A PROJECT REPORT ON

"A STUDY ON CASH MANAGEMENT WITH REFERENCE TO DAKSHINA KANNADA CO-OPERATIVE MILK PRODUCERS' UNION LTD"

SUBMITTED BY

SWATHI

4AL21BA097

SUBMITTED TO

VISVESVARAYA TECHNOLOGICAL UNIVERSITY, BELAGAVI

In partial fulfillment of the requirements for the award of the degree of

MASTER OF BUSINESS ADMINISTRATION

Under the guidance of

INTERNAL GUIDE	**EXTERNAL GUIDE**
MRS. MAITHRI Assistant professor	MR. VIJAY Finance manager
PG Department of business administration	DKMUL, Mangalore
AIET, Mijar	

P G DEPARTMENT OF BUSINESS ADMINISTRATION

ALVASINSTITUTE OF ENGINEERING AND TECHNOLOGY

SHOBHAVANA CAMPUS MIJAR, MOODBIDRI, D.K - 574225

2022 – 2023

DKMU

ದಕ್ಷಿಣ ಕನ್ನಡ ಸಹಕಾರಿ ಹಾಲು ಉತ್ಪಾದಕರ ಒಕ್ಕೂಟ ನಿಯಮಿತ, ಮಂಗಳೂರು - 575 005

Dakshina Kannada Co-operative Milk Producers' Union Limited

FSSC 22000

ಪ್ರಮಾಣ ಪತ್ರ ಪಡೆದಿದೆ

REG.NO.J.RM./1/JMC/86-87 DT.8-5-86

ನಂದಿನಿ

No.DKMU /ADMN/AD/06/6367 /2022-23 Date: 19.11.2022.

CERTIFICATE

This is to certify that Ms. Swathi (4AL21BA097) student of Alva's Institute of Engineering and Technology Mijar Moodabidri has undertaken Internship in "Finance Section" at Dakshina Kannada Co-Operative Milk Producers Union Limited, Mangalore Dairy from 20.10.2022 to 20.11.2022.

We wish her bright future.

23/11

MANAGING DIRECTOR.
D.K. CO-OP. MILK PRODUCER'S UNION LTD.,
MANGALORE

ಕುಲಶೇಖರ, ಮಂಗಳೂರು - 575 005

KULSHEKAR, MANGALORE - 575 005
Phone : P&I : 2230042, Dairy : 2231446, MD : 2231515
Mktg : 2230326, Fin : 2232260, Pur : 2232682,
Security : 2231308, Manipal Dairy : 2570104/2575948
Udupi Dairy : 0820 - 2569061, 2569181
Udupi Dairy Marketing : 0820 - 2569055

E-mail : mddkmul@gmail.com
Website : www.dkmul.com

ALVA'S INSTITUTE OF ENGINEERING & TECHNOLOGY

(A Unit of Alva's Education Foundation ®,Moodbidri)
Affiliated to Visvesvaraya Technological University, Belagavi
Approved by AICTE, New Delhi & Recognised by Government of Karnataka
Accredited by NBA (CSE & ECE)

DATE: 30/01/2023

CERTIFICATE

This is to certify that **SWATHI** bearing USN **4AL21BA097**, is a bonafide student of Master of Business Administration program of the Institute (2021-23) affiliated to Visvesvaraya Technological University, Belagavi.

The Internship report on **"DAKSHINA KANNADA CO-OPERATIVE MILK PRODUCERS UNION LTD., MANGALORE"** is prepared by her under the guidance of **Mr. Johnson Fernandes**, Assistant Professor, PG Department of Business Administration in partial fulfillment of the requirements for the award of the degree of Master of Business Administration, Visvesvaraya Technological University, Belagavi, Karnataka.

Mr. Johnson Fernandes
Internal Guide

Mrs. Priya Sequeira

DEAN
Dept. of Business Administration
Alva's Institute of Engg. & Technology
MIJAR – 574 225

Dr. Peter Fernandes
Principal

PRINCIPAL
Alva's Institute of Engg. & Technology,
Mijar. MOODBIDRI - 574 225, D.K

Declaration

I Swathi, hereby declare that the Project report entitled “A Study on Cash Management with reference to Dakshina Kannada Co-Operative Milk Producers’ Union Ltd” with reference to DKMUL prepared by me under the guidance of Mrs. Maithri, faculty of M.B.A Department, Alvas Institute of Engineering and Technology, Mijar and external assistance by Mr. Vijay, Finance manager, DKMUL.I also declare that this Project work is towards the partial fulfillment of the university Regulations for the award of degree of Master of Business Administration by Visvesvaraya Technological University, Belgaum. I have undergone a summer project for a period of six weeks. I further declare that this Project is based on the original study undertaken by me and has not been submitted for the award of any degree/diploma from any other University / Institution.

Place: Signature of the Student

Date:

Acknowledgement

With regard to the project work conducted on **DKMUL, MANGALORE** I would like to thank each and everyone who have helped me by offering their guidance and all the required help provided to me in the process of study.

Firstly, I would like to express my gratitude to my guide Mrs. Maithri, Assistant Professor, Department of Business Administration, AIET for her excellent guidance, timely suggestions and support.

I am privileged to thank Mrs. Priya Sequeira, HOD, Department of business administration, Alva’s institute of Engineering and Technology, Mijar.

I express my sincere gratitude to Mr. Vijay, Finance Manager, DKMUL, Mangalore who cooperated and spent his valuable time and shared the information with me.

Table of contents

List of tables and graphs

List of graphs

EXECUTIVE SUMMARY

This study is conducted on “**A STUDY ON CASH MANAGEMENT WITH REFERENCE TO DAKSHINA KANNADA CO-OPERATIVE MILK PRODUCERS’ UNION LTD”**. This project report provides the general information about cash management in DKMUL, Mangalore.

The study was conducted for the period of 6 weeks. The main objective of this study is to understand the cash management system in DKMUL and its effectiveness.

In the 1st chapter you will find the details about the industry and company profile of DKMUL, Mangalore, vision, mission and SWOT analysis of the company.

In the chapter 2 you will find details about conceptual background of the study and literature review.

The 3rd chapter will explain about Statement of the problem, Need for the study, Objectives, Scope of the study, Research methodology, Hypotheses, Limitations, Chapter scheme.

In the 4th chapter you will find analysis and graphical representations on the data collected from the company.

The chapter 5 is about the findings, suggestions and conclusion of the project.

In the end bibliography and annexures are attached relating to the project.

An Overview of the Organization

Dakshina Kannada co-op milk producers" union is an ISO 22000:2005 certified organization having jurisdiction of Dakshina Kannada and Udupi costal Districts. It is one of the leading milk unions in the state of Karnataka.

At the time of registration during the year 1986, the Union's milk procurement was 4,500 KPD. Now the Union is edging to 450000 KPD in procurement. In the beginning, Union was procuring 80% of its requirement of milk from neighbouring/other Milk Unions of Karnataka Milk Federation and now the Union is at threshold of becoming self-reliant by increasing local milk procurement.

The Union has 706 functioning Dairy Co-op. Societies. The Union has established 194 Women Dairy Co-op. Societies in its jurisdiction, out of which 137 WDCS are under STEP Programme of Government of India. The MPCS are having 131435 farmer members out of which 38200 are women members.

Profile of the Industry

Dairy industry occupies an important place in animal husbandry. It embraces the production of milk, its preparation for sale as well as the manufactures of dairy products. Milk is the nature's perfect food for all ages. It has almost all the vital nutrients needed for growth and wellbeing of the human body. Milk is the richest source of calcium and essential amino acids which is good for bone formation. It is particularly beneficial for people recovering from sickness, children, sport person, aged ones, women etc.

Dairy industry plays a dynamic role in India's Argo based economy. Dairy is now highly specialized field today that involves production, procurement storage processing and distribution of dairy products. The dairy industry involves processing raw milk into products such as consumer milk, butter, cheese, yogurt, condensed milk, skimmed milk powder and ice cream, using processes such as chilling pasteurization and homogenisation.

Karnataka is one of the leading states in milk production producing 3200000kg per day. Currently the state ranks second in milk production in the country. The cooperative society's model has been very successful in the state. The Karnataka Milk Federation (KMF) is the apex body of the milk co-operative societies. It is the second largest dairy co-operative amongst the dairy cooperatives in the country. In South India it stands first in terms of procurement as well as sales. One of the core functions of the Federation is marketing of Milk and Milk Products. The Brand "Nandini" is the household name for Pure and Fresh milk and milk products. KMF has 14 Milk Unions covering all the districts of the State which procure milk from Primary Dairy Cooperative Societies (DCS) and distribute milk to the consumers in various Towns/Cities/Rural markets in Karnataka.

Karnataka Dairy Development Co-operation (KDDC), the first ever World Bank/International Development Agency funded Dairy Development Program in the country started in Karnataka on co-operative lines with the organisation of Village Level Dairy Co-operatives in 1974. The AMUL pattern of dairy co-operatives started functioning in

Karnataka from 1974-75 with the financial assistance from World Bank/IDA, Operation Flood II & III. The Anand Pattern three tier organisation structure - Dairy Cooperative Societies at the village level, District Milk Unions at the District level to take care of the procurement, processing and marketing of milk and provide technical input services for enhancing milk production at producers level and Federation at the state level to co-ordinate the growth of the sector in the State, are resolutely and harmoniously working hand-in-hand in creating self-sustaining rural economy based on cooperative dairying. KMF is one of the few federations in the country, who have converted dairying from a subsidiary occupation into an industry.

