
CHAPTER - II

PROSPECT AND RETROSPECT

OF JANATA BAZAR, KOLHAPUR.

CHAPTER - IIPROSPECT AND RETROSPECT OF JANATA BAZARSociety :

During the early sixties and particularly when India had to fight against intrusion upon Indian soil by China and Pakistan, wholesalers and retailers started exploiting consumers by hoarding the essential commodities and charging exorbitant prices for them. The Government of India, then thought of giving protection to the consumer by encouraging establishment and growth of consumer co-operatives so that they can supply the essential goods required by the consumer. These goods were expected to be quality goods, priced with the minimum mark-up. The co-operatives were also expected to sell such goods in adequate quantity. These consumer co-operatives, thus, were expected to put a check on private traders' malpractices. Kolhapur Janata Central Co-operative Consumers' Society Limited (henceforth called " the society ") was set up as a Consumers' Co-operative which was one of the many to be set up in the country.

The Society was established and registered on 24th January, 1963, registration number being K.P.R. /Con/106-63. The Society is registered under the Maharashtra Co-operative Societies Act, 1960. It started functioning in the same year, with sales of Rs. 3.64 lakhs. During the next 23 years the society has steadily expanded its business, e.g., in 1985-86, sales amounted to Rs. 911.77 lakhs.

In 1987, the society has a network of 34 retail outlets including 5 large and two mini-department stores and one mobile-van self service shop, 16 fair price shops, one cycle shop, one paper and stationary shop and one cloth shop. It has also two bakery units which produce and market about 50,000 loaves daily and one exercise Note-Book manufacturing unit and one hosiery manufacturing unit.

Area of Operation :

The area of operation of the Society is limited to the Kolhapur city and 3 and 1/2 Tahasils viz. Panhala, Shirol, Shahuwadi and half of Karveer. In practice, the retailing activities of the stores are limited to Kolhapur city and the wholesale activities to the area of operation.

Objectives of the Society :

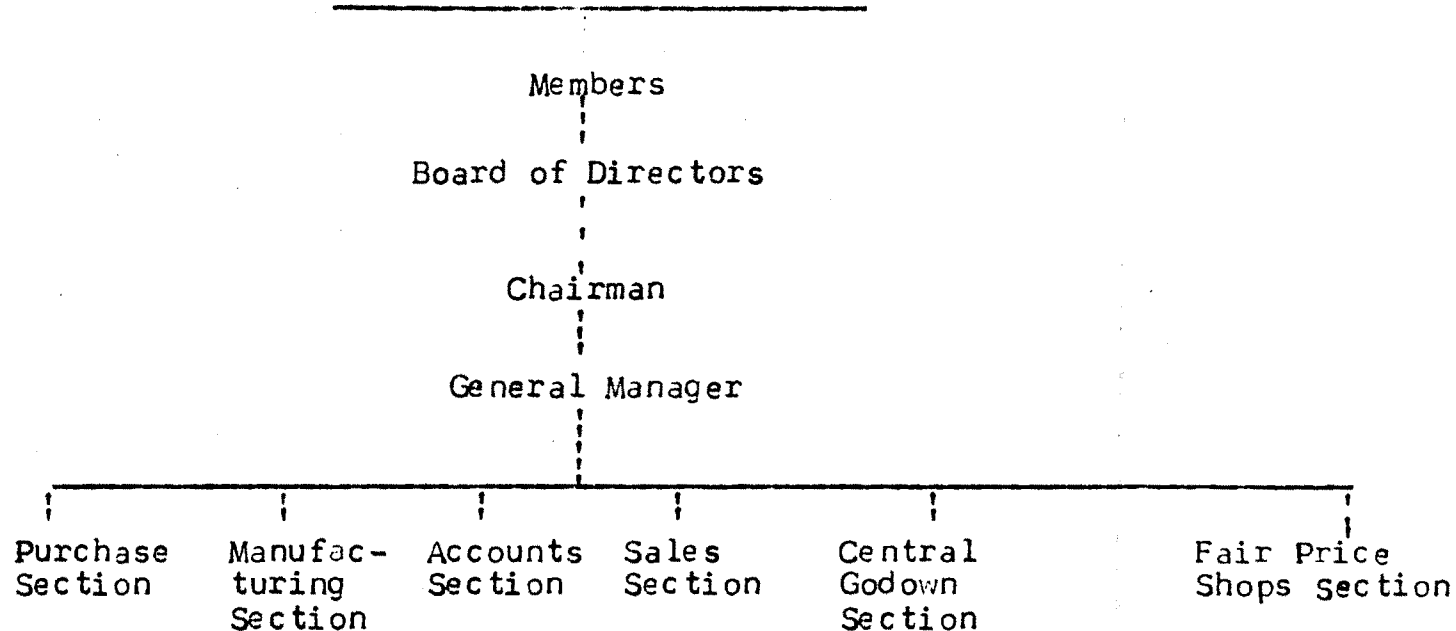
The objectives of the society, as given in the Bye-Laws of the Society, are as follows :-

- i) To procure in wholesale and store consumers' goods for supply on wholesale or retail basis to consumer members and to other consumers and their organisations.

