

CHAPTER III

Working of the Shri Kedarling Bhairavanath Cooperative Water Supply Society Ltd., Bachani.

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**Working of the Shri Kedarling Bhairvnath Cooperative Water
Supply Society Ltd., Bachani.**

Section A

3.1 a Historical Background

In the 1960s agriculture in Maharashtra was always a gamble in the monsoons. Irrigation facilities were not well developed and well irrigation was the major source of water supply. Absence of irrigation facility affected farm production and productivity, hence the small farmers in Maharashtra were always affected by inconsistent rains and uncertainty in agricultural production was a feature of the rural economy.

In the midst of all this the drought of 1965-66, had a severe impact on the lives of farmers in rural Maharashtra, leading to severe hardships faced by the rural population. The then State Government of Maharashtra took various steps to tide over these hardships and a long term policy in this direction was to develop a agro based industrilisation policy wherein rapid and diversified growth of the Cooperative Movement was perceived with adequate State-aid and State-initiative.

This policy of state government encouragement to the Cooperative Movement was initiated with a great deal of vision and enterprise by the late Y.B. Chavan and was consistently well supported and encouraged by later Chief Ministers like V.P. Naik, Shri Vasant Dada Patil with able guidance from D.R. Gadgil, Vaikunth Bhai Mehta, D.G.Karve

and the late Vikhe Patil of Ahmednagar District. Subsequently a well dedicated string of enterprising local cooperative leaders developed in Western Maharashtra, who with their vision and commitment to area development, developed a well integrated, diversified network of cooperative institutions in Maharashtra, more so in Western Maharashtra. The economic history of this region of Maharashtra in 1970s and 1980s is therefore a success story of the role that cooperatives can play in socio-economic and rural transformation and development of financially sound economic institutions on the basis of which political leadership developed and consolidated. As a part of various schemes to encourage cooperatives, the state government in 1960s also encouraged the starting of Cooperative Water Supply Schemes - wherein small farmers started their cooperative enterprise on mutual aid and self help basis. So that water was available to their lands, thus making their farm activity economic and profitable.

The villagers of Bachani, to make their land cultivation economic and sustainable got together and established a Cooperative Water Supply Scheme on cooperative basis on 18/05/1965. The scheme was to lift water from Shri Bhogawati river by pipeline and with the help of electric pumps to pump the water to the farms of the member cultivators. Thus the 'Shri Kedarling Bhairavnath Cooperative Water Supply Society, Ltd., Bachani was established against this background in 1965, and actual water supply by the cooperative society started in February, 1966. What is worth mentioning here is that this cooperative society did not receive any loan assistance at the time of inception from any cooperative bank or institution. The member farmers individually took a

Tagai Loan and this consolidated amount was kept as Fixed Deposit with the Society and on this basis Deposits worth Rs. 1,78 lakhs were mobilised in the year of inception. Further more the scheme had a estimated plan cost of Rs. 2.65 lakhs, for which Civil Engineering Work worth Rs. 35,000/- was undertaken on basis of 'Shramadhan' by the villagers themselves.

3.1. b Initial Leadership, Aims and Objectives of the Cooperative Society

The founding Chairman of this Cooperative Water Supply Scheme was Shri Ganapati Narayan Jadhav and the Vice-Chairman was Maruti G. Patil. In addition eight director were also actively associated in the inception of this society. The following was the first Board of Director of the Society.

- | | | | |
|----|--------------------|---|---------------|
| 1. | Shri G.N. Jadhav | - | Chairman |
| 2. | Shri M.G. Patil | - | Vice-Chairman |
| 3. | Shri N.K. Patil | - | Director |
| 4. | Shri K.S. Patil | - | Director |
| 5. | Shri N.V. Jadhav | - | Director |
| 6. | Shri K.D. Jadhav | - | Director |
| 7. | Shri N.R. Kalantre | - | Director |
| 8. | Shri D.S. Chougule | - | Director |

9 .Shri P.S. Kamble - Director

10. Shri D.M. Jadhav - Director

The following were the main objectives of the Society.

1. Increase the Agricultural farm knowledge of members.
2. Encourage member savings and thrift.
3. Encourage sense of Equality and mutual cooperation amongst members.
4. Increase the cooperative knowledge of members.
5. Supply irrigation water to the fields of the member farmers.
6. Increase farm income and productivity of members and
7. Develop the overall economic and social background of the members.