Dairy Industry History

While cattle were domesticated as early as 12,000 years ago as a food source and as beasts of burden, the earliest evidence of using domesticated cows for dairy production is the seventh millennium BC – the early Neolithic era – in north western Anatolia. Dairy farming developed elsewhere in the world in subsequent centuries: the sixth millennium BC in eastern Europe, the fifth millennium BC in Africa, and the fourth millennium BC in Britain and Northern Europe.

In the last century or so larger farms specializing in dairy alone have emerged. Large scale dairy farming is only viable where either a large amount of milk is required for production of more durable dairy products such as cheese, butter, etc. or there is a substantial market of people with money to buy milk, but no cows of their own. In the 1800s von Thünen argued that there was about a 100-mile radius surrounding a city where such fresh milk supply was economically viable.

Dairy production dates back about 8,000 years to when zebu cattle were first domesticated, which is supposed to have started in India. Zebu cattle had been domesticated by the time the Indus Valley Civilization (c. 3300–c. 1300 BCE) began and used for milk production. They are prominently featured in the historical ceramics and skeletal remains. The water buffalo is a native animal of Southern Asia. Despite the fact that wild populations existed long before domestication. By the time of the Indus Valley, they were domesticated and employed for milking and ploughing. Although it is unclear whether goats and sheep were domesticated in the Indus valley, civilization. It is unknown if they were milked. Dairy in the Indian continent has a long history.

Dairy in India was once a largely subsistence-oriented occupation intended to produce milk for home consumption. In 1919, a dairy animal census was conducted for the first time by British colonial officials.[17] A report authored in 1937 indicated a sub-optimal rate of milk consumption in the country. It estimated a per capital intake of 7 ounces (200 g) per day (inclusive of all dairy products), which was the lowest among all large dairy countries. Low productivity of dairy animals and widespread poverty were the challenges in increasing dairy production and consumption. Consumption varied by geographic and economic conditions, but was on the whole quite low.

Modern milk processing and marketing techniques were first implemented in India in the 1920s. 1965 saw the establishment of the National Dairy Development Board (NDDB). In 1969–1970, it began Operation Flood, a project aimed at modernising and Cooperatives are being used to boost the dairy industry.

Due to the exploitative character of private milk facilities and traders during this time, dairy cooperatives became a prominent influence. The "Anand model" was the foundation for cooperatives; it is three-tier Cooperative societies at the village level (the main organisational framework) district-level cooperative producers' unions that gathered the milk and (ii) milk producers operated processing facilities, (iii) marketing federations at the state level.

The Dairy System in India

Many of today's drastically altered economic policies, many of which concentrate on capital-intensive investment that primarily benefits the urban sector, have an impact on much of the South requirements. In this setting, it is essential to identify solutions to advance South technology transfer, especially for innovations that directly boost the economy quality of life and welfare in remote places.

- **An instruments of social and economic change**

Dairy farming is acknowledged as a tool for social and economic development in India. Millions of small farmers located throughout rural areas supply the country with its milk. These farmers keep a typical herd of a single or two dairy animals, such as cows or buffalo.

Farmers are encouraged to undertake dairying as a secondary activity to agriculture because there is an abundance of labour and a small land base. Dairying gives a consistent, year-round revenue, which is an advantage over crop production, which is seasonal. A significant financial incentive for small farmers to switch to dairying. Milk production in India is dominated by Small and marginal landowners dominate production in India, and by landless workers who collectively control over 70% of the national milch herd of animals.

Since 78 percent of agricultural land still depends on rain for crop production, it is vulnerable to both drought and flooding, making agricultural revenue uncertain for the majority of farmers. Due to a lack of financing and credit options, these farmers' production has decreased.

Most of these marginalised groups in society find great relief in dairying as a secondary source of income. These farmers are frequently able to create enough additional revenue from one or two dairy animals to escape the vicious cycle of subsistence agriculture and debt.

- **Dairying prior to operation flood**

The first attempts at developing the dairy industry date back to British control, when the Defence Department set up military dairy farms to guarantee the colonial army's access to milk and butter. These farms were first constructed in Allahabad in 1913, and afterwards facilities were built in Bangalore, Ootacamund, and Karnal. These farms were well-maintained, and improved milch animals were raised even in the early stages. Because the animals were raised on a farm, artificial insemination was used to improve the herd. This strategy had no effect on the supply of milk to urban consumers, which was a major concern for civilian authorities but less so for the military.

With the growth of the urban population, consumers were forced to rely on milk vendors who kept cattle in these areas and sold their milk, often door-to-door. As a result, several cattle sheds sprouted up in various cities. This was not an environmentally friendly strategy.

During the process, these high-yielding cattle developed sterility issues, reducing the number of carvings significantly.

The cattle were sold to slaughterhouses when they became unproductive. This practise gradually depleted the country's genetically superior breeds.

- **Operation flood**

The strategy for organized dairy development in India was actually conceived in the late 1960s, within a few years after the National Dairy Development Board (NDDB) was founded in 1965. It rested on the Operation Flood programme, which was conceived by the NDDB and endorsed by the government. Operation Flood is a unique approach to dairy development. During the 1970s, dairy commodity surpluses were building up in Europe, and Dr Varghese Kurian, the founding chairman of NDDB, saw in those surpluses both a threat and an opportunity.

The large quantities that India was already importing had eroded domestic markets to the point where dairying was not viable. The opportunity, on the other hand, was built into the Operation Flood strategy. Designed basically as a marketing project, Operation Flood recognized the potential of the European surpluses as an investment in the modernization of India's dairy industry. With the assistance of the World Food Programme, food aid - in the form of milk powder and butter oil - was obtained from the countries of the European Economic Community (EEC) to finance the programme. It was the first time in the history of economic development that food aid was seen as an important investment resource.

Operation Flood is a programme designed to develop dairying by replicating the Anand Model for dairy development, which has stood the test of time for almost half a century. The first phase of Operation Flood was launched in 1970 following an agreement with the World Food Programme, which undertook to provide as aid 126000 tonnes of skim milk powder and 42000 tonnes of butter oil to finance the programme.

Company Background:

Dakshina Kannada co-op milk producers" union is a ISO 22000:2005 certified organization having jurisdiction of Dakshina Kannada and Udupi costal Districts. It is one of the leading milk unions in the state of Karnataka. At the time of registration during the year 1986, the union's milk procurement was 4,500 KPD. Now the union is procuring 450 000 KPD. In the beginning, union was procuring 80% of its requirement of milk from neighbouring/other milk unions of Karnataka milk federation and now the union is at threshold of becoming self-reliant by increasing local milk procurement. The union has 720 functioning Dairy co-op societies. The union has established 198 women Dairy co-op societies in its jurisdiction, out of which 137 WDCS are under STEP programme of Government of India. The MCPc's are having 139442 farmer members out of which 43530 are women members. The mother dairy of the DKMUL is ‘KARNATAKA MILK FEDERATION.

KARNATAKA MILK FEDERATION:

The first of the dairy co-operatives that make up KMF started in 1955 in Kudige, Kodagu District. KMF was founded in 1974 as Karnataka Dairy Development Corporation (KDDC) to implement a dairy development project run by the World Bank. In 1984 the organisation was renamed KMF. KMF has 14 milk unions throughout the Karnataka State which procure milk from Primary Dairy Cooperative Societies (DCS) and distribute milk to the consumers in various urban and rural markets in Karnataka State with 1,500 members.

Table No-1

PROCESSING FACILITES			
Mangalore dairy 2,50,000 LPD	Udupi dairy 2,50,000 LPD	Puttur Chilling Centre 30,000 LPD	Manipal Chilling Centre 50,000 LPD

The Nature of the Business:

The Nature of DKMUL is that procuring the Milk from societies. And that milk will be bringing through tankers for various chilling centres those, which are near and convenient to various societies. The Union processes the milk and market in urban area through by various Agents. The Union providing service to milk producer’s technical inputs like Veterinary services, seeds, fodder etc. and also by giving training to farmer and also Induction program. The Union strengthening of milk cooperative movement, Organization of extension activities and the rural development services.

The Union also owns and manages a dairy plant cow feed plant, as well as a centre for animal husbandry activities, a station for collecting semen, fodder and bull mothers, and a herd quarter. For the total advantage of the farmer, the Union also pursues research, development, and other promotional initiatives.

The Union sells a variety of goods, including cheese, full-cream milk, double-toned milk, homogenous standard milk, and toned milk. Also available are curd, ghee, and peda. This is national. One of the main responsibilities is buying milk, processing it, and selling the finished goods under the brand name Nandini DKMUL.

Vision, Mission, Objectives, Quality policy:

Vision:

- To empower the rural environment by providing a livelihood in dairy and operation.
- To ensure a steady supply of hygienic milk to the customer.

- To bridge the gap between producers and customers.
- To ensure prosperity of rural milk producers who are ultimate owners of the federation.

Mission:

- Union aims to help its members to increase Milk Production and produce good quality Milk by extending need-based services, thereby improving their economic and social development while ensuring the financial viability of the Union.
- Union also strives to satisfy the customers by providing continuously high-quality Milk and Milk Products thereby becoming number One at National level.

Objectives:

- To distribute clean and hygienic products to final consumer.
- Providing marketing facilities to rural milk producers at reasonable price.
- To ensure a remunerative market to the milk producers.
- Strengthening of all production and processing facilities of existing dairies.

