

CHAPTER NO. 6

CURRENT EXPENDITURE OF LIS

6.1 Introduction

In this chapter we discuss current expenditure of different types of LIS under study. We have considered various items of current expenditure in 11 groups given below:

- (1) Depreciation.
- (2) Salaries and related expenses comprising salaries of workers, supervision charges, bonus and prize fund and wages for repairs of canals.
- (3) Bills comprising electricity bill, oil bill, stationery bill, printing bill and advertisement bills.
- (4) Repairs comprising those of machinery and insurance premia of machinery.
- (5) Fees - mainly electrical inspection fee.
- (6) Travel and other transport expenses.
- (7) Allowances for general body meeting and other meetings.
- (8) Interest on deposits.
- (9) Water charges.
- (10) Expected profit.
- (11) Others - comprising contributions to education fund, postage, office rent, ceremonial expenses and others.

6.2 Current Expenditure of Individual LIS

In Table No. 6.1 on the following page we have given data regarding current expenditure of different individual LIS under study, by various items as explained above. Group as a whole the relative share of each of these items is given in last column of the table. On the basis of this data we can make the following observations:

- (1) Current expenditure on salary constitutes the largest single item of current expenditure (26.38 per cent) followed by depreciation (17.62 per cent) and bills (17.48 per cent). In other words depreciation, salaries and bills together constitute a little more than 60 per cent of the total current expenditure of the individual LIS.
- (2) The next important item of expenditure is the expenditure on others accounting for almost 13 per cent of the total current expenditure followed by repairs (10 per cent).
- (3) Water charges constitute 6.99 per cent of the current expenditure.
- (4) Expenditure on transport is also a major factor of current expenditure accounting for 8.94 per cent of current expenditure.

TABLE NO. 6.1

Individual LIS - current
expenditure

Sr.No.	Item	Shri Dattatraya Sakharam Patil Ghunaki	Shri Babaso Anandrao Patil Tandulwadi	Shri Bapuso Bandu Patil Kini	Shri Tukaram Rama Patil Kakhe	Shri Shahajirao Bhauso Patil Pargaon	Total
1	2	3	4	5	6	7	8
1	Depreciation	60.00 (1.48)	828.00 (10.91)	4,000.00 (32.36)	160.00 (4.22)	2000.00 (16.39)	7,048.00 (17.62)
2	Salaries	700.00 (17.24)	3,600.00 (47.44)	200.00 (1.62)	200.00 (5.28)	5,850.00 (47.95)	10,550.00 (26.38)
3	Bills	1,250.00 (30.79)	1,300.00 (17.17)	2,500.00 (20.23)	940.00 (24.80)	1,000.00 (8.20)	6,990.00 (17.48)
4	Repairs	500.00 (12.32)	500.00 (6.59)	1,000.00 (8.09)	1,000.00 (26.39)	1,000.00 (8.20)	4,000.00 (10.00)
5	Fees	-	35.00 (0.46)	-	-	-	35.00 (0.09)
6	Transportation	200.00 (4.93)	225.00 (2.97)	2,000.00 (16.18)	550.00 (14.51)	600.00 (4.92)	3,575.00 (8.94)
7	Allowances	-	-	-	-	-	-

contd.



Table No. 6.1 contd.

1	2	3	4	5	6	7	8
8	Interest	-	-	-	-	-	-
9	Water charges	500.00 (12.32)	600.00 (7.91)	760.00 (6.15)	140.00 (3.69)	750.00 (6.15)	2,750.00 (6.88)
10	Profit	-	-	-	-	-	-
11	Others	850.00 (20.94)	500.00 (6.59)	1,900.00 (15.37)	800.00 (21.11)	1,000.00 (8.20)	5,050.00 (12.63)
12	Total current	4,060.00 (100)	7,588.00 (100)	12,360.00 (100)	3,790.00 (100)	12,200.00 (100)	39,998.00 (100)

Note: Figures in parentheses indicate percentage.

