

BUSINESS PERFORMANCE OF DINDIGUL DISTRICT CONSUMER COOPERATIVE WHOLESALE STORE - A CASE STUDY

Article Particulars

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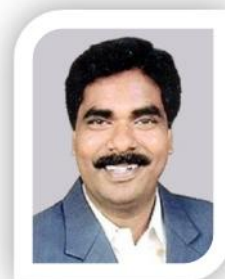
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Abstract

A Consumer Cooperative is a business organisation owned by its member-customers for their mutual gains. It is a form of organization that is oriented towards service rather than pecuniary profit. A consumer Cooperative is formed to provide consumers with the goods and services required for their day-to-day life in terms of maximum possible economic advantage. Consumer cooperatives undertake retail, wholesale trading and some of them undertakes processing of consumer goods.

Consumer Cooperatives have crossed a century by their existence. The structure of Consumer Cooperatives is not same in all over India. In some States, they are having unitary structure and in some States federal structure pattern. In Tamil Nadu federal pattern is followed. Through federal structure, they are functioning at a large network. The structure of Consumer Cooperatives in India is as follows:

Keywords: *consumer Cooperatives, consumer goods, Consumers' Federation, Cooperative Stores, Primary Cooperative, State Cooperative*

National Cooperative Consumers' Federation of India

(NCCF - Membership -141)



State Cooperative Consumers' Federation

(SCCF -30)



Central /District Wholesale Consumers' Cooperative Stores

(DCCWS - 718)

**Primary Cooperative Consumers Stores (29313)**

(PCCS – 21014 & SCS – 8299)

**Members (2.43Crores)**

Source: Indian Cooperative Movement Profile -2012(figures are pertaining to 2009-10)

Structure of Consumer Cooperatives at State Level (TamilNadu)**State Cooperative Consumers Federations**

(Tamil Nadu Consumer Cooperative Federation - 1)

**District Consumer Cooperative Wholesale Stores**

(In Tamil Nadu - 34 DCCWS)

**Primary Consumer Cooperative Stores**

(3215)*

*(371 Primary Consumer Cooperative Stores and 2844 Students Cooperative Stores)

Source: Policy note on 2014-15 by Cooperative Department, Government of TamilNadu.

Cooperative wholesale Stores (CWSs) are established to protect the consumers from the unfair trade practices prevailing in the open market. CWSs are district level consumer cooperatives performing both wholesale and retail trading activities. Due to the hectic competitive environment, the CWSs are in threshold and as such the performance status of CWSs shows a mixed trend. CWSs are suffering from many functional, as well as managerial problems, apart earning normal gain. Their problems need to be analyzed by taking into consideration of the ground realities with micro and macro environment factors to arrive at and proper suggestions for their future sustenance. Some operable suggestions for their better functioning of the store as well as to thrive in the competitive world, are suggested for consideration at the end of the study.

Objectives of the Study

The objectives of the study are:

- To study the functional management practices effected in the select cooperative wholesale store;
- To analyze the business performance of the select store over a period of 14years from 2001 - 02 to 2014 -15; and
- To offer suitable suggestions to improve the functioning of the store.

Methodology

Case study method was adopted for this study. The Dindigul District Consumer Cooperative Wholesale store (DCCWS) was selected purposively; it is performing successfully with a net profit over a long period of time. The study covered a period of 14 years starting from 2001 - 02 to 2014 -15. The study depends on the secondary data which were collected from the Audit Reports, Financial Statements, Ledgers, Bye -laws and Special Bye-laws. The data collected were tabulated under proper heads and they were analyzed in a meaningful way. The Select Store being a cooperative institution impact on the daily life of the people for the past five decades is celebrating its golden jubilee anniversary. It commenced its operations in 1964 with 20 members. Now, it has increased to 24703 Members with a paid up share capital of Rs. 192.93 lakhs. There are 76 branches under its control, including a Super Market, a Self-Service Section (SSS), a Medical Shop and a number of Fair-Price Shops. Statistical tools like averages, percentages for explaining the secondary data, trend projection for forecasting the future progress of the store were used for analysis.

