

CHAPTER VIACHIEVEMENTS OF THE CONSUMERS' CO-OPERATIVE SOCIETIES UNDER STUDY.

Like any living organism, a business enterprise has to grow. It has to grow not only to have higher coverage or share of the market but even to establish its lead and position in the market, otherwise it languishes and gradually dies. Also the health of the organisation or the movement depends not on mere growth but at what rate it grows and how balanced the growth is. The growth of the consumers' co-operative societies can be measured in terms of :- (a) Growth of membership, (b) Growth of net surplus, (c) Growth of Total Income, (d) Growth of sales and (e) Growth of resources.

Growth of membership.

There was growth of members not only in absolute numbers but also on the average. Out of the eleven primary consumers' co-operative societies under study, ten societies showed growth in the number of members. There was only one society that showed a decline in membership and that society was started by employees. That society had two branches. One branch was closed in 1969 and the second branch was closed in 1970. The

closing down of the branches was the cause of decline in membership of the society. The total number of members of eleven primary consumers' co-operative societies in 1968-69 was five thousand, four hundred and fifty seven. This number increased to six thousand and thrity four in 1969-70 and to six thousand, three hundred and fifty nine in the year 1970-71. The average membership was four hundred and ninety six for the year 1968-69, five hundred and forty nine for the year 1969-70 and five hundred and seventy nine for the year 1970-71. The rate of growth was, however, only .1 and .05 for the years 1969-70 and 1970-71 respectively.

Growth of Sales.

There was growth of sales in absolute figures for the years 1969-70 and 1970-71. The total sales were Rs.1,11,69,359/-; Rs. 1,36,70,092/-; and Rs. 1,46,76,240/- for the years 1968-69, 1969-70 and 1970-71 respectively. The rate of growth was .2 and .07 for the years 1969-70 and 1970-71 respectively.

Growth of Total Income.

There was growth of Total Income for the years 1969-70 and 1970-71. The Total Income was Rs.116,29,609/-; Rs. 1,46,76,240/- and Rs. 1,74,82,632/- for the years 1968-69; 1969-70 and 1970-71 respectively. The rate of growth was .4 .3 and .28 for the years 1969-70 and 1970-71 respectively.

Growth of Net Profits.

There was increase in net profits for the year 1969-70 but there was decline in net profit for the year 1970-71. This was due to increase in the cost of operation. The net profit of all the societies put together was Rs. 87,817/-; Rs. 1,75,889/- and Rs. 1,75,610/- for the years 1968-69; 1969-70 and 1970-71 respectively.

Growth of Resources.

There was increase in total resources for the years 1969-70 and 1970-71. The total resources were Rs. 32,17,000/-; Rs 34,90,000/- and Rs. 37,67,568/- for the years 1968-69; 1969-70 and 1970-71 respectively. The rate of growth was .1 and .08 for the years 1969-70 and 1970-71 respectively.

Of the six consumers' co-operative societies started by employees, one society was organised by industrial workers. The society, namely, Hindustan Antibiotics Co-operative Consumers' Stores Ltd., was located in the industrial estate of Hindustan Antibiotics. Prior to the year 1968-69 the activities of the society were limited to dealing in items of food-stuff and a few of general articles. In 1968-69 the society undertook a few new schemes of dealing in goods required by members for their domestic uses. The society obtained the agency of M / S Marit Co., Bombay

and the society provided its consumers' goods viz, Singer Machines, Singer Fans, Singer cookers, Singer Irons etc., at cheaper rates on cash as well as on instalment basis.

The Natural Gas Company also extended their co-operation for stocking their items, viz, Gas-stoves. As a result of this facility the society could provide fresh connections in a short period. During the year the society undertook free repairs and attended to all types of minor complaints of the consumers of gas.