Quality Policy:

- An ISO 22000:2005 certified organization.
- Milk will be collected from an automated computerized milk collection from the control room.
- In KMF there is a separate department made for the quality checking process here in this department quality testing is done to maintain the freshness of milk. Before starting off with new production all containers, pipes and equipment are washed with hot water.
- The quality checking department officer, he frequently keeps verifying the quality of products. If any defects happened, he reports immediately and suitable measures are taken to correct them and only after the department gives approval the goods will be dispatched to the market.

Values:

- Total quality in all respect.
- Hard work.
- Sense of ownership and belonging.
- Honesty and Discipline.
- Mutual respect.
- Thrift / Cost consciousness.
- Transparency / Equality.
- Co-operation.

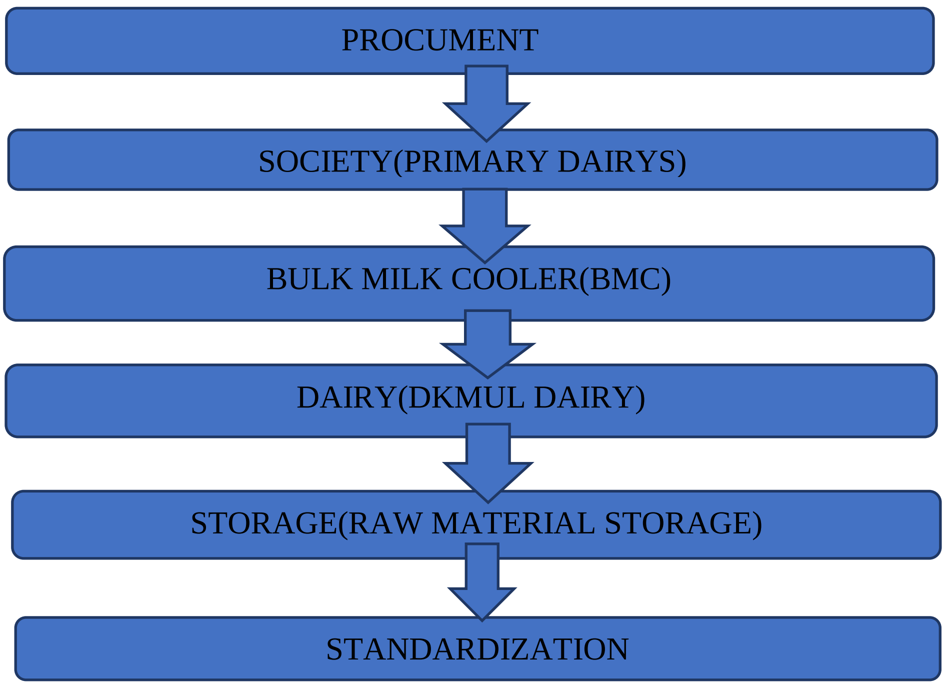
Area of operation:

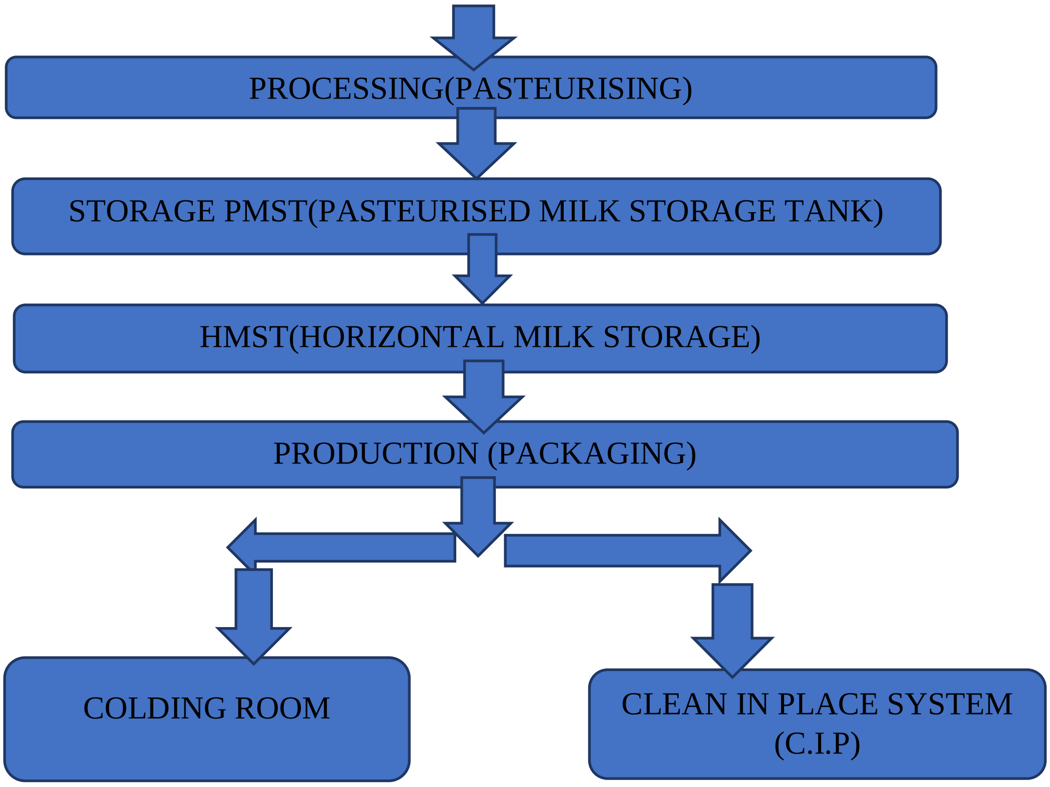
The union has coverage of the entire of Mangalore and the Udupi district. It also has its plant at Mangalore & Manipal whereas chilling centre located in Puttur & Manipal.

Mangalore dairy plant: DKMU a Mangalore dairy plant, processes milk and milk products, as well as packaging them, every day, it sells 250000 litres of milk through dealers and milk parlours. Because of the growing population in the Mangalore district milk consumption is increasing.

Manipal dairy plant: It deals with the processing, manufacture and packaging of milk for the Udupi district and the plant has the 250000 litres per day handling capacity. Puttur chilling centre: The capacity of the Puttur chilling centre is 30000 litres per day. Manipal chilling centre: the capacity of the Manipal chilling centre is 50000 litres per day.

Work flow model:





Products:

❖ **Toned Milk:**

Consumers most favourite milk in general is Nandini Toned Milk. Pure and fresh milk contains 3.0% fat and 8.5% SNF. It is suitable for people of all age group and is safe for direct consumption. Confirms PFA standards.

Available in 500ml, 1000ml sachets.

❖ **Homogenized cow milk:**

The Homogenised cow milk have a good demand in the market. Nandini homogenized cow milk is with 3.5% fat. The milk is uniformly creamy and tastes good till the last drop. It is homogenized, which means the fat globules are evenly distributed and you get the same creaminess throughout the glass of milk. It gives you more cups of tea/coffee per pack. Higher fat content, makes it more creamy and delightful.

Available in 500 ml sachets and also 6lt jumbo pack for caterers & hoteliers.

❖ **Shubham Milk**:

With butter fat content of 4.5%, is available in 500 ml attractive packing with natural freshness and purity. Obtained from bulk milk coolers, situated in rural areas with instant chilling. Contains 50% more butter fat than toned milk and hence is of choice for children and teenagers. Shubham is the best choice for housewives to extract butter at home. It enhances the richness and taste of kheer and other milk sweets. It enriches the tea/coffee/cold beverages.

Available in 500ml. sachet

- **Nandini Samrudhi pasteurized full cream Milk:**

Pure pasteurized full cream milk with 6.0% fat and 9.0% SNF. Rich creamier and tastier milk. Ideal for preparing homemade sweets Available in 500ml pouches.

- **Nandini Healthy life milk:**

Trupti Double Toned milk is Nutrition protected UHT treated milk with min 1.5% fat and 9% SNF. It is packed in 5 Layer flexi pack under aseptic conditions for 90 days of shelf life

Now available in 500 ml flexi pack pouches.

- **Nandini Trupti Milk:**

Trupti toned milk is Nutrition protected UHT treated milk with min3.5% fat and 8.5% SNF well suited for preparation of coffee and tea. It is packed in 5 Layer flexi pack under aseptic conditions for 90 days of shelf life.

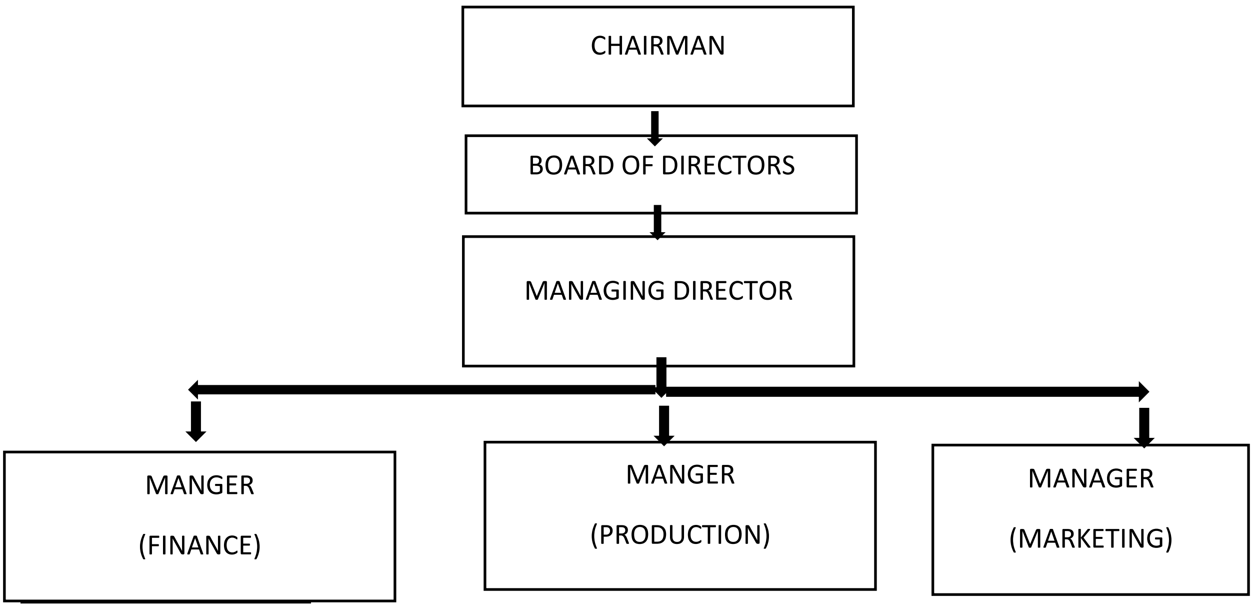
Now available in 180 ml and 500 ml flexi pack pouches.