Analysis of the Case

Dindigul District Consumer Cooperative Wholesale Store (DDCCWS) is one among the 34 CWs functioning in TamilNadu. It was registered on 04.03.1964 and started its business operations from 03.04.1964, The 8 revenue taluks of the Dindigul District are covered under the area of operation of the store namely, Dindigul, Vedasanthur, Palani, Ottanchatthiram, Kodaikkanal, Natham, Nilakkottai, and Athoor. The Store has been performing its business activities through its branches and the table below shows the branches of the store.

Table 1 Details of Branches

S.No	Branches	Nos.
1	Abirami Super Market, Dindigul	1
2	Abirami Pandian Nagar Self Service Section	1
3	Abirami Super Market, Nilakkottai	1
4	Dindigul City Fair Price Shops	25
5	Dindigul Village Fair Price Shops	36
6	Part Time Fair Price Shops	10
7	Abirami Cooperative Medical Shop	2
8	Abirami Retail Kerosene Bunks	4
	Total	80

Capital Structure

The Working capital of the stores is consisting of owned funds and borrowed funds. Share capital (collected from the members) and Reserve fund (created out of the net

profit) constitute owned funds. Greater the sum of owned funds facilitate for greater the borrowings and vice-versa. The maximum borrowing power is determined on the basis of 10 times of the paid up share capital coupled with reserve funds. Borrowed funds consisting of deposits mobilized and loans borrowed from financing banks.

The authorized Share capital of the stores was Rs.15, 00,000 made up of 10,000 'A' Class shares of Rs.100 each and Rs. 50,000 from B class shares of Rs.10 each. Both 'A' class members and 'Associate Members' need to pay an entrance fee to the stores at the time of admission. In the year 2014-2015, the share capital of the members was amounted to Rs.14.26 lakhs. Reserve fund is one of the components of owned funds. Not less than 14 percent of net profit is allocated to reserve fund. But the store did not allocate reserve fund due to the accumulated losses in the previous years of the study period. Later the store has undisbursed profit invested with the District Central Cooperative Bank of the district concerned. Deposit is one of the borrowed funds of the store. The store has collected trade deposit and staff security deposits. Trade deposit is collected from the merchants of the store who need to enroll themselves for supply of provisions at the time of purchase of goods by the store through JPC. Staff Security deposit is collected from the employees of the store. Now - a - days these deposits are not collected by the store. But the collected amount of deposits retained by the society. Borrowings is the another important component of the borrowed funds. The store has been collecting funds from the DCCB in the form of Cash Credit Accommodation (CCA) for meeting the working capital requirements.

Table 2 Capital Structure

(Rs.in lakhs)

S.No	Year	Share Capital	Reserve Fund	Deposits	Borrowings
1	2001-02	13.70	0.48	5.29	185.82
2	2002-03	13.70	0.48	6.73	182.09
3	2003-04	13.70	0.48	6.84	129.99
4	2004-05	13.70	0.48	5.27	86.68
5	2005-06	13.70	0.48	9.19	19.05
6	2006-07	13.70	0.48	4.30	Nil
7	2007-08	13.70	0.48	4.28	Nil
8	2008-09	13.70	0.48	4.15	Nil
9	2009-10	13.70	0.48	9.80	28.83
10	2010-11	13.70	0.48	9.80	89.68
11	2011-12	13.70	0.48	9.65	122.76
12	2012-13	13.71	0.48	9.17	-
13	2013-14	14.26	0.48	9.17	-
14	2014-15	14.26	0.48	9.17	-
	Total	192.93	6.72	102.81	-
	Average	13.78	0.48	7.34	-

Source: Compiled from Audit Reports

The above table depicts the capital structure position of the stores. The store was started with a capital of Rs.20,000 on its inception, which has increased to Rs.13.70lakhs in 2001-02. In the year 2014-15, the share capital of the store has increased to Rs.14.26lakhs along with the Government's contribution in 'A' class members as well as Associate members. The store has maintained the reserve fund of Rs.0.48 lakhs throughout the study period. The reserve fund was found static throughout the study period and the same was invested in DCCB. Due to the accumulated loss of the store, the store did not appropriate the net profit. The borrowings position of the store is also described in the table. The store has borrowed cash credit of Rs.185.82lakhs in 2001-02 and it has decreased the lowest level to Rs.19.05lakhs in 2005-06. During the year 2006-07 to 2008-09 the store has not borrowed funds from DCCB which indicates that the store was capable of managing its financial obligations by its own resources.

