

- : CHAPTER NO.III :-

This chapter analyses Capital structure of Primary agricultural Co-operative Credit Societies in the study area of Miraj Taluka.

The following aspects of capital structure are considered.

- III-1. Membership.
- III-2. Turnover.
- III-3. Total assets.
- III-4. Share Capital.
- III-5. Owned Capital.
- III-6. Composition of working capital.

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Capital Structure (GROWTH PERI)

(Amount in R.)

Percentage change from year to yr.	No. of Soci- eties.	1971-72	1979-80	1980-81.
Per membership	56	24388 (100)	33427 (137)	35652 (146)
Rate per society.	*	425	597	637
Revenue.	56	30226410 (100)	486327659 (120)	43139288 (143)
Rate per Socy.*		539757	648708	770344
Total Assets.	56	21718199 (100)	2649008874 (1180)	46886628 (216)
Rate per Socy. *		387825	4696587	837261
Free Capital.	56	5950285 (100)	68761553 (1147)	9634715 (162)
Rate per Socy. *		106255	1156456	172048
Fixed capital.	56	7155631	72973306	14342644
Rate per Socy. *		127779	1231666	256119
Working capital.	56	22554665 (100)	249008874 (1173)	46468628 (206)
	*	402762	4696587	829797

E: i) Figures in brackets
 ii) * Figures are showing
 iii) PACOS - Primary Agri
ICES : i) Office of the Dis

(III-1)

(1) MEMBERSHIP :

Almost all the members of primary agricultural co-operative Credit Societies are land-holders. Above table No.3-2 shows that the membership of primary agricultural Credit Societies has an increasing trend through out the period from 1971-1972 to 1980-1981. The membership of primary agricultural Credit Societies increased by 23 percent in the year 1975-76 than that of 1971-1972. This increasing trend goes on upto 46 percent in the year 1980-1981.

There was no change in total number of - - primary agricultural co-operative Credit Societies during the decade under study. The average membership per society increased from 435 in 1971-1972 to 534 in 1975-1976 and 637 in 1980-1981. It can be seen from the above figure that the membership increased at faster rate, particularly from the period 1975-76. This might be due the governments special efforts in respect of small and marginal farmers' involvement in different schemes of the agricultural loans. Moreover the membership increased because of the fact that the government of Maharashtra launched some special schemes, such as small farmers development agency, marginal farmers and agricultural labourers

development scheme, Pige Scheme, package programme, high yielding varieties programme etc. Many farmers could avail of the opportunity of such schemes through primary agricultural credit societies.

Membership of Co-operative organisation may also be an indicator of greater involvement of the rural population in the organised markets. It also facilitates the infra structure and communication organisation in the rural area. All the villages in Miraj Taluka were co-operativised before 1970. This vertical progress indicates the strength of the Primary agricultural Credit Societies in the Taluka during the decade. Thus the Co-operative movement in Miraj taluka encompasses the whole rural area.

III-2. TURN OVER :

Turn-over which is an economic indicator of the financial structure of primary agricultural Credit Societies, consists mainly of the agricultural loans given by the Society and the business made in other activities, such as marketing of agricultural goods, agricultural implements, fertilizers, seeds, consumer goods, etc.

It is remarkable to note that the total Turn-over shows fluctuating rate during the period under

study. For instance, in 1971-1972 the total turnover was just slightly more than Rs.3 crores, which came down to less than Rs.3 crores continuously for two years in 1975-76 and 1976-1977. But it went high up to Rs. more than 4 crores in the year 1980-1981.

The period of 4 years from 1975-76 to 1978-79 showed a set-back in the total turnover of primary agricultural Credit Societies. This could be explained with the fact that these 4 years were hit by drought conditions, when there was no demand for agricultural loans. This also reflected in the lowest average turn-over during the period of 1975-1976 and 1976-1977. In spite of fluctuating rate of turnover, the average turnover per Society showed more or less increasing trend. For instance, the average turnover of each society in 1971-1972 was Rs.5,39,757, which later on increased to Rs.6.49,513 in 1974-1975 and then again to Rs.7,70,344 in 1980-81. The two drought affected years of 1975-76 and 1976-77 showed considerable decline in the average turnover of primary agricultural Societies.