Other products:

- Curd
- Sweet Lassi
- Butter Milk
- Ghee
- Nandini Peda
- Mysore Pak
- Nandini Bite
- Cashew Burfi
- Khoya
- Nandini flavoured Milk

<u>Ownership Pattern:</u>

DKMUL is a co-operative form of organization. The members are the owners of the organization. The farmers who are the member in the organization are the real owners of the organization. The organization forms the bridge among the formers who are the producers and the customers who consume the milk and milk products. The organization which produces milk form the products that will further be converted to better on the factors of production. They elected a person who represent farmer's community who is the chairman of KMF, under him there is BOD who represent different units who are again chosen by the farmers. They followed by president of the union, followed by managing director who is the executive head of the union. Under him there will be heads of different functions and other employees under each functional division head.



<u>MILESTONES OF DKMUL</u>: Table No-2

2020	Milk Procurement reached 5 lakh Kgs per day	23-06-2020
2019	Milk Procurement reached 4.81 lakh Kgs per day	22-06-2019
2019	Inauguration of Udupi Dairy at Uppoor.	29-01-2019
2018	Release of SFM in Pet Jars and jeera butter milk.	14-11-2018
2018	Milk sale reached 4.13 lakh litres per day.	21-08-2018
2018	Milk procurement reached 4.82 lakh kgs per day.	01-06-2018
2017	Release of 50ml and 100ml Ghee in Pet Jars.	15-11-2017
2017	Quality Mark Certification.	26-09-2017

2017	Received National Excellency Award among medium sector Milk Unions.	26-09-2017
2017	Milk sale reached 3.96 lakh litres per day.	31-08-2017
2017	Milk Procurement reached 4051 lakh Kgs per day.	09-06-2017
2017	Foundation Stone Laying Ceremony of Udupi dairy and Administrative Building at Uppoor.	16-04-2017

AWARDS AND CERTIFICATIONS:

2020	FSSC 22000 ver 5.0 Certification.	11-08-2020
2017	Quality Mark certification.	26-09-2017
2017	Received aw National Excellence Award among medium sector Milk Union in the country.	26-09-2017
2012	ISO 22000:2005 Certification.	06-06-2012
2007	Best Co-operative Milk Union Award during All India Co-Op. week.	29-07-2007
2007	Award for the best Production Plant by National Productivity Council.	24-05-2007
2002	National Mnuemonic Logo for Milk Quality.	04-01-2002
2001	ISO 9001:2001 Certification.	03-04-2001

FUTURE PROJECTS AND PLANS:

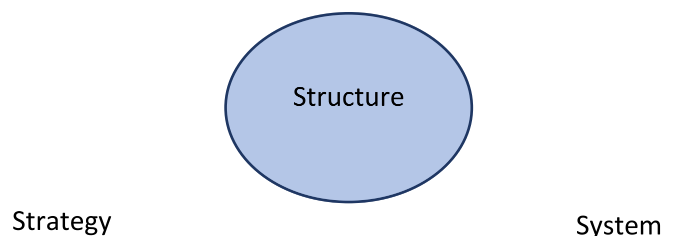
- Addition of Bulk Milk Coolers year by year for 100% coverage based on procurement growth.
- Construction of new chilling centre at Puttur in place of old chilling centre.
- Construction of Camp Office Complex at Puttur.
- Construction of Camp Offices at Kundapur, Moodabidri and Belthangady.
- Setting up of Ice Cream Plant in the jurisdiction of the Union.

McKinsey’s 7S FRAMEWORK

Tom Peters and Robert Waterman, two consultants with McKinsey & company, developed the McKinsey’s 7s framework in the early 1980s. The fundamental tenet of. The McKinsey 7s the models are that for an organization to succeed, its internal components must be coordinated.

The 7s method can be used in a variety of situations where alignment is advantageous. The McKinsey 7s model is made up of seven connected parts that can be categorized as “soft” or “hard”.

- “Hard” elements are simple to identify or define and are immediately influenced by management, example includes statements of strategy, organizational structure with clear reporting lines, formal procedures, and IT systems.
- On the other hand, “soft” qualities are harder to define because they are less tangible and more impacted by culture. These soft characteristics, however, are equally important to the success of the company as the hard ones.



Structure:

DKMUL's organizational structure is suitable for a company with numerous product lines. Utilization of the specialization principle is maximized. The workers efficiency would be quite great because they only undertake a small number of tasks. The marketing, management, financial and MIS departments are all parts of Dakshina Kannada Milk Union.

- **Administration Department**

The administration department of the DKMUL oversees and manages all other union departments.

The main functions are:

- ➢ To develop official work procedure and process in order to increase the profit margin.
- ➢ To provide an ample opportunity for helping the employees to maintain high level of work.
- ➢ To schedule work property so that all jobs are completed on time.
- ➢ To maintain responsible quality and quantity standards.
- ➢ To provide satisfactory physical and mental environment for employees.

- **Procurement and Input Department**

- ➢ The procurement and Input department is concerned with collection of milk from various DCS.
- ➢ To follow up daily procure schedule as per the plan,
- ➢ To collect quality of milk by checking fat content.
- ➢ To send procured milk to production unit.
- ➢ To maintain good relationship with DCS.

- **Finance Department**

The union's finance division has a strong human resource base. All of the union's financial dealings are handled by the department. The entire department is computerized.

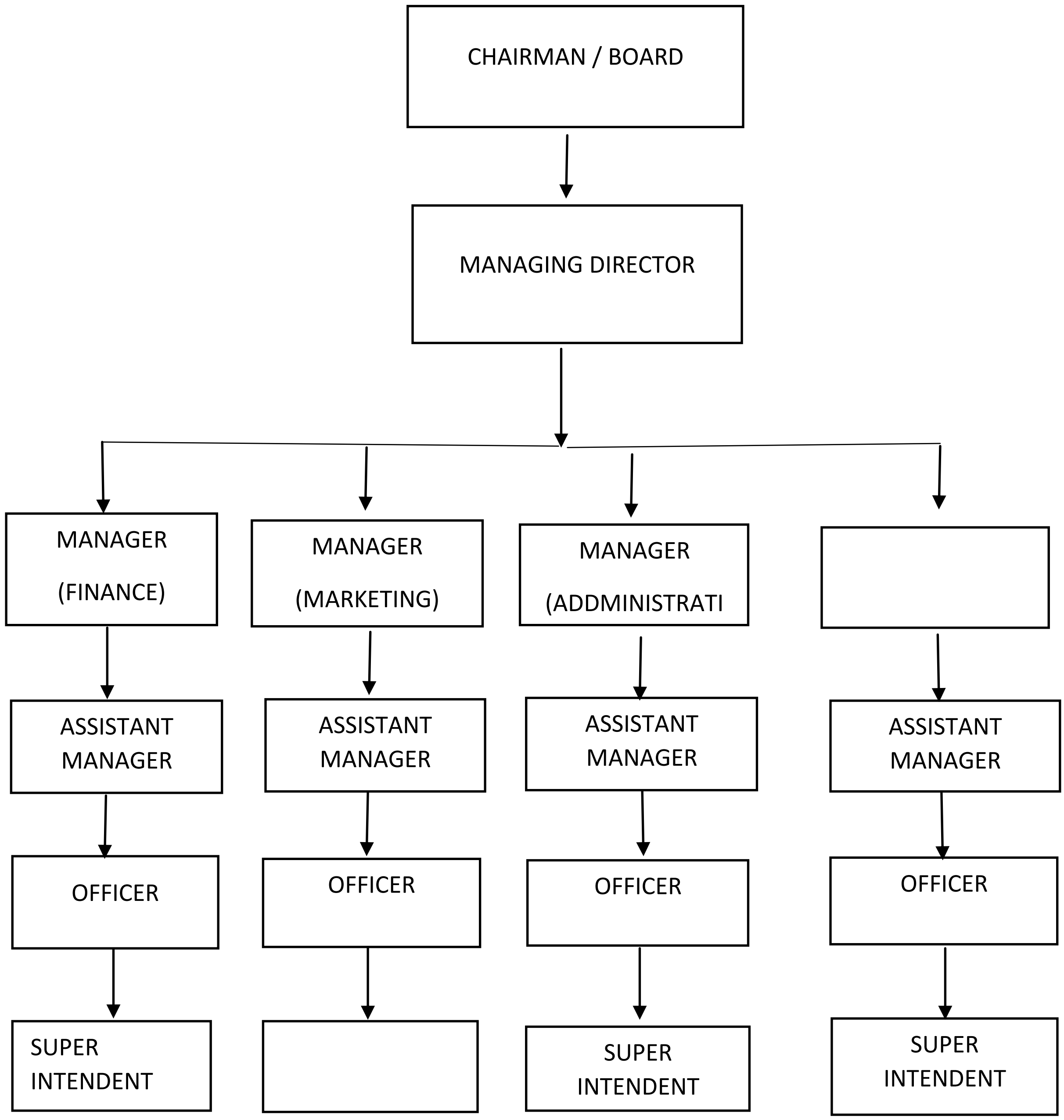
- **Marketing Department**

The company's future capabilities are significantly influenced by the marketing department. Its primary goal is to deliver products from manufactures to consumers. Through advertising campaigns and participation in trade shows, it not only supplies milk to customers, but also offers consumers education.

