

## **CHAPTER III**

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**PROFILE OF WARANA BAZAR**

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CHAPTER-III

PROFILE OF WARANA BAZAR

3.1 HISTORY OF WARANA BAZAR :

Warana Bazar Warananagar is a Co-operative consumer departmental store, situated in Kolhapur District of Maharashtra in India. And it is the first Co-operative departmental store in rural part of India.

Before 35 years, Warana nagar was known as "Warana Valley" which was barren and rock track. It was famous place for decoity. Only Couraged thieves were entering in this area. Now this dark picture has changed completely. The change took place only due to the peerless spirit and continuous efforts of Shri Tatyasaheb Kore. The dark picture has changed only because of establishment of a Sugar factory on Co-operative basis in the year 1955.

Warananagar is regarded as the best example of Co-operative movement in India. It has become an ideal and well known centre of sugar factory, Co-operative Bank, Co-operative dairy, Co-operative poultries, Paper industry and with all these ideal societies. There is also a new society which has been born just before fifteen years back. "Shree Warana Vibhag Sahakari Grahak Mandal Ltd, Warananagar it is popularly known as "Warana Bazar"<sup>1</sup>".

People here found many ways open to earn money.

There is slow but sure improvement in the economic condition of the farmers.

Warana Bazar, Warananagar is a Co-operative consumers departmental store, differs from other departmental stores in India, in a number of ways. First and most important is, it is situated in rural area. Majority of the people residing in this area are farmers. And second important difference is in

the departmental store of Super Bazar in New Delhi and Apana Bazar and Sahakari Bhandar of Bombay, annual sales varies from Rs 4.00 Crores to Rs 10.00 Crores. But these big cities have a population of nearly a crore. But Warananagar has a population of about 25,000 and if the population of the 80 villages of its area of operation is taken into consideration, it is only 2.50 Lakhs. In such a catchment area, annual sale of more than Rs 3.00 Crores is mind bogging. The famous film personality Shri Girish Karnad when he visited the store, has very appropriately written in the visitors book, "I could not believe it, even after I saw it".

There was no shopping centre near Warananagar. And people had to depend on small provision stores situated in their villages, run by private shop keepers. There was monopoly of a particular shop keeper in a particular sector. Consumers were not

getting good quality goods in correct weight at the reasonable price. For bulk purchases, people had to run to some other cities which are situated away from Warananagar like, Kolhapur, Sangli, Islampur and Ichalkaranji. That was very expensive and waste of time as well as energy. The price of the goods which consumers had to pay were very high and there was no surety about the quality of the goods. Nobody could raise voice against it. So it was a miserable condition. Therefore, Shri Tatyasaheb Kore who is an architect of Warana Complex, some times he pondering over the idea of starting a departmental store at Warananagar, which would make available to the people all the necessary commodities at reasonable rates and under one roof.

Warananagar has a co-operative sugar factory which works as a parent institution for Warana Complex. In addition to this, it has two co-operative poultries and a big co-operative dairy which provide


farmers a supplementary profession. It has a well built, well staffed elementary school, high school and college with residential facilities. Recently I.T.I. and an Engineering College too is started. Women's association undertakes many useful activities. One of the activities is a Lijjat Papad Centre which provides an opportunity for ladies to earn money utilising their leisure time. A Co-operative Bank is there to meet the financial needs of the people from this area. A small hospital is useful to meet the medical needs. Equal attention is given to the cultural side of the life of the people. There is a gymnasium a library and auditorium. Wardanagar boasts today for children's orchestra which has received an international recognition when it travelled to Yugoslavia to participate in the festival. Recently, Orchestra had an invitation from Government of Mauritius to celebrate 350th year of sugarcane cultivation and group presented six programmes there.

On the bright background, it was decided to start a departmental store, but to run a departmental store was not a easy task and to run it in a rural area was still hard task. It was never attempted in rural India before. Shri Tatyasaheb and his colleagues were fully aware of the risks involved in this endeavour. It was fortunate coincidence that Consultancy and Promotional Cell (CPC) of National Co-operative Consumers Federation (NCCF) of India Ltd New Delhi and International Labour Organisation (ILO) experts were at this very time in search of a proper location where they could materialise the Central Government scheme to start a departmental store in some rural part of India. In Warananagar, they found an ideal location and entrepreneurs.

With the help of technical assistance from International Labour Organisation (ILO) and Sweedish International Development Authority (SIDA), seed of



this departmental store was sown by CPC of the NCCF Ltd New Delhi on a very proper piece of land like Warananagar. A wellknown experts like, Mr. Deorksen, Mr. Gulati Talik, and all others has suggested that this is a proper and ecological conditional place for growth of this seeds. Really, experts' advice has helped to develop this seeds. And this seeding surely develop into a very strong and fruitful trees having so many branches spread here and there.

