
CHAPTER - IV

SALES AND STOCK CONTROL

AT JANATA BAZAR,

KOLHAPUR.

- A) SALES
 - B) STOCK CONTROL
-

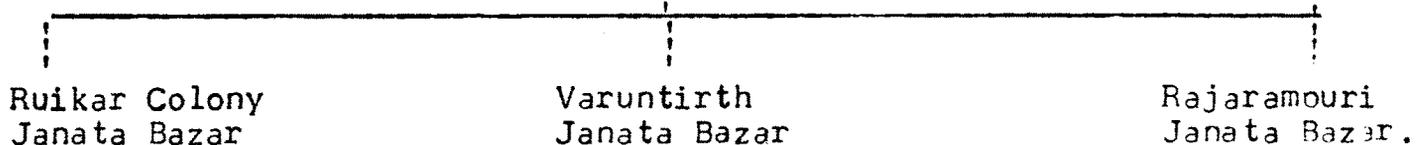
CHAPTER - IV.SALES AND STOCK CONTROL AT JANATA BAZAR, KOLHAPUR.A) SalesSales Organisation :

Successful selling requires planned and co-ordinated sales efforts. This task can only be achieved by a viable, sound and balanced sales organisation. Sales organisation is a part of the total business organisation of the firm and it is concerned with profitable and efficient distribution of goods and services to the ultimate consumer.

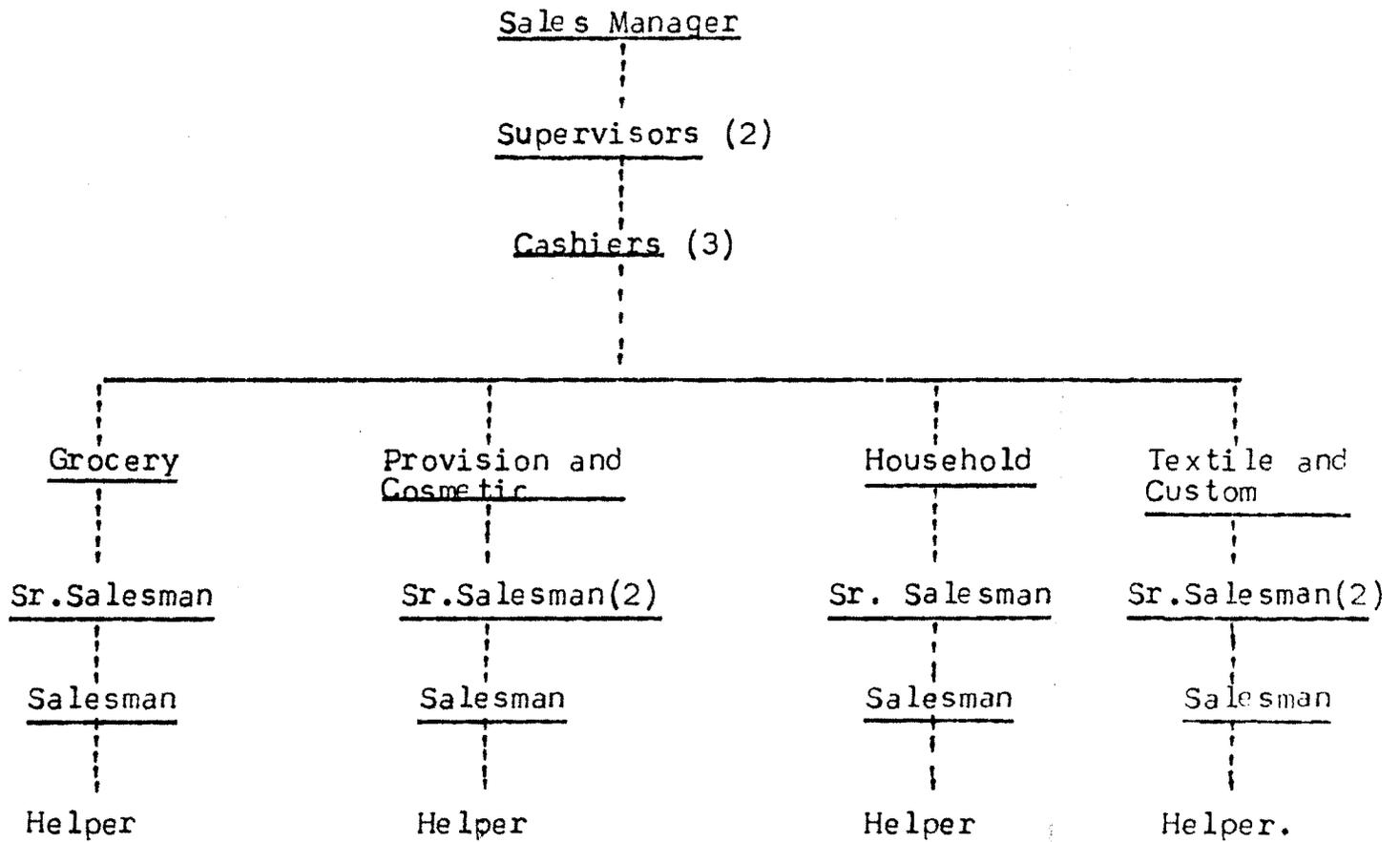
The ultimate aim of every business is to " sell well ". Therefore sales organisation is a vital necessity for any business. The sales organisation provides enough, efficient and economic administrative set-up to achieve the best results with the minimum efforts.

Organisation structure for Sales function in Janata Bazar :

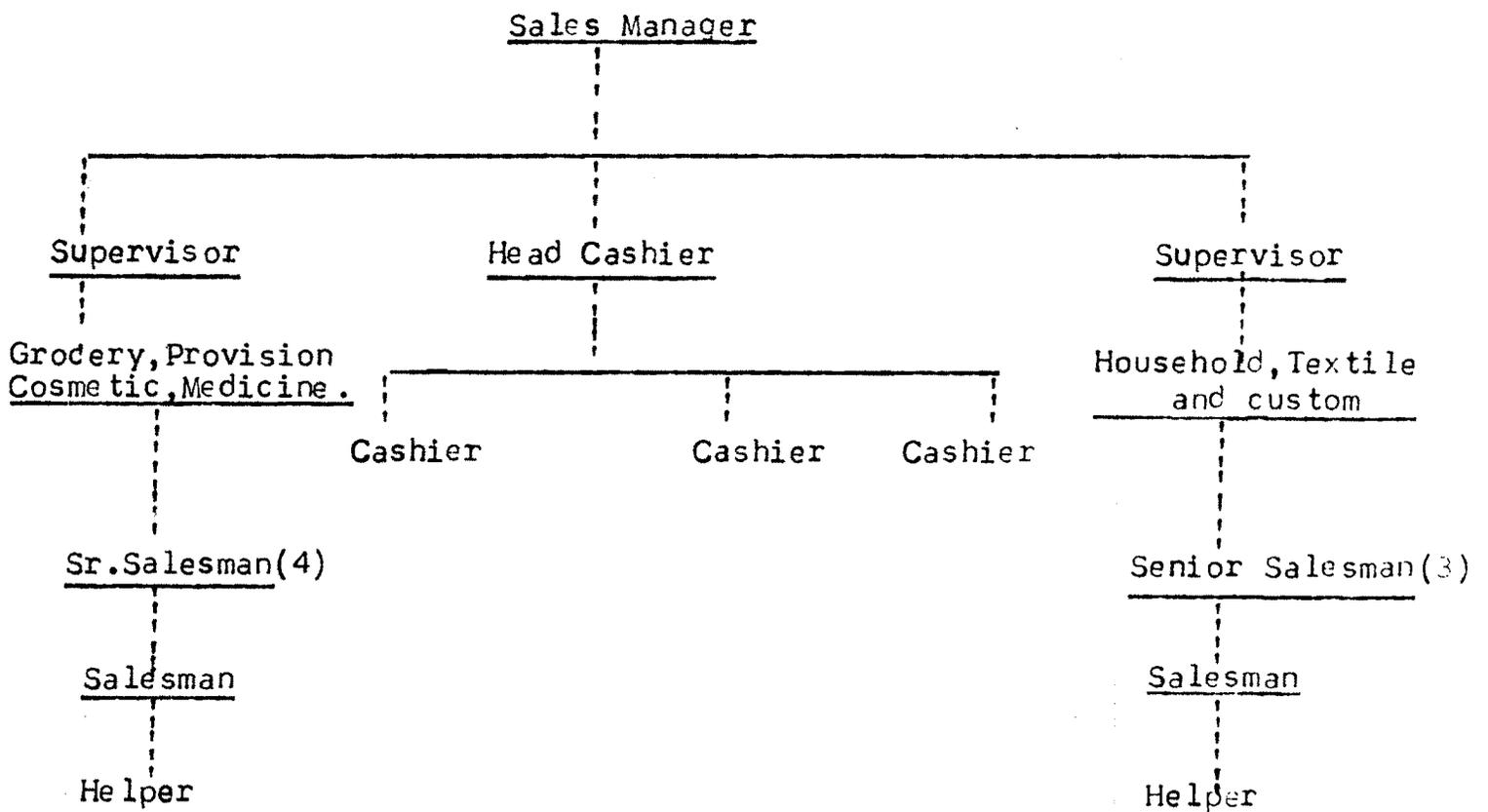
Kolhapur Janata Central Co-operative Consumers' Stores

