

No. RCS/E/5/4/2/131/85
Government of Pondicherry
Co-operative Department

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Pondicherry, the 13.10.1986

**DIRECTION ISSUED UNDER SECTION 81 OF THE PONDICHERRY
CO-OPERATIVE SOCIETIES ACT, 1972**

Sub:-Consumer Co-operatives – Streamlining the procedure for purchase and supply of consumer goods – Regarding.

The Government have programmed to expand the consumer co-operative movement in this Union territory on a large scale, so as to ensure the availability of quality goods at competitive prices to the consumers and also to see that the consumer co-operative institutions act as a pace-setter in this Union territory. Towards this objective, various development programmes have been undertaken to assist the consumer co-operative under the 7th Five Year Plan. As a part of the above programme, it has been decided that the retail sales of the consumer co-operative institutions in this Union territory should reach a level of at least 25% of the total retail trade, at the end of the year 1989-90, so that the co-operatives can effectively influence the price trend in the market. That would mean that the consumer co-operative institutions should handle a business of about Rs.35.00 crores in the terminal year of the current Five Year Plan.

The achievement of the above mentioned programme calls for detailed planning and execution in respect of the following items, at the level of consumer co-operatives:

1. Gaining expertise in the purchase of the commodities
2. Making bulk purchases at source so as to gain the economies of scale;
3. Scientific storage of the goods purchased;
4. Proper pre-cleaning and pre-packing to ensure quality and correct weight;
5. Timely deliveries to the retail outlets;
6. Modernization of the retail trade by introducing self – service, mechanized billing, etc;
7. Periodical training to the executives, sales force and others;
8. Effective communication to the customers through programmes of consumer - education and member – education;
9. Effective publicity; and
10. A close vigil against leakages and malpractices.

As a first step for carrying out the above mentioned activities in a coordinated way, as apex body by name the Pondicherry State Co-operative Consumer' Federation was started in the year 1983 to undertake purchases on behalf of all the consumer co-operative institutions in this Union territory, arrange for storage, pre-cleaning,

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pre-packing and distribution, besides undertaking expansion and promotional activities. The Federation has made a good beginning by undertaking the purchase and distribution of groceries and cosmetics. Besides, it has also taken steps to organize a few new primary societies for expanding the consumer co-operative movement. But a lot more remains to be done for achieving the targeted goal of covering 25% of the retail trade of this Union territory. Some of the retail primary societies are still engaged in buying the goods in bags and doing the pre-cleaning and pre-packing themselves, which is not warranted. It results in avoidable wastage and expenditure, and maintaining a secondary godown at the retail level with the deficiencies attached to it. It is, therefore, necessary that the retail societies rid themselves of the responsibility for storage, cleaning and packing and buy their requirements in pre-packed consumer packs from the Federation. The goods should also move direct from the Federation's godown to the retail points, which will reduce the cost on various aspects.

Besides, textile is a major item next to groceries and cosmetics, which is not at present purchased and distributed by the apex organization. It is incorrect on the part of a retail organization to waste its time, money and energy in doing wholesale business in textile when it has got a lot of work to do in expanding the retail trade in its area and also in ensuring accurate maintenance of accounts, which is now very much lagging behind. There should be a clear demarcation of functions between the various co-operatives for achieving a planned development of the movement.

WHEREAS the undersigned is satisfied that in the public interest and for the purpose of securing proper implementation of co-operative development programmes undertaken by the Government and to secure proper management of the business of the Societies, it is necessary and expedient to streamline and regulate the procedure for purchase and distribution of consumer goods by the co-operatives, the following directions are issued to all the consumers co-operative institutions and to other societies doing consumer business in this Union territory:-

1. That the Pondicherry State Co-operative Consumers' Federation shall undertake purchase and distribution of all items of groceries, cosmetics, baby food items, textiles, readymade and hosiery items, required by the consumer co-operative institutions and other societies doing consumer business in this Union territory.
2. That all the consumers co-operative institutions (except the Federation) and other societies doing consumer business in this Union territory shall purchase their entire requirements of groceries, cosmetics, baby food items, textiles, readymade garments and hosiery items only from the Pondicherry State Co-operative Consumers Federation and not from any other source.

