants are being improved. Milma is the one of the major performers in the organized sector of cattle feed market. Maintenance of consistent quality throughout the year has made Milma feed more acceptable to farmers.

The Central Products Dairy was also on the path of expansion. New variants of fruit juices and flavoured milk in cans are already introduced to market and other products like Milma Plus-200 ml Rose Flavour and 300ml packaged drinking water were launched during 2019. It is decided to market Tetra pack and curd from CPD soon.

## ACKNOWLEDGEMENTS:

The Board of Directors of KCMF, wish to extend its sincere thanks to all those who have helped to make Federation's operation successful.

We express our gratefulness to the Government of India for the financial support received under various schemes. We are also thankful to the Government of Kerala for all the financial support and co-operation extended to our organization from time to time.

National Dairy Development Board has played a vital role in the growth and development of KCMF. The National Co-operative Dairy Federation of India has also

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provided their colossal support for the co-ordination with other agencies and organizations. We bestow our gratitude to them also.

Dairy Development Department, Government of Kerala has also supported us consistently for helping in the growth of the farmers. While thanking them for the help provided by them, we are extending our sincere gratitude to the various other Government Departments and organizations like Planning Board, Animal Husbandry Department, Dairy Farmers Welfare Fund Board, Kerala Livestock Development Board, Kerala Feeds Ltd., Food Safety Standards Authority of India, Labour Department, Legal Metrology Department, Electrical Inspectorate, Factories and Boilers Inspectorate, Kerala Water Authority, Health Department, Kerala State Electricity Board, Sales Tax Department, Central and State Excise, Pollution Control Board, Co-operative Department, Kerala I T Mission, Climate Change and Development etc., for their continued and timely co-operation.

Whenever we faced shortage of milk to meet the market requirement, our neighboring Federations helped us in time. We also express our sincere thanks to the Federations of Karnataka and Tamilnadu for the help in time of need.

We also extend our sincere thanks to our Member Unions; TRCMPU, MRCMPU and ERCMPU who form the backbone of the Federation for their support and co-operation.

The advertising agencies, press and media, bankers, insurers, management consultants, suppliers, transport contractors, Railway, architects, auditors, legal advisors, and construction contractors provided great support and have been our associates throughout our achievements. The Board of Directors admits their involvement and pledges to continue and toughen this honest relationship in future.

Milma's prosperity depends on the distributors, agents, purchasing institutions and most important of all, the confidence of our consumers. Without their contribution, it would have been difficult for Milma brand to become synonymous with quality and value. Along with thanking them for their massive support, we assure them that we shall be striving boundlessly to delight them. The Board of Directors thanks them for their inexorable patronage and support.

The Board of Directors wishes to express gratitude to the officers and staff of the Federation, and that of the Regional Unions for their determination, loyalty and never-ending efforts given to the development of the organization. Last but not the least, the Board of Directors wishes to express gratitude to all milk producers who are the mainstay of our organization for their continued confidence in us and thank the efforts of the staff and Board members of APCOS for their faith with us in the growth of the Organization.

On behalf of everyone at KCMMF, we wish to express our sincere gratitude for your support and commitment to Milma. Your trust and confidence in this organization has helped to make Milma the leading brand in Kerala. We look forward to your continued support and wish you the best in helping KCMMF's journey to the higher level on its growth.

On behalf of the Board of Directors

**DR.PATILSUYOG SUBHASHRAO,IFS  
MANAGING DIRECTOR**

**P. A. BALAN MASTER  
CHAIRMAN**

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**KERALA CO-OPERATIVE MILK MARKETING FEDERATION LIMITED  
MILMA BHAVAN PATTOM THIRUVANANTHAPURAM - 695 004**

