

## ***Directors' Report***

### **Dear Members,**

The Directors of Kendriya Bhandar are pleased to present the Annual Report alongwith the audited accounts for the cooperative year ending 31<sup>st</sup> March 2019.

### **2. PERFORMANCE FOR THE COOPERATIVE YEAR 2018-19**

The performance of the Society in terms of sales, profits and overheads during the year 2018-19 is as under:-

<b>Indicators</b>	<b>2018-19</b>	<b>2017-18</b>
Sales (Rs. Lakhs)	153991.70	75013.93
Gross Profit (Rs. Lakhs)	3306.26	3163.19
Overheads (Rs. Lakhs)	3992.04	3876.16
Net Profit (Rs. Lakhs)	201.27	189.19
Increase in Sales (%)	105.28	(-) 13.22
Increase in overheads (%)	2.99	5.19
Gross profit to sales (%)	2.15	4.22
Net profit to sales (%)	0.13	0.25
Overheads to sales (%)	2.59	5.17
Share Capital (Rs. Lakhs)	101.50	101.20
Govt.'s share therein (Rs. Lakhs)	68.18	68.18
Capital employed (Rs. Lakhs)	7503.27	7400.23
Stock (Rs. Lakhs)	2103.06	2243.71
Sales inventory ratio (times)	73.22	33
Individual share holders (Nos.)	93513*	93436*
Shares held by Individual shareholders (Nos.)	333276	330205
Dividend proposed/declared (%)	10	10
Income Tax (Rs. Lakhs)	136.29	173.17
Dividend to Government (Rs. Lakhs)	6.82	6.82
Employees strength (Nos.)	391	396
Bonus paid (%)	20	20
Stores/office network (Nos.) All India	153	149
Net worth (Rs./Crore)	75.00	74.00

\* includes the members who have retired from service.

### **3. BUSINESS EFFICIENCY**

Your Society has achieved sales of Rs.1539.92 crores during the Financial Year 2018-19 against the sales of Rs.750.14 crores in Financial Year 2017-18. The Society continued its endeavours of generating incidental income and accordingly its other income is Rs.887.04 lakhs in 2018-19 as against Rs.902.16 lakhs in 2017-18.

Kendriya Bhandar has achieved a net profit of Rs. 201.27 lakhs in the F.Y. 2018-19 after making provision for pay arrears of Rs.2 crores against Rs.189.19 lakhs during the F.Y.2017-18.

#### **Opening of new Kendriya Bhandar Retail Stores:**

We have received allotment letters from IAF authorities for Subroto Park, Pinto Park, Sekhon Vihar and NMRC, Greater Noida and a Porta Cabin has been built-up at Lodhi Colony for opening Kendriya Bhandar store.

#### **Sale of Grocery and Consumer Items in Delhi:**

Kendriya Bhandar has 110 nos. self-service grocery consumer retail stores in Delhi beside the Institutional Sales Unit (ISU) and six pharmacy shops. Through its Institutional sales unit, Kendriya Bhandar continues to provide goods to institutions like Tihar Jail, JNU/IIT Hostels, Janpath/Samrat Hotels, Hyderabad House, President House, Vigyan Bhawan, Homes of Social Welfare Deptt. of Govt. of Delhi, Govt. Hospitals etc.

### **4. QUALITY, SERVICES & BENEFITS TO CUSTOMERS**

The Society has established rigid quality standards to ensure that goods with assured standards of quality are sold through its outlets. A Quality Control Officer has been appointed in Kendriya Bhandar for monitoring the product quality and for making improvements on an ongoing basis. Packed grocery items are sold after pre-testing in laboratory. On the shelf post-testing is done periodically. The goods sold in the manufacturers packing carry the warranty of the manufacturer. Complaint Books are provided in all the stores for customers to enter their complaints/suggestions, which are acted upon from time to time. Number of stores have been air-conditioned. CCTV cameras have been provided in a large number of stores/establishments as preventive measure against shop lifting, theft etc. Further, Credit Card Machines have also been provided in the stores of Kendriya Bhandar.