Working Capital and Investment

Working Capital is comprising of owned funds and borrowed funds of the store. It is consisting of Share capital, Reserve Fund, Deposits, Borrowings and undisbursed profit of the store. The Store has invested its surplus in the form of shares in other cooperatives and fixed deposit, cash certificate in the financing bank. The store has invested an amount of Rs.42.44lakhs in 2001-02 and the same has decreased to Rs.21.66 lakhs in 2014-15.

Table 3 Working Capital & Investment Position

(Rs.in lakhs)

S.No	Year	Working Capital	Investments
1	2001-02	209.39	42.44
2	2002-03	202.52	43.86
3	2003-04	179.46	38.65
4	2004-05	112.47	38.69
5	2005-06	64.54	40.35
6	2006-07	59.60	86.63
7	2007-08	19.60	33.95
8	2008-09	16.62	87.96
9	2009-10	27.24	107.98
10	2010-11	107.78	139.67
11	2011-12	109.10	118.03
12	2012-13	122.69	41.09
13	2013-14	156.42	21.66
14	2014-15	178.42	21.66
	Total	1565.85	862.62
	Average	111.85	61.62

Source: Compiled from Audit Report

Purchase

The success of the consumer cooperatives depends on the purchase system of goods. There is a Joint Purchase Committee (JPC) which is responsible for purchase of goods for DCCWS. The JPC for Madurai region is consisting of 12 places namely Madurai, Dindigul, Theni, Karur, Virudhunagar, Tuticorin, Sivagangai, RamanathaPuram, Nagarcovil, Tirunelveli, Marthandam and Bodi. The Madurai District Consumer Cooperative Wholesale Store's Managing Director is the convener of the JPC. The Cooperative Marketing Societies, Leading Merchants in the regions Local Stockists and Rice Mill Owners are enrolled themselves as the members of the JPC. The Membership fee of the JPC is Rs.5,000. The JPC is convened once in a month i.e. on every Second Thursday to finalise indents of purchases. The JPC makes 15 days prior advertisement in leading newspapers about the meeting. On the basis of the required quality and the expected price, rice, dalls and groceries are finalised and purchased by JPC. The requirements of each store are supplied directly to the concerned wholesale stores. The CWSs who purchased goods make payment within 30 days from the date of purchase of goods.

The CWSs are getting controlled goods supplied by the TamilNadu Civil Supplies Corporation, for Public Distribution System at subsidized price, and Non-controlled goods are from Open market through the JPC. The Controlled goods are meant for public distribution system. The essential items like, Rice, Toor Dal, Urad Dal, Sugar, wheat, Kerosene and Palmoline oil are being sold to the ration card holders at the subsidiary rates. Non-Controlled goods are purchased from open market and sold through Super Market and Self Service Section. The table below shows the Purchase position of the Stores in connection with the controlled and non-controlled goods.

Table 4 Purchase Position

(Rs.in lakhs)

S.No	Year	Controlled Goods	Non-Controlled Goods	Total	Trend Value
1	2001-02	2450.82 (88.60)	315.24 (11.40)	2766.06 (100)	2624.12
2	2002-03	2264.40 (86.87)	342.37 (13.13)	2606.77 (100)	2773.06
3	2003-04	1775.08 (70.88)	729.19 (29.12)	2504.27 (100)	2922.00
4	2004-05	2277.63 (75.88)	723.98 (24.12)	3001.61 (100)	3070.94
5	2005-06	3123.44 (82.35)	669.32 (17.65)	3792.76 (100)	3219.88
6	2006-07	2479.59 (84.72)	447.36 (15.28)	2926.95 (100)	3368.82
7	2007-08	2461.00 (86.05)	399.11 (13.95)	2860.11 (100)	3517.76
8	2008-09	3295.61 (87.86)	455.40 (12.14)	3751.01 (100)	3666.70
9	2009-10	3687.43 (84.43)	680.09 (15.57)	4367.52 (100)	3815.64
10	2010-11	4506.53 (91.46)	420.62 (8.54)	4927.15 (100)	3964.58
11	2011-12	3995.26 (87.29)	581.93 (12.71)	4577.19 (100)	4113.52