			(Amount in lakhs)
INCOME	Sch. No.	2019-20 (Budget)	2019-20(Actual)
SALES MILK & PRODUCTS	9	17,683.18	16,953.51
SALE OF CATTLE FEED & OTHERS	10	40,238.09	27,805.59
STOCK TRANSFER - OUT	11	7,318.38	8,759.06
OTHER INCOME	12	614.35	879.01
INTEREST & DIVIDEND	13	239.29	231.19
CLOSING STOCKS	14	-	434.34
<b>TOTAL</b>		<b>66,093.30</b>	<b>55,062.71</b>
EXPENDITURE		2019-20 (Budget)	2019-20 (Actual)
OPENING STOCKS	15	-	452.47
RAW MATERIALS CONSUMPTION	16	48,410.23	39,216.49
PAYMENTS & BENIFITS TO EMPLOYEES	17	3,212.03	2,696.87
MANUFACTURING EXPENSES	18	1,741.78	1,229.37
SELLING & DISTRIBUTION	19	2,765.37	1,812.48
ADMINISTRATION EXPENSES	20	526.74	307.90
TAXES & DUTIES	21	163.52	92.86
PACKING MATERIAL CONSUMED	22	1,381.51	917.64
STOCK TRANSFER - IN	23	7,318.38	8,759.06
INTEREST	24	15.28	10.68
DEPRECIATION	25	426.00	306.03
OTHERS	26	-	0.06
<b>TOTAL</b>		<b>65,960.84</b>	<b>55,801.91</b>
NET PROFIT BEFORE TAX		132.46	(739.20)
LESS: PROVISION FOR INCOME TAX		100.00	-
PROFIT/(LOSS) AFTER TAX		32.46	(739.20)





SCHEDULES TO PROFIT & LOSS ACCOUNT FOR THE YEAR 2019-2020

			(Rs. in Lakhs)
<b>SALES MILK &amp; MILK PRODUCTS</b>	<b>9</b>	<b>2019-20 (Budget)</b>	<b>2019-20 (Actual)</b>
SALES - HI-FAT MILK		-	-
SALES- DOUBLE TONED MILK		900.11	529.60
SALES- HOMOGENIZED TONED MILK		13932.68	13,839.54
SALES - GHEE		1421.04	1,249.14
SALES - SFMMILMAPLUS		348.44	298.32
SALES - REFRESH		215.18	148.02
SALES - SAMBARAM		0.00	0.50
SALES - CURD		607.03	596.08
SALE - PACKED DRINKING WATER		42.55	35.69
SALES - DAIRY WHITENER		216.16	256.63
<b>TOTAL</b>		<b>17,683.18</b>	<b>16,953.51</b>
<b>SALE OF CATTLE FEED &amp; OTHERS</b>	<b>10</b>		
SALE - CF APCOS		30395.29	20,136.07
SALE - CF DEALERS		1041.49	560.11
SALE - CF DRDA/SLBP		8565.68	6,971.14
SALE - MILMAMIN		144.00	52.53
SALE - CF GOVT FARMS		39.98	26.42
SALE - CF OTHERS		18.44	2.20
SALE - CF KVCS		0.00	17.36
SALE - CF GRAMAPANCHAYATH		25.41	30.98
SALE – KSHEERASAMRUDHI		7.80	8.77
<b>TOTAL</b>		<b>40,238.09</b>	<b>27,805.59</b>
<b>STOCK TRANSFER - OUT</b>	<b>11</b>		
STOCK TRANSFER – OUT KSHEERASAM-RUTHI		-	6.06
STOCK TRANSFER – OUT MILMAMIN		24.00	22.97
STOCK TRANSFER – OUT CATTLE FEED		7,294.38	8,730.03
<b>TOTAL</b>		<b>7,318.38</b>	<b>8,759.06</b>
<b>OTHER INCOME</b>	<b>12</b>		
RENT:STAFF QTRS.		0.26	1.05
OTHER RECEIPTS/RENT:PARLOUR		0.18	0.14
SALE OF OLD GUNNIES		64.11	54.03
SALE OF SCRAP/OLD PL.BAG		33.04	27.03
AGRICULTURAL INCOME		0.33	0.09
MISC. INCOME		14.80	4.45
SALE OF TENDER FORMS		1.53	1.05
INSURANCE CLAIM RECEIVED		0.30	0.48
TECHNICAL CONSULTANCY		63.35	55.59
SERVICE CHARGES FROM UNIONS		45.00	75.00
SALE OF RAW MATERIALS		80.96	305.45
COMPUTER CONSULTANCY CHARGES		15.50	15.66
CF PRICE INTERVENTION FUND		295.00	338.98
<b>TOTAL</b>		<b>614.35</b>	<b>879.01</b>

