

Shreyas Cooperative Credit Society

—A Success Story

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Shreyas : What it is? What it does?

Shreyas Cooperative Credit Society Ltd., Ahmedabad is popularly known as 'Shreyas' in the city of Ahmedabad. It was set up on 8th July 1955 vide registration No.19641. It was organised by a group of eminent social workers of that time. It was registered as a credit society with initial 41 members and share capital of just Rs.1000/-. The original idea of organising the society was to provide cheaper credit facilities to mill workers of the city and hence registered as a credit society. The management of the society wanted to provide more and more services to its members and in this process it entered into consumer business in the second year of its operation. The society was set up to ensure the availability of essential commodities with quality at reasonable prices. Shreyas stores are situated in the residential localities and a number of non-members are also its customers repose so much trust in the society in respect of quality and price charged. Society is competently maintaining reasonable selling prices which are generally not only lower than those prevailing in other competitive market but are of better quality. 'Shreyas means an endeavor to do maximum good to the maximum people.

More than five decades of successful working of the society has not only justifies the high hopes of the consumers but also created a landmark in the history of consumer cooperative movement in the state of Gujarat. The society may not only occupy a place of pride in the list of leading consumer stores in terms of turnover but in qualitative performance and member oriented services. All the shops are running in middle and lower middle class areas. Society owns 5 and 3 rented buildings for carrying its activities.

In 1982-83 the management of the society bifurcated its credit business and developed an exclusive sister organisation 'Shreyas Cooperative Bank'. But for the consumer business, society continued the old name and got it registered on 25-3-1983 vide registration No, 19669.

Area of Operation

The area of operation of the society extends to the entire city of Ahmedabad.

Objectives

The main objectives of the society are :

- (1) To provide needed goods and services to consumers and members at reasonable rate with quality.
- (2) To provide genuine medicines to the patients in the hospital and in the city at economical rate.
- (3) To provide economic and social services to members, customers and their families.
- (4) To promote self-help and mutual help among members and cooperatives.
- (5) To project the image of the Shreyas store as a model cooperative consumer store in the state.

- (6) Establish trade connection with manufactures, their authorized distributors and suppliers/ dealers including cooperative organizations and arrange for procurement and distribution to customers in wholesale including in its retail outlets.
- (7) Arrange supplies of various items required by other cooperatives & Social organizations.
- (8) To provide credit facilities to members.

Business Operations

For achieving the above objectives the society is operative a net work of 5 retail outlets, 1 wholesale shop, 3 medical stores and 5 electric bill collection centers. The management of the Society introduced self-service system in two of its outlets.

Retail outlets of Provision Store at (1) Kankaria; (2) Paldi; (3) Narayannagar - Self-Service Store; (4) Naranpura Housing Board Shopping Center; and (5) Naranpura Everest Tower - Self service store.

Wholesale shop of Anaj at (1) Kalupur Lat Bazaar.

Medical Stores at (1) L.G. Municipal Hospital (24 Hours); (2) Narayannagar; and (3) Kotiyark Complex, Opp. L.G. Hospital, Maninagar

Electric bills Collection Centres at (on behalf of Torrent Power Ltd.) (1) Kankaria; (2) Paldi; (3) Sarangpur; (4) Narayannagar; and (5) Naranpura

Our society through its well-established network of stores sells a wide range of commodities the basic necessities of life like Food Grains & Pulses, Groceries, Provisions, Clothes, Tires & Tubes, Helmets, Electric Bulbs & Tubes, Tea, Text books and Mangoes in Season, Plastic utensils, Stationery, Note Books, Ghee, Vanspati Ghee, Groundnut Oil and other edible oil, and medicines in medical Stores, etc. The stock maintained by the society is kept in sufficient quantity in view of the demand of the customers.

Credit Facilities

Society has started to provide Loans for purchasing their daily needs and for other purposes at the rate of 12% from March, 2006. The maximum limit of the loan is fixed at Rs 50,000/- with 36 installments.

Membership and Share Capital

The authorised share capital of the society is of Rs.3,00,000/- divided in 30,000/- shares of Rs. 10/- each. The paid up share capital is Rs.263980/-. The society has 1876 members who constitute the General Body.

Management

The day-to-day admini-stration of the society rests in the Board of Management. The Management of the society always believes in self-reliance and never sought any financial assistance from the Govt. or any loan from the District Cooperative Bank. The society manages the business from its own funds. During 55 years tenure of its working society has never made any loss.

The Managing Committee of the society comprises of 9 members and one-third member retires by rotation every year. Election has been invariably unanimous since the formation of the society. This helps in continuity of the management. There is unanimity and harmony in decision making. One member is on the Board since the registration of the Society. We have also setup Branch Advisory Committee with 6 members. The management is fully conscious of the confidence reposed by its customers. Management has accepted cooperation the way of life.

Stock, Pricing Policy and Supervision

Stock taking is done every six months and right from the beginning shortages are negligible. Society is not following any formal pricing policy. However: the society has developed the healthy practice of charging market price for branded consumer goods and active price for other items, Society keeps margins of profit very low.

The main strategy of the management is to procure goods directly from the manufacturers and from the wholesale market to sell as cheap as possible to the consumers, e.g. sugar purchased from the cooperative sugar factories in truck load. The purchase mechanism of the society is efficient and effectively arranged that like old, absolute and damaged stock have no place in the books of the society.

The Management of the society is so alert and vigilant that effective supervision and control is adopted without any interference in the day to day functioning of the administration. So smooth working of the society has been possible in achieving the profitability.