The society introduced new items like Thermos Flask, Cycle-tyres-tubes, presentation articles, school-books, Bakery items like fresh Shakti bread, wrist watches, blades etc. Items like wrist watches, blades, cycle-tyres were sold at reasonable rates to its members. These items were bought from Maharashtra State Wholesale Consumers' Co-operative Federation. About a hundred cycles were made available to its members each year and on easy instalments. About seven hundred and sixty bottles of milk received from the Government Scheme were distributed every day. Owing to inadequate finance, the society could not start a cloth department. However, a new scheme was introduced to make available clothing requirements at reasonable rates on instalment basis through a well established shop in Poona. Many a member took advantage of the

above scheme. In the year 1970-71 the society started operating a new department for hosiery articles. That year blankets, sweaters were also sold to its members. Besides plastic articles, stationery articles, presentation articles were sold to its members. All these goods were sold in addition to the ration goods that have been supplied every year. The society declared a rebate of 1 % on the total purchases made by its members for all the three years. Dividend of 9 % was declared on the share capital for all the three years. Various facilities were also given to the employees of the society. These facilities were free medical aid to the employees and the members of the family of the employees, free education to the school going children of the employees and housing subsidy was given to all the employees. These facilities were given for all the three years.

Meteorological Office Employees Co-operative Canteen Society Ltd., was located in the compound of the Observatory Office where the employees of Meteorological Office assembled and the society had been started by these employees. This society which had made a loss of Rs. 4,745.05 in the year 1968-69 made a net profit of Rs.1,299.91 in the year 1969-70 and a net profit of Rs. 1,410/- in the year 1970-71. The total sales were Rs. 89,702.90 ; Rs. 81,577.10 and

Rs. 76,841.95 for the years 1968-69, 1969-70 and 1970-71 respectively. The reason for the fall in sales being that credit sales were discouraged. In 1968-69 credit sales amounted to nearly 55 % of the total sales, whereas, in 1970-71 credit sales were only 4.5 % of the total sales. The society was running a canteen and sold snacks to its members and also to non-member buyers.

The society was able to declare a dividend of 5 % on the share capital and a bonus of Rs. 10/- to each of the employees for the year 1969-70. In the year 1970-71, the society declared a bonus of Rs. 15/- to each of the employees and a dividend of 9 % on the share capital.

National Chemical Laboratory Co-operative Consumers' Stores had been started by the employees of the National Chemical Laboratory and the society was located in the residential quarters of the employees. The society had three important sections. They were the ration section, the general requirements section and milk section. The society sold dals, oils, soaps etc., to its members at reasonable rates. The society's aim was not to have the stock exceeding one month's requirement as an unduly large stock was a wasteful way of locking up of capital. The milk-scheme worked

on a 'no-profit-no-loss' basis. The milk distribution had been extended to maximum shareholders and monthly consumption of milk was about seven thousand litres. The society has distributed one day's milk as bonus to milk consumers for all the three years. The society had procured cycle tyres and tubes from Maharashtra State Wholesale Consumers' Co-operative Federation and sold them to the members of the society as well as to the non-member buyers at controlled price. Oil was sold by the society not by volume but by weight only. The society dealt in many items like rations, provisions, biscuits, spices, soaps, toilets, fuels, cigarettes, pulses, hosiery, stationery, electric lamps, insecticides, candles, kerosene oil etc. The society had purchased one hand-operated adding machine. The daily cash sales were checked by one of the members of the Managing Committee and tallied with the cash memos before depositing the cash.

The net sales of the society showed increase for the years 1969-70 and 1970-71. The net sales were Rs. 5,98,962/- Rs. 6,02,226/- and Rs. 6,56,693/- for the years 1968-69, 1969-70 and 1970-71 respectively. But the net profit did not show any increase. This meant that the cost of operation had grown more than proportionately.

The society provided for the provident scheme of the employees. The society declared a dividend of 9 % and one month's pay as bonus to its employees for all the three years. The society also declared a rebate of 1.5 % on the purchases made by the members for the 1969-70.

Poona Lawyers Co-operative Consumers' Stores Ltd., was a voluntary organisation of lawyers set up for facilitating the purchasing of different items at reasonable rates. It was located in the campus of District Court where all the lawyers assembled for their work. The society showed marginal increase in sales for the three years under study. The society also declared a dividend of 9 % on share capital for all the three years.

The society sold to its members and the public court fee stamps, General Stamps, Revenue Stamps and other stamps. It also sold to its members and the public, postal stationery and other items of stationery. Since 1967-68 the society has been printing Brief Covers, Vakilpatra, appeal forms, affidavit, application form. Every year the society presented all its members with table diary. The society also printed the name of buyers on the brief-covers purchased by the buyers. For the benefit of its members the society

has collected a large number of books and journals. The society gave ten per cent discount on the purchases of different items of stationery.

