

Research Article

Consumer Cooperatives with Special Reference to Funds Management in Tamilnadu Region – A Study

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Abstract: Funds Management is the process in which a company that takes the financial assets of a person, company or another fund management company and use the funds to invest in companies that use those as an operational investment, financial investment or any other investment in order to grow the fund; post which, the returns will be returned to the actual investor and a small amount of the returns are held back as a profit for the fund. It is found that the Deposits of Co-operative Federation has increased every year. It is inferred that the deposits of co-operative Federation growing every year. It is concluded that the essential for the financial health of the entire banking industry is dependent, which in turn has an impact on the overall economy of the country.

Keywords: Funds management, Consumer cooperatives and Cash, Deposits.

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INTRODUCTION

Funds Management is the process in which a company that takes the financial assets of a person, company or another fund management company (generally this will be high net worth individuals) and use the funds to invest in companies that use those as an operational investment, financial investment or any other investment in order to grow the fund; post which, the returns will be returned to the actual investor and a small amount of the returns are held back as a profit for the fund. The responsibility of the fund manager is to assess the maturity schedules of the deposits received and loans given to maintain the asset-liability framework. Consumer cooperatives are organised to serve as the best custodians of the unorganized consumers by supplying quality products and services at reasonable prices and in correct weights. There are 4,462 Primary Agricultural Co-operative Credit Societies functioning in the State. Their main objective is to provide agricultural and non-agricultural credit in rural areas. Agricultural Credit includes crop loan and loans for allied agricultural purposes like purchase of farm machineries, micro irrigation, milch animals etc. Non Agricultural credit includes loan for housing, income generating activities of Self Help Groups and Non-Farm sectors. Distribution and sale of Agricultural inputs like fertilizers, seeds and small agricultural implements have also been taken up by the Co-operative Societies. Consumer Cooperatives were formed with the primary objective of supplying quality products at reasonable price to the members and public. Consumer Cooperatives play a vital role in controlling the price raise through market intervention, thereby rendering services to the general public. In Tamil Nadu, the Consumer Cooperatives are functioning in three tier structure.

STATEMENT OF THE PROBLEM

A fund manager is essential for the management of the entire fund under all circumstances. This manager is entirely

responsible for strategy implementation of the decided fund and its portfolio trading activities. Finding the right fund management professional usually requires Trial and Error combined with specific aid from investors in a similar position. Generally, the investor will permit a fund manager to handle a limited fund for a specified period to assess and measure the success in proportion to the growth of the investment property. The fund management uses its means of making decisions with 'Portfolio Theory' applicable to various investment situations. A fund manager can also use multiple such theories for managing a fund, especially if the fund includes multiple types of investments. The managers are paid a fee for their work, which is a percentage of the overall 'Assets under Management.' The qualifications required for a position in a fund management institution consist of a high level of educational and professional credentials such as a Chartered Financial Analyst (CFA) accompanied with appropriate practical investment managerial experience, which generally decision is making in portfolio management. Investors are on the look-out for consistent and long-term fund performance, whose duration with the fund shall match with its performance period.

ACTIVITIES

Tamil Nadu Consumer Cooperative Federation (TNCCF)

The Tamil Nadu Consumer Cooperative Federation (TNCCF) is an apex organization for all Consumer Cooperatives in the State. The prime objective of the TNCCF is to coordinate and facilitate the working of the affiliated societies by making bulk purchase and supplying the required Fast Moving Consumer Goods (FMCG). The Tamil Nadu Consumer Cooperative Federation also supplies stationeries and printing materials to the District Consumer Cooperative Wholesale Stores, Primary Cooperative Stores and Cooperative Printing Presses. The Federation also coordinates purchase of crackers for Cooperative Institutions.

District Consumer Cooperative Wholesale Stores

In Tamil Nadu, 34 District Consumer Cooperative Wholesale Stores are functioning. The District Consumer Cooperative Wholesale Stores operate 17 Super Markets, 48 Mini Super Markets, 61 Retail Stores, 54 Self Service Units, 77 Cooperative Medical Shops, 31 Amma Marundagams, 36 Farm Fresh Consumer Outlets, 12 Petrol Bunks, 30 LPG supply units and 82 Kerosene Bunks throughout the State. District Consumer Cooperative Wholesale Stores also play a vital role in the successful implementation of Public Distribution System by acting as lead societies in supplying the essential commodities to the Fair Price Shops.

Primary Cooperative Stores

In Tamil Nadu, 370 Primary Cooperative Stores are functioning. The Primary Cooperative Stores run 24 Cooperative Medical Shops, 26 Amma Marundhagams, 18 Farm Fresh Consumer Outlets and 3 Petrol Bunks.