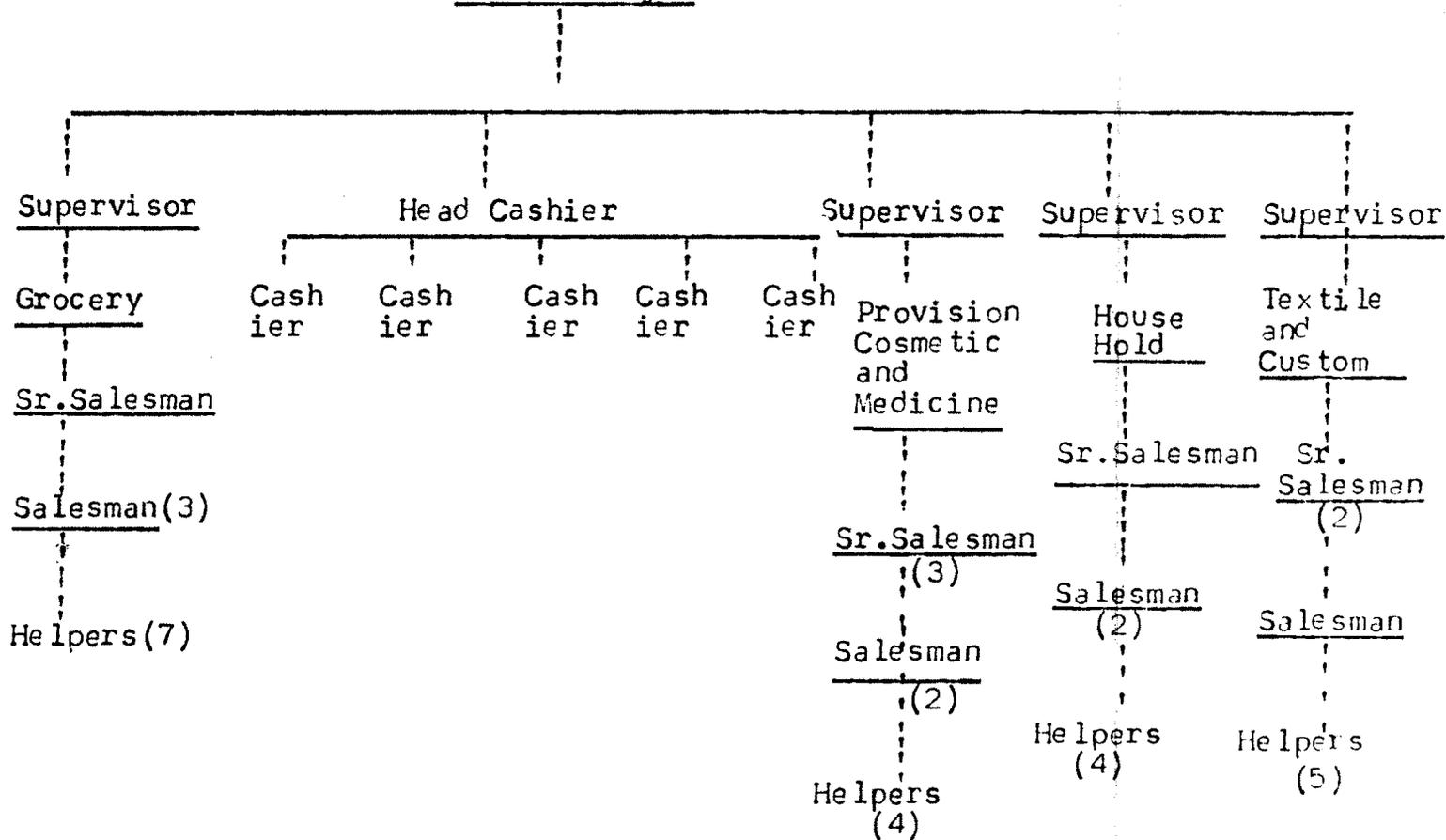


Ruikar Colony Janata Bazar :



Varuntirth Janata Bazar :



Rajarampuri Janata Bazar :Sales Manager

'Salesman' includes, sometimes, salesgirl.

Sales effected in the three Janata Bazars under study during 1982-83 through 1985-86 were as given in the following table.

Table No.4.1 : Statement showing Sales Effected by the Janata Bazars During the Four Years under Study.

(Figures in Rs.lakhs)				
Name of the Dept.	1982-83	1983-84	1984-85	1985-86
Ruikar Colony	34.75	39.08	35.52	37.97
Varuntirth	84.25	126.48	122.41	135.09
Rajarampuri	-	-	110.41	155.85
Total	119.00	165.56	268.34	328.91
		(39)	(62)	(23)

Source : Compiled from the records of Janata Bazars.

- Notes : 1. Rajarampuri Janata Bazar was started in the year 1984-85.
2. Figures shown in brackets, alongwith totals are percentage increases over the respective previous year.

Section-wise Sales of all Janata Bazars, taken together are given in Table No. 4.2

Table No. 4.2 : Statement showing Sectionwise Sales of Janata Bazars.

(Figures in Rs. lakhs).

Section/Year	1982-83	1983-84	1984-85	1985-86
Grocery	38.27	57.10 (49)	98.56 (73)	138.95 (41)
Stationary, provision, cosmetic and stall	20.95	28.45 (41)	54.52 (92)	67.44 (24)
Household	13.61	15.28 (12)	27.99 (60)	33.54 (20)
Textile & Ready-made.	9.43	19.04 (10)	35.62 (87)	34.95 2
Custom	25.03	33.39 (33)	37.48 (12)	37.51 (0.08)
Medical	2.72	3.18 (17)	4.57 (44)	5.84 (6)
Kerosene	4.60	4.74 (3)	4.20 13	4.71 (12)
Ration	4.39	4.38 7.01	3.80 (10)	4.55 (20)
Radio & Shoes	-	-	1.90	1.42 34
Total	119.00	165.56	268.34	328.91

Source : Compiled from the records of Janata

Notes : 1. Radio and shoes were not kept upto 1983-84.

2. Figures in the brackets show percentage increases over the previous year, while figures in squares indicate percentage decreases over the previous year.

Departmentwise and Sectionwise Sales :-

Sectionwise sales of Ruikar Colony Janata Bazar for the period of four years are given in Table No.4.3

Table No. 4.3 : Statement showing Sectionwise Sales of Ruikar Colony Janata Bazar effected from 1982-83 to 1985-86

(Figures in Rs. Lakhs)				
Section	1982-83	1983-84	1984-85	1985-86
Grocery	6.67	9.17	10.36	11.48
Cloth	2.22	2.46	2.38	1.90
Cosmetics	1.56	1.50	1.26	1.30
Stationary & Provision	3.78	5.22	5.53	5.69
Household	3.56	3.98	3.59	3.22
Kerosene	4.60	4.74	4.20	4.71
Ration	4.38	4.38	3.78	4.55
Custom	7.97	7.62	4.41	5.21
Total	34.74	39.00 (12)	35.51 9	38.06 (7)

Source : Compiled from the records of Janata Bazar.

Note : Figures in the brackets show percentage increases over the previous year, while figures in the square indicate percentage decreases over the previous year.

Sectionwise sales of Varuntirth Janata Bazar for the period of four years are given in Table No. 4.4.