The society had also published a Hand-Book for lawyers. That Hand-Book gave useful information to the lawyers. That Hand-Book for lawyers had been priced at Rs. 5/- only. The society also had Advocate's Gowns and Bands. The lawyers could have those gowns on hire from the society and they could buy those bands also. As there was no Post Office in the court premises the society had made facilities for registration and certificate of posting for its members.

Rajya Sarkari Nokar Sahakari Grahak Vastu Bhandar Ltd., was organised by the employees of State Government of Maharashtra. This society was located in the compound of the Central Building Office where the organisers of the society assembled for their work daily. The society was started in March 1967. In October 1966, the society had two branches, one at Cundh and the other at Queen's Garden. The branch at Cundh was closed in 1969 and the branch at Queen's Garden was closed in 1970. The branches had to be closed as they did not have enough business to be able to make profits. The society sold Grocery items like

dals, grams, oil, ghee, tea, coffee, sugar, plus items like papads, pickles etc., it also sold tyre tubes, pressure cookers. The sales of the society increased marginally from year to year. The society did not declare any rebate on the purchases nor did it declare any bonus for the employees as its net profits were meagre. In 1971, the society had only one store and that was in the compound of the Central Building Office.

Indian Coffee Workers Co-operative Canteen Society Ltd., was a voluntary organisation of the Indian Coffee workers and the canteen was located at 1251, Deccan Gymkhana, Poona-4. Of the six societies started by employees, this society was the only society that had incurred loss in 1971. The society had two branches, one at the J. M. Road and the other at 17, Mahatma Gandhi Road. Both these branches had to be closed as the landlords of those premises wanted them for their own businesses. The staff of those branches was shifted to the branch under study, resulting in heavy expenditure. Average monthly expenditure incurred on the establishment came to Rs. 3,783/- per month. The total management expenses shown in the Profit and Loss Account was Rs. 82,217.72.

The sale proceeds received from Deccan Gymkhana

branch amounted to Rs. 1,50,530/-. The average sales for a day came to Rs. 412/-. On the contrary expenses came to Rs. 492/- per day. The store was sustaining a loss of Rs. 80/- per day.

In 1970-71 the society had only fifteen members. The society had cash credit of Rs. 30,000/-, out of which an amount of Rs. 14,267.54 paisa was due for repayment. The society had repaid interest on cash credit with due instalments. The Society had applied for fresh cash credit of Rs. 30,000/- from the Poona District Central Co-operative Bank Ltd. Poona. It was learnt from office bearers that the bank was not willing to sanction the same on account of the heavy losses sustained by the society. The proposal for cash credit was under correspondence with the bank and the co-operative department.

The society had no funds of its own to run the business. Even the pay and allowance of the staff were paid by instalments. Honorary and allowances were paid to the Chairman at the rate of Rs. 200/- per month upto December 1970 and Rs. 150/- per month from January 1971 to June 1971. Also Honorary Supervisor was paid at the rate of Rs. 100/- per month upto December 1970 and at the rate of Rs. 50/- per month from January 1971 to June 1971. There was no specific

provision for payment of Honorarium and Allowances to the Chairman and Supervisor. Necessary provision for payment of Honorarium and Allowances was made to the tune of Rs. 3,000/- and thus the amount had been debited to Profit and Loss Account for the year 1970-71. As the society was running in heavy losses, there was no justification to pay fixed allowances to the Chairman and Supervisor.

The society was selling liquid coffee, coffee powder and snacks to the member and non-member buyers.

Both the societies started by businessmen showed steady increase in their sales each year. Poona District Motor Transport Co-operative Consumers' Stores Ltd., was a voluntary organisation of people engaged in transport business. The society was organised for facilitating the purchasing of different items at reasonable rates especially the spare parts that were imported. The society sold spare parts of trucks to its members. It had also obtained import license and sold to its members imported spare parts. It sold to its members imported spare parts nearly to the tune of rupees three lakhs in the year 1970-71. It had established a booking office for goods and did the booking of the transport of food grains.

The society made net profits for all the three

years. The net sales of the society were Rs. 12,89,945/-; Rs. 15,75,649/- and Rs. 20,02,115/- for the years 1968-69, 1969-70 and 1970-71 respectively. The net profit for the year 1970-71 was then less compared to the net profit for the year 1969-70. This showed that the cost of operation had increased more than proportionately. The society had declared a dividend of 9 % on share capital for all the three years. It had also declared a bonus of ten per cent for the employees for all the three years.