REVIEW OF LITERATURE

Yacine Belghitar, Ephraim Clark and Nitin Deshmukh (2017) examined the importance of the fund management company in the performance of U.K.-based socially responsible mutual funds. It is stated that the fund management company plays a major role in the outperformance of both socially responsible investment and conventional funds. Matched-pair analysis is applied. Size, age, investment universe, and fund Management were the variable used. It is found that the socially responsible investment funds in our sample perform better in the pre- and post-financial crisis periods.

Shollapur and Baligatti (2010) examines the profitability of funds management of the select Indian banks with a cost-benefit perspective. The Indian banking witnessed a paradigm shift in their operations after the financial sector reforms in 1991. These reforms led to the emergence of new banks, new instruments, new methods of doing business, and finally heightened competition in the banking industry. In this context, it is imperative on the part of the Indian banking industry to strengthen financial base, increase overall efficiency, and improve profitability by designing appropriate funds management policies and practices.

METHODOLOGY

The present study explores to identify fund management of consumer Co-Operative in Tamilnadu Region. Descriptive technique method is applied for this study. In Tamil Nadu, Consumer Co-operatives are functioning with a three tier structure with the Tamil Nadu Consumers' Co-operative Federation at the apex level, 34 Consumer Co-operative Wholesale Stores at the district level and 370 Primary Co-operative Stores at the field level. The secondary data collected from consumer cooperative in Tamilnadu region. Further, tend analysis is applied for analysis.

Performance of Consumer Cooperatives

During the year 2017-18, the District Consumer Cooperative Wholesale Stores have sold controlled commodities to the tune of Rs.730.85 crore and it has increased to Rs. 870.30 crore during 2018-19. During the year 2017-18, the District Consumer Cooperative Wholesale Stores have sold non controlled commodities to the tune of Rs.776.66 crore and it has increased to Rs. 921.20 crore during 2018-19. During the year 2017-18, Primary Cooperative Stores have sold controlled

commodities worth Rs.156.36 crore and it has increased to Rs.179.49 crore during the year 2018-19. Primary Cooperative Stores have sold non-controlled commodities to the tune of Rs.277.55 crore during the year 2018-19.

Amma Marundhagam

The Government of Tamil Nadu have taken an initiative to sell quality medicines at affordable price to the public. Accordingly, Amma Marundhagams were opened in prime locations throughout the State. At present, in Tamil Nadu 112 Amma Marundhagams and 172 Cooperative medical Shops are functioning. Through these medical shops, medicines are being sold to the public with a maximum of 20% discount and thereby the Cooperatives are rendering their services to the general public in saving their expenses towards the purchase of medicines. During the year 2017-18, medicines worth Rs. 154.38 crore have been sold through Amma Marundhagams and Cooperative Medical shops and it has increased to Rs. 159.39 crore during the year 2018-19. Upto 31.03.2019, medicines to the value of Rs. 797.15 crore have been sold to consumers through these Amma Marundhagams and Cooperative Medicals. Generic medicines are also being sold in medical shops run by Cooperative Institutions to provide quality medicines to the public at a lesser price. Cooperative Wholesale Stores functioning in Chennai (TUCS, Park Town), Kancheepuram, Dharmapuri, Salem, Sivagangai, Tirunelveli, Thoothukudi, Vellore and Virudhunagar Regions and Primary Cooperative Stores viz., Nilgiris-Coonor Nickelson, Uthiramerur and Nanganallur are selling Generic Medicines along with branded medicines. Steps are being taken to extend the sale of Generic Medicines throughout the State.

Farm Fresh Consumer Outlets

As a market intervention measure, Farm Fresh Consumer Outlets were opened in urban areas to help people to purchase quality vegetables at affordable price. Fresh vegetables are procured directly from the farmers without intermediaries at reasonable rate at their farm gates, on spot payment and are made available at these outlets. At present, 79 Farm Fresh Consumer Outlets are functioning in the State, which includes 3 mobile Farm Fresh Consumer Outlets, 14 Farm Fresh Consumer Outlets run by Tamil Nadu Civil Supplies Corporation and 4 Farm Fresh Consumer Outlets in Tirichirappalli District which are opened during the month of November 2018. 45,806 MTs of vegetables amounting to Rs.133.21 crore have been sold through Farm Fresh Consumer Outlets up to 23.06.2019.