  
The CPC was more than happy to assist Warananagar Co-operative because it recognised conditions present here, were conducive. Human resources were sufficient for the task in hand. On the human side the Warananagar has a tradition of outstanding Co-operative leadership. For financial funding, a three pronged attack was made. The sugar mill offered every assistance. Government policy of

share capital investment in Co-operative department provided further funding and an extensive and vigorous campaign for members, Share capital was made and it met with a great success.

According to the plan and specifications of the NCCF of India Ltd's Architect, Warana Sugar factory has constructed a special building and provided to the Bazar on rental basis. The furniture used in the Bazar to display the Merchandise are designed by ILO expert. They have also helped in the appropriate and artistic display of the merchandise which is a science by itself.

Many new systems of the store operations were agreed upon. The outlet was to be based on the department store concept. Perhaps the most important new system was to follow the set of manuals produced by CPS Project, Management Accounting system and purchases are made on pilot system is made by CPC are

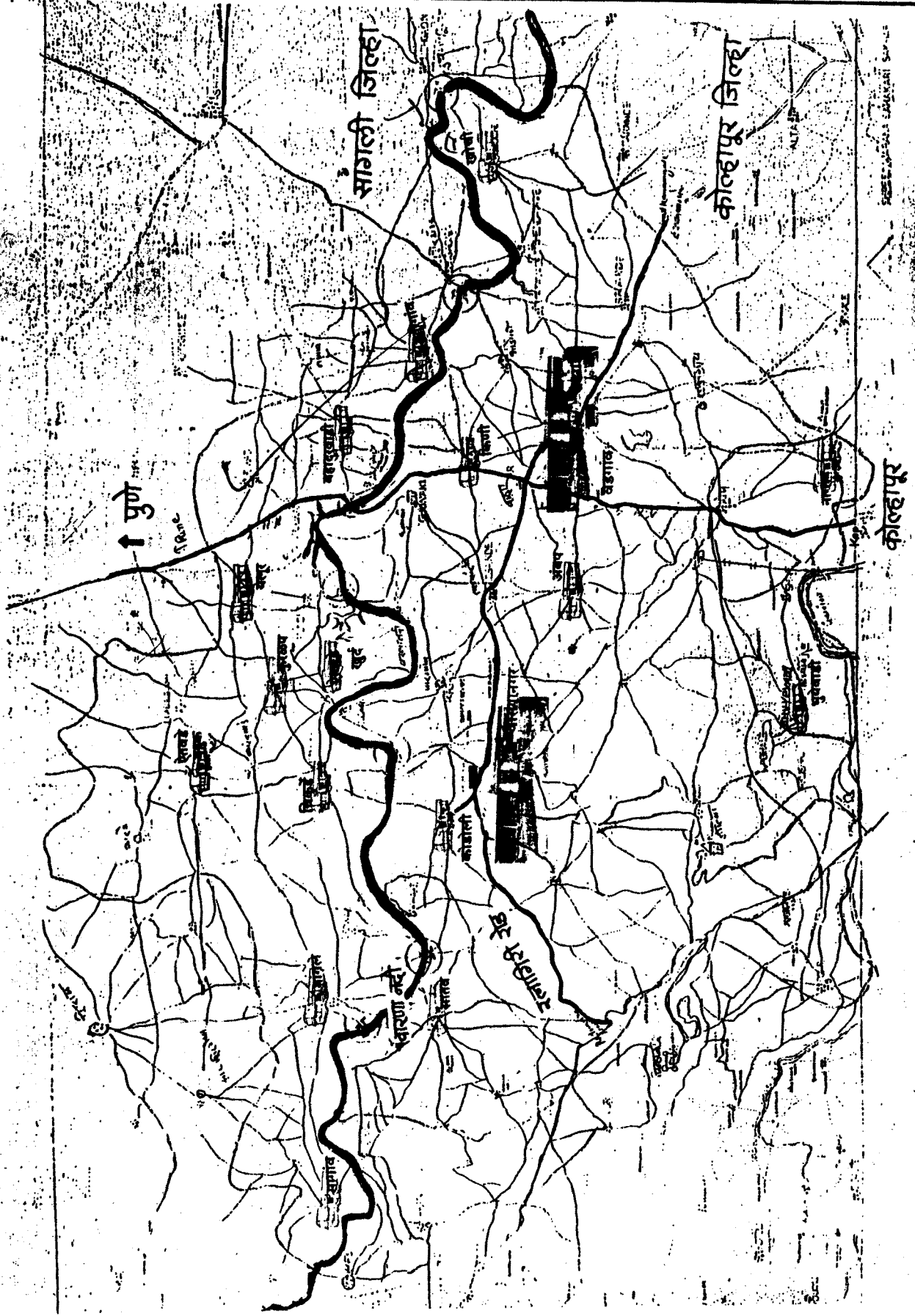
first tie used in Warana Bazar. New accounting system gives operational informations to the management, by help of this information management can make forecast about purchase and sales. Goods can be purchased by help of pilot system. Stock can be kept at minimum and maximum turnover can be achieved by help of the pilot system.