Functions

- ➢ To plan marketing programs.
- ➢ To analyze marketing opportunities.

➢ To develop marketing strategies.



Strategy:

In order to overcome the problems and grow and strengthen dairy cooperative movements, Dakshina Kannada Milk union is developing relevant tactics around the following themes:

- Purchasing, processing, and advertising.
- Quality-control programmer.
- Reasonable pricing.

Marketing strategy:

Advertisement, sales promotion etc. They are also introducing new products such as godi laddu and 2 types of ready to eat pizza to increase their market share and to attract new customers.

Promotional strategy:

The DKMUL follows the Mix of both informative and commercial promotional activities, they are: Wall paintings, advertisement through cable network, awareness programs and door to door campaign.

Pricing strategy:

The activity of fixing the price of a product is done by the KMF. It fixes a common price for the product throughout the state. DKMUL will follow that price only to sell the products produced.

Pricing decisions are influenced by a remarkably broad range of environmental and competitive influences. DKMUL established a pricing structure that accounts for the various products in its line rather than a single price. With time and as products progress through their life cycles, this pricing structure evolves. The company modifies product prices to reflect shifts in costs and demand as well as to take into account variations in customers and circumstances. The corporation considers when to commence price increase as the competitive climate changes, alterations and how to react to them.

Dakshina Kannada milk union produces different milk products to efficiently meet the diversity milk needs of urban and semi urban consumers of the jurisdiction.

System:

Formal and informal procedures that support the strategy and structure. A system is defined as a process or a set of processes that links and orders activities to enable work to be done and goals to be achieved. System in simple words is a formal and the informal procedures including compensation systems, management information systems, performance management systems and capital allocation system that gives every day activity.

Systems maintained by DKMUL:

- Inventory control system: DKMUL maintains the FIFO (first in first out) method to control the inventory in the plant. Here the inventory should be maintained correctly as it contains only perishable products.
- Milk billing system: DKMUL maintains weekly milk billing system. It has monthly four cycles they are from 1-7, 8-15,16-23, 24 to the end of month. They use a software “Milk soft” which allow milk dealers to place orders for milk and other products online.
- Accounting system: Currently they are using tally as a accounting software with GST.

Style:

The TKMUL is using participative style of decision making in the management level. DKMUL's management practises are similar to those of other government organisations. Each employee reports to a superior and manages a team of subordinates.

Top-Down decisions

- Fixing targets to the employees and the workers who are working in the organization.
- Reducing or increasing the price of the product.
- Policy issues.

Material vendors are chosen by the purchase department manager. The purchasing department manager has the power to choose the supplier who will supply the necessary raw materials for production process. The basis for choosing the vendors is the tender. The supplier chosen to provide the raw materials needed for production will be the one that provided the lowest bid for the materials.

Staff:

The human resources of the company are referred as staff. The goal of management is to achieve objectives through the use of human resources, including both physical and financial resources. There are 330 staffs in the DKMUL in addition to 200 workers taken on contract basis.

- Administration Dept:53
- Marketing Dept: 150
- Finance Dept: 45
- Production Dept:130
- Procurement Dept:120

Duties and responsibilities of technical officers (quality management) in DKMUL

- To take over in charge of quality management.
- To check the quality of milk, this is taken by DCS
- To check the weight, quality, of milk and products according to the section PFA/AGMARK/weight/measures.
- To coordinate with the production department to make correction if any complaints from market.
- To propose to the general manager to purchase the equipment's which are required for laboratory.
- To maintain all records of laboratory equipment's and quality control and send the records to the general manager.

Skills:

The Dakshina Kannada Milk Producer's Society is running a training programme that includes both on the job training and off the job training that improves an employee's knowledge and skills for performing their work in order to import the necessary skill.

On the job training include coaching& job instruction. Off the job training include seminar and role play.

Different types of skills that the organization looks for:

- The manager should have the managerial skill and they should have the ability to take right decisions. They should manage the personal and make them carry out their responsibility.
- CORPORATE LEVEL: The first category consists of the people who are highly efficient in decision making process. These people are highly qualified.
- MANAGERIAL LEVEL: The second category is related to office work and field work. These people are trained in computer application, secretarial skill, accounting knowledge etc.
- OPERATIONAL LEVEL: The third category consists of workers who are actually into the operation. These people are trained into fields like checking the quality of milk, processing, packing etc.

Marketing Staffs has a good marketing and communicating skills which helps them to increase their market share. Production department has well trained employees which help to increase their efficiency and to produce quality products.

Shared Values:

Shared values are identified by which a company is known throughout its business areas these values must be explicitly stated as both corporate objectives and individual values. Some of the shared values of DKMUL are:

1. Honesty

2. Discipline

3. Quality

4. Impartiality

5. Cost effectiveness.

Porter's Five Force Model:

An approach for analysing a company's rivals is the Porter's Five Forces Framework. It draws five forces from the industrial organization economics that have an impact on the competitive intensity and, as a result, the profitability of an industry.

These five forces have the effect of lowering overall profitability on a "attractive" industry. The industry that is closest to "pure competition", in which all firms' available earnings are pushed to average profit levels, is the least alluring. Michael E Porter of Harvard University is credited with creating the five- forces perspective. The idea was initially published in 1979 by the Harvard Business Review.

Porter’s five forces consist of two forces

“Vertical” competition - Suppliers bargaining power and Consumer Negotiating Strength. “Horizontal” competition- Treats of replacement goods or services, current rivals, and new entrants.

1.Threat of New Entrants:

The increase in the cost of doing business minimizes the chances of new entrants. Small vendors may enter but they won’t be able to compete with Nandini as people will give more importance to the health and Quality. Hence innovating into new products and supply processes may cause treats of new investment.

Brand preference and consumer loyalty: There is a huge amount of brand preference for Nandini milks among consumers. They would only go to another retailer if it did not carry Nandini Milk, which is the degree of preference in the liquid milk market.

2.Suppliers Bargaining Power:

Here is appropriate bargaining power of the supplier. In olden days there were not any kind of cooperative societies as the farmer was exploited. But now a days the farmer’s rights are protected under the cooperative rules and regulations, which ultimately results in moderate power of bargaining from the suppliers.

3.Buyer’s Bargaining Power:

Cost of switching to competitor’s brands: The switching of brands is seen very much in products such as ice cream, curd, milk powers, milk additives etc. But it can be seen comparatively less in liquid milk category. Even if the buyers shift to the other brands milk, the value that they get is less than they would get from consuming Nandini. Hence Bargaining power of buyers is moderate.

4. Threats of substitute Product or Services:

Availability of attractive Priced Substitutes: Different substitutes are available for different category of products like milk powder for milk and dalda for ghee etc. There is ample availability of low-priced substitutes from local vendors and retailers. There is a claim that some products by the local vendors are not safe. So DKMUL is highlighting the health advantages of its items. So, threats of substitute are quite high.

5.Rivalry among existing competitors:

There are many competitors for Nandini milk and milk items such as Amul, Gokul, Gowardhan etc. The rivalry is not simply restricted to the cost of them however also for quality, development and variation. Every company is aiming hard for the upkeep of their market share. Nevertheless, the competition of other companies with Nandini and DKMUL is quite high.

SWOT ANALYSIS

A person or organization can determine their strengths, weakness, opportunities, and threats connected to business competitiveness or project planning by using the SWOT analysis technique, which is a strategic planning and strategic management tool.

SWOT analysis is a technique for evaluating a company's performance, rivalry, risk, and potential, as well as any individual component of the company, such as a specific product line or division, an industry, or another organization.

Using internal and external data, the technique can guide businesses toward strategies more likely to be successful, and away from those in which they have been, or are likely to be, less successful. Independent SWOT analysts, investors, or competitors can also guide them on whether a company, product line, or industry might be strong or weak and why.

Internal

The SWOT analysis's strengths and weaknesses categories can learn a lot from what goes on inside the firm. Financial and human resources, tangible and intangible (brand name) asset, operational efficiencies, and other are examples of internal factors. Potential questions to list internal factors are:

- (Strength) What are we doing well?
- (Strength) What is our strongest asset?
- (Weakness) What are our detractors?
- (Weakness) What are our lowest-performing product lines?

External

What happens outside of the company is equally as important to the success of a company as internal factors. External influences, such as monetary policies, market changes, and access to suppliers, are categories to pull from to create a list of opportunities and weaknesses.

Potential questions to list external factors are:

(Opportunity) What trends are evident in the marketplace?