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6.3 Current Expenditure of Partnership LIS

In Table No.6.2 on the next page we have given information regarding various items of current expenditure for 5 partnership LIS under study. The last column of the Table gives percentage share of each item of current expenditure group as a whole. On the basis of this data we can make the following observations:

- (1) It is seen that salaries constitute 30.61 per cent of the current expenditure and thus is the single largest factor of current expenditure followed by water charges accounting for 19.02 per cent of the current expenditure.
- (2) The third important factor of current expenditure is the bills, accounting for 17.86 per cent of current expenditure.
- (3) The fourth important factor of current expenditure is the head 'others', accounting for 13.25 per cent current expenditure. In other words the major factors of current expenditure of partnership LIS are salaries bills, water charges and others, which together constitute more than 80 per cent of the current expenditure.

TABLE NO. 6.2

Partnership LIS - current expenditure

Sr.No.	Item	Shri Mahipati Aba Patil Kakhe	Shri Namdev Krishna Nerlekar Pargaon	Shri Laxmi Pani Puravatha Mandal Kini	Shri Bhanu Hari Mohite Tandulwadi	Jay Bajrang Pani Pura- vatha Sanstha Ghunaki	*Total
1	2	3	4	5	6	7	8
1	Deprecia- tion	300.00 (5.23)	550.00 (7.62)	-	1,100.00 (11.23)	1,200.00 (12.56)	3,150.00 (6.99)
2	Salaries	2,600.00 (45.34)	2,600.00 (36.04)	4,200.00 (32.85)	2,000.00 (20.42)	2,400.00 (25.12)	13,800.00 (30.61)
3	Bills	1,250.00 (21.80)	900.00 (12.47)	2,225.00 (17.40)	2,075.00 (21.18)	1,600.00 (16.75)	8,050.00 (17.86)
4	Repairs	1,000.00 (17.44)	400.00 (5.54)	1,000.00 (7.82)	600.00 (6.13)	700.00 (7.33)	3,700.00 (8.21)
5	Fees	-	-	-	35.00 (0.36)	-	35.00 (0.8)
6	Transport- ation	200.00 (3.49)	400.00 (5.54)	200.00 (1.56)	300.00 (3.06)	600.00 (6.28)	1,700.00 (3.77)
7	Allowances	-	-	-	-	100.00 (1.05)	100.00 (0.22)

contd.

Table No. 6.2 conts.

1	2	3	4	5	6	7	8
8	Interest	-	-	-	-	-	-
9	Water charges	385.00 (6.71)	1,190.00 (16.49)	3,160.00 (24.72)	2,010.00 (20.52)	1,830.00 (19.15)	8,575.00 (19.02)
10	Profit	-	-	-	-	-	-
11	Others	-	1,175.00 (16.29)	2,000.00 (15.64)	1,675.00 (17.10)	1,125.00 (11.77)	5,975.00 (13.25)
12	Total current expenditure	5,735.00 (100)	7,215.00 (100)	12,785.00 (100)	9,795.00 (100)	9,555.00 (100)	45,085.00 (100)

Note: Figures in brackets indicate percentage.

6.4 Current Expenditure of Co-operative LIS

In Table No. 6.3 appearing on the following page we have given itemwise information regarding current expenditure of 5 co-operative LISs selected for study. It is seen that -

- (1) As in the case of individual LIS and partnership LIS expenditure on salaries is the single largest factor of current expenditure of cooperative LIS which constitutes 27.88 per cent of current expenditure.
- (2) However, depreciation in the case of cooperative LIS constitutes a much larger proportion of current expenditure (21.09 per cent).
- (3) Expenditure on bills and repairs together constitutes 29.29 per cent of total current expenditure.
- (4) The fourth important item of current expenditure is water charges, which constitutes 8.69 per cent of current expenditure.
- (5) It is, however, important to see that, the proportion of expenditure on the item 'others' of cooperative LIS is much smaller than in the case of individual LIS and partnership LIS.

On the whole it is seen that depreciation, salaries,

TABLE NO. 6.3

Cooperative LIS - current expenditure.