Table No. 4.4 : Statement showing Sectionwise Sales of Varuntirth Janata Bazar effected from 1982-83 to 1985-86

(Figures in Rs. Lakhs)				
Section	1982-83	1983-84	1984-85	1985-86
Grocery	31.60	47.93	53.79	62.14
Cloth	5.12	8.82	9.05	9.14
Provision and Stationary	13.92	20.04	22.56	26.88
Household	10.05	11.30	10.91	12.51
Custom	17.06	25.77	15.68	16.00
Medical	2.72	3.18	2.67	2.92
Readymade	2.09	7.75	5.78	4.02
Stall	1.69	1.69	1.97	1.48
Total				
	84.25	126.48	122.41	135.09
		(50)	3	(10)

Source : Compiled from the records of Janata Bazar.

Note : Figures in the brackets show percentage increases over the previous year, while figures in the square indicate percentage decreases over the previous year.

Sectionwise Sales of Rajaramouri Janata Bazar for the period of two years are given in Table No. 4.5

Table No. 4.5 : Statement showing Sectionwise sales of Rajarampuri Janata Bazar effected During 1984-85 and 1985-86.

(Figures in Rs.Lakhs)

Section	1984-85	1985-86
Grocery	34.41	65.33
Provision and Cosmetics	21.98	31.01
Household	13.49	17.81
Cloth	3.60	3.69
Custom	17.44	16.30
Medical	1.90	2.92
Readymade	14.81	16.30
Radio & Shoes	1.90	1.43
Exercise & Note Book Stall	1.22	0.08
TOTAL	110.75	155.87 (41)

Source : Compiled from the records of Janata Bazar .

Notes 1.Figures in the bracket show percentage increases over the previous year.

2.Radio and Shoes are the additional products included in Rajarampuri Janata Bazar.

Sales Operation report of three Janata Bazars is given in the following Table.

Table No.4.6 : Statement showing Sales Operation Report of the Janata Bazars.

Year	Sales Rs.in lakhs	Gross Profit Rs.in lakhs	Net Profit Rs.in lakhs	% Of GP. to sales	% of N.P. to sales.
1982-83	119.00	08.20	02.91	06.67	05.13
1983-84	166.08	09.81	02.65	11.46	02.57
1984-85	280.97	18.06	02.94	18.99	02.58
1985-86	342.22	20.67	02.93	17.69	02.00

Source : Compiled from the records of Janata Bazars.

Sales Operation Report of each of the three Janata Bazars is given below in Tables 4.7, 4.8, & 4.9.

Table No. 4.7 : Statement of Sales Operation Report of Ruikar Colony Janata Bazar.

Year	Sales Rs.in lakhs	Gross Profit Rs. in lakhs.	Net Profit Rs.in lakhs	% of G.P. to-sales	% of N.P. to sales
1982-83	34.75	02.33	00.33	00.70	02.07
1983-84	39.60	02.14	00.28	05.40	00.70
1984-85	36.50	02.31	00.18	06.36	00.36
1985-86	39.35	02.18	-	05.54	-

Source : Compiled from the records of Janata Bazar.

Table No. 4.8 : Statement of Sales Operation Report of
Varuntirth Janata Bazar.

Year	Sales Rs. in lakhs	Gross Profit Rs. in lakhs	Net Profit Rs. in lakhs	% of G.P. to sales	% of N.P. to sales.
1982-83	84.25	05.87	02.58	05.97	03.06
1983-84	126.48	07.67	02.37	06.06	01.87
1984-85	127.53	07.83	01.88	05.86	01.47
1985-86	140.87	08.26	02.13	05.86	01.51

Source : Compiled from the records of Janata Bazar.

Table No. 4.9 : Statement of Sales Operation Report of
Rajarampuri Janata Bazar.

Year	Sales Rs. in lakhs	Gross Profit Rs. in lakhs	Net Profit Rs. in lakhs	% of G.P. to sales	% of N.P. to sales.
1984-85	116.94	07.92	00.88	06.77	00.75
1985-86	162.00	10.23	00.80	06.29	00.49

Source : Compiled from the records of Janata Bazar.

Other operation reports regarding sales are given below
in three Tables.

Table No.4.10 : Statement of Sales Operation of Ruikar
Colony Janata Bazar.

Year	Sales Area Sq.Ft.	Sales per Sq.Ft. Rs.	Sales per day Rs.	Sales Staff No.	Average No.of custom- ers/day
1982-83	3,425	3.31	11,324	11	380
1983-84	3,425-	3.70	12,685	11	435
1984-85	3,425	3.32	11,383	11	481
1985-86	3,425	3.52	12,050	10	500

Source : Compiled from the records of Janata Bazar.

Table No. 4.11 : Statement of Sales Operation of Varuntirth
Janata Bazar.

Year	Sales area Sq.Ft.	Sales per Sq.Ft. Rs.	Sales per day Rs.	Sales staff No.	Average No.of customers per day
1982-83	7,400	00.09	N.A.	18	1209
1983-84	7,400	00.13	N.A.	18	1437
1984-85	10,000	00.18	39,001	23	1689
1985-86	10,000	04.35	43,525	23	1689

Source: Compiled from the records of Janata Bazar.

Note : N.A. : Not available.

Table No.4.12 : Statement of Sales Operation of
Rajarampuri Janata Bazar.

Year	Sales area Sq.FT.	Sales per Sq.Ft. Rs.	Sales per per day Rs.	Sales staff No.	Average Number of customers per day.
1984-85	25,000	1.82	45,480	30	1731
1985-86	18,000	2.82	50,765	30	1750

Source : Compiled from the records of Janata Bazar.

Conventional Method of Retailing :

From the year 1962-63 upto the year 1979-80 during which period, there were no department stores, the Society had 22 retail outlets with annual sales of around Rs. 400 lakhs, out of which retail sales were Rs. 175 lakhs. Before opening the department stores, 80% of the business was covered by 17 small outlets which dealt with foodgrains, cosmetics, other essential items etc. Almost all the branches individually had the selling area of 200 to 800 Sq.Ft.

Modern Method of Retailing :

From 1980-81 and onwards department stores have been started with active assistance from C & P Cell of National Consumers'

Federation. Many attractive facilities like self service system, sufficient space to move and do shopping, electronic cash registers to have control over cash, modern furniture and fixture etc. are provided at these Departmental Stores.

Active Price Policy :

Active Price Policy followed in Janata Bazar takes into account market price of the article and the article is priced accordingly disregarding margin or cost , e.g. price charged for groundnut oil will be the market price prevailing on a particular day without any consideration to the cost or margin.

Difficulties of Selling goods on self-service system :

Janata Bazar has always treated customers as a V.I.P.'s or King. Efforts are therefore, being made to develop an amicable and healthy relation with them. Janata Bazar has adopted self-service system to facilitate customers' purchasing. Self-service system helps the customers in many ways and it also helps management and the sales persons. However, following difficulties are frequently encountered :

- i) Breakage and spoilage of goods
- ii) Greater possibility of shop-lifting
- iii) High Labour turn-over creates the problem of untrained salesman.

These untrained salesmen aggravated the problems of breakage, spoilage and shop lifting.

Concessions to Share holders :

The Society gives every year the following concessions to the share holders.

- i) Each and every shareholder gets 1% cash discount for his monthly purchases of Rs. 1,000/- per month, excluding controlled commodities.
- ii) In the month of June and July, shareholders get 3 dozen note books at concessional rate and 5% discount on text books for standards 1st to 12th.
- iii) For Diwali, Dasara, Sankrant and Gudipadwa, shareholders get discount on purchases of spices, readymades, textiles etc. discount ranges from 3% to 5% of the Purchases made.
- iv) The shareholder is given purchase rebate at the end of every year. The Board of Directors is the authority deciding rebate.

Special stalls :

During the festivals, special counters are opened to accommodate the increasing number of customers.

Following is the list of special counters normally opened :-

- i) Textile and Readymade garments stall :

During Diwali, Id, Gudipadwa and marriage season.

- ii) Crackers and items like Oil, Soap, Scents stall for Diwali Season.
- iii) Rakhi Stall :
During Raksha Bundhan day.
- iv) Books, Note Books and school uniform stall:
During the month of June and July when schools and colleges open for academic year.
- v) Stall for images of Lord Ganesh :
Before Ganesh Chaturthi Festival.
- vi) Fruits stall :
For seasonal fruits like Mango, Water-Melon, Alfonso, Grapes etc.
- vii) Rainy Shoes, Raincoats etc.stall :
During rainy season.
- viii) Warna Milk is also sold at the Janata Bazars.
- ix) Loona Booking facilities are given to the customers.

B) Stock control

Stock control is nothing but to make available material of the correct quantity and quality as and when required, by taking into account economy of storage, ordering costs, purchase price and working capital.