- ii) To encourage marketing, processing and industrial co-operatives by obtaining supplies from them for use of the consumers and in general sponsoring their working.
- iii) To undertake processing and manufacturing activities as and when possible without adversely affecting the interests of the other co-operative societies doing similar business.
- iv) To undertake import of consumers' goods and to undertake functions and distribution of controlled commodities and commodities in short supply, if so required by Government on agency basis or otherwise.
- v) 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.

- vi) To provide for such servicing facilities to customers as may be considered necessary.
- vii) To recommend loan applications of affiliated primary consumers' stores to financing agencies.
- viii) To supervise working of member- primary stores and advise them on management and business techniques.
- ix) To constitute local advisory bodies for branches.
- x) To encourage self-help, thrift and mutual aid among its members and to help the members to build up trade deposits against which consumers goods could be supplied.
- xi) To work as an administrator or liquidator of the affiliated primary consumers' co-operatives if so appointed and also to undertake management of such societies where necessary on such terms and conditions as may be mutually agreed to, between the society and the member primary stores.
- xii) To do such other things as are incidental or conducive to the attainment of all or any of the above objects.

Organisation of the Society :



As shown in the above Chart the members (i.e. individuals 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 over all 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, because of his position, acts as Secretary to the Board. Under the General Manager work various Sectional heads as shown in the Chart given above.

Progress made by the Society :

For the purpose of studying the historical development, the researcher has divided the entire period into three phases as follows :-

- i) Initial Development : 1962-63 to 1969-70.
 - ii) Middle Stage : 1970-71 to 1979-80.
 - iii) Recent Development : 1980-81 onwards.
- i) Initial Development : 1962-63 to 1969-70

The Society started functioning from the year 1963. In the initial stage there was only one provision store in Rajarampuri. In the beginning the Society undertook the supply of cutlery, stationary, papers and cloth distribution. The development of the Society in 1962-63 to 1969-70 is given below :-

Table No. 2.1 : Statement showing the Initial Development of the Society in the years 1962-63 to 1969-70

Particulars	Members (thousand)	Share Capital (Rs.in lakhs)	Sales (Rs. in lakhs)	Gross Profit (Rs.in la- khs).	Net Profit (Rs. in lakhs)
A)At the beginn- ing of the period.	1679	00.55	3.64	00.06	- 00.02
B)At the end of the period.	4078	1.48	60.70	1.65	00.26

Source : Compiled from the records of Janata Bazar.

In the initial stage the Society was incurring loss. From 68-69 onwards the branches have started working on marginal profit.

ii) Middle Stage : 1970-71 to 1979-80

In the year 1971, the Store entered the production field with the establishment of a bakery unit and production of note books and files. Middle Stage development of the Society is given below :-

Table No. 2.2 : Statement showing the Development of the Society in the year 1970-71 to 1979-80.

Particulars	Members (thousand)	Share Capital (Rs.in lakhs)	Sales (Rs. in lakhs)	Gross Profit (Rs. in lakhs)	Net Profit (Rs. in lakhs).
A) At the beginning of the period.	4135	1.54	97.63	2.55	0.23
B) At the end of the period	10820	15.35	258.33	9.49	0.22

Source : Compiled from the records of Janata Bazar.

iii) Recent Development : 1980-81 onwards :

The Society prepared in the late 1970's a master plan for Kolhapur city and decided to open five department stores to cover the entire population, with the help of Consultancy and Promotional Cell of National Co-op. Consumers' Federation

of India Limited (henceforth called C & P Cell of National Federation.) These Department stores are situated in the owned buildings constructed on modular pattern evolved by C & P cell of National Federation. The Society has named these department stores " Janata Bazar " .

The main features of Janata Bazar is given below :-

- i) It has self service system. The entire assortment and goods including textile, footwear and readymade garments have been put under self-service system. Self-service means customers move around the store, see different goods and their prices, select and pick-up goods from the shelves that are required by them.
- ii) Janata Bazar has widest possible assortment which includes Groceries, Provision, Toiletry, Cosmetics, Hosiery, Readymade Garments and other textiles, Utensils, Household goods, Electrical appliances, Medicine, Cycle and Cycle spare parts, plastic goods, toys, foot-wear and travel goods, stationary text books, seasonal goods and furniture etc.
- iii) Provision of clean and quality goods at reasonable price in standard packing.
- iv) Provision of all consumer goods under one roof.

- v) It has standard furniture and fixtures suitable to a Modern Store.
- vi) Modern and well equipped own building.
- vii) Provision of clean and pleasant surrounding for the visiting consumers.
- viii) Electric cash Registers for quick billing and for cash control.
- ix) Giving a practical shape to the Public Distribution Scheme of Government of India.
- x) Providing trollies to the bulk buyers for easy selection of goods.
- xi) National Federations' C & P Cell has selected Janata Bazar as a practical training centre to those who want to open new department stores in the country. The Society gives training to the managers, supervisors, cashiers and salesmen.

