

PROFITABILITY OF CHINTHAMANI SUPER-MARKET, TIRUCHIRAPPALLI

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Introduction

Co-operation has become the panacea of the common man in solving many of his economic ills. Consumer's co-operatives have assumed greater significance in the present context of inflationary fraud particularly on essential commodities. In the field of distribution of essential commodities, intermediaries commit malpractices like artificial increase in the price, hoarding, irregular supply, adulteration of goods, supply of inferior varieties of goods, underweighting etc.; they exploit the innocent consumers who are highly unorganized. To safeguard the consumer's interests, various steps taken by the Government were not helpful to tackle problems fully. The exploitation of the innocent consumers by private intermediaries had not been stopped. Under such circumstances, the lasting remedy lies in organizing the consumer's co-operatives which would enable them to protect their interest to a great extent.

In India, only in 1912 legal recognition was given for the formation of consumer's society; The enactment of the co-operative Act of 1912 was to protect the interest of the consumer. Further, both Central and State Governments passed many enactments in this connection.

It is interesting to note that the credit of organizing the first consumer's co-operative stores goes to Tamil Nadu with the formation of the triplicane urban co-operative society limited in 1904. In the year 1966, 43 super bazaars were started to cover metropolitan cities and towns with the prime objectives of holding the price line and to ensure regular and equitable distribution of essential consumer goods to the general public at fair prices. In due course, super markets were located all over India to cover cities/towns with a population of 2.5 lakhs. In the same way, the Chinthamani co-operative super market, Tiruchirappalli was established.

Origin of Chinthamani

The Chinthamani co-operative super market is a unit of Tiruchirappalli Consumer's co-operative wholesale stores Ltd. It was registered on 30-11-1939 and started functioning from 6-12-1939. The operations and working of the unit are controlled by the parent organization - "The Tiruchirappalli Consumers' Co-operative Stores Limited" R. 619. The registered office of Chinthamani super market is situated in 12/1, EVR Road, Puthur, Tiruchirappalli - 17².

Objectives of Chinthamani

The main objective of Chinthamani is to sell all essential articles and other goods (in day today use) to the general public at a reasonable price, guaranteeing good quality and correct weightment. It is to enable the consumers to buy almost all their requirements under one roof. The organization is expected to strengthen the public distribution system and to hold the price line effectively.

Area of Operation

The area of operation of Chinthamani super market, Tiruchirappalli was originally the entire Tiruchirappalli Town and the sururban area situated within a radius of 30 kilometers from Tiruchirappalli. Later, it was extended to the adjoining towns like Kulithalai and Pudukottai.

Membership and Capital

The membership of the organization is open to individuals and institutions including co-operatives, local bodies and the Government departments. The institutions are deemed as "A" class members and the individuals are classified as "B" class members. The share capital of Chinthamani is contributed by three types of members and Table-I reveals the details of membership strength and paid up capital as on 31.1.96.

Table - I : The Details of Membership Strength and Paid up Capital as on 28/2/96.

S.No.	Type of Members	Total Number of Members	Amount Rs. (Rs. lakhs)
1.	Government	1	13.33
2.	Institutions	185	0.69
3.	Individuals	77,819	8.14
	Total	78,005	22.16

(Source: Short Notes of Chinthamani till 28.2.95)

Financial Position of Chinthamani

"Chinthamani" co-operative supermarket has got cash credit accommodation with Tiruchirappalli District Central co-operative Bank Ltd, Tiruchirappalli to the extent of Rs. 324/- lakhs and a special cash credit of Rs. 50/- lakhs; of the total Rs. 374 lakhs, Rs. 74 lakhs in utilized for public distribution system. Apart from the cash credit accommodation 'Chinthamani' co-operative super market has collected fixed deposits to the tune of Rs. 471.78 lakhs from its member and customers. The fixed deposit so collected is being utilized to meet out the financial requirements of the super market.³

Growth of Chinthamani

Chinthamani did not make much headway until 1972. In the advice of the Government of Tamil Nadu, the management of Chinthamani came to the rescue of Chinthamani super market, Tiruchirappalli and took over its administration from 9.7.1972. Till then, it was deemed as sick unit. The new management injected fresh blood into it and the various measures of reform were undertaken by it to earn profit. The new name - "Chinthamani" became the household name throughout Tiruchirappalli and its neighbourhood places. At present, it has 20 branches of six types in its area of operation; the details are given in Table-II. Among 20 branches, one or two are likely to be closed soon due to non-viability of operation.