Comparison between the rate of increasing membership of primary agricultural Credit Societies and average turnover of each Society throws some

light on the qualitative progress of Co-operative movement in Miraj Taluka. It is observed that the percentage of change of average turnover per Society was greater than that of membership from 1971-1972 to 1974-75. This clearly shows that the qualitative progress of the primary agricultural Societies in Miraj Taluka. On the other hand the percentage of change of average turnover per Society was less than that of membership, particularly from 1976-1977 to 1980-1981. This implies that the Co-operative movement shows quantitative progress, particularly after the year 1976-1977.

The following table No.3-3 shows the composition and rate of total turnover from 1971-1972 to 1980-1981.

TABLE NO.3-3.

COMPOSITION AND THE RATE OF TOTAL TURNOVER OF 56
PRIMARY AGRICULTURAL CO-OPERATIVE CREDIT SOCIETIES IN
MIRAJ TALUKA (IN PERCENT OF TOTAL TURNOVER)

(Amount in Rs.)

YEAR	AGRICULTURAL LOAN	OTHER ACTIVI- VITIES.	TOTAL TURNOVER.
1971-72	2,07,89,870 (68.78)	94,36,540 (31.22)	3,02,26,410 (100)
1972-73	1,88,99,185 (39.08)	2,94,48,540 (60.92)	4,83,47,725 (100)
1973-74	1,84,56,362 (53.40)	1,61,03,125 (46.60)	3,45,59,487 (100)
1974-75	2,13,21,857 (58.62)	1,50,50,868 (41.38)	3,63,72,725 (100)
1975-76	1,36,91,889 (49.90)	1,87,45,596 (50.10)	2,74,37,485 (100)
1976-77	1,46,20,243 (53.38)	1,26,74,318 (46.62)	2,72,94,561 (100)
1977-78	1,64,26,643 (48.25)	1,77,41,118 (51.75)	3,41,67,761 (100)
1978-79	1,87,16,916 (53.34)	1,63,71,150 (46.66)	3,50,88,066 (100)
1979-80	1,76,94,446 (48.70)	1,86,33,213 (51.30)	3,63,27,659 (100)
1980-81	2,56,63,288	1,74,76,000	4,31,39,288

NOTE : Figures in brackets are showing percentage.

SOURCES :Office of the District Deputy Registrar,
Sangli.

III.3) TOTAL ASSETS :

Total assets show the financial soundness of the Co-operative institutions. It consists of investment in the form of land and buildings, furniture, machinery, vehicles, etc. Table No.3.2 shows that there is increasing trend in the total assets during the period under study for instance in 1971-1972 total assets were about Rs.2 crores and 17 lakhs, which increased upto Rs. 3 crores and 3 lakhs in 1975-76 and Rs.4 crores and 68 lakhs in the year 1980-81 respectively. It shows 116 percent increase over the year 1971-1972.

III-4) SHARE CAPITAL :

Share capital constitutes the main indicator of financial strength of the Co-operative organisations, share capital which consists of members own contribution and the contribution made by the government. It showed the increasing trend throughout the period of one decade under study. For instance the average share capital per society was Rs.1,06,255 in the year 1971-1972, which increased upto Rs.1,30,356 and Rs.1,72,048 in the years 1975-76 and 1980-81 respectively.

Composition of share capital of primary agricultural credit societies is shown in the following table No. 3-4.

TABLE NO. 3-5.AVERAGE SHARE CAPITAL PER MEMBER OF 56 PRIMARY AGRICULTURAL CO-OPERATIVE CREDIT SOCIETIES IN MIRAJ TALUKA.

YEAR	SHARE CAPITAL	MEMBERS	AVERAGE SHARE CAPITAL PER MEMBER.
1971-72	59,50,285	24,383	244
1972-73	60,48,965	25,048	241
1973-74	64,68,673	26,996	243
1974-75	70,01,138	27,734	252
1975-76	72,99,962	29,894	244
1976-77	75,56,059	31,206	242
1977-78	78,80,220	32,072	246
1978-79	83,41,134	32,907	253
1979-80	87,61,553	33,427	262
1980-81	96,34,715	35,652	270

(1) The average share capital per Society went on increasing during the decade.