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<b>INTEREST &amp; DIVIDEND</b>	<b>13</b>		
INTEREST ON FD		3.26	5.21
INTEREST ON S.B.ACCOUNT		10.01	9.24
INTEREST ON SECURITY DEPOSIT		-	0.62
INTEREST ON OTHER DEPOSITS		225.00	215.33
DIVIDEND ON INVESTMENTS		0.25	0.40
INTEREST FROM VEHICLE LOAN ETC		0.77	0.39
<b>TOTAL</b>		<b>239.29</b>	<b>231.19</b>
<b>CLOSING STOCK</b>			
CLOSING STOCK FINISHED GOODS	14	-	434.34
<b>OPENING STOCK</b>			-
OPENING STOCK FINISHED GOODS	15	-	452.47
<b>RAW MATERIALS CONSUMPTION</b>	<b>16</b>		
MILK FROM SOCIETIES		12,671.25	10,088.93
MILK FROM OTHERS		1,115.90	2,719.15
MILK POWDER CONSUMED\PURCHASE		332.39	879.67
BUTTER CONSUMED		-	50.02
REFRESH CONSUMED		136.81	75.48
GHEE CONSUMED\PURCHASE		-	74.72
PEDA CONSUMED		-	-
CF RAW MATERIAL CONSUMED		33,414.48	24,823.27
SFMMILMA PLUS		169.25	66.25
DAIRY WHITENER		179.75	209.85
CARRIAGE INWARD MILK		64.19	139.42
INWARD FRT & PROC. CHARGES		169.55	54.26
RAW MAT. FOR MILMAMIN		123.05	2.85
PURCHASE OF PACKAGED DRINKING WATER		26.04	20.62
PURCHASE – KSHEERASAMRUDHI		7.56	12.00
<b>TOTAL</b>		<b>48,410.23</b>	<b>39,216.49</b>

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<b>PAYMENTS &amp; BENEFITS TO EMPLOYEES</b>	<b>17</b>		
SALARIES TO MANAGERIAL STAFF		677.53	635.63
WAGES TO WORKERS		1,448.08	1,367.07
STIPEND TO APPRENTICES		29.70	26.41
OVERTIME		29.86	44.76
SALARY TO STAFF ON DEPUTATION		14.95	27.35
NIGHT SHIFT WAGES		1.90	3.97
DAILY WAGES		6.16	6.64
OTHER ALLOWANCES TO EMPLOYEES		0.29	0.46
SALARY - CONTRACT EMPLOYEES		77.05	56.99
LABOUR WELFARE FUND		0.04	0.07
EMPLOYERS'CONTR.TO P.F		109.78	110.54
CONTRIBUTION TO PENSION FUND		142.64	93.59
PF ADMINISTRATION CHARGE		14.48	9.30
D.L.I SCHEME		4.62	2.71
EDLI ADMINISTRATION CHARGES		1.78	2.31
BONUS		23.56	15.63
EMPLOYERS'CONTR.TO E.S.I		34.91	13.83
STITCHING & FOOTWEAR		3.47	3.23
SUBSIDY TO EMPLOYEES		2.45	1.23
FESTIVAL ALLOWANCE		7.28	5.55
LEAVE ENCASHMENT		165.88	114.37
INCENTIVES TO EMPLOYEES		0.08	-
GROUP GRATUITY INSURANCE		222.00	6.38
STAFF WELFARE EXPENSES		36.00	34.10
CANTEEN		14.99	14.04
UNIFORM & WASHING		4.59	3.05
MEDICAL INSURANCE PREMIUM		21.80	18.66
PERFORMANCE INCENTIVE		86.24	62.54
MD'S SALARY		25.00	12.75
MEDICAL EXPENSES\ REIMBURSEMENT		1.41	0.80
CONTRBN.HEADLOAD WORKERS WELFARE FUND BOARD		0.16	0.12
CONTRIBUTION TO KSC EMPLOYEES WELFARE FUND		3.37	2.79
<b>TOTAL</b>		<b>3,212.03</b>	<b>2,696.87</b>