In case of Consumer Co-operative societies goods which are readily available from manufacturer or stockists need not be stocked, if deliveries are directly made by the suppliers to meet operational demand. Hoarding is not necessary in such an ideal situation but difficulties arise in actual practice and there are stoppages on account of a variety of reasons. The Society's central godown is in the ground floor of Varuntir Janata Bazar. For taking into consideration the operational aspects of stock control, stock figures of the three Janata Bazars under study and purchases and sales figures are given in Tables 4.13, 4.14 and 4.15.

Table No. 4.13 : Statement showing stock position of Ruikar Colony Janata Bazar in 1982-83 to 1985-86

Particulars	(Figures in Rs. lakhs)			
	1982-83	1983-84	1984-85	1985-86
Opening Stock	03.22	03.15	03.10	03.51
Purchases	34.68	37.85	34.97	36.99
Sales	34.75	39.60	36.50	37.97
Closing stock	03.15	03.10	03.51	03.39

Source : Compiled from the records of the Janata Bazar.

Table No.4.14 : Statement showing the stock position of Varuntirth
Janata Bazar in 1982-83 to 1985-86.

(Figures in Rs.lakhs).

Particulars	1982-83	1983-84	1984-85	1985-86
Opening stock	05.20	06.56	11.25	12.00
Purchases	81.79	126.00	126.03	130.84
Sales	84.25	126.00	127.53	134.93
Closing stock	06.56	11.25	12.00	10.86

Source : Compiled from the records of the Janata Bazar.

Table No. 4.15 : Statement showing the stock position of
Rajarampuri Janata Bazar in 1984-85 and
1985-86.

(Figures in Rs.lakhs).

-Particulars	1984-85	1985-86
Opening stock	-	14.50
Purchases	123.33	149.48
Sales	116.94	162.43
Closing stock	14.50	11.88

Source : Compiled from the records of the Janata Bazar.

Consolidated stock position of Ruikar Colony, Varuntirth and Rajarampuri Janata Bazars is given in Table No. 4.16

Table No. 4.16 : Statement showing Consolidated Stock Position of Janata Bazars in 1982-83 to 1985-86.

(Figures in Rs.lakhs).

Particulars	1982-83	1983-84	1984-85	1985-86
Opening stock	08.42	09.71	14.35	30.01
Purchases	116.47	163.85	279.33	317.31
Sales	119.00	165.56	268.34	328.91
Closing stock	09.71	14.35	30.01	26.13

Source : Compiled from the records of Janata Bazars.

Shortages and Excesses :

Operational aspects of shortages and excesses are given in the following Tables :-

Table No.4.17 : Statement showing Shortages and Excess Report
of Ruikar Colony Janata Bazar.

(Figures in Rs.lakhs)

Year	Liabilities	Actual	Shortage	Excess	Sales	Remarks (Shortage as % of sale).
1982-83	3.49	3.48	00.05	00.04	34.75	0.03%
1983-84	3.47	3.28	00.20	00.01	39.08	0.49%
1984-85	3.88	3.80	00.11	00.01	35.55	0.28%
1985-86	3.66	3.67	00.00	00.01	37.97	-

Source : Compiled from the records of the Janata Bazar.

Table No. 4.18 Statement showing the Shortages and Excess Report
of Varuntirth Janata Bazar.

(Figures in Rs.Lakhs).

Year	Liabilities	Actual	Shortage	Excess	Sales	Remarks (Shortage as % of sale).
1982-83	07.62	07.53	00.08	-	84.25	0.09%
1983-84	12.53	12.33	00.21	-	126.48	0.16%
1984-85	13.67	13.68	-	00.01	122.41	-
1985-86	11.86	11.92	00.05	-	135.09	-

Source : Compiled from the records of the Janata Bazar.

Table No. 4.19 : Statement showing Shortages and Excess Report of Rajarampuri Janata Bazar in 1984-85 and 1985-86

(Figures in Rs.lakhs)

Year	Liabilities	Actual	Shortage	Excess	Sales	Remarks (Shortage as % of sale.
1984-85	16.44	16.29	00.33	00.18	110.41	00.13%
1985-86	13.31	13.02	00.34	00.05	155.85	00.18%

Source : Compiled from the records of the Janata Bazar.

The Consolidated position of Shortages and Excesses Report is given in the following Table.

Table No. 4.20 : Statement showing Consolidated Shortages and Excess Report in the years 1982-83 to 1985-86.

Name of the Janata Bazar	1982-83	1983-84	1984-85	1985-86
	(Shortages as percentage of sales).			
Ruikar Colony	00.03%	00.49%	00.28%	-
Varuntirth	00.04%	00.16%	-	-
Rajarampuri	-	-	00.13%	00.18%

Source : Compiled from the records of the Janata Bazar



Stock Turnover :

Sectionwise and departmentwise stock turnover number is given in the following Tables.

Table No. 4.21 : Statement showing stock Turnover Number for Ruikar Colony Janata Bazar from 1982-83 to 1985-86.

(Figures in numbers)				
Section	1982-83	1983-84	1984-85	1985-86
Grocery	19.96	25.38	16.80	18.45
Provision and Cosmetics	08.76	08.76	06.74	12.00
Household	03.24	05.19	03.31	03.45
Cloth	03.53	04.96	05.93	03.55
Custom	12.04	09.89	06.43	04.90
TOTAL				
(For all sections)	10.28	12.25	09.18	08.80

Source : Compiled from the records of the Janata Bazar.

Table No. 4.22 : Statement showing Stock-Turnover Number for
Varuntirth Janata Bazar for the years 1984-85
and 1985-86.

(Figures in numbers).

Section	1984-85	1985-86
Grocery	46.13	53.35
Provision and Cosmetics	13.59	16.45
Household	4.25	4.70
Cloth	3.58	4.10
Custom	6.35	7.50
Medical	3.81	5.15
Readymade	1.67	1.50
Total	8.50	10.20
(For all sections)		

Source : Compiled from the records of the Janata Bazar.

Notes 1. Medical and readymade are new sections.

2. Figures of the year 1982-83 and 1983-83 are not
available.

Table No. 4.23 : Statement showing Stock Turnover Number
for Rajarampuri Janata Bazar for 1984-85
and 1985-86.

(Figures in numbers)		
Section	1984-85	1985-86
Grocery	31.51	44.50
Provision and cosmetics	11.76	13.50
Household	4.59	4.85
Custom	11.30	6.40
Medical	2.76	3.85
Stores	3.24	7.10
Cloth and Hogiery	3.44	6.90
Total	7.84	9.50
(For all sections).		

Source : Compiled from the records of the Janata Bazar.

Note : Medical and Stores are new sections.

Consolidated stock Turnover Number of three Janata Bazars
is given in the following Table.

Table No. 4.24 : Statement showing Stock Turnover Number of the Three Janata Bazars for years 1982-83 to 1985-86.

(Figures in numbers)				
Name of the Departmental Stores.	1982-83	1983-84	1984-85	1985-86
Ruikar Colony	10.28	12.25	09.18	08.80
Varuntirth	12.84	11.24	08.50	10.20
Rajarampuri	-	-	07.84	09.50

Source : Compiled from the records of the Janata Bazars.

Stock Productivity :

Consolidated Stock Productivity Report of the Janata Bazars is given in the following Table.

Table No. 4.25 : Statement showing Stock Productivity in year 1982-83 to 1985-86.

(Figures in percentage)				
Name of the Departmental Stores.	1982-83	1983-84	1984-85	1985-86
Ruikar Colony	68.71	67.28	61.78	50.20
Varuntirth	72.46	74.17	54.71	62.80
Rajarampuri	-	-	55.98	63.00

Source : Compiled from the Records of the Janata Bazars.

Stock taking at Janata Bazars :

Stock taking in Janata Bazars is done twice every year. For stock taking, representatives are selected and appointed for each shop. An order is enclosed as Annexure 4.1. The store representatives are informed previously about the date of submission of statement, date of starting the stock-taking work, names of persons who would assist in stock-taking work etc. For making physical stock-taking efficient and effective, guidelines for varification of stock in trade is given to the representatives. These guidelines are as given as the Annexure 4.2.

Recording system of stock :

The Society follows two methods of stock recording :-

1. Stock book method: -

When items are Limited in the Society, this method is adopted.

2. Value Control system/Double compartment system:-

When the items are unlimited, this method is adopted in the Society.

In the Janata Bazars value Control System is adopted. In this method, Stock Liability Register is prepared with the help of stock control form. Stock Control Form and Stock

Liability Register Form are given in Annexure Nos. 3.3 and 3.9 respectively. Difference between the figures of the actual stock taking and the book entries is reconciled in the manner described in the following example.