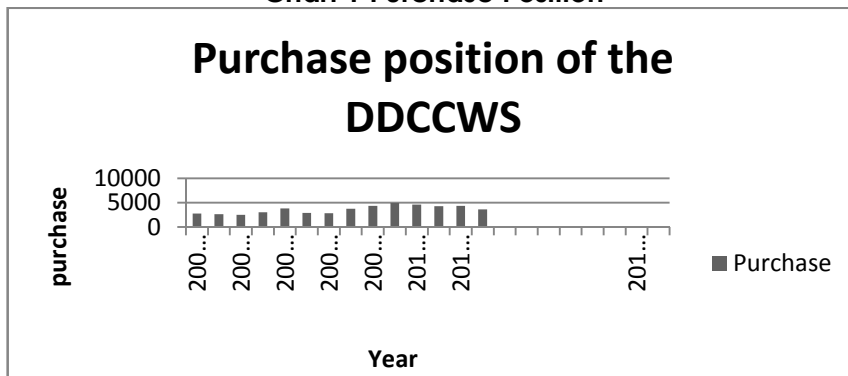
12	2012-13	3487.55 (81.97)	767.01 (18.03)	4254.56 (100)	4262.46
13	2013-14	3547.19 (81.70)	795.00 (18.30)	4342.19 (100)	4411.40
14	2014-15	3196.40 (88.47)	416.74 (11.53)	3613.14 (100)	4560.34
	Total	42547.93	7743.36	50291.29	
	Averages	3039.13	553.09	3592.2	

Source: Compiled from Audit Reports

Note: Figures in parenthesis indicate percentage to total

The purchase position of the stores as described in the table indicates that, in the year 2001-02, it was Rs.2766.06 lakhs has increased to Rs.3613.14 in 2014-2015 with 30.62% increase. The store has undertaken SGRY Programme for issuing food grains to the beneficiaries during the year 2003-04 and 2004-05. So there was a sudden increase in the purchase of non-controlled goods during that period. The overall purchase position of the store has increased gradually according to the needs and requirements of the consumers amounted to Rs.50291.29 lakhs. The trend projection of the purchase of the store would be Rs.5007.16 and Rs.5305.04 lakhs in 2017-18 and 2019-20 respectively.

Chart 1 Purchase Position



Sales

The sample stores undertake the trade activities through wholesaling and retailing as well. The wholesaling is being done to the affiliated Primary Stores and Institutions and such business is done mostly on credit basis. Credit sales are also allowed to the employees who are working in the store. Cash sales are also effected by the store. Retailing is effected through SSS, Super Market and Branches. The following table shows the sales particulars in respect of controlled goods and non-controlled goods.

Table 5 Sales Position

(Rs.in Lakhs)

S.No	Year	Controlled Goods	Non-Controlled Goods	Total	Trend Value
1	2001-02	2596.92 (88.49)	337.7(11.51)	2934.66 (100)	2883.49