A series of meetings and seminars were organised during which the new methods of operation were introduced by the CPC to all levels of the organisation. Board of Managers, Members, Sales people were all thoroughly oriented to make the system effective. Thus the Divisional Joint Registrar, Co-operative Societies Poona, registered the new society "Shree Warana Vibhag Sahakari Grahak Mandal Ltd, Warananagar" on 7th August 1976.

The name of Mr. N.K. Naik was unanimously agreed for the key post of Chairman as he was a

well-known popular and experienced Managing Director of Warana Sugar Factory and was proved to be an able administrator. A well reputed co-operative organisation Shetkari Sahakari Sangh Ltd, Kolhapur helped significantly by deputing two persons of managing capacity for the period of one year. Thus, Warana Bazar a first departmental store in rural India started functioning from 2nd April 1978. Opening was made at the auspicious hands of Hon. Shri. Mohan Dharia, the Minister of Commerce and Supplies and Co-operation, Central Government, New Delhi, and under the presidentship of Honourable Shri Vasant Rao Dada Patil, the former Chief Minister of Maharashtra. And now Shree Warana Vibhag Sahakari Grahak Mandal Ltd, Warananagar" shies as a "Warana Bazar"<sup>2</sup> and as a precious stone in the crown of Warana Complex.

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3.2 LOCATION OF WARANA BAZAR :

Warananagar is situated at the foot of the fort of Panhala, nearly sixteen Kilometers away and on the southern bank of the river Warana. The location of this Warananagar is ten kilometers away from Vathar, situated on Pune-Bangalore highway. The buses run to Warananagar from Vathar.

Warana Bazar is situated in Warananagar, which is a part of Kodoli Grampanchayat 30 Kilometers away from Kolhapur.

This place is surrounded by nearly 80 villages.<sup>3</sup> The area of operation of SWVSGM Ltd, Warananagar is nearly the same as that of the sugar factory. The area of operation consists of 78 villages of the Warana Sugar factory area of Kolhapur and Sangli District. It covers approximately 3.5 to 4.00 Lakhs populaticn.<sup>4</sup>

Following villages are included in the area of operation of the Grahak Mandal.

[A] KOLHAPUR DISTRICT :

I) Panhala Taluka :

- a) Sawarde, 2) Arale, 3) Satave, 4) Mohare,
- 5) Kakhe, 6) Borpadale, 7) Sahapur, 8) Male,
- 9) Kekhale, 10) Pokhale, 11) Jakhale,
- 12) Bahirewadi, 13) Kodoli, 14) Amatewadi,
- 15) Dewale, 16) Kushire, 17) Porle,
- 18) Pohale.

II) Hatkanangale Taluka :

- 19) Padali, 20) Manpadale, 21) Ambap,
- 22) Pargaon, 23) Talsande, 24) Chavare,
- 25) Ghunki, 26) Kini, 27) Vathar, 28) Vadgaon
- 29) Bhadole, 30) Minche, 31) Sawarde,
- 32) Tasgaon, 33) Latwade, 34) Bhendawade
- 35) Vathar Udgaon, 36) Nagaon, 37) Top,

- 38) Khochi, 39) Nilewadi, 40) Nave Pargaon,  
41) Ambapwadi, 42) Kasarwadi, 43) Sambhapur,  
44) Kapurwadi.

III] Karveer Taluka :

- 45) Shiye, 46) Bhuye, 47) Kerli,  
48) Jatharwadi, 49) Bhuyewadi.

B] SANGLI DISTRICT :

I) Shirala Taluka :

- 50) Sangaon, 51) Kande, 52) Chikhali, 53) Natoli,  
54) Mangale, 55) Deowadi


II) Walwa Taluka :

- 56) Thanapude, 57) Chikurde, 58) Devarde  
59) Aitwade Budruk, 60) Karve, 61) Karan  
Jawade, 62) Ladegaon, 63) Vashi, 64) Kurlap,  
65) Yelur, 66) Kundalwadi, 67) Aitawade Khurd  
68) Tondulwadi, 69) Kanegaon, 70) Malewadi,  
71) Bahadurwadi, 72) Koregaon, 73) Shigaon,  
74) Dongarwadi, 75) Shekharwadi,  
76) Dhagewadi, 77) Pharnewadi, 78) Bharatwadi<sup>5</sup>



Warana Bazar is surrounded by a number of housing colonies, students hostels, hotels and restaurants. It is easily approachable by bus routes from all villages falling within the area of operation.

The total carpet selling area of the store is 8000 Sq.ft. and the area that is available for godown is about 6200 Sq.ft and 800 Sq.ft. for office space. Thus total area is 12,400 Sq.ft.<sup>6</sup>



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3.3 NEED OF WARANA BAZAR :

Before the establishment of "Warana Bazar", Warananagar has also a Co-operative retail outlet for some years, but it was very small to fulfill all the requirements of the customers. It was founded as an industrial co-operative, with membership limited to the sugar mill employees. It's Board of Directors was semi integrated with sugar mill management. Although it could boast of some success, it could only meet a fraction of its members consumer needs. But what about other people living in this area ? Hence there was a strong need of a comprehensive shopping centre.