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<b>MANUFACTURING EXPENSES</b>	<b>18</b>		
STORES CONSUMPTION		3.88	2.38
POWER & ELECTRICITY		396.74	296.70
FURNACE OIL & COCONUT SHELL		192.53	128.87
WATER FOR MANUFACTURING		1.50	1.05
GENERATOR EXPENSES		20.42	14.70
LAB. EXPENSES		24.90	17.13
LEASE AND RENT		2.02	0.02
AGMARK ISI EXPENSES		2.00	0.26
REPAIRS ELECTRICAL INSTALL.		41.80	4.51
REPAIRS PLANT & MACHINERY		330.18	205.12
REPAIRS TO FACTORY BUILDING		73.15	42.49
FACTORY MAINTENANCE(GENERAL)		10.00	-
R&M LAB EQUIPMENTS		2.72	-
CLEANING MATERIALS		36.25	30.13
INSURANCE PLANT & MACHINERY		8.62	6.64
INSURANCE BUILDING		0.35	0.04
INSURANCE STORES		2.73	2.98
INSURANCE CASH		0.19	0.11
TAXES & LICENSES		18.46	15.03
FREIGHT & HANDLING -INWARD		36.25	35.70
MISC. MANUFACTURING EXPENSES		5.40	0.56
CUSTOM PACKING CHARGES		531.70	424.94
<b>TOTAL</b>		<b>1741.78</b>	<b>1229.37</b>
<b>SELLING &amp; DISTRIBUTION</b>	<b>19</b>		
LOADING & FORWARDING CHARGES		350.56	276.90
CARRIAGE OUTWARDS		30.54	29.73
ADVERTISEMENT		48.00	14.54
SALES PROMOTION EXPENSES		80.00	9.75
PAYMENT TO TRANSP.CONTRACTOR		2,256.27	1,481.57
<b>TOTAL</b>		<b>2,765.37</b>	<b>1,812.48</b>
<b>ADMINISTRATION EXPENSES</b>	<b>20</b>		
PRINTING & STATIONERY		19.53	17.11
POSTAGE		3.90	2.35
EPABX MAINTENANCE		-	-
TELEPHONE:OFFICE & QTRS		9.41	10.16
MEMBERSHIP FEE & SUBSCRIPTION		1.00	0.20
SEMINAR, DELEGATE FEE ETC.		3.25	1.08
NEWS PAPERS & PERIODICALS		0.71	0.33
LOCAL CONVEYANCE		0.59	0.33
TRAVELLING EXPENSES		24.42	19.96
VEH.MAINT (ADMN & MARKETING)		2.00	2.67
FUEL FOR VEHICLES		3.50	4.34
ADVERTISEMENT TENDER		8.20	7.33
OFFICE MAINTENANCE		9.00	5.24
GARDENING EXPENSES		8.75	4.76
MISC.EXPENSES		6.40	1.86