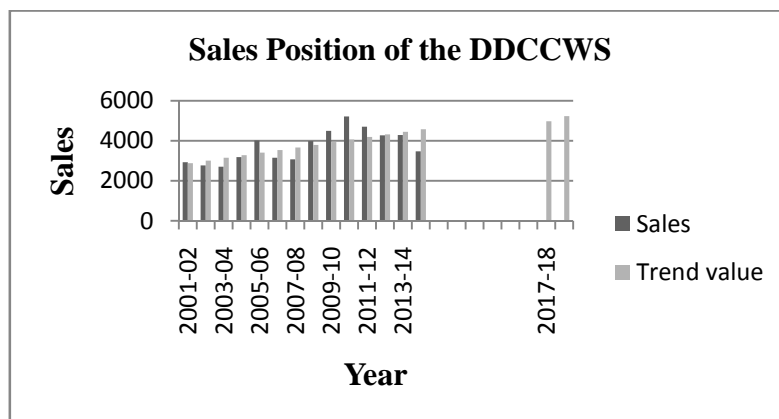
2	2002-03	2386.38 (86.44)	374.30 (13.56)	2760.68 (100)	3014.09
3	2003-04	1889.05 (69.90)	813.35 (30.1)	2702.40 (100)	3144.69
4	2004-05	2404.29 (75.53)	779.10 (24.47)	3183.39 (100)	3275.29
5	2005-06	3150.42 (78.44)	865.74 (21.56)	4016.16 (100)	3405.89
6	2006-07	2481.92 (78.80)	667.85 (21.20)	3149.77 (100)	3536.49
7	2007-08	2504.36 (81.31)	575.47 (18.69)	3079.83 (100)	3667.09
8	2008-09	3049.79 (76.49)	937.63 (23.51)	3987.42 (100)	3797.69
9	2009-10	3740.78 (83.14)	758.36 (16.86)	4499.14 (100)	3928.29
10	2010-11	4523.77 (86.84)	685.26(13.16)	5209.03 (100)	4058.89
11	2011-12	4024.92 (85.64)	675.02 (14.36)	4699.94 (100)	4189.49
12	2012-13	3507.75 (82.12)	763.76(17.88)	4271.51 (100)	4320.09
13	2013-14	3718.67 (86.57)	576.88 (13.43)	4295.55 (100)	4450.69
14	2014-15	3248.8 (93.79)	215.19 (6.21)	3464.06 (100)	4581.29
	Total	43227.89	9025.65	52253.54	
	Average	3087.70	644.68	3732.39	

Source: Compiled from Audit Reports

Note: Figures in parenthesis indicate percentage to total

The sales performance of the store shows a fluctuating trend during the study period. In the year 2001-02, The total sales effected by the store was Rs.2934.66 lakhs in 2001-02, has raised to Rs. 3464.06 lakhs in 2014-15, has contributed 1.80 % of increase. The highest sales effected by the store was Rs. 5209.03lakhs in 2010-11, the reasons being that the stores has undertaken the SGRY Programme and it has supplied food grains to the beneficiaries. The non-controlled sales position of the store mounted to Rs.813.35 andRs.779.10 lakhs in the year 2003-04 and 2004-05 respectively. The trend projection of the sales of the store would be Rs.4973.09 and Rs.5234.29 lakhs in 2017-18 and 2019-20 respectively.

Chart 2 Sales Position



Business Performance

The main business activity of the store is both wholesaling and retailing. The store gets controlled commodities from TamilNadu Civil Supply Corporation at subsidiary rate and non-controlled commodities through JPC.Sales are found more than the purchases in almost all the years which is depicted in the table as follows.

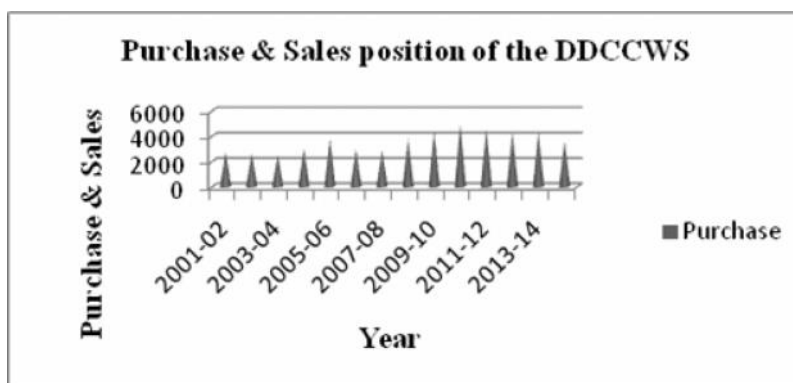
Table 6 Business Performance

(Rs.in lakhs)

S.No	Year	Sales (A)	Purch (B)	Difference (A-B)
1	2001-02	2934.65	2766.06	168.59
2	2002-03	2760.68	2606.77	153.91
3	2003-04	2702.40	2504.27	198.13
4	2004-05	3183.39	3001.61	181.78
5	2005-06	4016.16	3792.76	223.40
6	2006-07	3149.77	2926.95	222.82
7	2007-08	3079.83	2860.11	219.72
8	2008-09	3987.42	3751.01	236.41
9	2009-10	4499.14	4367.52	131.62
10	2010-11	5209.03	4927.15	281.88
11	2011-12	4699.94	4577.19	122.75
12	2012-13	4271.51	4254.56	16.95
13	2013-14	4295.55	4342.19	-46.64
14	2014-15	3464.06	3613.14	-149.08
	Total	52253.53	50291.29	
	Average	3732.39	3592.23	