The need of the store arose because of the following points.

- 1) There was no market in the near vicinity. So residents of Warananagar were expected to meet the requirements from Warana Bazar.



2) More than 500 farmers, members of the sugar factory and other cane suppliers regularly visit the factory, throughout the year. An amount of Rs 5 Crores were annually distributed to the members in 2 - 3 instalments. The members have pressed the office bearers of the factory to open a co-operative consumer stores, so that they can purchase required goods and commodities of factory site, after collecting their sugar cane bill.

3) In order to meet day to day requirements of the people, store was essential.

Thus the economic progress achieved by the rural population would serve the end only if it could help to improve the standards of living. In this direction Warana Bazar a first departmental store in rural part of India came into existence.<sup>8</sup>

3.4 OBJECTIVES OF WARANA BAZAR :

The objectives of Warana Bazar are :

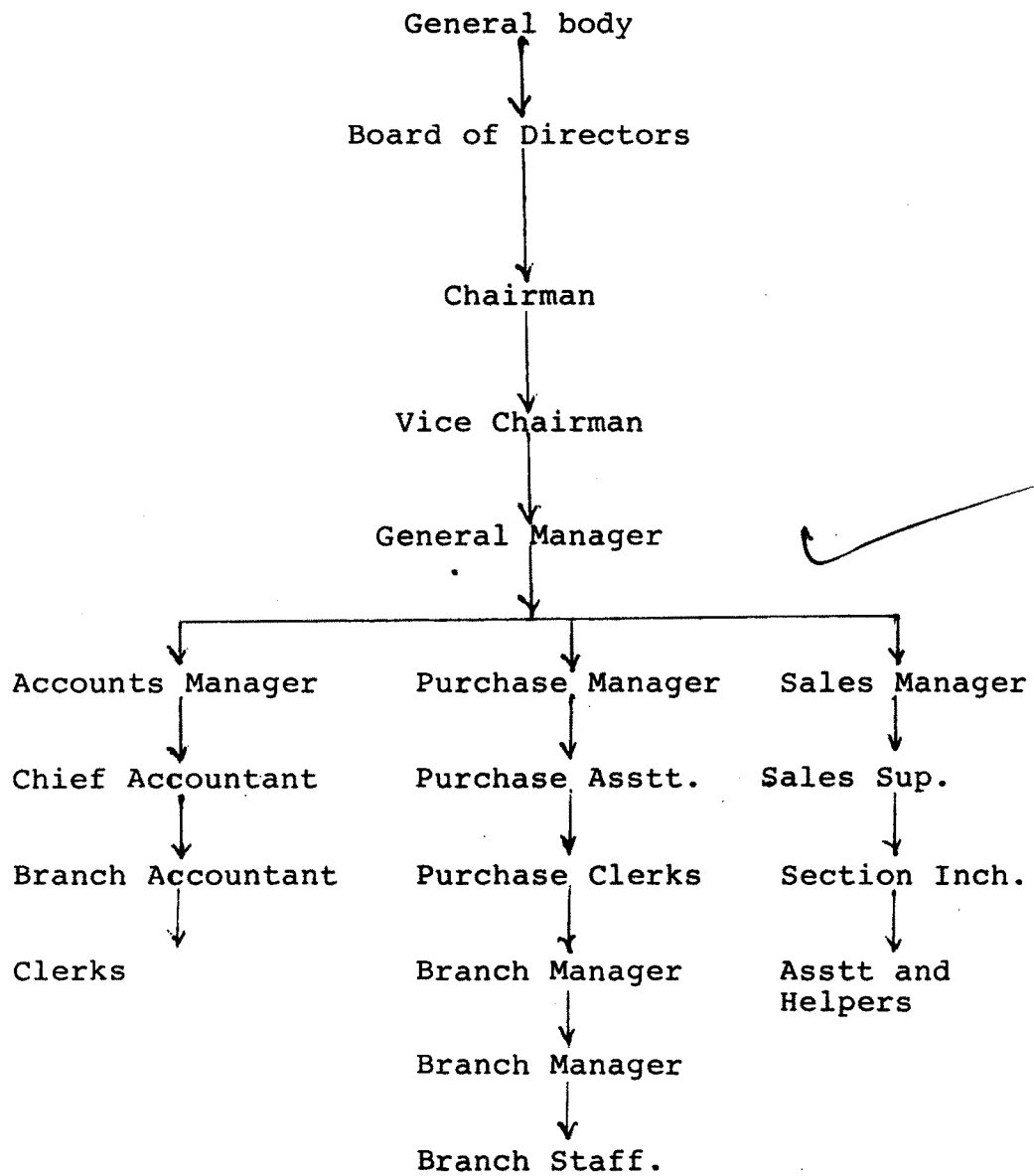
- 1) To provide quality goods at the most reasonable prices to the consumers at large.
- 2) To procure in wholesale and to store consumer goods for supply, to consumers and members.
- 3) To encourage marketing, processing and industrial co-operatives by obtaining supplies from them.
- 4) To undertake processing and manufacturing activities as and when possible without adversely affecting the interest of the other co-operative societies.
- 5) To undergo import of customers goods and to undertake functions for distribution of controlled commodities.

