

Directors' Report

Dear Members,

1. INTRODUCTION

The Directors of Kendriya Bhandar are pleased to present the Annual Report alongwith the audited accounts for the cooperative year ending 31st March 2020.

2. PERFORMANCE FOR THE COOPERATIVE YEAR 2019-20

The performance of the Society in terms of sales, profits and overheads during the year 2019-20 is as under:-

(Rs. in Lakhs)

Indicators	2019-20	2018-19
Sales (Rs. Lakhs)	171710.86	153991.70
Gross Profit (Rs. Lakhs)	4333.57	3306.26
Overheads (Rs. Lakhs)	4755.94	3992.04
Net Profit (Rs. Lakhs)	462.75	201.27
Increase in Sales (%)	11.51	105.28
Increase in overheads (%)	19.14	2.99
Gross profit to sales (%)	2.52	2.15
Net profit to sales (%)	0.27	0.13
Overheads to sales (%)	2.77	2.59
Share Capital (Rs. Lakhs)	101.50	101.50
Govt.'s share therein (Rs. Lakhs)	68.18	68.18
Capital employed (Rs. Lakhs)	7796.06	7503.27
Stock (Rs. Lakhs)	1985.43	2103.06
Sales inventory ratio (times)	86.49	73.22
Individual share holders (Nos.)	93509	93513*
Shares held by Individual shareholders (Nos.)	333231	333276
Dividend proposed/declared (%)	10	10
Income Tax (Rs. Lakhs)	253.11	136.29
Dividend to Government (Rs. Lakhs)	6.82	6.82
Employees strength (Nos.)	376	391
Bonus paid (%)	20	20
Stores/office network (Nos.) All India	154	153
Net worth (Rs./Crore)	77.96	75.00

* includes the members who have retired from service.

3. BUSINESS EFFICIENCY

Your Society has achieved sales of Rs.1717.11 crores during the Financial Year 2019-20 against the sales of Rs.1539.92 crores in Financial Year 2018-19. The Society continued its endeavours of generating incidental income and accordingly its other income is Rs.885.12 lakhs in 2019-20 as against Rs. 887.04 lakhs in 2018-19.

Kendriya Bhandar has achieved a net profit of Rs.462.75 lakhs in the F.Y. 2019-20 (after making provision for pay arrears on account of wage revision of Rs.300 lakhs) against Rs.201.27 lakhs during the F.Y.2018-19.

Opening of new Kendriya Bhandar Retail Stores:

Kendriya Bhandar has opened new retail stores at Pinto Park, Sekhon Vihar, Lodhi Colony (Porta Cabin) and Tughlakabad. Kendriya Bhandar has opened Stationery Counter at Jamia Hamdard University. At Stationery Division we have opened a separate counter for COVID-19 related items.

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. 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	
		2019-20	2018-19	2019-20	2018-19
1.	Delhi Region	33809.69	33439.74	(-) 865.03	(-) 1020.72
2.	Chennai	126355.83	105949.25	1136.99	948.96
3.	Mumbai	599.86	1867.07	5.90	30.49
4.	Gandhinagar (Guj.)	1301.35	1467.20	56.82	74.63
5.	Chandigarh	353.47	555.45	8.26	13.34
6.	Mussoorie	536.51	493.53	2.40	(-) 2.92
7.	Lucknow	978.45	847.80	6.75	2.28
8.	Faridabad	1381.27	1710.02	35.12	43.37
9.	Cochin	1615.26	285.94	5.39	3.03
10.	Gwalior	1587.47	2227.98	23.71	23.83
11.	Ghaziabad	779.51	689.80	13.26	10.48
12.	Jaipur	1254.88	2132.86	15.01	25.37
13.	Kolkatta	410.58	1286.37	16.33	45.93
14.	Ranchi	661.29	893.16	0.24	0.41
15.	Bhubaneshwar	85.44	145.53	1.59	2.79
	Total	171710.86	153991.70	462.75	201.27

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. Our tie-up with many organization like Telangana Govt., HAFED, CSL etc. are continuing and number of proposals are under active consideration at the level of different State Governments. In order to broaden outreach/connect to masses, we have recently tied up with Prasar Bharati for mass communication. Efforts are on for tie-up with other places/sectors.

9. SERVICE

- Kendriya Bhandar became life-line for service of our members and masses during lock-down.
- Kendriya Bhandar provided 2200 ration kits, free of cost, to stranded people through DOPT/Delhi Govt.
- Kendriya Bhandar provided approx 5000 kits, free of cost, to Delhi Police, Delhi Traffic Police & Doctors (As Corona Warriors). The kits contained hand-wash, sanitisers, soaps etc.
- Kendriya Bhandar provided 50000 kits, free of cost, to Safai Karamcharis (Corona Warriors) working in 5 local bodies of Delhi (EDMC, SDMC, North Delhi Municipal Corporation, NDMC, Delhi Cantonment Board).
- Kendriya Bhandar provided food & shelter to thousands of stranded people during lock-down with the assistance of an NGO.

10. RECOGNITION

- In recognition of service of employees of Kendriya Bhandar, Press Information Bureau/Rotary Club of Delhi honoured KB employees as Corona Warrior.

- Dr. Jitendra Singh, Hon'ble MOS(PP) honoured Dr. Eish Singh DCP, Delhi Police, Dr. Meenakshi Bhardwaj, MS RML Hospital & KB employees as Corona Warriors representing Police, Medical fraternity & Kirana Stores respectively.

11. 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/-
(Chairperson)