## 5. COMPUTERIZATION OF RETAIL STORES :

100% computerization of stores has been achieved and also inventory has been computerized.

## 6. PERFORMANCE OF REGIONAL OFFICES

The performance of the Regional Offices during the year under report are as follows:

**(Rs. / Lacs)**

S. No.	Regional Office	Sales		Net Profit	
		2018-19	2017-18	2018-19	2017-18
1.	Delhi Region	33439.74	36545.90	(-) 1020.72	(-) 663.86
2.	Chennai	105949.25	22709.95	948.96	572.59
3.	Mumbai	1867.07	3839.47	30.49	70.46
4.	Gandhinagar (Guj.)	1467.20	865.29	74.63	56.10
5.	Chandigarh	555.45	544.70	13.34	14.05
6.	Mussoorie	493.53	575.46	(-) 2.92	4.24
7.	Lucknow	847.80	873.89	2.28	5.94
8.	Faridabad	1710.02	1636.02	43.37	32.44
9.	Cochin	285.94	352.80	3.03	4.70
10.	Gwalior	2227.98	2812.32	23.83	46.56
11.	Ghaziabad	689.80	709.43	10.48	(-) 29.35
12.	Jaipur	2132.86	1659.88	25.37	26.42
13.	Kolkatta	1286.37	1314.96	45.93	53.60
14.	Ranchi	893.16	463.17	0.41	(-) 6.77
15.	Bhubaneshwar	145.53	110.69	2.79	2.07
	Total	153991.70	75013.93	201.27	189.19

## **7. CHALLENGES**

Kendriya Bhandar was established in 1963 as a Welfare Project and since then, it has been functioning as such almost on “no profit and no loss” concept basis. Rapid changes in technology, policies, market dynamics, retailing strategies have direct bearing on the sales of Kendriya Bhandar. Mushrooming organized/un-organised retail chains/stores coming up in market besides posse of hawkers loitering on every road/mohalla with open food grains are posing direct challenge.

## **8. EFFORTS/ STRATEGIC TIE-UPS FOR BUSINESS EXPANSION**

All out efforts are made to keep high standards of service, which are being extended, to the customers by the Society. Kendriya Bhandar is fully conscious of the confidence reposed by its customers, by the Government and its shareholders.

In past one year, we have succeeded in following endeavors:-

- Tie-up with Telangana Govt.
- Tie-up with HAFED.
- Tie-up with other organizations.
- Tie-up with Centre for Strategy and Leadership (CSL) for event management.
- MOU between Kendriya Bhandar & Andhra Bhawan has been signed.
- For the first time, roughly in last 15 years, tender was conducted for fixation of service charge (conversion, handling, packing and transportation etc.) of Atta and as a result existing prices have come down by Rs.6.10 per 10 kg bag. Similar exercise was done in various other cases which proved to be advantageous for the organization/ customers.
- Efforts are on for tie-up at other places/sectors.

## **9. RECOGNITION**

- Kendriya Bhandar has been registered with MSME.
- The Society is now ISO 9001:2015 certified organization.
- Kendriya Bhandar received Co-operative Award 2017-18 from Delhi Govt on 20.11.2018.
- Kendriya Bhandar has been adjudged as the best organization in the country by FSSAI and it was awarded “Eat Right Award 2018-19” by Hon'ble Union Minister for Health and Family Welfare on 07.06.2019.

## **10. ACKNOWLEDGEMENT**

We wish to thank Government of India, particularly Ministry of Personnel, Public Grievances & Pensions, the Directorate of Estates, Ministry of Urban Development, Ministry of Consumer Affairs, Food & Public Distribution, Govt. of India, Government of NCT of Delhi, the print and the electronic media, the bankers, the suppliers, the employees, the shareholders and the delegates for their all-round contribution to the continued success of the Society.

For & on behalf of the Board of Directors

Sd/-  
**(Chairman)**