



CHAPTER - V:FINAL OBSERVATIONS AND CONCLUSIONS

1) To-day there is no country in the world which does not have a co-operative movement of its own in one or the other form. The co-operative movement has come to stay as an important sector of the national economy all over the world, irrespective of form of government political ideology, level of economic development and the social background.

2) In India the co-operative movement get important place in democratic socialist planning of the country. The State of Maharashtra is one of the leading states in India in respect of spread of Co-operative movement.

3) Kolhapur is one of the important district in Maharashtra State which is famous for co-operative ventures in various walks of economic life.

4) 'The Kolhapur Janata Central Co-operative Consumers' Stores Limited, Kolhapur' was established and started working on 24th January, 1963.

'The Kolhapur Janata Central Co-operative Consumers' Stores Limited, Kolhapur' works on the unitary pattern. The store was designated as the District Central Co-operative Consumers' Stores.

5) The activities of the store were confined to Kolhapur city and three and half talukas of the district. These talukas were Shahuwadi, Panhala, Shirole and half of Karveer.

The store has practically covered its prescribed area of operation. It has extended its retail activities in the Karveer taluka mainly.

6) Financial provision -

i) In the initial stage the store raised the necessary funds in the form of share capital.

ii) In the initial stage the authorised capital of the store was 5,00,000 Rupees. It was divided in 50,000 Shares of Rs.10 each.

iii) The store was eligible to get the financial assistance under centrally sponsored scheme of the government of India.

iv) At present (1986-87) the authorised capital of the store is Rs. 75,00,000. It is divided in 75,000 shares of Rs.100 each.

7) Branch expansion:-

i) In 1963 the store started its working with ten branches.

ii) In 1986-87 the store is working through 35 branches.

iii) In 1966-67 Rajarampuri provision stores began its working.

iv) The store entered in the field of manufacturing by opening its first bakery unit in 1971-72.

v) Two modern departmental stores with unique facility of self service were opened in 1980-81.

vi) The largest departmental store in India was established in 1984-85 in Rajarampuri area of Kolhapur city.

vii) The store introduced first self service mobile unit in India by beginning of mobile unit of the store, in 1986-87.

viii) In 1987-88 the store started its departmental store in rural area.

ix) The branch expansion activities of the store reveals that the store is trying to provide various facilities to the consumers'.

8) Membership:-

i) The membership of stores is continuously increasing.

ii) Between 1962-63 to 1986-87 the membership of the store increased by 15,374.

iii) The coverage of population through its membership is not remarkable.

iv) In the total co-operative membership of the district the percentage share of the store is very negre only 1.19 percent.

v) The principle of open membership has not been used in its real sense by the store.

9) Total Sales:

i) There is tremendous increase in the total sales of the store.

ii) The total sales has increased by 29297.68 percent in 1986-87 over 1962-63.

iii) The most significant increase in total sale of the store is the real achievement of the store.

10) Financial Aspects:

A) Share Capital:

i) The store started its functioning with very little amount of share capital.

ii) In 1962-63 its share capital was only 55,310 Rupees.

iii) In 1986-87 its share capital has increased to 56,02,125 Rupees.

iv) In the total share capital ratio of the state government is increasing very rapidly. Upto 1965-66 the ratio of individuals and co-operative societies in the total share capital was 62.63. But after-wards the trend is exactly opposite and in 1986-87 it was 18.71.

v) In the initial stage state partnership is necessary

to strengthen financial conditions of the store. However, as time passes the owned funds of the store should increase. But, it seems that this aspect has been neglected in the share capital composition of the store.

B) Working Capital:

i) Working Capital of the store is inclusive of reserve funds, paid up share capital, share suspenses, subsidy, loans and deposits received.

ii) There is continuous growth in its working capital.

iii) The growth rate of working capital is very high i.e. 20,959.23 percent during 1962-63 to 1986-87.

iv) As far as growth rate is concerned the position of working capital is definitely satisfactory.

v) The ratio of paid up share capital to working capital had declined and it is very low.

C) Reserves and Other funds:

i) The store maintains the Reserve and other funds.

ii) In 1962-63 Reserve and other funds were Rs.1679 as to constitute 2.80 percent of the working capital.

iii) These funds increased more than 10 lakhs of Rupees within 25 years as to constitute 8.05 percent of the working capital.

iv) The increased share of reserve and other funds is note worthy trend in the composition of working capital.

D) Borrowings:

i) The major sources of borrowings of the store are the State Government and Kolhapur District Central Co-operative Bank.

ii) In the total working capital of the store the percentage share of borrowings is quite high. From 1980-81 to upto 1984-85 the percentage share of borrowings from all the sources is more than 60 percent.

iii) It is true that consumers' co-operative should try to give such services which will attract the consumers'. But at the same time financial soundness should not keep aside.

iv) It is clear that store has preferred to borrow money than raising its own funds.

11) Total Earnings and Expenditure of the store:-

i) There is continuous increase in the total income of the store.

ii) The total income increased by 62155 percent during 1962-63 to 1986-87.

iii) In the total income of the store highest share is of the commercial profit.

iv) Total Expenditure also shows continuous increase.

v) Over the period of 25 years the total expenditure of the store increased by 50320.91 percent.

vi) The major item in the total expenditure is cost of man power. Nearly every year one third part of the total

expenditure is on cost of man power.

vii) The growth rate of increase in total income of the store is more compare to growth rate of increase in total expenditure.

viii) The store reached above the break even stage in 1965-66.

12) Gross profit and net profit:

i) The gross profit of store expended throughout the period under the review.

ii) Net profit has also increased. But increasing rate is low i.e. 357.98 percent.

iii) The dividend given to the share-holders is only one percent.

13) Purchases of the store are made through purchasing committee. The store tries to adopt as far as possible right purchasing policy.

14) The price policy of the store is neither active nor passive. It is admixture of both the policies. To attract the consumers' various methods are used by the store.

15) Self service and self selection of well-packed and neatly arranged commodities is remarkable technique of selling adopted by the store.



16) Departmental stores is the significant aspect of working of 'The Kolhapur Janata Central Co-operative Consumers' Stores Limited, Kolhapur'. These stores have given popularity to the consumers' co-operative movement in Kolhapur city.

17) 'The Kolhapur Janata Central Co-operative Consumers' Stores Limited; Kolhapur' had created a challenge to the monopoly of private traders in consumer goods trade.

...