Market Intervention Activities

Whenever the price of essential commodities like Tur dal, Urad dal, Chillies, Tamarind, Rice, Gingely oil, Onion and potato witness a sudden increase in the open market, Cooperatives intervene the market so as to control the price rise by way of procuring the essential commodities from the places where they are abundantly available and are being sold through Cooperative outlets at lower price than the market price by utilising State Price Stabilisation Fund.

State Price Stabilization Fund

For market intervention activities by Cooperatives, a Price Stabilization Fund with a corpus of Rs.100 crore. The period of operation of the Price Stabilisation Fund has been extended for the further period of three years from 1.11.2017 to 31.10.2020. So far, Government has sanctioned Rs. 56.40 crore from the State Price Stabilisation fund for the following market intervention activities. Rs.15.73 crore has been released to undertake market intervention activities at the time of rise in the price of essential commodities like Tur dal, Urad dal, round Chillies, Tamarind, Rice, Gingely oil in the market.

Analysis and Interpretation

Table 1 Members' Share Capital of Co-operative Federation

Years	2014-15	2015-16	2016-17	2017-18	2018-19*
Members' Share Capital	1,052.70	1,248.49	1,252.23	1,308.93	1,421.28

Table 1 explains the Members' Share Capital of Co-operative Federation during 2014 to 2019. The Share Capital of Co-operative Federation has increased every year. It is inferred that Co-operative Federation growing every year.

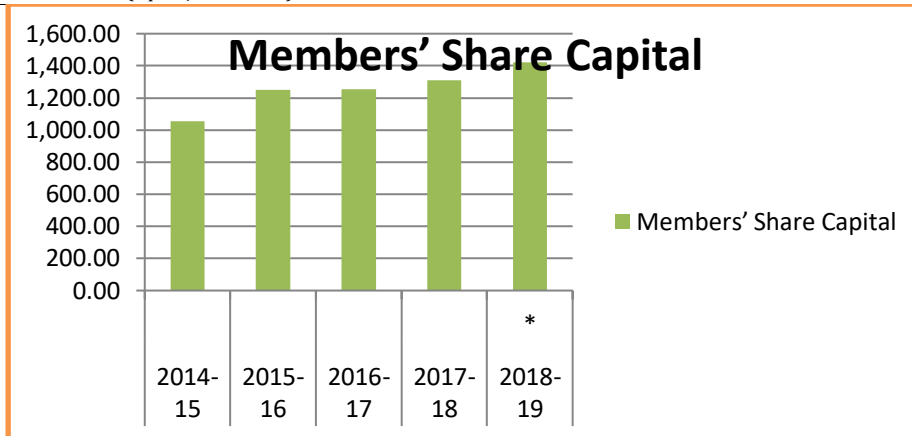


Chart 1

Table 2 State Government Share of Co-operative Federation

Years	2014-15	2015-16	2016-17	2017-18	2018-19*
State Government Share	63.70	63.70	67.94	68.32	62.87

Table 2 describes the State Government Share of Co-operative Federation during 2014 to 2019. The federation fund has changed every year like 2014-15 (63.70), 2015-16 (63.70), 2016-17 (67.94), 2017-18 (68.32) and 2018-19 (62.87).

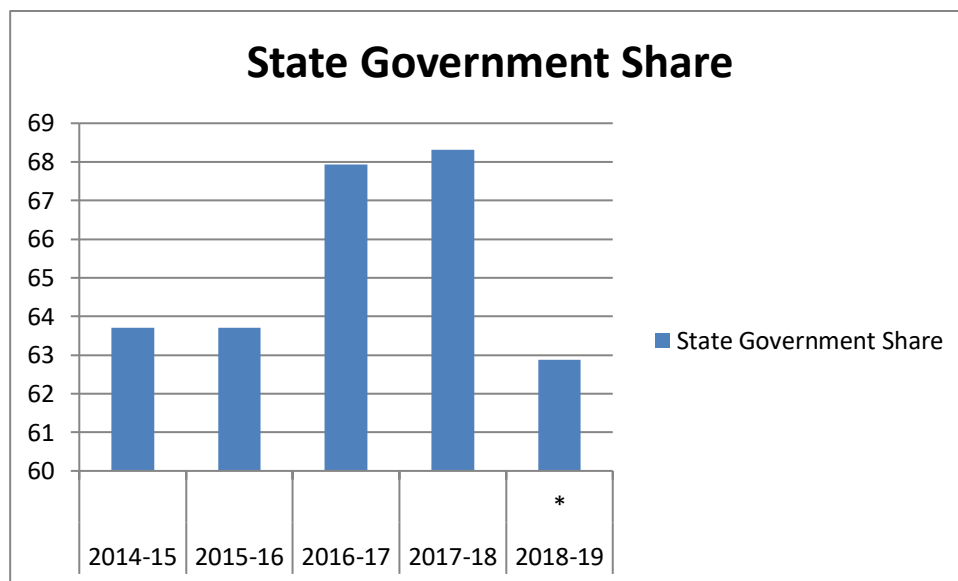


Chart 2

Table 3 Reserves and Surplus of Co-operative Federation

Years	2014-15	2015-16	2016-17	2017-18	2018-19*
Reserves and Surplus	3,351.33	3,537.67	3,460.53	3,480.12	4,142.41