Source: Compiled from Audit Reports

The business performance of the store as indicated in the table.6, the purchase position was high with Rs.4927.15lakhs in 2010-11 followed by Rs.4577.19 lakhs in 2011-12. The sales position was high with Rs.5209.03lakhs in 2010-11 followed by Rs.4699.94lakhs in 2011-12. There is a correlation between the proceeds of sales, purchases and gross profit in 2010-11. However, the difference between sales and purchase was found in positive trend in 2008-09. In the year 2001-02, the difference of the sales and purchases was Rs.168.59lakhs and it has increased to Rs.281.88 lakhs in 2010-11. Later it has decreased and shows a negative trend due to increase in establishment and other costs. The sales performance was very less when compared to purchase.

Chart 3 Purchase and Sales Position

Gross Profit and Net Profit

Gross profit is the result of the relationship between prices, sales volume and costs. The difference between the net sales and cost of goods sold is known as Gross Profit. The earning capacity of the business can be ascertained by taking the margin between cost of goods sold and sales. The Surplus earned by the cooperatives is one of the yardsticks to measure the efficiency of the organization. Profit earning is a vital factor for withstanding the business as well as sustaining in the future. The following table presents the gross profit and net profit position of the stores.

Table 7 Gross Profit and Net Profit/ Loss Position

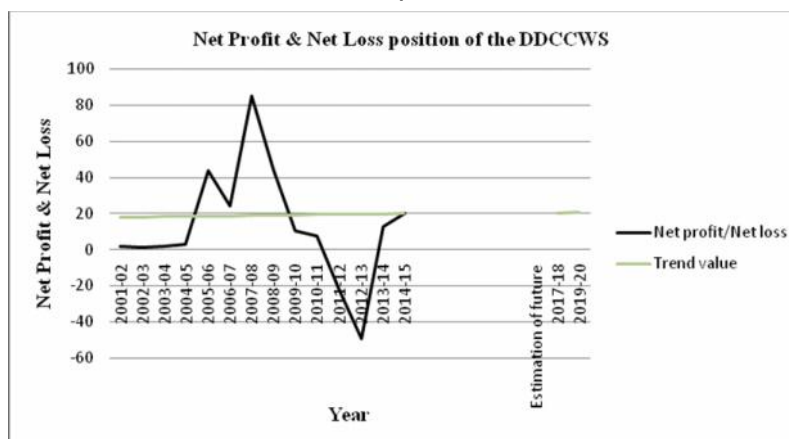
(Rs.in Lakhs)

S.No	Year	Gross Profit	Net Profit/ NetLoss	Cumulative loss	Trend Value (Net Profit)
1	2001-02	22.39	2.07	195.92	18.18
2	2002-03	22.44	2.08	191.76	18.32
3	2003-04	55.22	2.01	190.64	18.46
4	2004-05	57.35	3.43	187.20	18.60
5	2005-06	118.80	43.86	143.34	18.74
6	2006-07	114.24	24.18	119.15	18.88
7	2007-08	152.84	85.11	34.05	19.02
8	2008-09	154.30	44.68	No cumulative loss	19.16
9	2009-10	137.32	10.46	No cumulative loss	19.30
10	2010-11	124.28	07.95	No cumulative loss	19.44
11	2011-12	104.56	-22.74	22.74	19.58
12	2012-13	79.16	-48.96	71.70	19.72
13	2013-14	339.25	12.87	----	19.86
14	2014-15	186.36	20.62	----	20.00

Source: Compiled from Audit Reports

The table shows the Gross profit and Net profit position of the Stores. In the year 2001-02, the store has earned very meager amount of net profit Rs.2.07 lakhs, due to the adjustment of cumulative loss with earlier years. It has increased to Rs.85.11 lakhs in the year 2007-08 due to the varied business activities of the stores. However, the profit position was decreased to Rs.7.95 lakhs in the year 2010-11 due to stiff competition from the private departmental stores widely emerged in the city. The trend projection of the Net Profit of the store would be Rs.20.42 and Rs.20.7 lakhs in 2017-18 and 2019-20 respectively.

