

CHAPTER VI

BANKING, TRADE AND COMMERCE

Agriculture and industries represent productive activities; banking and other organised and unorganised financial institutions on the other hand help to accelerate the growth of production by capital formation and deployment of funds for various productive activities. At the same time, trading and commercial activities facilitate proper distribution of goods and services.

BANKING AND FINANCE

Before the advent of modern banking during the 19th century in this district as elsewhere in the State also, money lending was so common and all those who had surplus funds used to lend it against tangible security. Lending money on the pledge of the services of a bonded labour was not uncommon. The practice of bonded labour, which was the out come of heavy borrowing was very common among the lower castes and tribals. The creditors exploiting the debtors by dubious ways and usurious practices and taking undue advantage of the helplessness and ignorance of the loanees in the absence of strict regulatory measures by the Government was very common. Craft and commercial guilds including religious institutions accepted deposits and functioned as indigenous bankers during earlier centuries. Out of the interest of temple deposits, certain religious services were rendered to the temple diety annually or at regular intervals. Some records from this district speak of such arrangements and rate of interest charged varied according to the credit-worthiness of the person and purpose for which loans were utilised. Similarly, interest on deposits to the the investors also varied according to the purpose for which the proceeds were utilised. The periodical famines and all other commitments forced small agriculturists and others to approach the money lenders. As a result of this, a large number of agriculturists specially small farmers and agriculturist labourers and

village craftsmen groaned under heavy debts. This state of affairs of oppression prevailed for a long time calling for the intervention by the Govt. The British rule in the State beginning with 1831 enacted several legislative measures.

EARLIER RELIEF MEASURES

In the modern period, the earlier economic relief measures of the British Government that had been extended to Princely Mysore were Takavi Loans Act (1876), Deccan Peasants Relief Act (1879), Land Reforms Act (1883), Peasants Loan Act (1884), and Mysore Land Improvement Loan Act (1890), etc. This action had very limited effect. In Princely Mysore, Amildars were empowered to sanction Takavi loans under Land Revenue Code upto Rs 250, where as Assistant Commissioners and Deputy Commissioners had power to sanction loan upto Rs 500 and Rs 1,000 respectively. The period of repayment of land improvement loan varied from 10 to 30 years based on the purpose of loan.

The launching of co-operative movement in Mysore State in 1905, and Government's active encouragement in promoting agricultural credit societies in rural areas and the establishment of central financing agencies and unions to meet the credit requirement of primary societies, etc. extended a relief to agriculturists to a considerable extent through co-operatives in addition to Government loans like Takavi.

REGULATION OF MONEY LENDING

The Mysore Government had enacted the following legislations to regulate money lending: 1) the Mysore Usurious Loans Act 1923, 2) the Mysore Debt Conciliation Act 1937 and 3) the Mysore Money Lenders Act 1939. The first Act empowered the courts to intervene when the interest charged by the creditor was excessive and transactions between parties were unfair. The second Act made a provision for the establishment of conciliation boards for amicable settlements of agricultural debts. The Act Of 1939 compelled the money lenders to keep regular and proper accounts of their dealings. It had made a provision for the issue of receipts, acknowledging the payments made by the debtors and statement of accounts of debts indicating the principal amount and interest outstanding. According to this Act, the maximum rate of interest allowed was 9% simple interest on secured loans and 12% on unsecured. The molestation of debtor was cognisable offence and any infringement of the provisions of the Act was made punishable with fine or imprisonment, or both.

AFTER 1956

After the Reorganisation of the State, new and unified Acts viz. Karnataka Money Lenders Act 1961 and Karnataka Pawn Brokers Act 1961 were enacted and brought into force in the State including Bangalore Rural district from 1962 and 1966 respectively, and a number of amendments have been made to these Acts from time to time to ensure proper vigilance and control over money lending activities by the Government under the control of Sub-Divisional and district authorities of the Department of Co-operation. The present rates of lending by the money lenders is 18% on secured loans and 21% on unsecured debt. In addition to licensed money lenders, money lending is being practiced in the district without any licence on mutual confidence and trust on monthly interest basis which varies from 2 to 5% per month with or without security.

FINANCE CORPORATIONS

These corporate finance institutions constituted under the Indian Partnership Act 1932 or under the Companies Act 1956 also play significant role in tapping deposits and financing local trade and commerce. Lending activities of these institutions is governed by the provisions of the Karnataka Money Lenders Act 1961. Generally, the rates of interest on deposits offered and charged on borrowings by these agencies are higher than that of the commercial and co-operative banks and companies. Some of the corporations run chit schemes on commission basis with the approval of the A.R.C.S. money lending. The district has as many as 55 finance corporations started between 1982 to 1987. Except Hosakote, they are found in all taluk headquarters towns. Their distribution is as follows: Dodballapura 16, Nelamangala and Channarayana 11 each, Ramnagara 6, Magadi and Devanahalli 5 each and one at Kanakapura. Of the five finance corporations of Devanahalli taluk, four are situated at Vijayapura, a noted trade centre in silk.

VOLUME OF MONEY LENDING

The number of licensed money lenders, pawn brokers and finance corporations in the district is increasing due to the expansion of trade and commerce in recent decades. The number of these institutions in 1986 had increased to 301 as against 289 in 1985. By 1987, the number of these institutions had increased to 309 including 55 finance corporations. The loans advanced by these agencies in the district for 1985, 1986 and 1987 accounted to Rs 149.17 lakhs, Rs 136.08 lakhs and Rs 108.50 lakhs respectively. In recent years, both Central and State Governments have enacted several legislations in order to extend

material relief to those who were very much oppressed economically and socially and different poverty alleviation programmes have been launched, and some of these measures are implemented through banking institutions as a national policy and programme.