Following stores have been benefited by this training :-

- i) Madhya Pradesh State Co-operative Consumers' Federation, Bhopal.
- ii) Shri Ram Consumer Co-operative Society, Phaltan.

- iii) Satara Grahak Madhyavarti Sahakari Sangh, Satara.
- iv) Sholapur District Central Co-operative consumers' Stores Ltd., Sholapur.

The development of each of the Janata Bazars from 1981 is given below :-

1. Ruikar Colony :

The first of the planned five departmental stores was started in Ruikar Colony, in the eastern part of the city, in September 1980. It has a selling area of 5600 Sq.Ft. For the first time in Kolhapur city, Janata Bazar in Ruikar Colony started " self service system " which became popular as is evident from the opening of two such departmental stores within next four years. The Store also has a centralized system of cash collection with the help of a mechanised cash register. The store aimed at covering 5,000 families.

Sales effected at the Ruikar Colony Store for the four years under study are as follows :-

<u>Y e a r</u>	<u>Sales (Rs. in lakhs)</u>
1982-83	34.75
1983-84	39.08
1984-85	35.52
1985-86	37.97

2) Varuntirth :

Varuntirth Departmental/Store was the second to be started by Janata Bazar in May 1981. It is situated in Shivaji Peth of Kolhapur city. This is in the heart of the old city. The Store has a selling area of 15,000 Sq.Feet, in a two storied building constructed on the modular pattern evolved by the C & P Cell of the National Federation. This Store extended the modern retailing system including standard lay-out fixtures, self-service and self-selection systems. The Store covers about 10,000 families in the western part of the Kolhapur city.

Sales of this Store for the four years under study are as follows :-

<u>Year</u>	<u>Sales (Rs. in lakhs)</u>
1982-83	84.25
1983-84	126.48
1984-85	122.41
1985-86	135.09

3) Rajarampuri :

Opened in September, 1984. The Rajarampuri store is the biggest of the first three stores. It has a total selling area of 25,000 Sq.Ft and it is constructed on the same modular pattern. It has all built in securities

to serve the purpose of management and also the modern retailing systems for consumers at the time of shopping. The Store has six check-outs. The store covers about 20,000 families in the central part of the city.

Sales of this store for the two years under study are as follows :-

<u>Year</u>	<u>Sales(Rs.in lakhs)</u>
1984-85	110.41
1985-86	155.85

4) Raviwarteth :

The fourth but mini-store at Raviwarpeth was started in September 1985. It has 480 Sq.Ft. of selling area. The sales effected by the store in 1985-86 were Rs. 12.12 lakhs. As this is the smallest of the stores and as it has been functioning only for one year of the study-period of four years, this store has not been considered for the purpose of this study.

Thus the present study covers the working of the stores at Ruikar Colony and Varuntirth for complete four years and working of the Rajarampuri Stores for two years only.

5) Ratnappa Kumbhar Nagar :-

Ratnappa Kumbhar Nagar Janata Bazar, opened on 15th September 87, has total selling area of 4,215 Sq.Ft. and it is constructed on the same but an improved modular pattern. It has an improved pattern in the sense that this Janata Bazar does not have pillers as found in the buildings of the three department stores, described above.

6) Mobile Van :-

Mobile Van has been started on 10th May, 1987. It covers the area of 10 miles every day. It is called as ' Firata (or Mobile) Janata Bazar '. The area covered by the Mobile van is usually rural and also remote urban areas. The society plans to cover atleast those areas which are not presently covered with its retail outlets.

7) Panhala Janata Bazar :-

On 1st July, 1987, a small ration shop is converted into department store in Panhala.

8) Step-N-Shop :-

Opened on 2nd October 87, it is a mini-Janata Bazar situated on the ground floor of the main office at Laxmipuri.

Progress during Recent Years :

Key figures showing progress made by the society for the five years 1982-82 to 1985-86, are given in the following Table.

Table No.2.3 : Statement showing Progress of the Society
During 1981-82 to 1985-86.

Particulars	1982	1983	1984	1985	1986
	YEAR ENDING ON 30TH JUNE.				
Membership (Nos).	12,202	12,823	13,039	14,382	15,730
Share Capital (Rs. lakhs)					
Individuals and Societies	5.29	5.75	6.18	6.78	9.28
Government	12.66	12.87	22.69	22.69	45.70
Total Share Capital (Rs. lakhs)	17.95	18.62	28.87	36.47	54.98
Sales (Rs.lakhs)	462.96	502.11	570.00	782.19	911.77
Gross Profit (Rs.lakhs)	18.03	21.02	23.90	35.77	41.31
Net Profit (Rs.lakhs)	00.32	00.31	00.35	00.87	00.80
Dividend (Rate)	1%	1%	1%	1%	1%
Audit Class	A	A	A	A	A

Source : Compiled from the records of the Society.

Future Plans :

The Society wants to open big department stores in Pratibha Nagar, Nagala Park and in Mahadev Nagar, (i.e. Dandgaiwadi). The Society also plans to start the four Mobile Janata Bazars to cover the rural areas in Kolhapur District.