In the year of inception the cooperative society had a total membership of 217 farmer members and each household in the village bought one share of the society. In the inception year the society mobilised Share Capital worth Rs. 50,000/-. Shares of face value of Rs. 50/- each were sold on cooperative basis to the members.

3.1 c Details of Water Supply Scheme of the Cooperative Water Supply Society

The cooperative water supply society in the early phase had the scheme to pump water from Shri Bhogawati River and through pipelines

distribute the water among the farms of the farmers. Total area under cultivation according to official Government data is 12,000 acres out of which 951 acres is brought under irrigation through the scheme of this cooperative lift irrigation scheme. Members in addition to sugarcane, also cultivate Rice, Maize, Wheat, Vegetables and Jowar with the help of water of this scheme. The society charges per acre Rs. 352/- as water rate from members and Rs. 376/- per acre as water rates from non members for sugarcane cultivation.

In 1977-78 alongwith the existing water supply scheme on Shri Bhogawati River another lift irrigation scheme on the river Tulshi was initiated by this cooperative water supply society. This scheme got the necessary government approval and civil works for which started in 1978-79. For this scheme, the cooperative society obtained a medium term loan from the Kolhapur District Central Cooperative Bank of Rs. 3.5 lakhs and also obtained a subsidy of Rs. 1.46 lakhs from the State Government of Maharashtra. The development of this second scheme increased water supply potential of the society.

The cooperative water supply society under study has the following Irrigation and Electrical Equipments to pump water to member farmers land at the site on bank of Bhogawati and Tulshi river.

| Item | Name of Machinery | Size/HP | Number of Units | Remarks |
|-------------|--------------------------|----------------|------------------------|--|
| 1 | Electric Motors | 90 HP | 05 | One spare motor Two at Bhogawati River and Two at Tulashi River |
| 2 | Transformer | 1000 KVP | 02 | - |
| 3 | a) Pumps | 8 x 8 Size | 02 | At Bhogawati River |
| | b) Pumps | 8 x 6 Size | 02 | At Tulashi River |
| 4 | Switch Valve | 10 x 10 | 02 | |
| | Switch Valve | 10 x 10 | 02 | |
| 5 | Non Returning Valve | 10 x 10 | 02 | |
| 6 | Iron Pipes | 146 Feet | | |
| 7 | Iron Pipes | 125 Feet | | |
| 8 | Starter | | 04 | |
| 9 | Oil Engine (Cooper) | 10 HP | 01 | For Drinking Water Pumping |
| 10 | Regulator | - | 01 | |
| 11 | Capacitor | - | 01 | |
| 12 | Main Switch | - | 01 | |

Source : Office Record

With the functioning of both the water supply schemes irrigation potential of the society increased from 359 acres in 1979-80 to 738.15 acres in 1980-81 and was 959 acres in 1997-98. Water supply is provided to both members as well as non member farmers of the village. Water supply is maintained both for Kharif and Rabi seasons of the year.

Technical Details of the Scheme

The day to day working of the scheme is managed by an office staff of Eleven. The working of the society is divided into the following section.

- i) Civil Department
- ii) Machinery Department (consisting of Electric and Irrigation Sections)

Scheme on River Bhogawati River

The pump house of the irrigation society is a double storeyed building 20 x 19'. The Jack Well is 14 feet in diameter and 39 feet in depth. To draw water from the Jack well a 344 feet intake pipe 30 inches in diameter is laid from the river site to the village. From the Delivery Chamber, straight down south upto the village Aare, a 6500 feet long Main Canal is laid. In this canal at places permanent doors for feeder canals are laid from where the members draw their water share into their respective fields. From the jackwell upto the Chamber a 3592 feet pipeline is laid of 20 inch diameter. The chamber is located at a height of about 130 feet above the river water level.

Technical Details of Scheme on Tulasi River

The pump house located on river Tulshi in a double storeyed building of 20 x 10 feet size. From the pump house a 5300 feet long rising main pipe line of 18 inch in diameter is laid. The water chamber is 110 feet above the river water level.

3.1 d Current Position

Presently in the year 1997-98 Shri A.S. Kulkarni is the Chairman of the Shri Kedarling Bhairavnath Cooperative Water Supply Society Ltd. Bachani. D.M. Salvi is the present Vice-Chairman and Shri D.P. patil is the Secretary. The society has a office staff of Eleven and all work efficiently. In the year 1997-98 the society had total membership of 793 member farmers and Share Capital of Rs. 61.65 lakhs. It was classified in Audit Class 'A' in the year and the society had Depreciation Fund of Rs. 3.05 lakhs and Reserve Fund of Rs. 1.78 lakhs, Other Funds of Rs. 11.22 lakhs and a Building worth Rs. 4 lakhs. Total Water Supply Charges collected from member and non-member farmers amounted to Rs. 2.65 lakhs. Thus the growth in Depreciation Funds and Reserve and Other Funds speaks well of the financial situation of the society. Water Charges Collection also is satisfactory. The society at present also has purchased a Jeep which is provided to members on Hire Basis whenever needed.