Poona Retailers Goods Supply Co-operative Consumers' Stores Ltd., was a voluntary organisation of businessmen set up for facilitating the purchasing of different items at reasonable rates. The society made bulk purchases for its members who were themselves dealing in those items. The society had obtained quota from the Government to buy directly from the millowners. The society, was, therefore, successful in eliminating wholesaler. The society sold items like kerosene, maida, rawa, sugar and groundnuts. In 1969-70, the society was successful in acquiring for itself the agency of kerosene.

The society had shown a good increase in its sales. In the year 1968-69, the sales of the society were about

Rs. 68,67,887/-. In the year 1969-70, the sales increased to Rs. 95,80,245/- and in the year 1970-71, the sales were Rs. 1,15,80,245/- only. For all the three years the society declared a rebate of .50 paise per gunny bag of rawa, atta, sugar, maida and bhcoosa. The society also gave a rebate of .05 paise for every litre of kerosene. The society also declared a dividend of 9 % on its share capital. It also declared a bonus of three months pay for its employees.

Brihan Maharashtra College Co-operative Consumers' Stores Ltd., was a voluntary organisation of students and teachers of B. M. College of Commerce. The society was set up to facilitate the purchase of different items at reasonable rates. The society was started in 1962. Its sales were Rs. 2,810/-; Rs. 2,750/- and Rs. 3,305/- for the years 1968-69; 1969-70 and 1970-71 respectively. The society sold note-books, banians and socks to its members.

M. E. S. College of Arts and Science Co-operative Consumers' Co-operative Stores Ltd., was a voluntary organisation of the students and teachers of M. E. S. College set up for facilitating the purchase of different items at reasonable rates. This society made a loss of Rs. 800/- in the year 1968-69, but made a net profit of Rs. 2,346/- in the year 1969-70. Its sales

which were only about Rs. 80,984/- in the year 1969-70 increased to Rs. 1,49,196/- in the year 1970-71. In 1970-71, the society sold grocery goods which formed about 20 % of the total sales. In 1968-69, the sales were mostly of grocery goods. From 1969-70 there was diversification of sales and the society started selling in addition to grocery items, text books, journals, exercise books and stationary items. In the year 1970-71, the society declared a dividend of 5 % on the share capital and a rebate of 2 % on purchases made by the buyers. The rebate was given at the time of making purchases.

S. P. College Co-operative Consumers' Stores was organised by the students and teachers of S. P. College. The society was located in the college campus. The society sold to its members exercise books, cosmetics, soaps, blades, brushes and stationary. The society had made a sale of Rs. 11,000/- in 1968-69. Its sales increased to Rs. 33,940/- in 1969-70. In 1970-71, the sales of the society were Rs. 35,040/-. The society made net profits of Rs. 6,129/- and Rs. 6,384/- for the years 1969-70 and 1970-71 respectively.

Poona University Federal Co-operative Consumers' Society Ltd., transacted business in purchase and sales of Text-Books published by the University of Poona,

question papers set by the University of Poona at its various examinations, stationery, Duplicating Stationery Articles, manufacture and sale of various journals required by the science students in colleges, manufacture and sale of answer papers, blades, cycle tyres and tubes, blankets and umbrellas and confiscated goods. There was increase in the sales as well as in the net profits of the society. Its membership also increased from eight in 1969-70 to ten in 1970-71. For all the three years, the society declared a dividend of 4 % on the share capital and also gave bonus of 4 % to its employees. It also gave rebate of 2 % on the purchases made from the society, to both the member and non-member buyers.

The society sold Gestetner Duplicating Stationery at the purchase to the buyers.

It may, however, be concluded that although eleven out of twelve societies under study showed net profits, increase in the growth of their membership and sales, the rate of growth was not substantial. For example, the average rate of growth of membership was only .1 and .05 for the years 1969-70 and 1970-71 respectively. In the case of sales the average rate of growth was .2 and .07 for the year 1969-70 and 1970-71 respectively. We also observe that the societies transacted business in a limited number of items. It would be appropriate

to mention that the societies could have had better rate of ~~gww~~ growth in membership and sales if they had transacted business in a greater variety of items and had rendered better services to their customers.