Table - II : The Details of Branches with its Location as on 28.2.96

Sl. No.	Type of Branches	Number of Branches	Location of Branches
1.	Department Stores	2	Puthur and Teppakulam
2.	Self Service	1	Navelpattu Pudukkottai
3.	Mini Super Market	1	BHEL Branch
4.	Modern Retail Outlets	1	Kulithalai
5.	Large size Retail Outlets	4	Subramaniapuram, Srirangam, Crawford and Indira Nagar
6.	Small Size	11	Ponnagar, T. Nagar, Woriyur, Khajamalai, Kattur, Kamara-japuram, Thiruverambur, Police Colony, Tolgate, City branch and Srinivasa Nagar.
	Total	20	

(Source : Short Notes of Chinthamani till 28.2.95)

Activities of Chinthamani

Chinthamani supermarket sells commodities on whole sale basis, but a major portion of the transaction of the organisation is covered by retail trade; it sells goods of good quality at reasonable price. The important activities of the organization can be grouped into: (a) On self - Service Section (b) Chinthamani on Wheels (c) Text Books and Note Books (d) Joint Purchase Scheme of Japanese Pattern (e) Analytical Laboratory, (f) Oil Mill (g) Indane Gas (h) Seasonal Purchase (i) Festival Sales (j) Crackers (k) Students Corner (l) Cost to Cost Sales Exhibition (m) Hardware Branch (n) Mobile Van Service etc.,

Profitability of Chinthamani

The smooth and efficient functioning of any organization depends mainly on its profitability. Otherwise the survival of such organization may also be at stake. Co-operative organization like Chinthamani is not an exception to this. Therefore, it is necessary to study the profitability of Chinthamani co-operative super market, Tiruchirappalli. Table - III reveals the profitability position of Chinthamani co-operative super market, Tiruchirappalli from 1984-85 to 1996-97.

Table - III : Profitability of Chinthamani Co-operative Super Market, Trichy from 1984-85 to 1996-97 (Rs. in lakhs)

Sl. No.	Period	Sales	% of increase	G.P.	% of increase	₹L /	Accumulated Losses
1.	1984-85	2,007.95	100.00	97.17	100.00	+5.54	-
2.	1985-86	2,400.77	119.56	110.10	113.30	+5.96	11.50
3.	1986-87	2,529.20	125.95	110.31	113.52	-6.94	4.56
4.	1987-88	2,990.14	148.91	122.23	125.78	-18.50	-13.94
5.	1988-89	3,071.69	152.97	117.69	121.11	-27.05	-41.44
6.	1989-90	2,464.93	122.75	114.03	117.35	-23.35	-64.79
7.	1990-91	3,003.02	149.55	104.93	107.05	-153.21	-218.00
8.	1991-92	2,828.45	140.86	93.78	96.51	-131.19	-349.19
9.	1992-93	2,700.79	134.50	116.45	119.84	-102.86	-452.05
10.	1993-94	3,325.19	165.60	124.66	128.29	-161.86	-613.80
11.	1994-95	3,504.44	174.52	139.45	132.89	-150.60	-764.40
12.	1995-96	3,362.72	167.47	149.65	154.00	-182.30	-946.70
13.	1996-97	* 3,951.34	191.80	158.18	160.72	-178.32	-1125.02

(Source : Chinthamani Co-operative Super Market Annual Report from 1984-85 to 1996-97).

* Tentative Figures.