Presently in addition to irrigation Water Supply, the cooperative Water Supply Society under study is also implementing a Drinking Water Scheme in the village. The society has purchased the private well of late K.D. Jadhav the east side of the village. A six inch pipeline is laid upto the Primary School in the village where a Cement Tank is built around

which cement foundation is laid and taps are provided to supply drinking water from well water for the people of the village.

Thus the people of the village are provided clean water for drinking and other use by the society.

Section B

3.2 Analysis of the Working of Shri Kedarling Bhairvnath Cooperative Water Supply Society Ltd. Bachani

In the early section of the Chapter, an attempt was made to give a brief historical profile of the cooperative society under study and also give its recent position. The following section makes an attempt to evaluate the working of the cooperative water supply society with the help of economic variables. The financial working of the society is also examined on the basis of the following indicators.

- i) Membership and Share Capital Growth
- ii) Sources of Income of the Society
- iii) Expenditure Pattern of the Society
- iv) Profits/Loss situation
- v) Growth in Reserve Funds and other Funds and
- vi) Water Rate and Water Charges Analysis

3.2 a Growth in Membership of the Society

Table No. 3.1 depicts the year wise Growth in the membership of the cooperative water supply society under study. Necessary data has been drawn from the various yearly Annual Reports of the Society under study. The table reveals that in the year of inception of the cooperative society, the members were 217 and by 1970-71 membership increased to 307, a percentage rise of 41.47 percent over 1966-67. By 1980-81 membership went upto 343 a 11.72 percent increase over 1980-81. In 1990-91 membership rise up appreciably and went upto 566, indicating a 65.01 percent increase over 1980-81. In 1993-94, the society has 734 members and this went up gradually to 793 by 1997-98. Thus the growth in membership of the society has been more rapid in the 1980s and gradual and steady in the 1990s. This trend indicates that more and more farmers of the village Bachani, are taken benefits of the cooperative irrigation society for their economic betterment with better farm production.

Table No.3.1

Growth in Membership

| Years | No. of Members | Growth in % |
|---------|----------------|-------------|
| 1966-67 | 217 | 41.47 |
| 1970-71 | 307 | 11.72 |
| 1980-81 | 343 | 65.01 |
| 1990-91 | 566 | - |
| 1991-92 | 566 | - |
| 1992-93 | 566 | - |
| 1993-94 | 734 | 29.69 |
| 1994-95 | 734 | - |
| 1995-96 | 734 | - |
| 1996-97 | 786 | 7.08 |
| 1997-98 | 793 | 0.89 |

Source : Annual Reports of Shri Kedarling Bhairvnath
Cooperative Water Supply Society Ltd., Bachani,
1966-67 to 1997-98.

Share Capital Mobilisation

(Rs.)

| Years | Share Capital Mobilisation | Percentage Growth |
|---------|----------------------------|-------------------|
| 1966-67 | 45,300 | - |
| 1970-71 | 61,500 | 36.09 |
| 1980-81 | 61,500 | - |
| 1990-91 | 61,500 | - |
| 1991-92 | 61,500 | - |
| 1992-93 | 61,500 | - |
| 1993-94 | 61,500 | - |
| 1994-95 | 61,500 | - |
| 1995-96 | 61,500 | - |
| 1996-97 | 61,500 | - |
| 1997-98 | 61,500 | - |

Source : Annual Reports of Shri Kedarling Bhairvnath Cooperative Water Supply Society Ltd., Bachani, 1966-67 to 1997-98.

3.2. b Share Capital Mobilisation

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Table No. 3.2 gives the increase in the Share Capital mobilisation made by the Cooperative Society under study. The table indicates that in the year of inception, the cooperative society mobilised Share Capital of Rs. 45,300 which increased to Rs. 61,500/- by 1970-71 indicating a percentage rise 36.09 percent. However after that there has been no rise in the Share Capital mobilised by the Society.