- 6) To enter into Partnership with two or more co-operative societies for carrying out any specific business or business as per provisions of Section 20 of the Maharashtra Co-operative Societies Act.
- 7) To recommend loan applications of affiliated Primary consumers stores to financing agencies
- 8) To constitute local advisory bodies for branches.
- 9) To supervise working of Primary stores and advise them on management and business technique. ✓
- 10) To encourage, self-help, thrift and mutual aid among managers and help to the members to build up trade deposits against which consumers goods would be supplied.
- 11) To help to develop consumers co-operative Movements. 9

3.5

ORGANISATION OF WARANA BAZAR

Organisation Chart



As shown in the above chart the members (individual and societies) elect their 14 representatives for a period of five years as directors. The Board of Directors is the Supreme Policy framing and decision making authority for overall management and control. The Directors manage through their policy decisions taken in the Board meetings. The Government nominates one person i.e. District Deputy Registrar, Co-operative Societies, Kolhapur and the District Central Co-operative Bank nominates one representative on the Board. Thus, the Board of Directors comprise of 16 members. The Board elect from amongst themselves a Chairman and Vice Chairman who hold the office, normally for a period of one year. General Manager acts as a Secretary to the Board. Under the General Manager, works various sectional heads and under the section head various clerk works as shown in the chart given above.<sup>10</sup>

3.6 GROWTH OF WARANA BAZAR :

Growth of membership, sales, purchases, gross profit, net profit, reserve and other funds of Warana Bazar is explained as under :-



3.6 (a) GROWTH OF MEMBERSHIP :

Members are the most important factor to form and run a co-operative societies. It is not possible for a man or a woman to establish a co-operative society and if establish, it calls a individual or sole proprietorship, business organisation. Any man or woman could join in a co-operative society and become (a) Members in equal terms. Distinctions are not made on the basis of race, religious, caste or political opinion of members.

To form or to establish a co-operative society more than <sup>10</sup> persons are essential. Increase in membership is the main criteria of consumers cooperatives and it shows the spirit of cooperatives among the people.

The table 3.1 shows that there is continuous increase in the membership of Warana Bazar. In the

year 1978-79 total members of the store were 1363. And in 1992-93 total membership of the store is 6759 out of them 5027 are women, it is almost doubled as compared to male members. This indicates that women are more interested to take part in the store.

Initially the percentage of growth rate of members were only 7.62 percent. In the year 1982-83, it is 51.94% it is because of opening a new departmental store at Peth Vadgaon. In the year 1987-88, it is only 2% because of covering all operation limit. As a result there was limitation to open new branches and hence the membership also became steady. But in 1988-89 the growth rate become 15.68 percent. It is almost 8th time more than that of 1987-88. It is a cause of 19 new villages are covered in the year 1992-93, the growth rate is 12.40. By observing all this the growth of membership is not gradually increasing or decreasing, it some times increases as well as decreases.

The table also shows that, increase in women members are more than that of men members. Initially women members were negligible but after 1982-83, women members are rapidly increasing as compared to male members. At present total members of the store are 6759, out of this, 5021 are women members and only 1738 are male members because of the management policy of Warana Bazar to participate women in the store. Management has taken keen interest to enroll women members because major part of the goods of the store deals with household commodities and women are also taking keen interest to purchase domestic commodities.

The following table No. 3.1 shows the growth of membership of Warana Bazar.

TABLE NO. 3.1

Growth of individual Membership of Warana Bazar

S.No.	Y e a r s	Individual Members Male	Female	Total Members	Growth Rate %
1.	1978-79	1144	219	1363	-
2.	1979-80	1176	295	1471	7.92
3.	1980-81	1215	407	1622	10.26
4.	1981-82	1279	577	1856	14.42
5.	1982-83	1322	1498	2820	51.94
6.	1983-84	1322	1620	2952	4.68
7.	1984- 85	1338	1730	3068	3.93
8.	1985-86	1345	1989	3334	8.67
9.	1986-87	1357	2050	3407	2.19
10.	1987-88	1361	2114	3475	2.0
11.*	1988-89	1411	2609	4020	15.68
12.	1989-90	1444	2887	4331	7.74
13.	1990-91	1498	3365	4863	12.28
14.	1991-92	1648	4365	6013	23.65
14.	1992-93	1738	5021	6759	12.40

\*Note: On account of the change in the accounting year the figures are of Nine months only.

