CHAPTER VI

SUMMARY OF FINDINGS, SUGGESTIONS AND CONCLUSION

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1. INTRODUCTION

Consumers' Co-operative Stores have been formed in order to protect the consumers from the greedy merchants by supplying goods of good quality, correct weighment, free from adulteration and at normal price. This study is taken to investigate the benefits enjoyed by consumers with the three sample consumers’ co-operatives within Salem. This chapter presents a summary of findings.

2. SUMMARY OF FINDINGS AND SUGGESTIONS

The main findings of the study are stated below

1. Goods are generally cheaper in these consumers’ co-operative than in private shops.

2. The reasons for the cheapness of goods in these stores are

   i. Purchase of merchandise as far as possible from the source of production.

   ii. Economies of large scale purchase of goods.

   iii. Local purchase brings the advantage of economy in transport cost.

   iv. Centralised purchase of certain goods.
v. Low margin of profit.

3. When these co-operatives purchase from private dealers, they avail discount under special offer scheme for household equipments.

4. These Consumers’ Co-operatives enjoy subsidies from the Government or from their management. This facilitates them to sell at lower prices. For example, ATC employees’ stores obtained share capital assistance from the Tamil Nadu Government which was repaid without overdue.

5. The Co-operative stores not only supply consumable goods like provisions, like grocery, cosmetics etc., but also supply LPG, home appliances like fans, sewing machines, gas stoves, almirahs, wet grinders, mixies, coffee makers etc. on credit. This is collected in easy equal instalments, from salary of members. For this the store enter into an agreement with members as given in Appendix-II.

6. They open branches within their area of operation in order to help their members. For example, ATC employees’ stores is having its branch at ATC Nagar in order to help its member. The Swarnapuri Co-operative Society is having two branches one at Fairlands, Salem –16 and another at House units, Ayyan Thirumaligai, Salem-8.
7. They are motivated to meet the needs of consumers at normal prices, in correct weighment, without adulteration. For this, they appoint casual labourers to clean the grocery items. They are correctly weighed in required quantities and packed in polythene covers.

8. Some stores supply uniform cloth, note books and other stationery item to the children of members and general public. The SAIL Employees' Stores supply these items to the pupils of Sri Vidhya Mandir Hr. Sec. School, Mohan Nagar, Salem.

9. They sell goods both for cash and credit. This is a great boon to the members, who are mainly from middle class.

10. In order to make each and every employee to be the member of co-operative stores, the share value is at its minimum as Rs.10 per share and entrance fee is Re.1 per member. For this they have to fill up the prescribed application form as given in Appendix –I.

11. During Deepavali they purchase crackers from Sivakasi and supply at cheaper prices to the members and common public.

12. These stores are also serving by having Ration shops in order to supply a great number of poor people within their jurisdiction. For example, SAIL Employees’ Co-operative Stores is running such a ration shop supply ratio goods to 1000 ration card holders.
13. They avoid long-term loans. They allow credit facility for short-term.

14. Proper election was conducted and representative have been elected.

The constitution of management is as follows in SAIL Employees' Co-operative Stores

1) President (Ex-officio) = 1
2) Executive constituencies = 2
3) Non-executive constituencies = 2
(Ladies -2, SC/ST -1) = 2

Total 7

In Swarnapuri Co-operatives Stores the constitution of management is as mentioned below.

1) President (Ex-officio) = 1
2) Vice-president (Ex-officio) = 1
3) Members = 8
(Ladies -2, SC/ST -1)

Total 10

So, the constitution varies from society to society according to the size of the society. The management is assisted by secretary and manager and other employees.
15. They are running with the motive to serve the masses. So, they fix lower prices at lower profit margin.

16. These consumer co-operative stores are having investments which are fluctuating.

17. From Table -2, we can find that the share capital is comprised of ‘A’ class members as well as ‘B’ class members.

18. These stores deposit their funds in Term Deposits and also in Demand Deposits. They also collect deposits from members and non-members. For example, the SAIL Employees’ Stores collect ‘Gas Deposit’ from members and ‘Employees security Deposit’ from non-members.

19. Reserve fund is created area deposited with co-operative banks. When dividend rate is more, the contribution to Reserve fund will become less.

20. Sales include sale of goods and sale of empties.

21. It is found out that Sundry Debtors is more in these societies due to credit sales.

22. Table-11 and 12 reveal cash in hand and cash at bank are fluctuating due to expenses and withdrawals out of banks.

23. Net profit is gradually increasing in these stores except 1994-95.
24. Dividend and patronage dividend is disbursed to the members. It should not exceed 9% of net profit. From Table-15 the store can assure an increasing trend year after year. This shows the successful functioning of these stores.

25. As per regulations, these stores contribute to so many funds like common good fund, dividend equalisation fund, co-operative development fund, co-operative education fund etc. This is revealed from Tables —16 and 17.

3. CONCLUSION

The study has focused its attention on the benefits derived by consumers through the Consumers' Co-operative Stores and their proper utilisation.

It is identified, personal and institutional factors influence economic benefits derived by employee-members and non-members. The suggestion are direct and outspoken from the study. If some suggestions prove worthy of being considered for better performance of these stores in order to benefit most of the consumers and if the study could be some use for benefiting the common mass through the co-operative stores, the researcher shall feel properly rewarded.