3.2 c Audit Classification of the Cooperative Society

The internal as well as Government Audit of the Cooperative Water Supply Scheme under study shows that the financial performance of the cooperative society is sound over the period of study. In 1970-71, the society was classified in Audit 'A' Class, and expect for the year 1980-81 where in it was classified in 'B' Class, all other years the society is the Audit 'A' Class, which speaks well of the financial working of the society.

Audit Classification of the Cooperative Society

| Years | Audit Report Class |
|--------------|---------------------------|
| 1966-67 | - |
| 1970-71 | A |
| 1980-81 | B |
| 1990-91 | A |
| 1991-92 | A |
| 1992-93 | A |
| 1993-94 | A |
| 1994-95 | A |
| 1995-96 | A |
| 1996-97 | A |
| 1997-98 | A |

Source : As of Table No. 3.2

Table No. 3.4 (A)

**Income Analysis of Shri Kedarnath Bhairavnath Cooperative Water Supply
Society Ltd., Bachani, Tal. Karveer, Dist. Kolhapur**

| Years | Water Supply Charges | Increase in % | Other Sources | Jeep Rent | Total Income | Growth in % |
|---------|----------------------------|------------------|------------------|--------------|-----------------|----------------|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 1966-67 | 1,38,103 | - | 12 | - | 1,38,103 | - |
| 1970-71 | 1,40,860 | 27.23 | 4,686 | - | 1,45,546 | 5.38 |
| 1980-81 | 2,31,096 | 64.06 | 9,823 | - | 2,40,919 | 65.52 |
| 1990-91 | 3,29,108 | 42.41 | 2,44,455 | 46,187 | 3,99,750 | 65.52 |
| 1991-92 | 3,60,522 | 9.54 | 9,273 | 49,070 | 4,18,865 | 4.78 |
| 1992-93 | - | - | 12,238 | 31,609 | 43,847 | -89.53 |
| 1993-94 | 3,47,211 | - | 20,286 | 41,690 | 4,09,187 | 833.21 |
| 1994-95 | 10,57,925 | 204.68 | 23,799 | 26,720 | 11,08,444 | 170.88 |
| 1995-96 | 6,46,925 | -41.68 | 10,031 | 53,532 | 7,10,488 | -35.90 |
| 1996-97 | 5,64,887 | -12.68 | 9,631 | 51,701 | 6,26,219 | -11.86 |
| 1997-98 | 6,50,543 | 15.16 | 18,159 | 40,183 | 7,08,885 | 13.20 |

Source: As of Table 3.2

3.2 d Income Expenditure Analysis

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In the following section of our study we will make an attempt to examine the sources of income of the society and the expenditure pattern of the society under study. For the purpose of this the sources of income are classified as

- a) Receipt from Water Supply
- b) Income accruing from Jeep Rent
- c) Other Sources of Income

Expenditure of the cooperative lift irrigation society under study is classified into

- i) Administrative Expenditure
- ii) Other Administrative Expenses
- iii) Water Supply Expenditure consisting of
 - a) Civil Expenditure and
 - b) Machinery Expenses
- iv) Expenditure incurred on Jeep and its maintenance and
- v) Other Expenses

3.2 d (i) Income Analysis

Table No. 3.4 (A) gives the details of the sources of income of the cooperative lift irrigation society under study. From the table it is

Table No. 3.4 (B)**Water Rate Structure****41**

(Rates are per Acre per year basis)

| Years | Member Sugarcane | Non-Member Sugarcane | Rabi Crop (per crop per year) | Other per hours |
|---------|------------------|----------------------|-------------------------------|-----------------|
| 1966-67 | 352 | 376 | - | - |
| 1970-71 | 360 | 440 | - | - |
| 1980-81 | 520 | 640 | - | - |
| 1990-91 | 820 | 900 | 120 | 12 |
| 1991-92 | 950 | 1000 | 400 | 20 |
| 1992-93 | 950 | 1000 | 600 | 20 |
| 1993-94 | 1300 | 1400 | 760 | 20 |
| 1994-95 | 1400 | 1500 | 800 | 25 |
| 1995-96 | 1700 | 1800 | 1000 | 30 |
| 1996-97 | 1600 | 1700 | 1000 | 30 |
| 1997-98 | 1750 | 1850 | 1100 | 35 |

Source : Annual Report , 1996-97
Kolhapur District Co-operative Board Ltd., Kolhapur

evident that income earned from supply of water is the main source of income of the society. Income from sale of water to the members and non-member, increased from Rs. 1.38 lakhs in 66-67 to 1.40 lakhs in 70-71 and further to Rs. 2.31 lakhs by 1980-81, depicting a percentage increase of 64 percent in 1980-81 over 1970-71. In 1990-91, income from water supply increased to Rs. 3.29 lakhs and went upto 10.58 lakhs in 1994-95, but thereafter income from water supply shows fluctuating trends and has fallen to Rs. 5.64 lakhs in 1996-97 and was Rs. 6.50 lakhs in 1997-98. Non proper recovery of water supply charges has been the main reason for this fluctuation and the cooperative lift irrigation society has to take prompt and sure measures to ensure proper recovery of water charges dues.