Varuntirth Department Stores :-

As on 30th June 85-Provision and Cosmetics

Figure as per Sales-man liability

(From closing stock statement i.e. physical stock). Rs. 1,27,998.65

Stock as per Liability Register Rs. 1,30,893.25

(As per office record).

Difference -	Rs.	2,894.60
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Here actual stock is less than that of the recorded stock. It means a shortage of provision and cosmetics to the extent of Rs. 2,894.60. Percentage of shortage is 0.12% to sales. After this, reconciliation statement is prepared.

If the shortage in recorded stock is more than 00.05% it is reported to the Board of Directors through the General Manager. The shortage is treated as the salesman's liability. He has to pay the difference.

Management Report :

At the end of the year Management Report is prepared for the period and submitted to the Board of Directors. Management Report for the period from 1.7.84 to 30.6.85 is enclosed as Annexure 4.3.

Selective Control :

All items are arranged in the racks. Some items are costly items, which can easily be lifted. To prevent, shop lifting supervisors and salesmen are appointed to supervise the entire shop area. In custom section, seperate salesmen are appointed and goods are not sold on self-service basis. Some costly goods are arranged near the counter so that supervision becomes easy. Although goods are sold on self-service basis, salesmen are appointed to watch customers, which may help the Janata Bazars in doing business with minimum of shop lifting.

ANNEXURE NO: 4.1

AN APPOINTMENT FORM FOR THE STOCK-TAKING REPRESENTATIVE

कोल्हापूर जनता सेंट्रल को.ऑप कंड्युमर्स स्टोअर्स लि., कोल्हापूर.

जा. क्र. ८४०/मालमोजणी/८६-८७.

दि. :- २४.१२.१९६६

तारीख ३१.१२.८६ अखेरची माल मोजणी.

तारीख ३१.१२.८६ इ. रोजी सहकारी अर्थ वर्ष संपत असलेने संस्थेच्या खालील शाखा व त्यासमोर दाखविलेल्या तारखेत शाखेवर तपासणीस जाऊन प्रत्यक्ष शिल्लक मालाची मोजणी करून शिल्लक मालपत्रक तारीख ३१.१२.८६ इ. अखेरचे तयार करून नावासमोर दर्शविलेल्या तारखेत स्टेटमेंटसह मुख्य कार्यालयाकडे हजर राहणेचे आहे.

अ. नं.	विभागाचे नाव	माल मोजणा-या व्यक्तीचे नाव	मालाची नोंद घेणा-या व्यक्तीचे नाव	मालाची किंमत आकारणी करणा-या व्यक्तीचे नाव	मोजणी सुरु करणेची तारीख	स्टेटमेंट देणेची तारीख
१	२	३	४	५	६	७
१]	कडे.	श्री. डी. रस. शिदि	श्री. डी. पी. पाटील.	श्री. डी. पी. पाटील.	३०.१२.८६ व ३१.१२.८६	१.१.८७
२]	कागद केंद्र व	श्री. रम. बी. माने श्री. जी. र. कोरे. श्री. आर. अस. शिदि.	श्री. के. जी. पाटणकर	श्री. र. पी. पाटील.	२९.१२.८६ ते ३०.१२.८६	१.१.८७
३]	वही व फाईल कारखाना	श्री. रम. पी. चिळूकर. श्री. र. जी. निंबाळकर. श्री. रम. रस. पाटील.	श्री. रस. जी. पारगावकर	श्री. रस. जी. पारगावकर	२९.१२.८६ ते ३०.१२.८६	३१.१२.८६
४]	कोल्हापूर बेकरी	श्री. वाय. रस. जारकोळी	श्री. रस. जी. बोडके	श्री. रस. बी. बोडके.	३१.१२.८६	१.१.८७
५]	इचलकरंजी बेकरी.	श्री. के. र. कमतनुरे	श्री. सी. डी. नेसररी	श्री. सी. डी. नेसररी	३१.१२.८६	१.१.८७
६]	पुणे व होजिअरी	श्री. रम. जी. बाभूळकर	श्री. र. रल. पाटील.	श्री. र. रल. पाटील.	३०.१२.८६	१.१.८७

जनता बझार वसुधतीर्थ :

१]	गोसरी विभाग	श्री. इ. जी. पायमल	श्री. डी. र. मिरजे	श्री. रम. रल. चव्हाण	२९.१२.८६ व ३०.१२.८६	१.१.८७
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ANNEXURE NO 4.1 Contd...

1	2	3	4	5	6	7
	श्रीमती आय. सत. बोस्ले सौ. एम. व्ही राऊत श्री. एच. जी. सूर्य, श्री. सत. सी. दडडीकर.	कु. सत. आय संकपाळ. श्री. सत. वाय. मुल्ला. श्री. एच. जी. सूर्य, श्री. सत. सी. दडडीकर.				
२] प्रोव्हीजन विभाग.	सौ. सत. सत. हुजरे. श्री. जी. सत. पाटील. श्री. बी. सत. जाधव. श्री. व्ही. के. पाटील.	सौ. आर. डी. पोतनीस सौ. यु. यु. महादेवकर श्री. व्ही. के. कुंभार. श्री. सत. डी. शेख.	श्री. बी. डी. पाटील.	२९. १२. ८६व ३०. १२. ८६	१. १. ८७	
३] कापड विभाग	सत. ए. दंताळ. बी. के. निकम कु. आय. बी. मिरजकर. सी. पी. बकरे.	के. आर. निंबाळकर यु. सत. बुधले. सत. जी. सांगावकर	सत. सत. चव्हाण.	२९. १२. ८६व ३०. १२. ८६	१. १. ८७	
४] गृहोपयोगी विभाग	ए. बी. गुरव सौ. यु. डी. सावंत. ए. बी. पाटील कु. मनिषा राऊत. सत. आर. पोवार.	पी. के. जाधव सत. पी. कुरणे सौ. सत. डी. हर्षे. कु. व्ही. आर. कुलकर्णी.	व्ही. जी. दिगारे. सत. सत. कु. व्ही. आर. कुलकर्णी.	२९. १२. ८६व ३०. १२. ८६	१. १. ८७	
५] मेडिकल विभाग	व्ही. जी. श्री वडे सत. जी. कोकितकर	सत. ए. मणेर सत. पी. सास्ते	सी. डी. नेसरी	२९. १२. ८६व ३०. १२. ८६	१. १. ८७	
६] कस्टम कॉस्मेटिक	के. आर. निंबाळकर	व्ही. आर. पाटील	व्ही. आर. पाटील.	३०. १२. ८६व ३०. १२. ८६	१. १. ८७	

ANNEXURE NO 4.1 Contd...

१	२	३	४	५	६	७
७]	कस्टम कापड	सप्त. आय. कल्लोळे.	व्ही. आर. पाटील	व्ही. आर. पाटील.	२९. १२. ८६	१. १. ८७
८]	रेडिमेंड	सौ. सप्त. सप्त. कुलकर्णी सौ. जयश्री कुलकर्णी भाऊसागे पाटील. कु. बधिवडेकर.	सप्त. के. पोतदार व्ही. सप्त. मोरे व्ही. सप्त. पाटील.	बी. सप्त. पाटील.	२९. १२. ८६ ३०. १२. ८६	१. १. ८७

जनता बझार र्हिकर कॉलनी :

१]	ग्रोसरी	डी. के. वडगावे बी. बी. शिंदे	जी. सी. गोमाते कु. सप्त. बी. गावडे.	व्ही. सप्त. मगदूम सौ. के. सप्त. जोशी.	२९. १२. ८६ ३०. १२. ८६ " "	१. १. ८७
२]	प्रोव्हीजन	व्ही. डी. जोशी. सुधीरचव्हाण	सप्त. सप्त. शिंदे.	" "	" "	" "
३]	कापड विभाग.	पी. बी. लाड.	आर. सप्त. माळी.	" "	" "	" "
४]	गृहोपयोग	पी. सप्त. पोवार सप्त. वाय. पाटील.	आर. वाय. कराडे. सप्त. बी. बोडके.	" "	" "	" "
५]	कॉस्मेटिक	डी. सप्त. यादव.	रामसिंग पाटील.	" "	" "	" "
६]	कस्टम कॉस्मेटिंग	स. बी. बेडगे	व्ही. आय. पाटील.	" "	२९. १२. ८६	" "
७]	कस्टम कापड	पी. बी. लाड	आर. सप्त. माळी	" "	२९. १२. ८६	" "

सेंदूल गोडावून वस्त्रतीर्थ / लक्ष्मीपुरी.