Chart 4 Net Profit / Net Loss Position



Audit Classification

The Audit classification of the stores in many of the years of this study period was under "C" class. It mostly depends upon the business performance of the stores. The Key business activities of the store namely, Sales, Purchase, Stock deficit, Establishment charges, Contingencies, Gross profits and Sales turnover are the contributing factors of the audit classification. The following table shows the Audit classification of the store.

Table 8 Audit Classification

S.No	Year	Audit Classification	Marks Secured
1	2001-02	C	35
2	2002-03	C	35
3	2003-04	C	32
4	2004-05	C	40
5	2005-06	A	76
6	2006-07	B	58
7	2007-08	B	51
8	2008-09	B	55
9	2009-10	A	70
10	2010-11	C	39
11	2011-12	C	37
12	2012-13	C	NA
13	2013-14	C*	NA
14	2014-15	C*	NA

Source: Compiled from Audit Reports & *Tentative (yet to be audited)

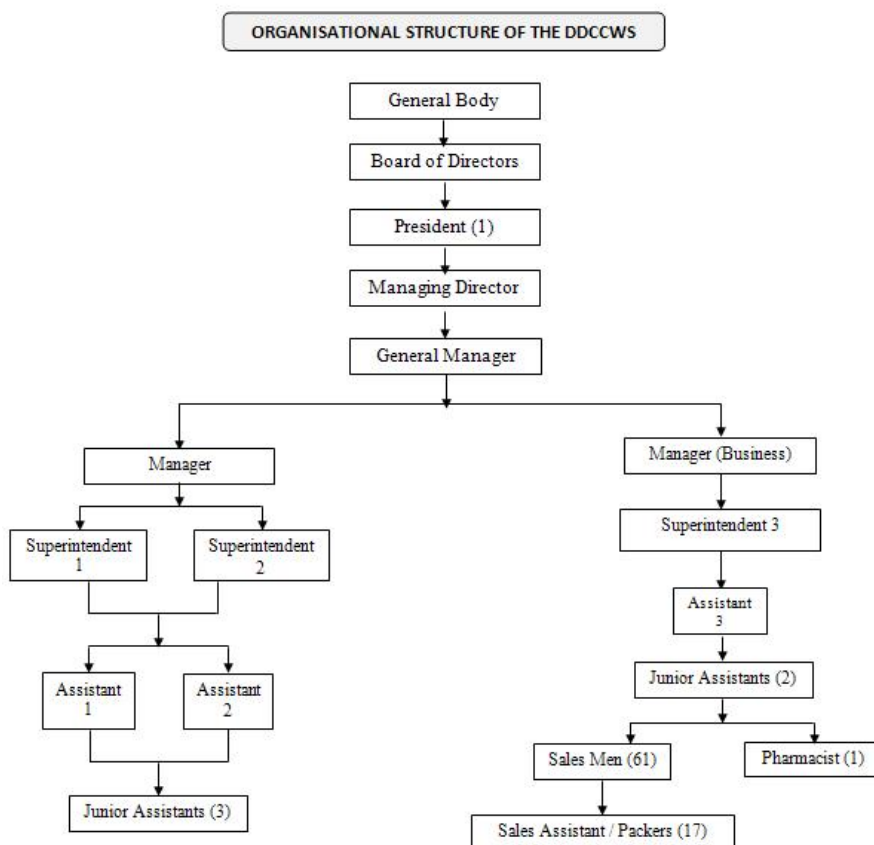
The store obtained 'B' class under audit in three of fourteen years and 'A' class in 2005-06 with 76 marks, and in 2009-10 with 70 marks. In rest of the years the store was under 'C' class.

Organisational Structure

The store is governed by the Board of Directors elected by the members of General Body through election. There is a President who leads the Cooperative store by making regular visits and takes decision pertaining to his limit. Daily administration is being looked after by the Administrator cum Managing Director in the cadre of Deputy Registrar appointed by the Government. The below table and chart show the cadre strength of the employees of the store.