Water Rate Structure

The cooperative water supply society under study has a multi-rate water rate structure. Per acre per year water charges levied by the society crop-wise is given in Table No. 3. 4 (B). From the table we can see that

- i) Society charges different rates for member farmer and non-member farmer.
- ii) The water charges for Sugarcane cultivation is higher. It was Rs. 352/- per acre per year in 1966-67 which has increased to Rs. 950/- in 1992-93 and further to Rs. 1750/- per acre per year for member farmer in 1997-98. For non-member farmer the rate is higher.

- iii) Water charges for Rabi crops are lesser than that for Sugarcane. Thus Sugarcane water charges are higher.

Income from other sources also depicts fluctuating trends, It shows a rise from 1966-67 to 1994-95. Income from this source went up from Rs. 121 in 1966-67 to Rs. 24,455 in 1991-92 and for the then declined to Rs. .09 lakh in 1991-92 and stood at Rs. .24 lakhs in 1994-95 but fell thereafter to Rs. .10 lakhs in 1995-96 and was Rs. .18 lakhs in 1997-98. Thus the source of income shows fluctuating trends.

In 1990 the cooperative water supply society purchased a Jeep for office use as well as for the use of member farmers, who could make use of it for transport facility on Rental basis. Thus rent from Jeep of the society also became a source of income of the society and this rent income from providing the society Jeep to farmers on hire basis was Rs. .46 lakhs in 1990-91 which increased to .49 lakhs in 1991-92 and then was .26 lakhs in 1994-95. In 1996-97 this source of income rose upto Rs. .51 lakh and was Rs..40 lakh in 1997-98. Thus the rent derived from the provision of Jeep to members on hire basis has also become a steady source of income of the Society.

Total income of the cooperative lift society under study as depicted in Col. 6 of Table No.3.4 (A) indicates that the income of the society is mainly derived from Water Supply Charges got by the society by sale of water to members and non-members. Total income got was Rs. 1.38 lakhs in 1966-67 which went up by 5.38 percent in 1970-71 to Rs. 1.46 lakhs and increased further to Rs. 2.41 lakhs in 1980-81 and was Rs. 3.99 lakhs in 1990-91 a percentage increase of 65.92 percent

Table No.3.5

**Expenditure Pattern of Shri Kedarling Bhairvnath Cooperative Water Supply
Society Ltd., Bachani**

(Figures in Rupees)

| Years | Admn. Expenses | Other Admn. Expenses | Water Supply Expenses | | Jeep | Other Expenses Total | Total |
|---------|-------------------|----------------------------|-----------------------|-----------|----------|----------------------------|-----------|
| | | | Civil | Machinery | | | |
| 1966-67 | 5,925 | 2,216 | 17,480 | 58,297 | - | 17,682 | 1,28,114 |
| 1970-71 | 16,186 | 4,629 | 5,301 | 71,751 | - | 36,539 | 1,45,546 |
| 1980-81 | 33,152 | 14,811 | 800 | 45,392 | - | 99,561 | 2,40,919 |
| 1990-91 | 11,493 | 43,217 | 12,482 | 95,941 | 67,255 | 1,44,746 | 3,99,750 |
| 1991-92 | 1,25,965 | 33,085 | 23,143 | 98,687 | 67,422 | 36,172 | 4,18,865 |
| 1992-93 | 91,701 | 26,889 | 14,822 | 91,731 | 67,713 | 21,688 | 3,14,544 |
| 1993-94 | 1,37,626 | 41,191 | 47,157 | 1,73,559 | 1,21,206 | 74,190 | 7,77,394 |
| 1994-95 | 1,42,068 | 40,390 | 48,616 | 1,82,397 | 58,613 | 98,843 | 11,08,444 |
| 1995-96 | 1,49,795 | 71,697 | 15,161 | 1,79,839 | 77,044 | 32,209 | 7,10,488 |
| 1996-97 | 1,72,440 | 32,756 | 43,437 | 2,28,835 | 73,620 | 9,124 | 6,26,179 |
| 1997-98 | 1,97,765 | 32,782 | 49,905 | 3,14,011 | 59,334 | 48,402 | 7,08,884 |

Source : As of Table 3.2

Includes provision for Profit Distribution made each year

on 1980-81. After 1990-91 total income of the cooperative society shows fluctuating trends total income rising to Rs. 11.08 lakhs in 1994-95, then declining to Rs. 7.10 lakhs in 1995-96 and was Rs. 7.08 lakhs in 1997-98. Fluctuating water supply charges levied was the main reason for the fluctuations in total income of the society in these years.

