

## 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 31<sup>st</sup> March 2021.

### 2. PERFORMANCE FOR THE COOPERATIVE YEAR 2020-21

The performance of the Society in terms of sales, profits and overheads during the year 2020-21 is as under:-

Indicators	2020-21	2019-20
Sales (Rs. Lakhs)	291141.21	171710.86
Gross Profit (Rs. Lakhs)	3935.29	4333.57
Overheads (Rs. Lakhs)	4439.30	4755.94
Net Profit (Rs. Lakhs)	472.99	462.75
Increase in Sales (%)	69.55	11.51
Increase in overheads (%)	(-) 6.66	19.14
Gross profit to sales (%)	1.35	2.52
Net profit to sales (%)	0.16	0.27
Overheads to sales (%)	1.52	2.77
Share Capital (Rs. Lakhs)	101.34	101.50
Govt.'s share therein (Rs. Lakhs)	68.18	68.18
Capital employed (Rs. Lakhs)	8103.89	7796.06
Stock (Rs. Lakhs)	2577.84	1985.43
Sales inventory ratio (times)	112.94	86.49
Individual share holders (Nos.)	93485	93509
Shares held by Individual shareholders (Nos.)	331666	333231
Dividend proposed/declared (%)	10	10
Income Tax (Rs. Lakhs)	216.68	253.11
Dividend to Government (Rs. Lakhs)	6.82	6.82
Employees strength (Nos.)	365	376
Bonus paid (%)	20	20
Stores/office network (Nos.) All India	150	154
Net worth (Rs./Crore)	81.03	77.96

\* includes the members who have retired from service.

### **3. BUSINESS EFFICIENCY**

Your Society has achieved sales of Rs.2911.41 crores during the Financial Year 2020-21 against the sales of Rs. 1717.11 crores in Financial Year 2019-20. The Society continued its endeavours of generating incidental income and accordingly its other income is Rs.977.00 lakhs in 2020-21 as against Rs. 885.12 lakhs in 2019-20.

Kendriya Bhandar has achieved a net profit of Rs.472.99 lakhs in the F.Y. 2020-21 (after making provision for pay arrears on account of wage revision of Rs.300.00 lakhs) against Rs.462.75 lakhs during the F.Y. 2019-20.

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

Kendriya Bhandar has opened new retail stores at East Kidwai Nagar.

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

Kendriya Bhandar has 105 nos. self-service grocery consumer retail stores in Delhi beside the Institutional Sales Unit (ISU) and five 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:

S. No.	Regional Office	[Rs./Lacs]			
		Sales 2020-21	Sales 2019-20	Net Profit 2020-21	Net Profit 2019-20
1.	Delhi Region	40532.15	33809.69	(-) 1200.78	(-) 865.03
2.	Chennai	203388.51	126355.83	1242.88	1136.99
3.	Mumbai	584.96	599.86	3.73	5.90
4.	Gandhinagar (Guj.)	1165.47	1301.35	48.70	56.82
5.	Chandigarh	324.49	353.47	13.39	8.26
6.	Mussoorie	184.18	536.51	7.08	2.40
7.	Lucknow	12820.96	978.45	37.59	6.75
8.	Faridabad	1358.83	1381.27	55.10	35.12
9.	Cochin	395.00	1615.26	0.89	5.39
10.	Gwalior	23946.83	1587.47	218.57	23.71
11.	Ghaziabad	843.09	779.51	8.65	13.26
12.	Jaipur	5006.07	1254.88	40.26	15.01
13.	Kolkatta	172.30	410.58	(-) 2.15	16.33
14.	Ranchi	384.43	661.29	3.80	0.24
15.	Bhubaneshwar	33.94	85.44	(-) 4.72	1.39
	Total	291141.21	171710.86	472.99	462.75



## 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 and FSSAI for mass communication. FSSAI is already relaying advertisement on FM Radio about availability of healthy/nutritious food products in Kendriya Bhandar. Efforts are on for tie-up with other places/sectors. We are also at advance stage of forming consortium with other co-operatives working in different fields and also with PSUs to work together.

## 9. SERVICE

- Kendriya Bhandar became life-line for service of our members and masses during Covid phase.
- Like last year, Kendriya Bhandar as a socially responsible welfare project provided material & relief worth Rs.40 lacs (approx) to corona affected people directly or through NGOs. Entire relief was arranged by sponsorship without any cost to KB.

## 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/-

(Chairperson)