- (Opportunity) What Demographics are we not targeting?
- (Threat) How many competitors exist, and what is their market share?
- (Threat) Are there new regulations that potentially could harm our operations or products?

Strengths:

- Nandini is a trusted household brand name maintaining standard quality milk and its products
- Strong distribution network and better reach.
- Good infrastructure facility compared to competitors.
- Consistency in quality and timely supply milk.
- Efficient and Trained Work Force.
- ISO Certified Dairy.

Weaknesses:

- Inter union competitions majority of dealers are not loyal.
- Poor market visibility.
- Delay in decision making

Opportunities:

- To market products at national level.
- Expansion of products line in current market growing industrial and institutional demand for Nandini milk.
- New product innovation.
- The company can go for technological advancement.

Threats:

- Competition from local milk vendors.
- A group of unorganized local vendors can dominate the market.
- Flexibility in trade policy by competitors.
- Presence of duplicate milk and milk products in the market.
- Market uncertainty: Fluctuation of price in market may lead to decrease in demand.

Profit and Loss account:

The account is used to calculate a company's annual net profit or loss is the profit and loss account. The trade account is used to determine a company's gross profit or loss account. The trade account is used to determine a company's gross profit or loss, and the profit or loss, and the profit and loss account is used to determine the net profit, which is obtained by deducting all indirect costs (costs associated with running the business) from the gross profit. As a result, the result, the result of the trading account is where the profit and loss account start.

Each and every piece of data required to create the profit and loss statement is contained in the trial balance. Only indirect costs and indirect earnings are considered. The result of trading account is used to start this account (gross profit or gross loss). Gross profit is shown on the credit side of the profit and loss account whereas gross loss is shown on the debit side.

All indirect expenses are received are recorded on the debit side of this account, while all indirect revenues received are recorded on the credit side of the account. If the total of credit side exceeds the total of debit side, the result is "net profit", but if the total of debit side exceeds the total of credit side, the result is "net loss". The profit and loss account is used to calculate a company's net profit or loss for a given fiscal period.

Profit and Loss Statement of DKMUL:

Table no-3

Particulars	2016-2017	2017-2018	2018-2019	2019-2020
Trading Account				
Sales	7414186082	8077379286	8156606797	8502703503
Closing Stock	50665952	62876236	66817032	90217325
TOTAL	7464852034	8140255522	8223423829	8592920828
Opening Stock	49393338	50665952	62876236	66817032
Purchases	678843200	6555669117	6559935249	6813672953
Direct Expenses				
Processing and Manufacturing expenses	532442866	676348753	509238760	555299623
Procurement and Transportation	200288990	207703710	224499028	213169971
Salary and other Expenses	150420696	157851270	183712180	212499665
Total	7014389090	7648238802	7540261453	7861459244
Gross Profit	453462944	492016720	683162376	731461584
Income Statement:				
Incomes				
Other Incomes	18806246	42164595	29033191	37007090
Interest on Advance Deposit	32964674	28579715	30466955	32094086
Total	505233864	562761030	742662522	800562760
Expenses				
Sales and other Expenses	37605174	39462818	45928045	53124916
Administrative Expenses	48784585	50572562	52512175	62116418

Rent Rate Tax	7131134	11596949	10006527	11584016
Transfer to Development Fund			123,507,821	96,765,601
Income Tax	2675826	3826896	5178423	
Selling Expenses	122321978	129173400	141052347	140100519
P&I Services	49043590	51740652	67201783	81572383
Interest and Bank Charges	11932320	4597758	4988784	28698700
Vehicle Repairs	425734	440731	566664	67044
Depreciation	73438541	72690862	120740542	164213459
Tax Provisions	96200000	131538911	100997857	91000000
Total	449558682	495641539	672680968	729846053
Net Profit	55675182	67119491	69981554	70716706

Balance Sheet

A balance sheet is a financial statement that shows the assets, liabilities, and equity of a corporation at a certain point in time. These balance sheet categories inform investors about the company's assets and liabilities, as well as the amount of money invested by shareholders. The mathematical methodology is used to create the balance sheet: Assets = Liabilities + Shareholders' Equity A balance sheet is a snapshot of a company's financial status at a specific point in time, commonly calculated every quarter, six months, or a year. Assets and liabilities are the two key headings on a balance sheet.

Assets

Accounts are displayed from top to bottom in the assets sector in order of liquidity, or the ease with which they can be turned into cash. They are separated into two categories: current assets (those that can be converted to cash in one year or less) and non-current or long-term assets (those that cannot be converted to cash easily).

Liabilities

Liabilities are the sums of money owed to third parties by a corporation, ranging from bills owed to suppliers to interest on bonds issued to creditors to rent, utilities, and salaries. Current obligations are those that are due within a year and are listed in chronological order. After one-year, long-term liabilities are due at any time.

Shareholder’s Equity

The money attributable to a company's owners, or shareholders, is known as shareholders' equity. It's also called "net assets" since it's equal to a company's total assets less its liabilities, or the debt it owes to non-shareholders.

Balance sheet of DKMUL:

Table No-4

Particulars	2016-2017	2017-2018	2018-2019	2019-2020
SOURCES OF FUNDS				
Share Capital	116984300	133876300	149811300	169265300
Reserves and surplus	1079287999	1406757457	1667568801	1742140846
Secured Loans	60646048	334690750	418426000	476502000
Current Liabilities	371650568	422073247	696149146	295651690
Provisions	112907217	140594013	110697224	102001927
Profits and loss A/C	55675182	67119491	69981554	70716706
Grants & Subsidy	30566044	53693121	105893121	182499097
Total	1797151314	2170420507	3112634025	3038777566
APPLICATION OF FUNDS				
Fixed asset	543138611	535047013	1211595336	1555983388
Investment	834084081	854058604	1127618630	134998033
other current asset	138141779	342680824	110464980	120227878
Closing stock	87637345	105160479	114878728	156013920
Loans, Advances, Deposits	90900	57300	12500	2962
Sundry debtors	100376566	171305795	167021884	137916319
Cash in hand	4938662	6654807	25705543	4015764
Cash at bank	88743370	155455685	355336424	114637004
Total	1797151314	2170420507	3112634025	303877756

RATIO ANALYSIS:

The ratio analysis is a financial statement examination and interpretation technique. It's a method of calculating and evaluating various ratios in order to assist in making judgments.

CURRENT RATIO

It is one of the most extensively utilized methods for determining a concern's liquid position. It is used to assess a company's solvency and short-term financial strength. It shows the link between a company's present assets and liabilities. The current ratio can be represented as follows in the form of an equation:

$$\text{Current Ratio} = \frac{\text{Total Current assets}}{\text{Total Current Liabilities}}$$

Table No-5

SI no	year	Current Asset	Current Liabilities	Ratio
1	2019	419928622	371650568	1.13
2	2020	781314890	422073247	1.85
3	2021	773420059	696149146	1.11
4	2022	532813847	295651690	1.80

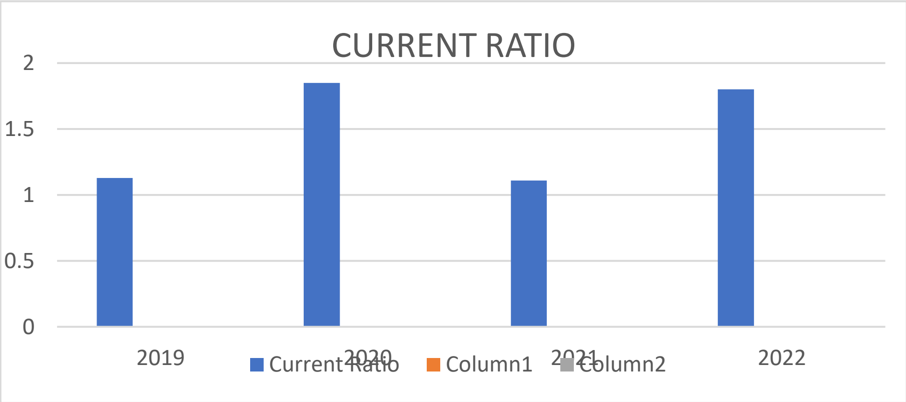


Chart No-1

Interpretation: The current ratio measures the company's short-term solvency; it has to maintain a 2:1 range of the current ratio. From 2019 to 2020, the company's short-term solvency situation is increased, but after 2020 to 2021 the short-term solvency position is decreased, and from 2021to 2022 it is increasing. The present current ratio is 1.80:1. The Position of the company is not good.

QUICK OR ACID TEST RATIO:

The quick ratio, also known as the acid-test ratio is a type of liquidity ratio, which measures the ability of a company to use its near cash or quick assets to extinguish or retire its current liabilities immediately.