Thus the income analysis reveals that

- i) In the late 1990s the total income earned shows fluctuations.
- ii) Fluctuations in income derived from water supply charges are more in late 1990s and therefore, the total income of the society fluctuated.
- iii) Rent derived from provision of society Jeep to members on rental basis, is providing a steady income to the society.

3.2 d (ii) Expenditure Pattern of the Shri Kedarling Bhairvnath Cooperative Water Supply Society Ltd. Bachani

Administrative Expenses, Water Supply Expenses mainly Civil and Machinery are the major source of Expenditure of a cooperative lift irrigation society. Pumping of water, repair and maintenance of pipeline, electric motor pumps are the main items of the water supply expenses that a cooperative lift irrigation has to bear. Dues paid to M.S.E.B. as electricity charges are also included in this.

Table No. 3.5 gives the details of the break up of total Expenditure of the society. Administrative expenses which consists of

salary payment and other expenses of the staff, office expenses etc. rose from Rs. 5925 in 1966-67 to 1.25 lakhs in 1991-92 and were Rs. 1.49 lakhs in 1995-96 and stood at Rs. 1.97 lakhs in 1997-98. Other Administrative Expenses also show increase over the year from Rs. 2216 in 1966-67 to Rs. .43 lakh in 1990-91, Rs. .71 lakh in 1995-96 and decline to Rs. .33 lakh in 1997-98.

Water supply expenses consisting of Civil Engineering expenditure and Machinery Expenditure were high initially and then they show steady rise. In the inception year this expenditure was high as civil engineering costs plus purchase costs of machinery was high. Civil Engineering Costs were Rs. .17 lakh in 1966-67, Rs. 23 lakhs in 1991-92, Rs. .48 lakh in 1994-95 and Rs. .49 lakh in 1997-98. Civil repairs civil maintenance costs are major items of this expenditure. Machinery and Equipment Costs - purchase, repair are the other item of water supply expenses and this expenditure was Rs. .59 lakh in 1966-67 which are to Rs. .98, Rs. 2.38 lakh in 1996-97 and stood at Rs. 3.14 lakh in 1997-98.

Jeep maintenance expenses were Rs. .67 lakh in 1990-91, which rose to Rs. 1.21 lakh in 1993-94 declined to Rs. .58 lakh in 1994-95 and stood at Rs. .59 lakh in 1997-98. Our table indicates that income from provision of Jeep to members on Hire Basis is lesser than the expenditure incurred on the maintenance of the society Jeep.

Other expenses of the cooperative water supply society Ltd. under study also show increase from Rs. .17 lakh in 1966-67 to Rs. 1.44 lakh in 1990-91, Rs. .77 lakh in 1995-96 and were Rs. .48 lakh in 1997-98. This expenditure however shows yearly fluctuations.

Table 3.6
Profit and Loss

| Years | Profits Rs. | Growth/Decline % | Losses Rs. |
|---------|----------------|------------------|---------------|
| 1966-67 | 27,501 | - | - |
| 1970-71 | 10,124 | -63 | - |
| 1980-81 | 1,203 | -0.89 | - |
| 1990-91 | 925 | -23.10 | - |
| 1991-92 | 3,387 | +266.16 | - |
| 1992-93 | - | - | 2,70,696 |
| 1993-94 | 18,909 | - | - |
| 1994-95 | 5,37,518 | 2,742.6 | - |
| 1995-96 | 1,82,796 | -65.99 | - |
| 1996-97 | 21,239 | -88.38 | - |
| 1997-98 | 6,685 | -68.52 | - |

Source : As of Table No. 3.2

Total Expenditure of the society after making provisions for Profit Distribution from which money is kept and distribution of dividend takes place was Rs. 1.38 lakh in 1966-67, which increased and went upto Rs. 3.91 lakh in 1990-91, Rs. 4.18 lakh in 1991-92 and further to Rs. 11.08 lakh in 1994-95 and was Rs. 7.09 lakh in 1997-98. Thus over the period of our study Total Expenditure of the society is steadily rising only of which Expenditure for water supply is main item of expenditure alongwith Administrative Expenditure.