Sr.No.	Item	Name of the scheme							Total
		Warana Sahakari Ghunaki	Shri Anand Pargaon KodoTi	Ba Bhim Matang Saraj Kini	Dr. Baba-sahab Arbeckar Tandulwadi	Siddhartha Kakhe	7	8	
1	Depreciation	7,508.82 (17.95)	28,082.42 (24.25)	230.00 (4.22)	-	-	-	35,821.24 (21.09)	
2	Salaries	8,978.35 (21.46)	32,872.45 (28.38)	25,000.00 (45.88)	1,798.00 (51.55)	1,220.00 (37.18)	1,220.00 (37.18)	47,367.80 (27.88)	
3	Bills	4,878.75 (11.66)	16,016.79 (13.83)	685.00 (12.57)	383.00 (10.98)	1,282.00 (39.07)	1,282.00 (39.07)	23,245.54 (13.68)	
4	Repairs	10,083.90 (24.10)	14,147.20 (12.21)	500.00 (9.18)	1,250.00 (35.84)	544.25 (16.59)	544.25 (16.59)	26,525.35 (15.61)	
5	Fees	183.90 (0.44)	-	10.00 (0.18)	-	-	-	193.90 (0.11)	
6	Transportation	1,170.25 (2.80)	2,271.00 (1.96)	125.00 (2.29)	57.00 (1.63)	35.00 (1.07)	35.00 (1.07)	3,658.25 (2.15)	
7	Allowances	96.00 (0.23)	3,356.45 (2.90)	25.00 (0.46)	-	-	-	3,477.45 (2.05)	

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Table No. 6.3 contd.

1	2	3	4	5	6	7	8
8	Interest	2.50 (0.01)	1,993.50 (1.71)	-	-	-	1,996.00 (1.18)
9	Water charges	6,898.00 (16.49)	6,550.00 (5.66)	1,320.00 (24.22)	-	-	14,768.00 (8.69)
10	Profit	-	6,710.63 (5.79)	-	-	-	6,710.63 (3.95)
11	Others	2,034.30 (4.86)	3,819.15 (3.30)	54.00 (0.99)	-	200.00 (6.10)	6,107.45 (3.60)
12	Total current expenditure	41,834.77 (100)	1,15,818.59 (100)	5,449.00 (100)	3,488.00 (100)	3,281.25 (100)	169871.61 (100)

Note: Figures in parentheses indicate percentage.

bills, repairs and water charges together constitute almost 87 per cent of the total current expenditure of cooperative LIS.

6.5 Current Expenditure of Factory-sponsored or Managed LIS

In TableNo. 6.4 on the next page the data relating to current expenditure of the factory-sponsored or managed LIS have been given in a classified form. The following important observations can be made on the basis of the data:

- (1) The largest single component of the current expenditure in case of most of the cases under study is of salaries. Almost 30 per cent of the total current expenditure of all the factory-sponsored or managed schemes has been incurred on payment of salaries. There are some variations in the proportion of this expenditure to the total current expenditure among the individual schemes. However, it is pertinent to note that majority of the schemes have incurred highest expenditure on salaries.
- (2) It can be seen from the data that the expenditure on depreciation accounts for the second largest component of the total current expenditure of all the schemes. It is about 27 per cent on an average of

TABLE NO. 6.4

Factory-sponsored LIS - current expenditure.

Sr.No	Items	Name of the scheme								Total
		Ishwar Parwati Pargaon	Shri Datta Kakhe	Shri Warana Kakhe	Jay Jawan Jawan Tandul-wadi	Kisan Warana Kini	Shri Mangesh Ghunaki	8	9	
1	2	3	4	5	6	7	8	9		
1	Depreciation	20,133.98 (12.71)	17212.78 (12.87)	5,998.12 (14.14)	31331.16 (47.70)	34249.36 (57.07)	34302.94 (47.07)	143228.34 (26.87)		
2	Salaries	56,800.61 (35.86)	48376.70 (36.18)	14924.46 (35.18)	14293.07 (21.76)	12239.82 (20.39)	11095.22 (15.23)	157729.88 (29.59)		
3	Bills	19,283.04 (12.18)	17,217.77 (12.88)	4,418.30 (10.41)	8,051.25 (14.26)	7,280.85 (12.13)	8,044.95 (11.04)	64,296.16 (12.06)		
4	Repairs	5,052.07 (3.82)	4,164.80 (3.11)	6,609.05 (15.58)	4,575.95 (6.97)	4,540.69 (7.57)	22,143.54 (16.67)	38,092.10 (17.15)		
5	Fees	650.60 (0.4M)	1,133.00 (0.85)	150.00 (0.35)	57.00 (0.09)	50.00 (0.08)	150.00 (0.21)	2,190.60 (0.41)		
6	Transportation	1,298.38 (0.82)	3,125.50 (2.34)	2,797.90 (6.59)	958.63 (1.46)	1,079.95 (1.80)	1,315.60 (1.81)	10,602.96 (1.99)		
7	Allowances	4,038.00 (2.55)	2,423.00 (1.81)	1,608.00 (3.79)	541.00 (0.82)	274.00 (0.46)	653.50 (0.90)	9,510.50 (1.78)		

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Table No. 6.4 contd.