Quick Ratio = <u>Quick Asset</u>

Quick liabilities

Table No -6

SI No	Year	Quick asset	Quick Liabilities	Ratio
1	2019	332291277	371650568	0.89
2	2020	676154411	422073247	0.60
3	2021	658541331	696149146	0.95
4	2022	376799927	295651690	1.27

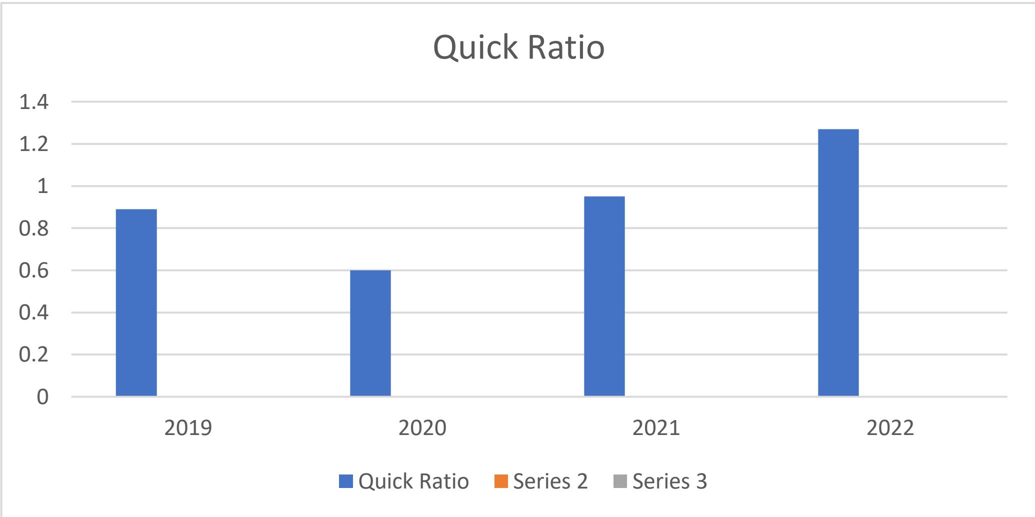


Chart No-2

Interpretation: Quick ratio indicates that quick assets to honour to immediate clime. The standard ratio of the quick ratio is 1:1, so the highest ratio is bettering the coverage. In the above table, from 2019 to 2020, it decreases after that in the year 2020 to 2022 it keeps on increasing to 1.27 this shows the good position insolvency.

<u>CASH RATIO:</u>

The cash ratio is a liquidity measure that shows a company’s ability to cover its short-term obligations using only cash and cash equivalents. The cash ratio is derived by adding a company’s total reserves of cash and near-cash securities and dividing that sum by its total current liabilities.

Cash Ratio = Cash Equivalents / Current Liabilities

Table No-7

SI no	Year	Cash equivalents	Current Liabilities	Cash Ratio
1	2019	96682032	371650568	0.25
2	2020	162110492	422073247	0.38
3	2021	381041967	696149146	0.55
4	2022	118652768	295651690	0.40

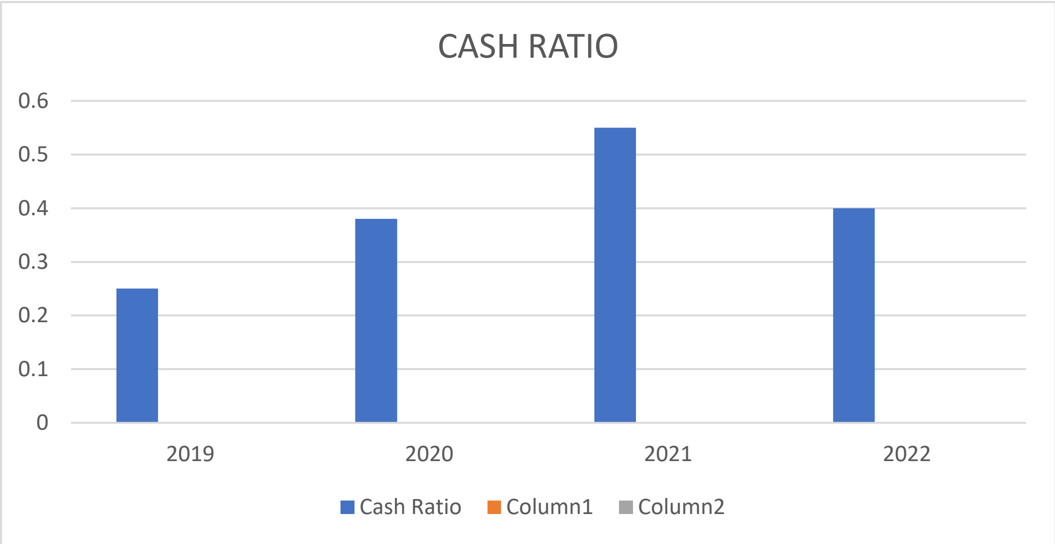


Chart No-3

Interpretation: Cash in most liquid assets, marketable securities and trade investments are equivalent to cash, Cash Ratio more than one indicates that firm has liquid resources, which are low in profitability. DKMUL carried a small amount of cash in 2019 which is increased in 2020 and 2021. But it is slightly decreased in 2022 to 0.40. In the present scenario cash position of the company is 0.40.

GROSS PROFIT RATIO:

Gross profit ratio is a profitability measure calculated as the gross profit ratio to net sales. It shows how much profit the company generates after deducting its cost of revenues. A high gross profit ratio is good management as it implies that the cost of production is relatively lower.

Gross Profit Ratio = Gross Profit / Net sales X 100

Table No-8

SI No	Year	Gross Profit	Net Sales	Gross Profit Ratio
1	2019	453462944	7414186082	6.12%
2	2020	492016720	8077379286	6.09%
3	2021	683162376	8156606797	8.38%
4	2022	731461584	8502703503	8.60%

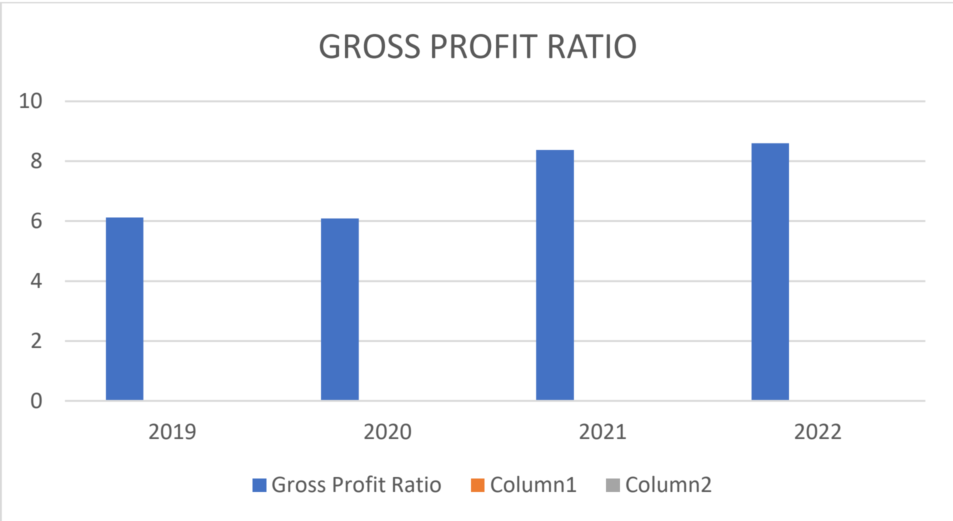


Chart No-4

Interpretation: Gross profit ratio shows the profit earing capacity of the firm against its sales. In 2019 gross profit ratio is 6.12% which was slightly decreased in 2020 for the rate of 6.09%. Again, there is a continuous increase in 2021 and 2022 from 8.38% to 8.60%. It shows a good capacity of firm to make profit. There is a increasing profit which shows the positive sign as it suggest that the company gross profit margin is increasing over four years.

NET PROFIT RATIO:

Net profit ratio is the profitability ratio that measures the company's profit to the total amount of money bought into business. In other words, it depicts the relationship between the net profit after taxes and net sales taking place in business. These ratios reflect the final results of business operation. Management attempts to maximize these ratios to maximize firm value.

$$\textbf{Net Profit Ratio} = \frac{\textbf{Net profit}}{\textbf{Net Sales}} \textbf{ X 100}$$

Table No-9

SI No	Year	Net Profit	Net Sales	Net Profit Ratio
1	2019	55675182	7414186082	0.75%
2	2020	67119491	8077379286	0.83%
3	2021	69981554	8156606797	0.86%
4	2022	70716706	8502703503	0.83%

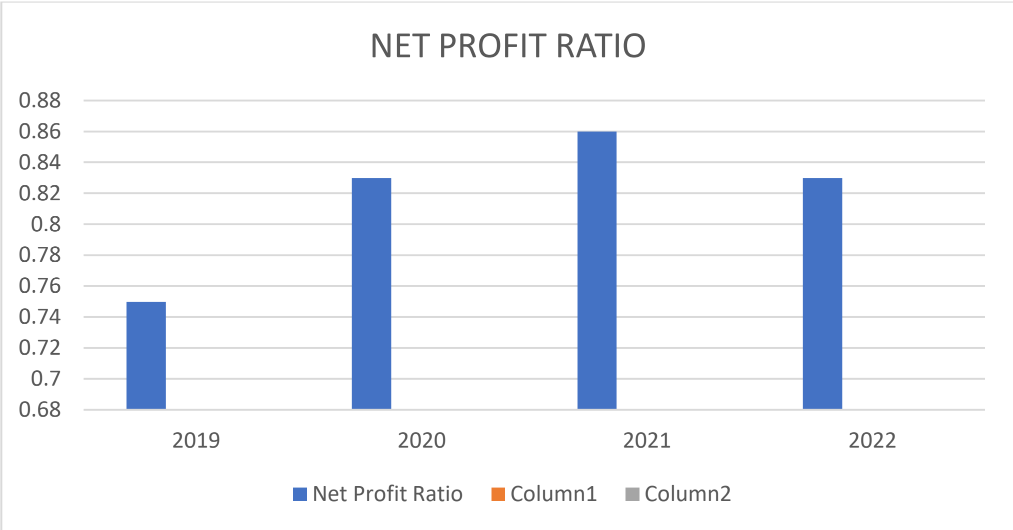


Chart No-5

Interpretation: Net profit ratio shows the ultimate profit earned by the company. Net profit margin measures the proportion of revenue that the company retains after accounting for all its expenses, including both direct and indirect expenses such as tax, interest and depreciation. Here the Company shows a continuous increasing trend in net profit from 2019 to 2021 which is increased from 0.75 to 0.86.but in 2022 it is decreased to 0.83.