Progress at a Glance

The steady progress of the society during the last 4 years can be seen from the following table 1.

	Table 1			
	31-3-2008	31-3-2009	31-3-2010	31-3-2011
Share capital	268500	267400	265820	263420
Reserve fund	3887172	4063353	4263771	4478281
Building fund	4730309	4824432	4932648	5178234
Other funds	4627100	5005510	5405453	5895498
Depriciation funds	6764648	7112623	7732408	6968076
Buildings	5064992	5064992	5064992	5196992
Members savings	4776408	4607866	5346466	6363723
Purchases	129716380	151895536	196280322	179968689
Medical sales	22705965	22681370	24612713	29345702
Text book sales	17265533	18399814	19065813	23443507
Total sales incl. medicines textbooks	135259905	161611480	204732247	194412033
Net Profit	704679	801635	856006	930461
Rate of dividend	15%	15%	15%	15%
Audit classification	"A"	"A"	"A"	"A"

Miscellaneous

- (1) Society has been awarded shield and cash prize twice from the Ahmedabad District Cooperative Union for the best working consumer cooperative society in the District.
- (2) Society is a member of National Cooperative Consumers' Federation of India Ltd., New Delhi.
- (3) Oxygen Cylinders have been purchased in order to make them available at the time of barest necessity during illness at a nominal charge.

- (4) The total staff strength of the society is 71 at present. The progress and welfare of its staff is one of the concern of the society. Society has introduced several welfare measures in order to improve the efficiency and moral of the employees.
- (5) For the welfare of the employees, management has adopted minimum wages act. Staff Provident Fund Scheme, Gratuity, E.S.I.C., Group Insurance, Leave Encashment Salary, Interest free Loan looking to the length of service-Maximum limit of loan is Rs. 20000/- to be recovered in 20 installments, Tea two times, Bonus at the rate of 20% and 3 months salary on exgracia basis and 3 pairs of uniform, Shoes and socks to the employees. Society also pays Rs. 5,000/- on retirement, Rs. 2,000/- on death and Rs. 1,001/- on marriage of son or daughter from Staff benefit fund created from the profit.
- (6) Top priority is accorded to solve the problems/complaints of the members and customers and every effort is made to satisfy them.
- (7) Relations between the management and employees' remained cordial. Society arranges social gathering of management & employees occasionally.
- (8) Prizes are given on merits to the children of members and staff on their successfully getting through examinations starting from S.S.C. and onwards in different faculties.
- (9) Society is distributing gift to the members after completion of 2 to 3 years or rebate on purchase.
- (10) Society accepts members savings deposit from members at the rate of 7%. Further if the members has not availed of withdrawing facilities for six months 1 % of additional interest is given to the members i.e., 8% on members savings deposit.
- (11) The Society has developed professionalisation and new technology in the management to give high quality of services to customers, Society installed 20 Computers, Electronic weights etc. to provide speedy and accurate services. Society also provides Computer training to the staff.
- (12) Society gave donation to purchase machine for 'Exercise' to Jivraj Mehta Hospital, Orthopedic implants to L.G. Hospital, Gynec instruments for operation to L.G. Hospital, 59 Tricycles to Handicapped persons, 4 Wheel Chairs to L.G. Hospital, 2 Wheel Chairs to M.C. Desai Hospital Pratij, Physiotherapy Machine to Gulabbai Hospital, Ahmedabad and also arranged Eye camp at Jivraj Mehta Hospital. During financial year 2002-03 to 2010-11 society expended Rs. 8,00,403/- towards giving donations.
- (13) In 1999-2000 Society paid members/customers purchase rebate at the rate of 1.5%. The total rebate payment was to the tune of Rs. 2,75,778/-.
- (14) Society runs all the counters of the store through its own staff and not a single counter is allotted to any private agency.
- (15) The Present Manager of the Society Mr. Shailesh M. Shah has completed 35 years of service with the society. He has passed B.Com. & G.D.C. & A. examination conducted by the Cooperative Department. At present more than 50% of the staff has been working with the society for more than 25 years. The Manager and the staff works sincerely and feelings for the customers. Society's relations with the staff are healthy and cordial and their contribution in working of the society is creditable and praiseworthy. Most of the staff are committed to the progress of the society.
- (16) On completion of 50 years of its working in the year 2005-06 in the Golden Jubilee year society gave gift to the members and staff worth Rs.500/-. Society also paid one month salary to the staff as a token of Golden Jubilee year.

- (17) Society pays Rs. 2000/- on the death of member from member's benefit fund created from the profit.
- (18) In the year 2010-11 Society arranged "Rice Mela" to sell various types of rice and Society got good response from the customers.
- (19) Society gets prize twice of NANO Car in the year 2008-09 & 2009-10 for higher sales of Dehradun Basmati Rice and Maruti Car for higher sales of Krishna Pulse in 2009-10.

Conclusion

We have been carrying the consumers cooperative activities since 56 years. After completing 56 years of its operations the society has not only multiplied its volume of business with many varieties and coverage of customers and also shown very good results. Today society has-earned a name in the market in the city of Ahmedabad. It has created goodwill and achieved good deal of creditability amongst customers. If we take a bird's eye view of our past performance, it will be evident that our society has carried out concrete work for the benefit of members and consumers. In the state of Gujarat our society is quoted as an ideal Consumer Cooperative Society. Whatever progress the Society has achieved is due to affection, trust and loyalty of the Board of Management, Members, Customers and Employees. ■