Table 9 Cadre Strength of the Employees

S.No	Designation	Approved Strength	Actual Strength
1	General Manager	1	Vacant
2	Managers	2	Vacant
3	Superintendents	4	3
4	Assistants	9	3
5	Junior Assistants	15	5
6	Salesmen	71	61
7	Sales Assistant /Packers	24	17
8	Pharmacist	1	1
	Total	127	90



Public Distribution System

Cooperative Societies play a vital role in implementing Public Distribution System through Fair price Fair Price Shops, in the State. Movement of essential commodities from the go downs of Tamil Nadu Civil Supplies Corporation to fair price shops is undertaken by 94 Lead Societies in the State. In which 25 are Consumer Cooperative Wholesale Stores and nine are Primary Consumer Cooperative Stores and they act as self-lifting societies. Cooperative Societies run 32,105 Fair Price shops and they are as full time shops and 8554 are part time shops 260 kerosene bunkers are also run by cooperative societies exclusively for distribution of kerosene to Family Cardholders. Essential Commodities are distributed to 18,26,1369 family cardholders.

The Sample Store is running 61 full time Fair Price Shops and 11 Part time Fair Price Shops and together they cover 38,489ration card holders.

Reasons Attributed for Success

The Store has earned net profit continuously during the study period due to various reasons. Also it has reconciled their cumulative losses increased over a long period of time. The following are the reasons for the net profit earned by the stores.

- The store has undertaken the SGRY (Sampoorna Grameen Rozgar Yojana) centrally sponsored rural development programme for unemployed youth in the rural areas. The stores distributed the food grains to the beneficiaries of the scheme. The store has earned nearly 45paise per Kilogram of the food grains especially rice. Under this SGRY, The beneficiaries received 5 Kgs of food grains as a portion of their wages in per man-day. This involves the major composition of the net profit earned by the stores.
- The actual strength of the employees working in the organization was 90, which was lower than the approved strength of 127 employees. The stores could be in a position to save salary of the 37personnel; as they had not been appointed. It could be one way of minimizing the establishment expenses otherwise to that extent, the amount would have to be spent by the store as salary.
- The Centralized purchase system facilitates to purchase groceries at lesser prices and also able to get credit purchase from the suppliers for bulk purchase of consumer goods with good quality.
- The Centralized purchase system has facilitated for achieving economies of transport and labour involved in loading and unloading of goods.
- Timely supply of essential commodities through PDS is the basic element for the success of the stores. Supplying of controlled goods to the people living below poverty line has ensured food security.

Problems

Even though the select Store is running with net profit for a long period of time, with that it also recovered the cumulative losses over a period. It has faced many hurdles in its business transaction. The followings are the major problems of the stores.

- The Business performance of the stores has reduced slowly due to cut throat competition in the open market. They cannot compete with the private departmental stores. The percentage of discount given by the stores is 2-3 percentage lesser than the private competitors. Private departmental stores offering free door delivery, highest discount, credit sales and so on. But the CWS does not provide these services.
- The CWS is facing the problem of shortage of employees in the organization. The actual strength of the employees was short of 32 of the sanctioned strength. This would reduce the efficiency of the stores. Required manpower is necessary for achieving target sales of the organization.
- Lack of computerization in administration is one of the main problems in CWS. Private trading organizations are functioning speedy with the help of computers. Decision-making in managerial functions would be taken more time without the help of computers.
- Finance is the lifeblood of every organization. The study unit is not having sufficient financial resources due to fluctuating sales trend during the study period. The sound financial position for promoting sales performance of the stores.
- Quality is the important aspect in the sales promotion technique. The CWS does not have quality testing lab for testing the quality of the consumer goods.

Suggestions

- The CWS should improve the sales promotional techniques like, free door delivery, discount sales and so on for competing with private trading concerns.
- The store should establish quality assurance lab for testing the quality of groceries, edible oils and related food items with the aid from Tamil Nadu Government.
- The store should go for computerization in administration process for speedy decision making, implementation, monitoring and control.
- For computerization modernization of larger financial resources along with enhancement of ambience and outlook of the stores.
- The CWS should appoint required man power for efficient functioning of the store.

Conclusion

In the dynamic scenario, Cooperative Wholesale Store is facing biggest challenges from the private traders. CWS should meet out these challenges; CWS must revamp the policies, services and business methods. The Stores should think about the financial, human resources for the professional management in the organization. The stores

should adapt the proper planning, proper location, good coordination for the success of the stores.

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