(2) The government's contribution in share capital remained more or less same in absolute figures.

(3) Average share capital per member ranges between Rs.244 to 246 from 1971-1972 to 1977-1978. The two years of 1979-80 and 1980-81 showed some substantial increase i.e. of Rs.262 to Rs.270 respectively.

"the amount of money, which is engaged or invested in the form of share capital, reserve and other funds, total deposits, other loans, liabilities, profit and loss of the firm". In fact the working capital is the real indicator of the financial management of the Society. There has been an increasing trend of working capital throughout the period of 1971-72 to 1980-81. Moreover the average working capital per society was Rs.4,02,762 in 1971-1972 and Rs.5,41,381 in 1975-76 and Rs.8,29,797 in 1980-1981.

While analysing the composition of working capital as stated in the following table No.3-6 the following conclusions may be drawn :-

Tab

3.6

COMPOSITION OF ASSETS IN MIRAJ TALUKA.

(Amount in Rs.)

Year	Total Share Capital.	Reserve Fund.	Assets	Total Working Capital.
1971-72	59,50,285 (25.39)	10,25,103 (4.61)	51,133 .52)	2,25,54,665 (100)
1972-73	60,48,965 (24.89)	12,58,923 (5.18)	29,972 .53)	2,43,00,581 (100)
1973-74	64,68,673 (19.91)	13,73,623 (4.23)	41,096 .05)	3,24,93,071 (100)
1974-75.	70,01,128 (18.72)	15,91,771 (4.26)	35,761 .08)	3,74,06,056 (100)
1975-76.	72,99,962 (24.08)	18,16,904 (5.99)		3,03,17,319 (100)
1976-77	75,56,059 (26.08)	21,01,427 (7.25)	38,020 .45)	2,89,68,150 (100)
1977-78	78,80,220 (23.44)	23,62,818 (7.03)	78,950 .83)	3,36,14,220 (100)
1978-79	83,41,134 (22.12)	25,46,535 (6.75)	71,788 .3)	3,77,03,368 (100)
1979-80	87,61,553 (22.46)	27,51,229 (7.06)	37,392 .97)	3,90,08,874 (100)
1980-81.	96,34,715 (20.72)	30,02,457 (6.46)	2,299 .1)	4,64,86,628 (100)

NOTE : Figures in Brackets are shown

SOURCE : Office of the District Deputy

The working capital both absolute and average per Society showed an increasing trend during the period of one decade under study. The average working capital per Society was Rs.3,97,405 in the year 1971-72, which rose to 5,41,381 in 1975-76 and Rs.8,29,797 in the year 1980-81(see table No.3-2).