१]	सेंदूल गोडावून वस्त्रतीर्थ धान्यविभाग	सप्त. स. कुंभार सप्त. सप्त. पाटील.	सुकुमार धों. पाटील	सप्त. स. नाईकवडे.	३०. १२. ८६	१. १. ८७
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ANNEXURE NO 4.1 Contd...

१	२	३	४	५	६	७
२]	प्रोव्हीजन	पी. एम. पडसेर डी. बी. चाबूक.	व्ही. व्ही. मोरबाळे.	एच. ए. नाईकवडे.	२९. १२. ८६	१. १. ८७
३]	गृहोपयोगी	डी. एन. पोवार. जी. एस. वडगावकर. बी. डी. पोवार.	ए. पी. पाटील.	" "	२९. १२. ८६	१. १. ८७
४]	लक्ष्मीपूरी गोडावून.	एस. जी. शेख पी. बी. पाटील.	बी. एच. निकम	"	२९. १२. ८६	१. १. ८७
५]	वहातूक विभाग	डी. बी. पाटील. एस. के. जाधव.	वाय. एस. जारकोळी	वाय. एस. जारकोळी	३१. १२. ८६	१. १. ८७
६]	स्विपरीट विभाग	एस. एल. काळतेकर	पी. सी. व्यवहारे	पी. सी. व्यवहारे	३१. १२. ८६	१. १. ८७
७]	शाखा गंगानगर	पी. एन. धावरे	सी. डी. नेसरी	सी. डी. नेसरी	३१. १२. ८६	१. १. ८७
जनता बझार - राजारामपूरी.						
१]	गोसरी विभाग	आर. डी. पाटील. सी. आर. कलावंत सौ. आर. व्ही कुरणे. सी. आर. भरवंस.	एच. जी. सुर्वे सौ. आर. डी. पोतनीस सौ. शुभांगी डी. पाटील. डी. के. वडगावे.	आर. के. पाटील.	३१. १२. ८६	२. १. ८७
२]	प्रोव्हीजन	एम. एस. शिंदे व्ही. के. पाटील. एम. एम. अभयंकर पी. एन. धोंगडे.	बी. एस. जाधव. एल. आर. धिसळ. व्ही. के. कुंभार	आर. के. पाटील.	३१. १२. ८६	२. १. ८७
३]	कापडविभाग	डी. एस. चव्हाण.	टी. डी. जाधव	व्ही. जी. शिंंगटे.	३१. १२. ८६	२. १. ८७

ANNEXURE NO. 4.1 Contd...

१	२	३	४	५	६	७
३]	सप्त. डी. पाटील. बी. के. निकम.					
४] गृहोपयोगी	सप्त. आर. पोवार सप्त. व्ही. माने सप्त. वाय. पाटील. सौ. व्ही. व्ही. मोहिते. सौ. व्ही. व्ही. काळे.	स. बी. पाटील. यु. जी. कुलकर्णी सौ. सप्त. सी. स्वामी. यु. यु. महोदयकर	व्ही. जी. शिंदे	३१.१२.८६ १.१.८७	२.१.८७	
५] मेडिकल	स. बी. धुमाळ सप्त. जी. कोकितकर	सप्त. पी. सासने सप्त. स. मणेर	सप्त. पी. सासने सप्त. स. मणेर	३१.१२.८६ १.१.८७	२.१.८७	
६] कस्टम प्रोव्हजन	व्ही. आय. पाटील.	स. बी. बेडगे	सप्त. जी. सांगावकर	३१.१२.८६	"	
७] कस्टम कापड	टी. डी. जाधव	डी. सप्त. चव्हाण	सप्त. जी. सांगावकर	१.१.८७	२.१.८७	
८] रेडिमेंड	व्ही. सप्त. गोरे आर. आर. कुरणे. जे. आर. पाटील. पी. बी. चित्रक.	सौ. सप्त. सप्त. कुलकर्णी टी. बी. उलपे. कु. उमादिवटे. कु. सप्त. बी. गावडे.	सप्त. जी. सांगावकर	३१.१२.८६ १.१.८७	२.१.८७	
९] चप्पलविभाग	कु. कांबळे व्ही. के. कांबळे.	कु. सप्त. आय. संकपाळ.	"	३१.१२.८६ १.१.८७	२.१.८७	
१०] मुख्य कार्यालय व स्टेशनरी	डी. पी. पाटील. स. बी. फडतारे. आर. सप्त. शिंदे.	बी. सप्त. पाटील.		३१.१२.८६	१.१.८७	

ANNEXURE NO 4.1 Contd..

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१	२	३	४	५	६	७
१]	जनता बंगार राजारामपुरी गोडावून	डी. डी. जंगटे. सुकुमार डी पाटील.	व्ही. व्ही. मोरबाळे.	व्ही. व्ही. मोरबाळे.	३१.१२.८६	२.१.८७
२]	होजिअरी युनिट	ए. डी. घाटगे मॅनेजल जोसेफ ए. एन. माळी	रे. जी. पाटणकर	के. जी. पाटणकर	३१.१२.८६	१.१.८७
३]	डोलसेल कापड विभाग.	के. डी. गुरव ए. एल. पाटील. बी. एन. पाटील. सी. पी. बकरे. आर. एस. माळी.	एच. ए. नाईवडे	व्ही. एन. मगदूम	३१.१२.८६ १.१.८७	२.१.८७
जनता बंगार - रविवार						
१]	श्रीअरी	सौ. एम. व्ही. गुहाल. आर. व्ही. खोपडे.	जे. ए. दळवी.	सौ. के. एम. जोशी	३१.१२.८६	२.१.८७
२]	प्रोव्हीजन	डी. एन. पाटील	डी. बी. वाळूक	"	"	"
३]	कापड	आर. व्ही. खोपडे.	जे. ए. दळवी.	"	"	"
४]	गृहोपयोगी	डी. एम. पाटील.	डी. बी. वाळूक	"	"	"

- टीप :- १] सोजणी सकाळी ८.३० ते १.०० व २.०० ते ७.३० पर्यंत चालू ठेवणे आहे. स्टॉक सोजणी, स्टेटमेंट पत्रक, डेडस्टॉक यादीसह दिनांक २.१.१९८७ रोजी मालाची आकारणी करणा-या व्यक्तींनी अंतिम रिपोर्टसह बिनचूक श्री. सी. डी. नेसरी व श्री. मणेर / सासने यांचेकडे देणे आहे. तपासणीचे वेळी संस्था संचालक सदस्य केंव्हाही भेट देतील.
- २] मालमोजणीसाठी लागणारी शिल्लक माल फॉर्म श्री. आर. एस. सिदि यांचेकडून घेऊन जाणे आहे.
- ३] मालमोजणीचे वेळी मालाचे दर चुकीचे सांगणे व लिहिणेचे आदळून आलेस कडक शासन करणेत घेतले.
- ४] सराब मालाची यादी स्वतंत्रपणे देणेची आहे.
- ५] जनता बंगार [चारही] श्री. सी. डी. नेसरी व इतर सर्व शाखांचे स्टेटमेंट श्री. मणेर / सासने यांचेकडे देणे आहेत.
- ६] श्री. सी. डी. नेसरी व मणेर / सासने यांनी ज्या त्या दिवशी जसजशी स्टेटमेंट येतील तसतशी ज्या त्या दिवशी मना समर्थ भेटून दाखविणेची आहेत.

अखेरक मॅनेजर

ANNEXURE NO: 4.2GUIDELINES : PHYSICAL VERIFICATION OF STOCK IN-TRADE.GUIDELINESPHYSICAL VERIFICATION OF STOCK-IN-TRADE

1. Objective:

The annual physical verification of stock of merchandise against the book value at selling prices shown in the liability register on the balances of the stock register on the last business day of the year is made :-

- (a) to work out the asset value of the stock, for drawing the balance sheet as on the last business day of the year, and ascertaining true gross profit on trading operations:
- (b) to acquaint the manager and the sales staff with the composition of the stock and to inform them about slow moving, absoblets, damaged, unsaleable articles etc.;
- (c) to provide information for guiding the decisions on changes in the assortment with a view to giving better customer service and achieving better economy ;
- (d) to reveal shortages and overages in relation to a reconciled and acknowledged book balance, in terms of money or quantities.