Source: Compiled from Annual Reports of "Warana Bazar"

3.6 (b) Growth of Share Capital :

Share capital means amount contributed by members of the business. To run any business capital is the most essential one, and it also helps business to become a self sufficient. For the study performance of Warana Bazar, the position of its share capital has to be taken into consideration.

In the year 1978-79, the authorised share capital of the store was Rs 25/- lakhs and the face value of the share was Rs 25/- and the number of shares were 1 Lakh. At present (1992-93) the authorised Share Capital of the store is Rs 50/- Lakhs and the face value is Rs 25/-.

By the help of Table No. 3.2, it is clear that, initially the paid-up share capital was Rs 6,28,500 and at present in 1992-93 it is 33,27,625. This indicates that, the continuous increase in the share capital of the store. In the year 1982-83 the paid up share capital was Rs 11,45,675/- and growth rate was 50.59. But in the year 1986-87 this growth rate was only 0.46% and in 1987-88 it was almost negative. This is because some shares of the Government were repaid. And since 1988-89 share capital is again gradually increasing and growth rate of share capital was 5.36%. At present (1992-93) the share capital is 33,27,652 and growth rate of share capital is 5.46.

The following Table No. 3.2 shows the growth rate of Share Capital of Warana Bazar.

TABLE NO. 3.2

Growth in Share Capital of Warana Bazar

S.NO.	Y E A R	PAID UP SHARE CAPITAL (Rs)	GROWTH RATE %
1.	1978-79	6,28,500	-
2.	1979-80	6,42,125	2.17
3.	1980-81	7,02,125	9.34
4.	1981-82	7,60,750	8.35
5.	1982-83	11,45,675	50.59
6.	1983-84	14,73,900	28.65
7.	1984-85	17,98,225	22.04
8.	1985-86	21,76,250	21.02
9.	1986-87	21,86,375	0.46
10.	1987-88	21,85,775	-0.03
11.*	1988-89	23,03,050	5.36
12.	1989-90	23,76,175	3.18
13.	1990-91	26,87,900	13.12
14.	1991-92	31,55,425	17.40
15.	1992-93	33,27,625	5.46


\*Note: On account of the change in the accounting years the figures are for Nine months only.

Source: Compiled from Annual Reports of Warana Bazar, Warananagar.

3.6(c) GROWTH OF SALES OF WARANA BAZAR:-

Gross profit is determined by the help of annual turnover of a business. So sales is a basic factor to determine a gross profit of a business, progress in total sales shows the prosperity of the consumers co-operative society.

Table No. 3.5 shows that, there is a tremendous increase in the total sales of the store. The total sales increased from Rs.81,65,178 in the year 1978-79 to Rs.17,55,43,592 in the year 1991-92. In the year 1979-80 ,the growth rate of the total sales was very high because of opening the new sections in the store. In 1988-89 it becomes negative, compared to the last years, because of only nine months account. At present (1992-93) the growth rate is 12.76 percent.



Growth of Sales of Warana Bazar is shown in the following table No.3..

Table No. 3.3

Growth of Sales of Warana Bazar

S.NO.	Y E A R	TOTAL SALES (Rs)	GROWTH RATE %
1.	1978-79	81,65,178	-
2.	1979-80	1,47,37,230	80.48
3.	1980-81	1,63,14,792	10.70
4.	1981-82	2,30,61,628	41.35
5.	1982-83	3,07,87,079	33.49
6.	1983-84	3,72,50,193	20.99
7.	1984-85	4,70,74,902	26.37
8.	1985-86	5,21,91,460	10.87
9.	1986-87	6,88,37,283	<del>31.89</del>
10.	1987-88	7,86,43,941	14.25
11.*	1988-89	6,80,44,085	-13.47
12.	1989-90	10,65,91,655	56.65
13.	1990-91	13,65,24,879	28.06
14.	1991-92	15,56,70,408	14.02
15.	1992-93	17,55,43,592	12.76

\*Note: On account of the change in the accounting year, the figures are for Nine months only.

Source: Compiled from Annual Reports of Warana Bazar.



3.6(d) GROWTH OF PURCHASE OF WARANA BAZAR.

Development of consumers co-operative can be measured in terms of purchases made by the store. The store made 75% purchase directly from the manufacturers from the place of production and only 25% purchase from the open market because of small requirements for the store.

Table No.3.4 shows that, there is continuous increase in purchase of the store. in the year 1979-80 the growth rate of purchases was highest. It is because of some new items are purchased i.e. P.V.C. Pipes, manures, etc, and opening of some new sections. But in the year 1988-89 the purchases are declined because accounts were only nine months. At present the growth rate of purchases is 13.75 percent.

The following table No.3.4 shows the growth of purchases of Warana Bazar.