Table 3 discusses the reserves and surplus of co-operative federation. The Reserves and Surplus fund managed by the co-operative federation for the years like 2014-15 (3,351.33), 2015-16 (3,537.67), 2016-17 (3,460.53), 2017-18 (3,480.12) and 2018-19 (4,142.41).

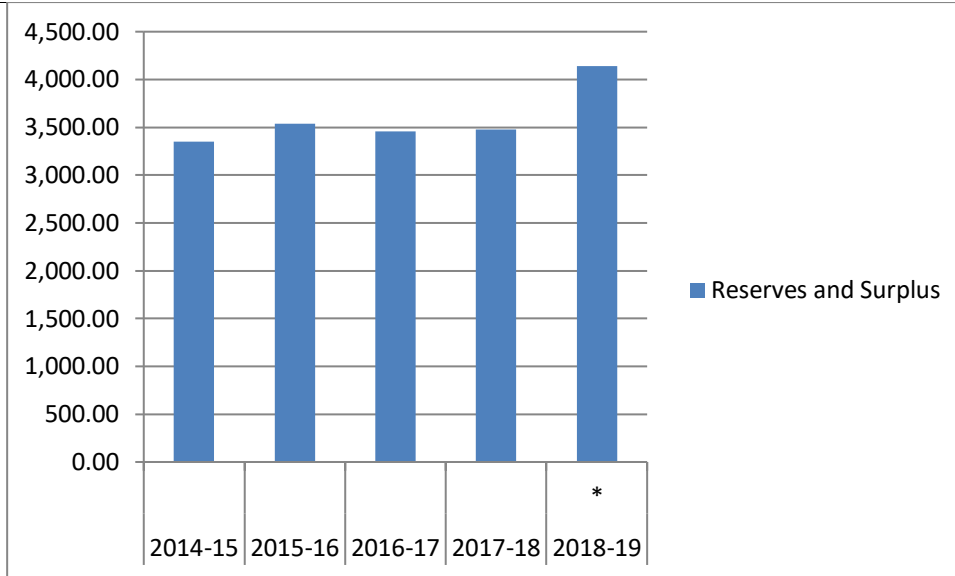


Chart 3

Table 4 Borrowings of Co-operative Federation

Years	2014-15	2015-16	2016-17	2017-18	2018-19*
Borrowings	5,609.60	5,043.30	4,340.41	4,885.59	6301.52

Table 4 describes the Borrowings of Co-operative Federation for 2014 to 2019. The federation fund has changed every year like 2014-15 (5,609.60), 2015-16 (5,043.30), 2016-17 (4,340.41), 2017-18 (4,885.59) and 2018-19 (6301.52).