2. Advance Preparation and Pre-Verification Arrangement :

The sales personnel and the accounting staff must make advance preparation for the verification at the end of the business year, as under :

- (i) The shop must be cleaned throughly.
- (ii) Measuring tapes and weighing equipments to be checked to ensure that they are in perfect working condition.
- (iii) The empties must be sorted out and returned to the godown or to the office authoritie to sell them. It is advisable to sell the empties before annual physical verification of stock.
- (iv) All shop-soiled and damaged goods must be sorted out, inspected and returned for disposal to the godown. Again, it is always advisable to sell such goods before physical verification of stock. At least, their selling prices should be reduced to the extent these can fetch.
- (v) Precautions against duplicate counting must be taken by demarcating the shop into sections for stock taking purpose.
- (vi) Before the stock verification date, all liability accounts should be completed in all respects by posting entries for all issues and transfers, price variations, shortage, allowances and other adjustments.

ANNEXURE NO 4.2 Contd....

: 2 :

- (vii) Balances in the individual liability accounts must be reconciled with the Salesman, Godown-Keeper, Branch-in-charge etc.
- (viii) Arrangements for stock taking should be checked again and put right :
 - (a) If goods are wrongly placed.
 - (b) If prices are wrong.
 - (c) If goods are hidden behind other or concealed in darkness or kept in locked drawer.
- 3. Special Attention must be given to the Invoice cut off and other cutoff in the Godowns' Account.

It may so happen goods have been received from the supplier on the day of stock-verification. In that case such goods must be booked in the purchase on that day and counted for stock-verification. If, however, goods have been received but supporting purchase bill not received and hence purchase has not been booked, such goods should not be taken for stock verification and be kept separately to avoid any confusion.

4. The verification must be recorded by the stock-takers on the printed Inventory List issued by the head office of the store and on this list only. The Inventory List is written in quadruplicate by using carbon paper. The original is for the head office and the carbon copies may be retained by the salesman-in-charge and auditors. The salesman-in-charge must, however, be given access to the list during stock taking and after its completion so that he can satisfy himself that the quantities and prices listed are correct. The stock-takers should alternate in the two functions of the inventory; for one section of the shop, usually an almirah or a shelf, stock-taker A may count and call whilst stock-taker B writes the list, keeping at the same time an eye on the counting so that he can get a rough impression that the counting and the calling of quantity and retail price is correct. When stock taking in a section has been done, the stock-takers change roles.

5. The inventory in retail outlets is taken at retail sales prices only. Where the Management Accounting System is used, the asset value of the stock-in trade is computed with a high degree of accuracy in relation to the cost price with the use of rates of write-down based upon the gross margins calculated for each category of goods.

6. Management control during the stock-taking is most important; the General Manager and the person nominated by the Cooperative Department to be in overall charge of the operation must go round from branch to branch and section to section/counter to counter and supervise the verification. They must pay surprise visits to branches/counters where stock taking is going on the spot-check the inventory list for quantities and prices, putting their initials against the items checked.

...3.

ANNEXURE NO. 4.2 Contd...

: 3

7. When the stock taking has been completed, the salesman-in-charge must be invited to make such additional checks as he wishes. It is most important that the salesman, accepts the liability for the retail value of stock with an unwavering conviction that the verification has been thoroughly fair and correct. After such checking, the carbon copy of the inventory list, with all sheets consecutively numbered, should be handed over to the salesman and he will, independently of the stock-takers, calculate the retail value of such item and cast each sheet of the list as well as add up the sheets into a grand total of the stock at Sales price for the branch/counter. The stock-takers make the same calculation and casting in the original copy of the list and when this has been done they handover in the original to the person in overall incharge at the head office. This must be done immediately after the stock taking is over and it must be done on the same day as the inventory started.

8. As the inventory lists from the branches/counters are received in the head office, a team of checkers, verify the retail price per unit, the calculation of the retail value on each line as well as the totals of each sheet and the grand total showing the retail sales value of the stock of merchandise found in each branch/counter. The stock is then broken down by commodity-groups, and it is very important that this break-down is as accurate as possible, because as said in para 5 above the asset value of the stock is computed by the application of calculated sales value of the different categories of goods. The Head Office checking, totaling and analysing operation must be completed on the same day as the inventory is made, and the person in overall charge must not disperse the term engaged in these job before they are completed.

9. In the morning of the day following the inventory all salesman must, without fail, reconcile their copies of the inventory list with the original as processed by the Head Office. All discrepancies must be settled on the spot and the salesman must reach agreement with the Head Office on the amount of the difference between the book value and the physical verification value of the stock in his charge. He must then sign a form called Acknowledgement of Liability by which he undertakes to adjust the shortage found.

BY NOON OF THE DAY FOLLOWING THE START OF THE STOCK-
TAKING THE WHOLE OPERATION MUST BE OVER

10. As mentioned earlier, all damaged, shop soiled obsolete and unsalable articles should be sorted out much before the stock taking is carried out and their selling prices should be reduced in accordance with their condition. A campaign should be launched to sell them before annual stock taking. However, value of such stock should be soberly worked out to avoid inflation in gross profit and their value should be shown distinctly. A follow up on their sale should continue even after annual stock taking.

...4.

ANNEXURE NO 4.2 Contd...

: 4 :

11. Where the Management Accounting System(MaS) developed by C&P Cell of NCCF with the assistance of foreign experts has been adopted, the following steps are important to be taken:-

- (a) The stock-in-trade as mentioned in the stock taking lists should be worked out in different commodity groups.
- (b) The gross margin rates which are worked out for every commodity group should be used for bringing down the valuation of stock from retail value to cost price level.
- (c) Since value control system(liability system) has been introduced in the godowns also in addition to unit control system, value of stock is worked out at retail price to check the balance as shown by godowns liability account. Therefore, the stock-in godowns is also worked out commodity group-wise as in the case of retail outlets, mentioned above. The gross margin rates are used for reducing the value of stock in godown(s) from retail value to cost-value.
- (d) The total balance of all the liability accounts including godowns, must tally with the control account in the general ledger 390 - stock liability control account (at-resale value).
- (e) There should be maintained a separate personal account in respect of shortages recoverable from salesman/godown keeper. The amount of shortages recoverable should be debited to the concerned/persons Stock Shortages Recoverable A/c. and the liability account suitably adjusted so that the balances of each liability account shows retail value of actual stock as found on physical verification.

ANNEXURE NO 4.3 contd...

GUIDELINES FOR PREPARING MANAGEMENT REPORT

COLUMN 1 - OPENING STOCK AT COST(1.7.1984):

The amount of the total opening stock on 1.7.1984 is given in the form of closing stock in the balance sheet as on 30.6.84 and also in the Trading a/c for 1984-85 in the form of an opening stock. The amount of stock is also posted in the general ledger account 040 - Stock in Trade Account. We have been advising from time to time that the value of closing stock must always be worked out commodity groupwise. However, in case you did not work out commodity groupwise value of closing stock as on 30.6.84 (opening stock of 1.7.84), the same should now be worked out. In future, value of stock must be worked out commodity groupwise immediately after physical verification of stock because the information is needed for working out:

- a. Commodity groupwise stock turnover
- b. " " stock productivity
- c. " " gross profit
- d. " " gross margin percentage
- e. " " stock holding
- f. " " investment in relation to total investement in stock
- g. " " share of gross profit in the total gross profit.

The above information will help in working out viability of each line of business.

The figures of the stock at cost should be given commodity groupwise in the column I of the Management Report.

NOTE:- VALUE OF STOCK SHOULD BE WORKED OUT BOTH AT COST PRICE AND SELLING PRICE AFTER EACH PHYSICAL VERIFICATION OF STOCK.

ANNEXURE NO 4.3 Contd..COLUMN 2 - PURCHASES AT COST

The Purchase Book under the MAS is maintained commodity groupwise. Accordingly, commodity groupwise purchases at cost are known from the left hand side of the Purchase Book. Therefore, commodity groupwise purchases for the period from July 1984 to June 1985 may be aggregated. When the Purchase Book is closed at the end of each month, commodity group totals are made for the month. Twelve months' totals of the Purchase Book will give commodity groupwise purchases at cost for 1984-85.

However, the figures of Purchases at Cost may be readily available from the classification register also (MIS), if maintained.

In Column 2 of the management report, the figures of purchases at cost may be stated.

COLUMN 3 - TRADE CHARGES:

As repeatedly advised by us, trade charges are to be worked out commodity groupwise. Trade charges for the period from July 1984 to June 1985 may be available in the classification register.