3.2. e Profit/Loss Analysis of the Society

Rising expenditure of the society has to a great extent not generated consistent profits for the society. Table 3.6 gives the details yearwise of the financial performance of the society which indicates that the profits, from which provision of Reserve Funds and Dividends are made shows fluctuations. In 1966-67 the society made profit of Rs. .27 lakh but subsequently the net profit have declined and the society made loss of Rs. 2.70 lakh in 1992-93 but thereafter the profit margin through fluctuating has declined to Rs. 1.82 lakh in 1995-96 to Rs. .21 lakh in 1996-97 and to Rs. .06 lakh in 1997-98.

Of this yearly profit and accumulated profits the cooperative society as per the Maharashtra Cooperative Societies Act, has to make provision for Reserve Funds and the net profit is then distributed as dividend to members. The allocation of Profit to Reserve Funds is made into the following Funds.

- i) 25 percent to Reserve Fund with District Central Cooperative Bank

- ii) Special Emergency Fund
- iii) Building Fund
- iv) Depreciation Fund
- v) Dharmadaya Fund
- vi) Additional Dividend Fund

and then the remaining amount is net profit which is distributed as dividends to members.

3.2. f Details fo Growth of Reserve Funds and Other Funds of the Soccity

Accumulation of Reserve Funds and other Funds with a cooperative society is always good for the long term financial health of the society. Hence every cooperative enterprise from its profit makes provision for these funds which can be used in times of financial emergency in future whenever needed.

From the Gross Profits made the cooperative society under study has made provision for the following Funds.

- i) 25 percent Reserve Fund
- ii) Depreciation Fund and
- iii) Other Funds.

The details fo this funds are as below :

a) Reserve Fund :

As per the State Cooperatives Act, each society from its Gross Profits has to make provision of 25 percent Reserve Fund. The growth in

Growth in Reserve Fund

| Years | Reserve Fund Rs. | Growth in % |
|---------|------------------|-------------|
| 1966-67 | 0,245 | - |
| 1970-71 | 7,976 | 31.55 |
| 1980-81 | 16,028 | 101 |
| 1990-91 | 41,616 | 160 |
| 1991-92 | 64,122 | 54.08 |
| 1992-93 | 64,122 | - |
| 1993-94 | 64,200 | 0.12 |
| 1994-95 | 64,200 | - |
| 1995-96 | 1,23,224 | 91.93 |
| 1996-97 | 1,73,562 | 40.85 |
| 1997-98 | 1,78,883 | 3.06 |

Source : As of Table 3.2

this fund of the cooperative society under study is shown in Table No. 3.7. Reserve Fund increased from Rs. 245 to Rs. .16 lakh in 1980-81, to Rs. .64 lakh in 1994-95 and then increased to Rs. 1.73 lakh in 1996-97 and stood at Rs. 1.78 lakh in 1997-98. Thus the Reserve Fund of the society shows constant increase.

b) Depreciation Fund

Any cooperative lift irrigation society should develop a good Depreciation Fund from which future development plans can be implemented for the growth of the irrigation potential of the society through schemes of expansion and new water supply schemes.

Table No. 3.8
Depreciation Fund

(Rs.)

| Years | Machinery | Civil | Total | Growth | Jeep | Growth % |
|---------|-----------|----------|----------|--------|--------|----------|
| 1966-67 | 12,000 | 16,550 | 28,550 | - | - | - |
| 1970-71 | 50,532 | 47,727 | 98,280 | 224.2 | - | - |
| 198-81 | 1,47,941 | 1,63,564 | 3,11,505 | 216.9 | - | - |
| 1990-91 | 2,39,860 | 2,84,920 | 5,24,780 | 68.46 | 21,135 | - |
| 1991-92 | 2,45,605 | 2,93,768 | 5,39,373 | 2.78 | 26,419 | 25 |
| 1992-93 | 2,49,914 | 3,00,405 | 5,50,319 | 2.02 | 30,381 | 15 |
| 1993-94 | 2,49,914 | 3,00,405 | - | - | 35,665 | 17.4 |
| 1994-95 | 2,49,914 | 3,00,405 | - | - | - | - |
| 1995-96 | 2,49,914 | 3,00,405 | - | - | 43,680 | - |
| 1996-97 | 2,49,914 | 3,00,405 | - | - | 48,964 | 12.19 |
| 1997-98 | 2,49,914 | 3,00,405 | - | - | 54,248 | 10.8 |

Source : Annual Reports 1966-67 to 1997-98 Shri Kedarling Bhairavnath
Cooperative Water Supply Society Ltd. Bachani.