SECURITY CHARGES		59.20	54.29
STATUTORY AUDIT FEE & EXP.		49.91	41.37
INTERNAL AUDIT FEE AND EXPENSES		17.82	12.92
PROF. & LEGAL FEES		9.25	5.75
CONSULTANT'S FEES & EXPENSES		1.50	4.74
COMPUTER MAINTENANCE EXPENSES		35.20	22.49
BANK CHARGES		2.36	0.66
T.A./D.A. TO AUDITORS		3.46	1.71
ELECTRICITY CHARGES		8.00	5.96
INSURANCE,RENT, RATES,TAXES ETC		5.07	0.77
WATER CHARGES		0.21	0.08
REPAIRS & MANIT OTHER ASSET		50.20	6.67
TRAINING EXPENSES		9.00	1.12
COMPUTER-SOFTWARE		17.00	0.25
R&M COMPOUND WALL & OTHER BLDGS		26.48	7.44
R&M GENERAL – OFFICE BUILDING		27.00	23.11
R & M OFFICE FURNITURE & FIXT.		2.25	0.42
R&M OFFICE EQUIPMENTS		0.34	-
GEN.BODY MEETING EXPENSES		10.00	2.80
BOARD MEETING EXPENSES		2.00	1.10
OTHER MEETING EXPENSES		5.00	4.54
T.A. TO MANAGING DIRECTOR		3.50	1.72
SITTING FEES		1.50	1.05
HONORARIUM TO CHAIRMAN		6.00	4.13
TA TO CHAIRMAN		5.00	2.20
ENTERTAINMENT EXP.		2.30	0.14
T.A. TO DIRECTORS		10.00	2.47
BAG CLEANING &BUNDL. CHARGE		9.91	4.60
VEHICLE HIRING EXPENSES		16.64	14.46
ISO 9002 EXPENSES		3.00	0.95
T.A. TO DIRECTORS - SEMINARS OUTSIDE STATES		25.00	0.29
OTHER ADMINISTRATIVE EXPENSES		1.00	-
INITIATIVES FOR INNOVATION		1.00	-
<b>TOTAL</b>		<b>526.74</b>	<b>307.90</b>
<b>TAXES &amp; DUTIES</b>	<b>21</b>		
INCOMETAX		10.00	-
GOODS AND SERVICE TAX PAID		153.52	92.86
<b>TOTAL</b>		<b>163.52</b>	<b>92.86</b>
<b>PACKING MATERIAL CONSUMED</b>	<b>22</b>		
PACKING MAT. FOR FEED		809.09	479.43
PACKING MAT. FOR MILMAMIN		10.08	2.16
ST.THREADLINING & PRINT. CHA		7.11	4.07
PACKING MATERIAL-MILK &PROD.		555.23	431.98
<b>TOTAL</b>		<b>1,381.51</b>	<b>917.64</b>

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<b>STOCK TRANSFER IN - FINISHED GOODS</b>	<b>23</b>		
PURCHASE BY STOCK TRANSFER IN - CATTLE FEED		7,294.38	8,735.19
PURCHASE BY STOCK TRANSFER IN - MILMA MIN		24.00	17.87
PURCHASE BY STOCK TRANSFER IN - KSHEERASAMRUDHI		-	6.00
<b>TOTAL</b>		<b>7,318.38</b>	<b>8,759.06</b>
<b>INTEREST</b>	<b>24</b>		
INTEREST ON WORKING CAPITAL		0.10	-
INTEREST ON SOCIETY DEPOSIT		15.18	10.68
<b>TOTAL</b>		<b>15.28</b>	<b>10.68</b>
<b>DEPRECIATION</b>	<b>25</b>		
DEPRECIATION		426.00	306.03
<b>INCOME TAX</b>			
PROVISION FOR TAXATION		100.00	-
<b>TOTAL</b>		<b>100.00</b>	<b>-</b>
<b>OTHERS</b>	<b>26</b>		
LOSS ON SALE OF ASSETS			0.06
<b>TOTAL</b>		<b>-</b>	<b>0.06</b>



**KERALA CO-OPERATIVE MILK MARKETING FEDERATION LIMITED**  
**MILMA BHAVAN, PATTOM PALACE ( P.O) THIRUVANANTHAPURAM**  
 Balance Sheet as on 31/03/2020 (Provisional and Subject to Audit)