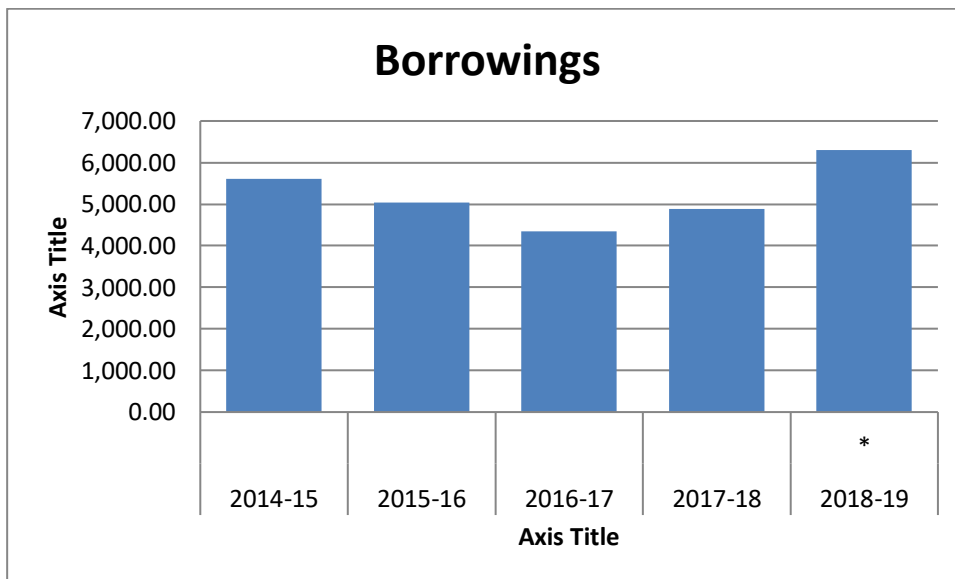


Chart 4

Table 5 Deposits of Co-operative Federation

Year	2014-15	2015-16	2016-17	2017-18	2018-19
Deposits	5,987.72	6,874.66	7,352.64	6,606.17	6,371.79

Table 5 explains the Deposits of Co-operative Federation during 2014 to 2019. The Deposits of Co-operative Federation has increased every year. It is inferred that the deposits of co-operative Federation growing every year.

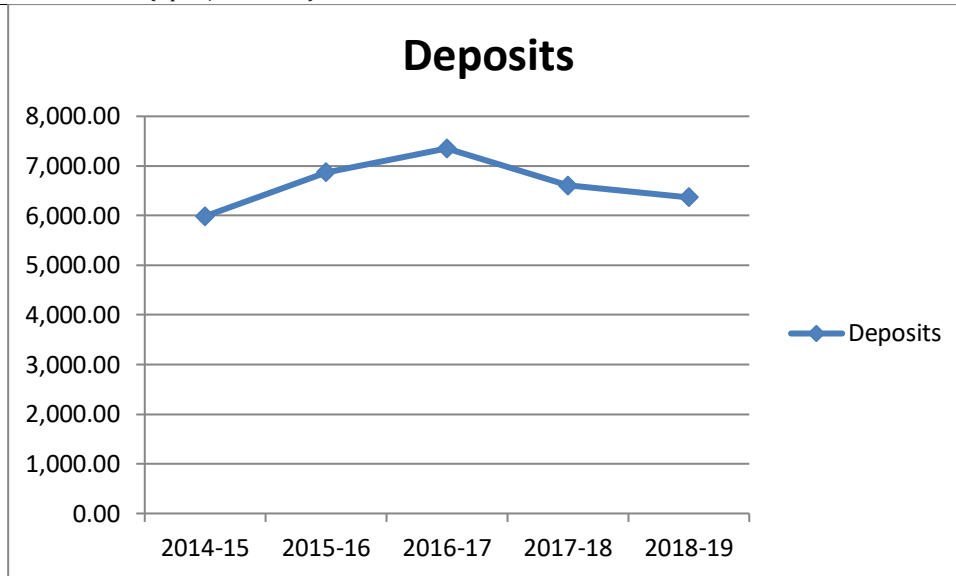


Chart 5

Finding of the study

It is found that the Members' Share Capital of Co-operative Federation during 2014 to 2019. The Share Capital of Co-operative Federation has increased every year. It is inferred that Co-operative Federation growing every year.

The State Government Share of federation fund has changed every year like 2014-15 (63.70), 2015-16 (63.70), 2016-17 (67.94), 2017-18 (68.32) and 2018-19 (62.87).

The Reserves and Surplus fund managed by the co-operative federation for the years like 2014-15 (3,351.33), 2015-16 (3,537.67), 2016-17 (3,460.53), 2017-18 (3,480.12) and 2018-19 (4,142.41) to be found.

It is inferred that the Borrowings of Co-operative federation fund has changed every year like 2014-15 (5,609.60), 2015-16 (5,043.30), 2016-17 (4,340.41), 2017-18 (4,885.59) and 2018-19 (6301.52).

It is found that the Deposits of Co-operative Federation has increased every year. It is inferred that the deposits of co-operative Federation growing every year.

Suggestion of the study

Fundamental analysis involves evaluating all the factors that affect an investment's performance. For a stock, it would mean looking at all of the company's financial information, and it may also entail meeting with company executives, employees, suppliers, customers and competitors.

It is suggested that the dividend funds buy stocks with a strong record of earnings and dividends. Because of the stock market volatility of recent years, many investors like the idea of a fund that offers them a regular payout.

CONCLUSION

Fund management is associated with managing the cash flows of a financial institution. The responsibility of the fund manager is to assess the maturity schedules of the deposits received and loans given to maintain the asset-liability framework. Since the flow of money is continuous and dynamic, it is of critical importance that asset-liability mismatch can be prevented. It is essential for the financial health of the entire banking industry is dependent, which in turn has an impact on the overall economy of the country.

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