In column 3 of the Management Report, commodity groupwise Trade Charges may be stated for the year 1984-85 (July '84 to June '85). In order to find out viability of various lines of business, it is necessary to work out commodity groupwise gross profit, hence commodity groupwise trade charges, an important component of trading account.

COLUMN 4 - STOCK IN HAND AT COST(30.6.85):

On the basis of the physical verification of stock, you must have worked out the value of the stock as on 30.6.1985

ANNEXURE NO 4.3 Contd.....

3.

at cost for the purpose of trading account and Balance Sheet relating to the year 1984-85.

We have been advising you times and again to work out commodity groupwise value of the stock on the basis of physical verification. We hope you have worked it out accordingly as on 30.6.85 also. Therefore, commodity groupwise value of stock in hand is to be stated in column 4 of the Management Report.

- NOTE:- 1. In case, you have not worked out commodity groupwise cost value of stock in hand as on 30.6.85, it must be done now immediately.
2. The value of stock in hand in this column would be given at cost price.

COLUMN 5 - SALES:

Under MAS, commodity groupwise sales are worked out in daily sales summary for each branch/counter and are recorded in the classification register(MIS). As such, commodity groupwise sales for the month are available. It is further hoped that commodity groupwise sales have been totalled for the year 1984-85 (July 1984 to June 1985) in the classification register. Accordingly, commodity groupwise sales figures are to be given in column 5 of the Management Report from the classification register(MIS).

COLUMN 6 - GROSS PROFIT:

On the basis of the information given in column 1 to 5 of the Management Report, commodity groupwise Gross Profit is worked out as under:

Opening Stock at Cost	(Column - 1)
Plus Purchases at Cost	(Column - 2)
Plus Trade Charges	(Column - 3)
minus stock in hand(30.6.1985)	(Column - 4)
minus sales	(Column - 5)
is equal to Gross Profit.	(Column - 6)

In the above manner, gross profit of each commodity group is worked out.

ANNEXURE NO 4.3 Contd...COLUMN 7 - COMMODITY GROUP:

As you know, commodity groups have been standardised for all the consumer cooperative stores in the state under MAS for the purchase book. The same commodity groups are to be given in column 7 of the management report. However, if there is different or extra commodity group in your store, blank lines provided in this column may be used.

COLUMN 8 - RESALE VALUE OF PURCHASES:

The purchase book maintained under MAS is divided into two parts i.e. Purchase value and resale value for different commodity groups. The left hand side of the Purchase Book shows the cost value while right hand side shows the resale value of purchases. Both sides of the Purchase Book are totalled and closed at the end of each month. Monthly totals on the right hand side of the Purchase Book are the resale value of purchases of each commodity group for that month. These are recorded in the classification register(MIS) in the purchase chapter.

You must have totalled the purchases at cost as well as resale value for the year 1984-85 (July 1984 to June 1985). The figures of resale value of purchases for 1984-85 may be stated commodity groupwise in column 8 of the Management Report.

COLUMN 9 - STOCK AT RESALE VALUE(1.7.1984):

As mentioned earlier, value of stock as at the end of the year should be worked out commodity groupwise at resale price on the basis of the physical verification of the stock. If not done already, it should be done now immediately.

ANNEXURE NO 4.3 Contd....

5.

Thus commodity groupwise stock at resale value as on 1.7.1984 on the basis of Physical Verification of stock as on 30.6.1984 may be stated in column 9 of the management report.

COLUMN 10 - STOCK AT RESALE VALUE(30.6.85):

As stated above, it is hoped that you have worked out commodity groupwise resale value of stock as on 30.6.85 on the basis of Physical Verification otherwise this maybe sorted out now immediately and stated in column 10 of the management report.

COLUMN 11 - GROSS MARGIN PERCENTAGE:

For the purpose of this management report, the Gross Margin Percentage would be worked out commodity groupwise as under:-

$$\frac{\text{Gross Profit(Column 6)}}{\text{Sales(Column 5)}} \times 100$$

Thus gross margin percentage worked out as above in respect of each commodity group may be stated in column 11 of the Management Report.

COLUMN 12 - STOCK TURN RATE:

It is a basic principle of inventory management that stock should be held in proportion to the sales in each commodity groups. Stock should not be on the higher side. High stock holding has caused serious damages to many stores. Stock Turn Rate is an important measurement of stock performance. Stock Turn Rate is worked out in times. Stock turn means the number of times the average stock has rotated during the year. Stock turn rate is worked out in respect of each commodity group as under:-

$$\frac{\text{Sales}}{\text{Average Stock at resale Value}}$$

Sales - Commodity groupwise sales are available in the record maintained under MAS.

ANNEXURE NO 4.3 Contd.....

6.

Average Stock - The average stock can be worked out scientifically in respect of each commodity group as illustrated below:-

<u>Decontrolled Cloth</u>	(Rs. in lakhs)
(a) Sales for July to June	= 6.00
(b) Opening stock at resale value as on 1st July	= 0.90
(c) Closing stock on 31st July	= 1.25
-do- 31st August	= 1.50
-do- 30th Sept.	= 2.00
-do- 31st October	= 5.00
-do- 30th November	= 3.00
-do- 31st December	= 3.25
-do- 31st January	= 1.75
-do- 28th February	= 2.00
-do- 31st March	= 1.00
-do- 30th April	= 1.50
-do- 31st May	= 1.25
-do- 30th June	= 1.25
TOTAL	= 24.75
(d) No. of stock figures	= 13 (one figure of opening stock + 12 figures of stock at the end of 12 months as given above)

$$\begin{aligned} \text{Average stock} &= (90,000 + 24,75,000) \div 13 \\ &= 25,65,000 \div 13 \\ &= 1,97,307 \end{aligned}$$

$$\text{Stock turn rate} = \frac{6,00,000}{1,97,307} = 3.04 \text{ say 3 times}$$

Under the MAS, commodity groupwise resale value of stock can be easily worked out at the end of each month quickly without physical

ANNEXURE NO 4.3 Contd...

verification as stated below:-

Opening stock at resale value (Commodity groupwise) - (1.7.84)
plus Purchases at resale value (commodity groupwise upto the
end of each month - from purchase book) minus Sales (commodity
groupwise upto the end of each month - from classification
register (MIS) plus Price increase (commodity groupwise) minus
Price decrease (commodity groupwise) upto the end of each
month is equal to (=) commodity groupwise stock at the end of
each month.

In the above manner, average Stock of each commodity group
can be worked out at the end of each month starting from July 1984
to June 1985.

COLUMN 13 - STOCK PRODUCTIVITY (PERCENTAGE):

The investment in stock must earn atleast 60 percent during
one year. As an illustration, if Rs.100/- are invested in stock,
there should be a return of Rs.60/- on the investment of Rs.100/-.
This stock of Rs.100/- is purchased and then sold and again purchased
and sold and so on during one year. Therefore, this stock of
Rs.100/- rotates a number of times and each time gross profit is
earned. If the gross margin is 12 percent in the above stock, Rs.48
are earned as gross profit if the stock rotates four times. Stock
rotation differs from commodity group to commodity group depending
upon the Gross Margin Percentage.

As an example stock of Groceries rotates more frequently but
the margin is lesser. Whereas, rotation of Textile is lesser but
the gross margin is higher. Productivity of stock is worked out to
know whether investment in the stock is rewarding or not. Stock
productivity plays important role in evaluating the performance of
stock. Stock productivity is worked out as under:-

Gross Margin % x Stock Turn Rate
(Column 11) (Column 12)

ANNEXURE NO 4.3 Contd.....

8.

If the stock turn rate is 3 times and the gross margin is 12%, then stock productivity works out to $3 \times 12 = 36$.

Stock productivity of each commodity group for 1984-85 may be worked out as above and stated in column 13 of the management report.

COLUMN 14 - PRICE INCREASE:

Whenever there is a price increase in the market or at the time of fresh purchases, the selling price is also increased which is reflected in the liability account. These entries are passed commodity groupwise in the Journal and commodity groupwise total amount of increase in prices is worked out at the end of each month and then recorded in the classification register(MIS).

Further, commodity groupwise amount of price increase is recorded for each month in the classification register(MIS) and then totalled for whole of the year.

Commodity groupwise amount of price increase for 1984-85 will be stated in column 14 of the Management Report.

COLUMN 15 - PRICE DECREASE:

The same as stated in column 14.

Thus, the amount of price decrease for whole of the year 1984-85 may be stated commodity groupwise in column 15 of the Management Report.

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