		(Amount Rs. in lakhs)	
2018-19	Particulars	Sch No.	31.03.2020
	<b>Source of Funds</b>		
991.93	Share Capital	1	991.93
6223.39	Reserves & Surplus	2	5,742.64
0	Long-term loans	3	-
650.10	Corpus fund for Milk Powder Plant	4	650.10
<b>7865.42</b>	<b>Total</b>		<b>7,384.67</b>
	<b>Application of Funds</b>		
1768.92	Fixed Assets	5	2,650.44
24.50	Investments	6	24.50
11291.48	Current Assets, Loans & Advances	7	11,251.69
5219.48	Less: Current Liabilities & Provisions	8	6,541.96
6072.00	Net Current Assets		4,709.73
<b>7865.42</b>	<b>Total</b>		<b>7,384.67</b>

		(Amt.in Lakhs)	
2018-19	Particulars	Sch No.	31.03.2020
	<b>Share Capital</b>	<b>1</b>	
991.93	Shares of Rs.1000/- each		991.93
<b>991.93</b>	<b>Total</b>		<b>991.93</b>
	<b>Reserves &amp; Surplus</b>	<b>2</b>	
427.72	Grants from NDDB		427.72
4697.40	Grants from Govt.		4,913.40
-	Grants from NPDD		42.50
382.56	Reserve Fund		382.56
41.59	Capital Reserve		41.59
674.12	Profit and Loss Account		-65.13
<b>6223.39</b>	<b>Total</b>		<b>5,742.64</b>
	<b>Long-term loan</b>	<b>3</b>	
-	NDDB Term Loan		-
	Imprest Adv- MRCMPU		
<b>0</b>	<b>Total</b>		<b>-</b>

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<b>650.10</b>	<b>Corpus Fund for MPF</b>	<b>4</b>	<b>650.10</b>
<b>1768.92</b>	<b>Fixed Assets (Net Block)</b>	<b>5</b>	<b>2,650.44</b>
	<b>Investments</b>	<b>6</b>	
20.00	Kerala Feeds - 200 Shares of Rs.10000/- each		20.00
4.00	NCDFI -		4.00
0.50	KSCK & CAMS Ltd Kannur - 2 Shares of Rs.25000/- each		0.50
<b>24.50</b>	<b>Total</b>		<b>24.50</b>
	<b>Current Assets, Loans &amp; Advances</b>	<b>7</b>	
1902.97	Inventories		1,759.61
2054.69	Sundry Debtors		2,770.97
194.17	Loans & Advances		185.07
82.74	Interunion balances/Interunit accounts		155.56
2363.60	Contractors Balance(Projects)		2,154.52
790.06	Deposits		831.79
3903.25	Cash and Bank Balances		3,394.17
<b>11291.48</b>	<b>Total</b>		<b>11,251.69</b>
	<b>Current Liabilities &amp; Provisions</b>	<b>8</b>	
3219.12	Creditors for goods supplied/others		4,677.34
25.70	Sales Advances from Dealers		19.06
132.22	Expenses Payable		61.49
206.61	EMD/SD		195.68
185.79	Outstanding to Employees/Misc recoveries		187.52
110.17	Outstanding liability payable		82.78
17.42	Income Tax		19.19
27.75	GST payable		24.34
641.34	Deposit from Societies/others		621.00
561.96	Other Provisions &Reserves		561.96
91.40	Others		91.60
<b>5219.48</b>	<b>Total</b>		<b>6,541.96</b>





ISO Certificate Distribution to Pathanamthitta Dairy Inaugurated by Honourable Minister for Dairy Development & Animal Husbandry & Zoo Adv. K.Raju



Inauguration of Online distribution of Milk by AM Needs at Abad Plaza Eranakulam by Hibi Eden M.P on 5-09-19.



Inauguration of 30th Anniversary Function at Palakkad by Honourable Minister For Water Resource Sri. K. Krishnankutty

# വൃണം പിടിക്കും



ഫ്രഷ് പാൽ ക്രീമിൽ നിന്നും ഉണ്ടാക്കിയ, തനതായ മണവും, നിറവുമുള്ള നെയ്യ്. രുചിക്കും ആരോഗ്യത്തിനും. ഗുണം പിടിക്കും.



**milma**  
**GHEE**