Table No. 3.4

Growth of Purchases of Warana Bazar

S.NO.	Y E A R	TOTAL PURCHASES (Rs)	GROWTH RATE %
1.	1978-79	80,66,995	-
2.	1979-80	1,38,94,423	72.24
3.	1980-81	1,57,57,003	13.41
4.	1981-82	2,18,26,917	38.52
5.	1982-83	2,99,50,029	37.22
6.	1983-84	3,65,48,913	22.02
7.	1984-85	4,42,67,263	21.12
8.	1985-86	4,92,38,912	11.23
9.	1986-87	6,60,26,256	34.09
10.	1987-88	7,43,67,833	12.63
11. *	1988-89	6,62,57,026	-10.91
12.	1989-90	9,89,56,998	49.35
13.	1990-91	13,17,28,467	33.12
14.	1991-92	14,54,90,788	10.45
15.	1992-93	16,54,94,099	13.75

\*Note: On account of the change in the accounting year, the figures are for Nine months only.

Source: Compiled from Annual Reports of Warana Bazar.

3.6(e) GROWTH OF GROSS PROFIT AND NET PROFIT OF WARANA BAZAR.

The success of any business depends upon its gross profit and net profit. Dividend also depends upon net profit of a business. Financial position of any business can also be measured by help of its net profit. Gross profit means commercial profit and net profit is what remains after deducting all expenses of the store.

Table No.3.6 & 3.7 show that the gross profit and net profit of the store is continuously increasing. In the year 1978-79 the gross profit of the store was Rs.4,34,690 and net profit was Rs.25,138. At present gross profit is Rs.94,69,411 and net profit is Rs.1,93,219.

In the year 1979-80 the growth rate of gross profit was highest (70.54%). It is because of opening of some new sections and it helps to increase the total

income of the store. So the growth rate of gross profit and net profit was highest. In the year 1988-89 the growth rate of gross profit and net profit became negative, as it was nine months account. At present (1992-93) the growth rate of gross profit and net profit is 16.66 & 12.66 respectively. It is because of increase in sales of the store. The respective growth rate of gross profit and net profit is 16.66% to 12.66% respectively.

The table No.3.5 & 3.6 shows in growth of gross profit and net profit of Warana Bazar. ✓



Table No. 3.5

Growth of Total Gross Profit of Warana Bazar

S.NO.	Y E A R	GROSS PROFIT (Rs)	GROWTH RATE %
1.	1978-79	4,34,690	-
2.	1979-80	7,41,332	70.54
3.	1980-81	8,40,276	13.35
4.	1981-82	10,25,756	22.07
5.	1982-83	13,71,086	33.66
6.	1983-84	16,89,108	23.19
7.	1984-85	22,09,349	30.79
8.	1985-86	26,80,228	21.32
9.	1986-87	33,31,079	24.28
10.	1987-88	39,76,820	19.38
11.*	1988-89	32,44,858	-18.41
12.	1989-90	53,99,533	66.40
13.	1990-91	72,18,354	33.68
14.	1991-92	81,17,097	12.45
15.	1992-93	94,69,411	16.66

\*Note: On account of the change in the accounting year the figures are for Nine months only.

Source: Compiled from Annual Reports of the Warana Bazar



3.6 (f) GROWTH OF RESERVE AND OTHER FUNDS :

Financial stability of any business depends upon reserve and other funds which can be used as a safeguard against risks. Financial strength of any concern can be measured in terms of reserve and other funds by the concern.

Warana Bazar has maintained the following funds out of its surplus for unseen risks.

- i) Reserve Funds,
- ii) Share Capital Redumption funds,
- iii) Price fluctuation funds,
- iv) Depreciation funds,
- v) Benevolent funds.

Table No. 3.3 shows that in the year 1978-79, the reserve and other funds of the store were of Rs 45,999. But at present (1992-93) it gone upto Rs 51,73,565/-. This shows that there is substantial increase in reserve and other funds of the store within 15 years.



Reserve and other funds increase continuously but there is no continuous increase in the growth rate of the store. In the year 1979-80 the growth rate of reserve & other funds were 301.52% it is because of highest growth in gross profit (70.54%). In 1988-89 it comes down upto 13.91% because of account of the store was nine months only. At present growth rate is 10.95. The growth rate of reserve and other funds is shown in the following table No. 3.7

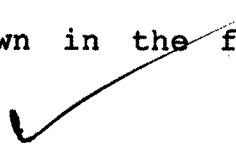




Table No. 3.7

Growth of Reserve & other funds of Warana Bazar

S.NO.	Y E A R	RESERVE & OTHER FUNDS Rs	GROWTH RATE %
1.	1978-79	45,999	-
2.	1979-80	1,84,695	301.52
3.	1980-81	5,07,396	174.72
4.	1981-82	7,09,532	39.84
5.	1982-83	9,79,340	38.03
6.	1983-84	11,88,234	21.33
7.	1984-85	13,71,546	15.14
8.	1985-86	16,06,546	17.13
9.	1986-87	19,46,307	21.15
10.	1987-88	25,30,665	30.03
11.*	1988-89	28,52,598	13.91
12.	1989-90	31,95,500	10.85
13.	1990-91	41,52,915	29.96
14.	1991-92	46,62,913	12.28
15.	1992-93	51,73,565	10.95

\*Note: On account of the change in the accounting year, the figures are for Nine months only.