ASSET TURNOVER RATIO:

Asset turnover ratio is the ratio of total sales or revenue to average asset. This metric helps investors to understand how efficiently companies are using their asset to generate sales. Investors use the asset turnover ratio to compare similar companies in the same sector or group.

$$\textbf{Asset turnover Ratio} = \frac{\textbf{Sales}}{\textbf{Total asset}}$$

Table No-10

SI no	Year	Sales	Total Asset	Asset Turnover Ratio
1	2019	7414186082	1797151314	4.13
2	2020	8077379286	2170420507	3.72
3	2021	8156606797	3112634025	2.62
4	2022	8502703503	3038777566	2.80

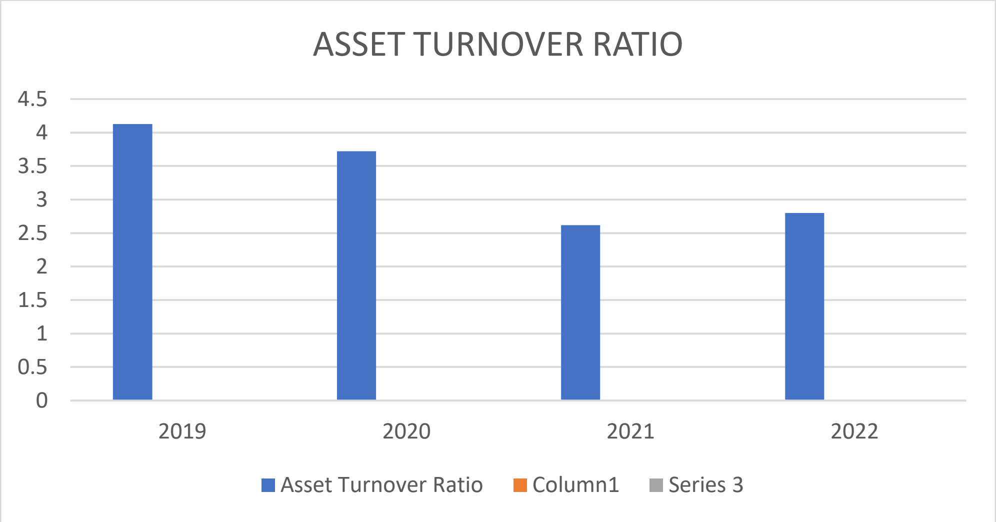


Chart No-6

Interpretation: turnover ratio shows the relationship between the sales and asset of the firm. There is a continuous decrease in the asset turnover ratio. In 2019 it was 4.13 which was decreased to 3.72 in 2020 again in 2021 it was further decreased to 2.62. And at present it is 2.80 as there is a increase in total asset of the company.

DEBT EQUITY RATIO:

The debt equity ratio evaluates the company's overall debt in relation to the capital the owner's initially put up and the profits that have been held through time.

$$\textbf{Debt Equity Ratio} = \frac{\textbf{Total Debt}}{\textbf{Total Shareholders' Equity}}$$

Table No-11

SI No	Year	Total Debt	Total Shareholder Equity	Debt Equity Ratio
1	2019	60646048	116984300	0.52
2	2020	334690750	133876300	2.50
3	2021	418426000	149811300	2.79
4	2022	476502000	169265300	2.82

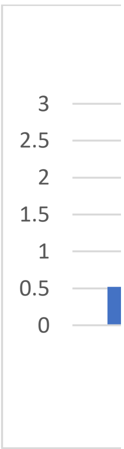


Chart No-7

Interpretation:

Debt equity ratio shows the relationship between the total debt fund and total equity fund of the firm. The data provided represents the debt and equity ratio of DKMUL for four consecutive years, 2019,2020,2021 and 2022. From the data provided it can be seen that debt equity ratio is increasing from 2.50 to 2.79 in 2021. And again, it is increased to 2.79 to 2.82 in the year 2022. This suggest that the company has been increasing its debt and reducing the equity over the years, which is gradually a negative sign. The lower the debt equity ratio indicates that a company will have a lower financial leverage and it is less dependent on debt financing. But here it shows company is depending on debt year by year. This can result making the firm less attractive.

PROPRIETARY RATIO:

A proprietary ratio is a form of solvency ratio that can be used to estimate how much the owner's or shareholder's share of the company's asset is. The equity ratio, Shareholders equity ratio, and net worth ratio are the other names for it.

$$\textbf{Proprietary Ratio} = \frac{\textbf{Share Holders fund}}{\textbf{Total Asset}}$$

Table No-12

SI No	Year	Shareholders fund	Total asset	Proprietary Ratio
1	2019	1196272299	1797151314	0.67
2	2020	1540633757	2170420507	0.71
3	2021	1817380101	3112634025	0.58
4	2022	1911406146	3038777566	0.63

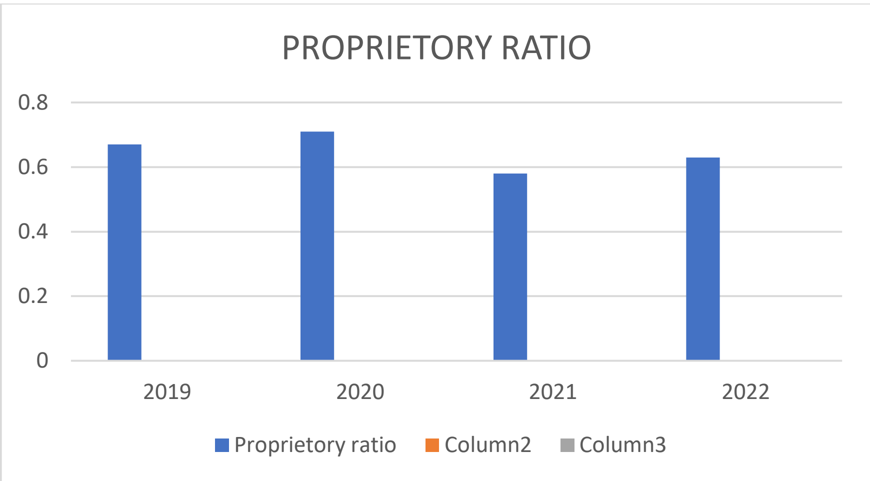


Chart No-8

Interpretation:

From the above data, it can be seen that the shareholders equity to total asset ratio has increased from 0.58 in 2021to 0.63 in 2022. And it is also increased from 0.67 in 2019 to 0.71 in 2020. This suggests that the company has been increasing its shareholders equity relative to its total assets over the years, which is generally a positive sign. This can make the company more attractive as it is in a stronger financial position. In conclusion data shows that the company has increasing shareholders equity relative to the total asset over four years.

Learning Experience

Milk is defined as whole, fresh, clear lacteal sureties derived through the whole milking of healthier milk animals. It resembles the ideal nourishment for man more than any other natural food. Milk drinking can help most people achieve strong, healthy bodies by correcting dietary deficits. It is a wonderful and enticing cuisine that is also healthy.

The major constituents of milk are water, fat, protein, lactose and mineral water. The major constituents are phospholipids, sterols, vitamins, enzymes, pigments etc. The true constraints are milk fat, casein and lactose.

Karnataka Cooperative Milk Producers Federation Limited (KMF) is the Apex body for the dairy Co-operative movement in Karnataka. It is the second largest dairy co-operative amongst the dairy co-operative in country. In South India it stands first in terms of procurement as well as sales. The learning experience gained during this Internship was very much practical oriented. Learning at DKMUL for one month gave a greater opportunity to understand the corporate world and how the organization runs and how they perform their jobs. The learning experience in DKMUL is very good. I applied my theoretical knowledge to practical knowledge. What I learned in college the same things I applied and analysed the organization. The Internship in DKMUL is very good experience. I learned many more things like who are the buyer, supplier of DKMUL. What DKMUL is actually doing, what are the department are there in DKMUL and their work.

The visit to the branch manager was very helpful and they were so kind to the student. They provided a guide he to me and helped me to get the information on company profile. The guide or supervisor briefed about the chairman and the company history and thereafter the current status of company.

First 3 days I was trying to understand the sector or industry under which the company is working and as day passed, I try to understand the company profile, background of company, various departments and their contribution to the success of the company. My guide quickly

and in simple words explained me about the work flow model of the company. In 2nd and 3rd week applied strategic and management theories to the company and identified what are all plus points and loose holes in company.

This will help to convert our theoretical knowledge into practical experience. In 4th week I analysed the financial position of the company through ratio analysis this will help me to figure out how a company manage its financial transaction like debt, liquidity positions, shares, expenses and revenues etc.

Bibliography:

1. DKMUL WEBSITE
   https://www.dkmul.com
2. Prasanna Chandra, Financial management theory and practices, seventh addition, Tata mc raw hill education private limited, New Delhi,2010, pp 653-655.
3. Dr. S. N. Maheshwari, Management Accounting and Financial Control, 16th addition, Sultan Chand and Son’s Educational publishers New Delhi, 2015, D6.1-6.5.
4. Audit report of DKMUL of 4 Years
5. Administration Report of DKMUL.