	1	2	3	4	5	6	7	8	9
8	Interest	1,3897.50 (8.77)	15,034.81 (11.24)	3,270.99 (7.71)	-	-	-	-	32,203.30 (6.04)
9	Water charges	27,747.20 (17.52)	12153.40 (9.09)	1,251.10 (2.95)	4,800.00 (7.31)	-	-	4,305.00 (5.91)	50,256.70 (9.48)
10	Profit	5,776.83 (3.65)	-	11.20 (0.03)	-	-	-	-	5,788.08 (1.09)
11	Others	2,699.35 (1.70)	12,887.44 (9.64)	1,388.95 (3.27)	1,079.44 (1.64)	2997.50 (0.50)	854.80 (1.17)	-	19,209.53 (3.60)
12	Total current expenditure	158377.56 (100)	133729.25 (100)	42428.07 (100)	65687.50 (100)	60,014.17 (100)	72,871.55 (100)	533108.10 (100)	

Note: Figures in parentheses indicate percentage.

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all the schemes and there are variations among the individual schemes. The variations are significant but can be accounted for by the differences in the age of the individual scheme. It can be stated that the older the scheme, lesser is the proportion of depreciation to the total current expenditure.

- (3) The data also show that the third significantly large component of the current expenditure is of the expenses incurred on bills, and repairs. When these two items are considered together, they account for almost 20 per cent of the total current expenditure. It should also be noted that almost all the schemes have incurred more or less the same proportion of expenditure on these two items.
- (4) The expenses incurred on water charges also constitute a significant proportion of 10 per cent of the total current expenditure.

It can thus be observed that salaries, depreciation, bills and repairs and water charges together account for 85 per cent of the total current expenditure.

6.5 Per H.P. per Acre Current Expenditure

In Table No. 6.5 on the following page we have given

TABLE NO. 6.5

Per H.P. per acre current expenditure

Sr. No.	Item	Individual LIS	Partnership LIS	Cooperative LIS	Factory sponsored or managed LIS
		Rs.	Rs.	Rs.	Rs.
1	Depreciation	3.74	0.36	0.44	0.41
2	Salaries	5.60	1.61	0.58	0.45
3	Bills	3.71	0.94	0.28	0.18
4	Repairs	2.12	0.43	0.32	0.11
5	Fees	0.02	Neg.	Neg.	Neg.
6	Transport	1.89	0.43	0.05	0.03
7	Allowances	-	0.01	0.05	0.03
8	Interest	-	-	0.02	0.09
9	Water charges	1.46	1.01	0.18	0.14
10	Profit	-	-	0.09	0.02
11	Others	2.68	0.70	0.07	0.05
12	Total current expenditure	21.25	5.28	2.07	1.50

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itemwise and typewise absolute composition of total current expenditure of the LISs selected for the study. A careful examination of the data in this table reveals that these different types of LIS on the whole can be grouped under three categories -

- (A) Individual LIS,
- (B) Partnership LIS,
- (C) Large LIS comprising cooperative
and factory-sponsored LIS.

It is seen that the per H.P. per acre current expenditure of partnership LIS is only $\frac{1}{4}$ of individual LIS expenditure. However, if we take into consideration the per H.P. per acre current expenditure of cooperative LIS it is less than even $\frac{1}{10}$ of the individual LIS expenditure. Similarly, the per H.P. per acre current expenditure of factory-sponsored or managed LIS is found to be as low as 7 per cent of the current expenditure of individual LIS. We, therefore, conclude that with increasing average size of LIS (indicated by Horsepower capacity and acreage under irrigation) the per H.P. per acre current expenditure decreases by large jumps.

So far as composition of current expenditure is concerned, it is clearly seen that depreciation, salaries, bills

and repairs and water charges account for a little more than 83 per cent of the total current expenditure.

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