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3. That the Pondicherry State Co-operative Consumers' Federation shall purchase the commodities, arrange for pre-cleaning and pre-packing them and distribute the same by effecting delivery at the door steps of the various retail points run by its affiliated societies. It should not allow the affiliated societies to make any purchases themselves in the name of the Federation and get the bills transacted in the accounts of the Federation.
4. The entire pre-cleaning and pre-packing process should be done at the godowns of the Federation under the direct supervision of the employees specified for the purpose by the Federation, and the commodities should be supplied to the affiliated societies in consumer packs. The affiliated societies doing retail business should not have any secondary godown. They may earmark a small space in each of the retail units as the feeding area for receiving the goods delivered by the Federation. If any society has any godwon or any pre-cleaning and pre-packing unit on the date of issue of these directions, the concerned societies should close down those godowns and the pre-cleaning and pre-packing units before 30.11.1986.
5. While delivering the goods, the Federation shall indicate the retail price also to facilitate easy accounting at the level of the affiliated societies.
6. The Federation shall strictly follow the provisions of its subsidiary regulations in respect of supply of goods on credit to the affiliated societies and should not make any unauthorized and undue credit sales which will affect the financial discipline of not only the Federation but also the affiliated societies.
7. The societies doing retail business should not misuse the Federation's capital or sale proceeds for doing business in any new line. The entire sale proceeds in respect of the goods purchased from the Federation should be promptly remitted to the Federation. For default, if any, the Chief Executives of the retail societies will be personally held liable.
8. For deciding the assortment and the purchase at the level of the Federation, there shall be one or more committees consisting of -
 - a. The Managing Director of the Federation or his nominee,
 - b. A nominee of the Registrar,
 - c. 3 representatives of the retail societies to be nominated by the Registrar, and
 - d. An expert in the field to be nominated by Registrar.

All purchases at the level of the Federation including textiles shall be made by the above mentioned committee which will also have the power to decide the percentage of margin for the Federation and the retail prices to be followed by the retail societies.

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Until such time, the Pondicherry Co-operative Wholesale Store is able to completely dispose of its stocks in the textile godown through its own retail outlets, the Federation may purchase from the Pondicherry Co-operative Wholesale Stores at the latter's cost price, such of those items only which they may be in need of, for supply to other retail societies. All other items needed by the Federation may be purchased by them from regular or reputed sources decided upon by the Purchase Committee, on terms most beneficial to the Federation.

9. No society doing retail business shall do wholesale business to other societies.
10. Neither the society doing retail business nor the Federation shall make credit sales to any society nor any firm or organization situated outside the Union territory of Pondicherry.
11. The Federation shall workout the target of retail sales of consumer co-operatives for each municipality/commune panchayat in this Union territory and also for each retail outlet for the years from 1986-87 to 1989-90 month-wise, submit a copy of the same to this office, take all necessary efforts for achieving the targets and report the results to this office every month

All the consumer co-operative institutions and other societies doing consumer business in this Union territory are directed to strictly adhere to the above mentioned directions. Violation, if any will be viewed seriously.

G. GEORGE
REGISTRAR OF CO-OPERATIVE SOCIETIES

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No.6/1/42/RCS/I-1/88
Government of Pondicherry
Co-operative Department

Pondicherry, the 12.7.1990

CIRCULAR NO.13/90

Sub: Co-operative Department – Audit Section – Raw materials and finished goods, groceries, fertilizers, cloth etc. – Action to dispose of the old and or damaged and condemned stock – Obtaining of permission – Regarding.

Ref: This office circular No.2/89 in File No.6/1/42/RCS/I-1/88/6 dated 4.1.1989.

In the circular cited above, it was informed that in case of the old, damaged, condemned and date-expired raw materials, finished goods, groceries, dietary articles, medicines, textiles and other commodities required to be disposed of through auction/discount sale below the cost price, necessary prior permission of the Registrar of Co-operative Societies had to be obtained. After due consideration of all aspects including the difficulties faced by the societies in disposing of such commodities, it has been decided in partial modification of the earlier instructions on this subject that the Chief Executives of the consumers' co-operative stores may dispose of the damaged and condemned items of stock in trade excluding furniture items then and there, without referring the same to the Registrar. However, the same shall be disposed of after getting the approval of the board of management and the fact should be informed to the Registrar of Co-operative Societies without fail.

This circular is applicable only to consumer co-operative stores.