Source: Compiled from Annual Reports of Warana Bazar.

3.7 SECTIONS OF THE STORE : WARANA BAZAR :

The store consists of 17 sections namely, Shirting, Suiting, Sarees, Towel - Bedsheets, Readymade, Cosmetics, Sugar, Groceries, self-service, Footwear, Medicines, Household, stationery, Agro Service, Cycle Electricals, Godown, Petrol Pump and Cold Drinks.!!

Self service section is a major attraction and a matter of pride to the management. This is the most favourite section to all customers. All the daily use essential commodities are kept in this section. These include different types of washing soaps, toilet soaps, cleaning powders, various types of tea powders, sugar, coffee, drinking chocolate, biscuits, bakery products, jams, jellies, pickles, dairy products, different types of pulses, grains, peas, groundnuts, spices, all masala ingredients, candles, safety matches, brushes, etc. All these needed goods are cleaned, packed, weighted, labelled and very decently kept on racks. So these display itself



does salesman's work. It is not possible to make hand bills, so cash registers are kept in this section. This method gives great satisfaction to the customers as they themselves can do the selection of the thing. In this section customers prefer "Self Service" pattern for shopping. By help of this method, customer can actually handle the product, they can test the quality of the product and have an ample scope for selection. So this system is a boon to departmental store. Household, textile, foot-wear etc. sections are kept semi self service types. By help of this section even illiterate people can take delight in making their purchases.

Now kerosene section has also started by the store by making special efforts. This store has provided modern facility in delivery it through a Kerosene dispensing pump. Warana Bazar is Government Nominee for distribution of controlled cement, and also runs a petrol pump. Thus Warana Bazar has become the first rural distribution centre in Maharashtra for Asbestos cement sheets for Everest company.<sup>12</sup>

3.8 BRANCH EXPANSION OF WARANA BAZAR :

Opening of new branches shows the growth of the store. Since its establishment, the store has expanded its activity by opening new branches in Kolhapur and Sangli districts in Maharashtra.

The operation area of the store included 78 villages and some of the villages are more than 22 Kms. away from Warananagar in the deep interior where transport facilities are not available. So management of Warana Bazar has opened 16 Retail outlets (Kini, Mangale, Satve, Bahadurwadi, Aitawade Khurd, Chikurde, Kodoli, Yelur, Sangaon, Nagaon, Kurlap, Bhuyewadi, Aitwade Bk. Ambap, Koregaon and Khochi)<sup>13</sup>. The store has opened a new fullfledged branch (Departmental Store) at Peth Vadgaon on the auspicious occasion of Deepawali on 20th Oct 1984. Now Warana Bazar has two departmental stores and 16 retail outlets. Location of the branch has chosen in such a way that people from nearby 6 to 7 villages will get benefits of Warana Bazar. Thus people residing in every

village in the area of operation can find Warana Bazar's retail outlets within a short distance of only 5 Kms.

3.9 CUSTOMERS OF THE WARANA BAZAR :

Taking into account the area of operation of the Warana Bazar, the daily customers coming from the nearby villages including the area of operation of Shri Warana Sahakari Sakhar Karkhana Ltd, as well as Shri Warana Sahakari Dudh Utpadak Prakriya Sangh Ltd, Warananagar.

The customer of the store is some what different from other stores, because Warana Bazar is a first departmental store situated in rural part of India and therefore, customers are also from rural area.

The customers served in Warana Bazar are following types :

- a) Residents of Warananagar
- b) Members of the sugar factory & other cane suppliers of factory.

- c) The sugar factory employees
- d) The sugar factory seasonal workers
- e) People around the factory area.

Thus, Warana Bazar is established in Kolhapur District. Sugarcane growers, majdoors, contractors coming to Warananagar and visit Warana Bazar for their requirements. So the store gets very good response.<sup>14</sup>

### 3.10 AUDIT CLASS :



Audit is an examination of the books of accounts & vouchers of an undertaking to ascertain whether the Balance sheet and Profit & Loss Accounts shows a true and fair view of the state of affairs and profit position of the concern. So, audit is the mirror of any business in which the picture of its financial position can be depicted. In the beginning 1978-79 the Warana Bazar completed its audit and it got audit Class "B". Generally in the beginning any society does not get audit class.


But this store received audit class "B". This shows the honesty and truth of the Management. In the year 1980-81, the store has been given Audit Class "A" because of its efficiency in working. Recently, the store has maintained audit Class "A"<sup>15</sup>.

CONCLUSION :

The above observation and discussion clearly shows that, during the short span of fifteen years the store has made a remarkable and creditable progress. It is mainly because of proper application of the principle of co-operation and scientific management of the store.

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