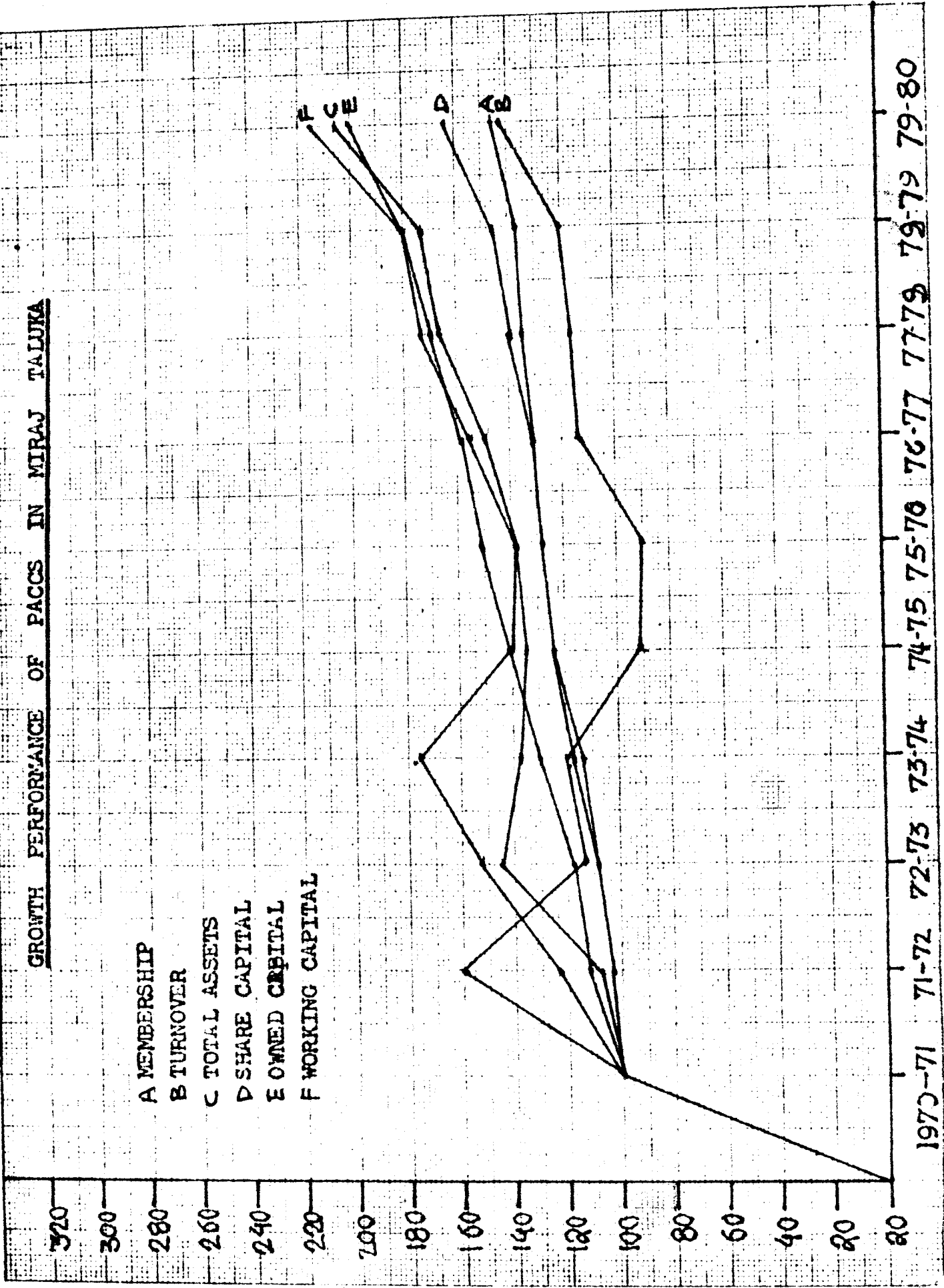
Share capital, reserve funds, deposits and loans are the main components of the total working capital of primary agricultural credit societies. The reserve funds and deposits, although they show the increasing trend have very low percentage share of working capital. The percentage share of share capital varied from 20 percent to 23 percent of the total working capital during the period under study. The low percentage share of the deposits and reserve funds in 56 Societies indicate that the primary agricultural Credit Societies in Maharashtra are not efficient institutions to attract the deposits in rural area. On the other hand these are working as the middle agencies for channelising the government money in the form of the agricultural credit at the door steps of the farmers. This will be seen from table No.3-6 that the percentage share of loans and other liabilities were representing particularly from the year 1976-1977.

If we study the sources of the working capital of these societies, it can be also said that they are not financially sound and self-reliant. While considering the development needs of the area, the primary agricultural Credit Societies should function as two way traffic Firstly, supply of agricultural Credit and Secondly, mobilising the financial resources by attracting more deposits and reserve funds. But the primary agricultural Credit Societies in Maharashtra in general, and in Miraj taluka in particular, are functioning as the one-way-traffic i.e. supply of agricultural Credit only. The deposit mobilisation function of these primary Credit Societies is the weakest link of the composition of the working capital of the Credit Societies under study area of Miraj Taluka.

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GROWTH PERFORMANCE OF PACCS IN MIRAJ TALUKA

- A MEMBERSHIP
- B TURNOVER
- C TOTAL ASSETS
- D SHARE CAPITAL
- E OWNED CAPITAL
- F WORKING CAPITAL



1970-71 71-72 72-73 73-74 74-75 75-76 76-77 77-78 78-79 79-80