M. SIVAGNANAM
REGISTRAR OF CO-OPERATIVE SOCIETIES

No.12/2/1/RCS/PLG/M/2002/166
Government of Pondicherry
Co-operative Department

Pondicherry, the 29.10.2002

C I R C U L A R

Sub: Co-operative Department – Violation in possession and sale of
crackers by the co-operative consumer stores.

The Fire Service Department, Pondicherry has informed the undersigned that the co-operative institutions do not follow the procedures and guidelines issued by the Fire Service Department for stocking and selling of crackers. Most of the proposed places by the co-operatives for stocking and selling the fire works are not in accordance with statutory requirements. Violation of explosive rules may lead to the risk of men and materials in the shops and nearby places, besides causing miseries to the general public. The Fire Service Department has also brought to the notice of the undersigned that private shop owners are pointing out the violation committed by the co-operatives in this regard. The explosion and fire risk will be the same both to the co-operative and private dealers. It has also been pointed out that before obtaining the clearance from the Fire Service Department the co-operatives are conducting the sale of crackers which is in violation of the Explosives Rules. The Fire Service Department has informed that in view of limited number of fire tenders available with them they could not provide the fire ends in all places.

The Co-operative institutions which are engage in sale of crackers are hereby informed that they should get the prior clearance of the Fire Service Department and then only open shops for sale of crackers. Violation, if any, will be viewed seriously and the Chief Executive of the concerned institution will be held responsible for the violation of rules and action if any.

The receipt of this circular should be acknowledged.

G. RANGANTHAN
REGISTRAR OF CO-OPERATIVE SOCIETIES

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No.12/2/11/RCS/PLG/M/98/16
Government of Pondicherry
Co-operative Department

Pondicherry, the 21.1.2003

CIRCULAR

Sub: Co-operation – Opening of branches/retail outlets – Reg.

Every co-operative society registered under the Pondicherry Co-operative Societies Act is supposed to function within a particular area, specified in its bye laws. Of late, it is noticed that some of the societies compete with each other in opening the branches or outlets in the service area of other societies violating the provision of their byelaws. While the department is able to appreciate the trend behind the motive, i.e., opening of branches or outlets, it is to be ensured that the societies should not indulge in unhealthy competition, encroaching upon the service area of other societies. It is, therefore, hereby informed that it is the moral obligation on the part of all the societies that they act within the four corners of their bye laws and that accordingly the co-operative societies should open a branch or outlet only within their area of operation/service area and in no case there should be violation in this regard.

The receipt of this circular shall be acknowledged.

G. RANGANATHAN
REGISTRAR OF CO -OPERATIVE SOCIETIES

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No.5/4/2/42/RCS/CONS/E/92/27
Government of Pondicherry
Co-operative Department

Pondicherry, the 21.1.2004

CIRCULAR

Sub: Co-operative Department – Consumers Section – Acceptance of
deposits – Instructions – Issued.

Ref: Letter No.NB (TN)/9357/DOS 44(B)/2003-04, dated 8.12.2003, received
from the Assistant General Manager, NABARD (extract enclosed).

The NABARD in their letter cited above has stated that the non-credit co-operative institutions are in the practice of accepting deposits from non-members and public and they are not eligible to accept deposits which are likely to jeopardize the interest of the depositors. In this connection, the non-credit co-operative institutions (including employee credit societies) are instructed not to collect deposits from non-members and public in future.

//BY ORDER//

V. VEERAMOUNIRADJOU
DEPUTY REGISTRAR (HANDLOOMS)

**EXTRACT OF THE LETTER RECEIVED FROM THE ASSISTANT GENERAL
MANAGER, NABARD CHENNAI**

Sub: Acceptance of Deposits by Non-Credit Co-operative Institutions

“It has come to our notice that some of the non-credit co-operative institutions viz., Amudhasurabi, Vanavil, Confed, salary earners society, housing society, Indian Coffee House and marketing societies in Union territory of Pondicherry are accepting deposits from non-members and public at large. Such acceptance of deposits besides being an ineligible activity is likely to jeopardize the interest of the depositors.

We, therefore, request you to kindly bestow your personal attention in the matter. We shall be glad to be informed of the action taken by you in this regard”.

K. VENUGOPAL
ASSISTANT GENERAL MANAGER

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