Table No. 3.8 depicts the Growth of Total Depreciation Fund of the society which consists of

- i) Machinery Depreciation
- ii) Civil Works Depreciation and
- iii) Jeep Depreciation Fund provision

Total Depreciation Fund of the society was Rs. .28 lakh in 1966-67 which increased to Rs. .47 lakh in 1970-71 and further to Rs. 3.11 lakh in 1980-81, to Rs. 5.50 lakh in 1997-98. Of these more provision was made for Civil Depreciation Fund the provision which increased from .16 lakh in 1966-67 to Rs. 2.93 lakh in 1991-92 and further to 3.00 lakh in 1992-93 from where the amount remained constant.

Jeep Depreciation Fund was made in 1990-91 for which an amount of Rs. .21 lakh was made and this fund increased later to Rs. .35 lakh in 1993-94 and to Rs. .52 lakh in 1997-98.

Thus Depreciation is showing good growth but has remained constant since 1992-93 onwards.

c) Other Funds

The cooperative society under study has made provision for Other Funds of which details are given in Table No.3.9. Our table reveals that

- i) Aggregate other funds have increased from Rs. .10 lakh in 1970-71 to Rs. 2.63 lakh in 1991-92 and further to Rs. 3.84 lakh in 1995-96 and were Rs. 5.18 lakh in 1997-98.

Table No. 3.9

Details of Other Funds
(Rs.)

| Years | Spl. Emergency Fund | Depreciation Fund | Liquidation Fund | Charitable Fund | Dividend Equalisation Fund | Add. Dividend Equalisation Fund | Building Fund | Total | Growth In % |
|---------|---------------------|-------------------|------------------|-----------------|----------------------------|---------------------------------|---------------|--------|-------------|
| 1966-67 | - | - | - | - | - | - | - | - | - |
| 1970-71 | 1058 | 1367 | - | 200 | 1849 | 1233 | 5000 | 10707 | - |
| 1980-81 | 1798 | 2262 | - | 400 | 3082 | 2466 | 18090 | 28098 | 162.4 |
| 1990-91 | 6006 | 2262 | 5600 | 5300 | 8156 | 7815 | 232000 | 268139 | 854.2 |
| 1991-92 | 6400 | 2262 | 5600 | 6600 | 2607 | 7815 | 232000 | 263284 | 1.8 |
| 1992-93 | 6400 | 2262 | 5600 | 6600 | 2607 | 7815 | 232000 | 263284 | - |
| 1993-94 | 6400 | 2262 | 5600 | 6600 | 2607 | 7815 | 232000 | 263284 | - |
| 1994-95 | 6400 | 2262 | 5600 | 6600 | 2607 | 7815 | 232000 | 263284 | - |
| 1995-96 | 11900 | 2262 | 5600 | 6600 | 2607 | 13606 | 342000 | 384575 | 46.06 |
| 196-97 | 19442 | 2262 | 18532 | 13765 | 2607 | 20413 | 400000 | 477021 | 24 |
| 1997-98 | 30590 | 2262 | 28090 | 24356 | 2607 | 30474 | 400000 | 518379 | 7.98 |

Source : Annual Reports 1966-67 to 1997-98 Shri Kedarling Bhairavnath Cooperative Water Supply Society Ltd., Bachani.

- ii) Provision for Building Fund constituted the highest and this fund has increased from Rs. 5000 in 1970-71 to Rs. 2.32 lakh in 1990-91 Rs. 3.42 lakh in 1995-96 and further to Rs.4 lakh in 1997-98.
- iii) Other Funds too are showing growth thus indicating that the cooperative society is making adequate financial provision for funds generation to increase the financial base of the society.

The above financial analysis of the working of Shri Kedarling Bhairvnath Cooperative Water Supply Society Ltd. Bachani reveals that

- i) Over all financial performance is steady stable and satisfactory.
- ii) The Audit classification of the society is in 'A' class for the entire period of study thus indicating satisfactory financial performance.
- iii) Water Levy Charges are not growing faster in recent years and the society has to see that better recovery.
- iv) Expenditure on maintenance of Jeep is made more than revenue earned from providing Jeep on Hire basis to the members.
- v) Reserve Funds and Other Funds are growing but have not shown increase in recent years.