D. I. R SCHEME

The Differential Interest Rate Scheme was introduced by the Central Government in 1973 as one of the anti-poverty programme under which financial assistance is extended to the specified weaker sections including the SCs/STs. Under this scheme, both public sector and private sector banks including R.R.Bs. are granting loans to identified beneficiaries. The total amount of D.I.R. loans outstanding in the district by the end of December 1987 and June 1988 were accounted to Rs 351.19 lakhs and Rs 335.93 lakhs respectively, and the major contributors of this lending were Canara Bank (Rs 199.67 lakhs), S.B.M. (Rs 55.80 lakhs), UCO Bank (Rs 29.96 lakhs), Vijaya Bank (Rs 28.32 lakhs) as in June 1988 and the rest was contributed by other banks operating in the district.

ADVANCE UNDER 20 POINT PROGRAMME

Public sector banks are now advancing for various poverty alleviation schemes coming under 20 point economic programme such as better use of irrigation water, bigger harvest, health for all, justice to SCs/STs sections, equality for women and improvement of slums etc. The advances of commercial banks outstanding under this programme in the district as in June 1988 were Rs 2,678.85 lakhs and the major contributors being Canara Bank (Rs 966.45 lakhs), SBI (Rs 399.29 lakhs), UCO Bank (Rs 327.06 lakhs), Vijaya Bank (Rs 324.98 lakhs), and SBM (Rs 270.28 lakhs) and the rest was shared by the other banks.

KARNATAKA DEBT RELIEF ACT 1976

This legislation mainly aims to extend material relief to certain recognised categories of labourers like bonded and other economically weaker sections whose annual income does not exceed Rs 4,800 (initially it was Rs 2,400). According to the provisions of the above act, the debt including interest outstanding in the name of above categories of debtors are not recoverable and all decrees obtained by the creditors are declared as annulled and goods bailed as security are returnable to the loanees. However, this debt relief is not applicable to the debtors of the Central and State Governments, Companies and Co-operative Societies. Since inception of the scheme,

upto the end of March 1988, the total number of applications received seeking relief in the district were 8,459 involving an amount of Rs 69.65 lakhs, the largest number of applications being from Dodballapur taluk (2,179), followed by Devanahalli (2,156) and Nelamangala (974). The minimum number was from Hoskote being 458. The amount of relief sought from these taluks was accounted to Rs 29.89 lakhs, 11.64 lakhs, Rs 1.52 lakhs and Rs 2.24 lakhs respectively. The number of cases disposed off are reported as 5,086 amounting to Rs 34.73 lakhs. Among the beneficiaries as many as 1,945 were SCs/STs involving a relief amount of Rs 14.65 lakhs.

ABOLITION OF BONDED LABOUR

The bonded labour system Abolition Act 1976 (Central Act) mainly aims at abolishing the age-old evil practice of bonded labour, much evident in the district in the earlier decades, specially among the lower castes who were working as agricultural labourers and those working in stone cutting, mines and the like. The bonded labourers identified in the district belong to Vokkaliga, Tigala, Kuruba, Acharya, Bhajantri, Korama, Muslim and Besta communities also, as reported by the Zilla Parishad. According to the Act, the indebted bonded labourers are deemed to have been extinguished from the bondage of labour and the debt payable to the landlords or creditors together with interest are deemed to have been discharged. Both the Central and State Governments have launched rehabilitation measures under the Tribal Sub-plan and Special Component Plan by forming co-operatives for the welfare of released bonded labourers. The district has many labour contract and construction societies. The Central Government extends 50% of the financial assistance for the schemes of rehabilitation. The relief is extended by means of providing income generating assets like cows, goats, sheep, bullock-cart, etc. worth Rs 6,250 per unit (from 1-2-1986) in addition to bank loans to set up small businesses. The schemes of rehabilitation are implemented through banks and the Zilla Parishad. At present, this scheme is being implemented only in Mysore, Bangalore, Mandya, Hassan, Kolar and Shimoga districts. In respect of remaining districts all available genuine labourers have already been rehabilitated. The number of bonded labourers identified and rehabilitated in rural district during course of nine years beginning with 1979-80 and upto end of March 1988 were 6,581 and 4,554 respectively. Of the identified bonded labourers as many as 5,607 were SCs/STs and of them 3,027 have been rehabilitated. The central assistance received for the implementation of the scheme during 1979-80 to 1987-88 was of Rs 319.39 lakhs as reported by the Zilla Parishad.

RURAL INDEBTEDNESS

As a part of 1961 Census operations, three villages of the district viz. Chakrabhavi (Magadi taluk), Iggalur (Channapatna taluk) and Aralu mallige (Dodballapur taluk) were selected for the purpose of above study. Accordingly, a comprehensive socio-economic survey was conducted. These villages represent different geographical, socio-economic, industrial and commercial background. Chakrabhavi with total 245 households was predominated by the Vokkaligas, the Lingayaths and the SCs. Iggalur had 359 households dominated by the Vokkaligas, Adikarnatakas, Kurubas and the Lingayaths. In Aralumallige with 230 households dominance was of the Kurubas, Telugu Banajigas, Vokkaligas and the Adikarnatakas. The main occupation of these villages is agriculture. A persual of the survey has identified that among other things, the main reasons for rural indebtedness were due to successive failure of crops caused by the vagaries of monsoon during the last four years, preceding 1961 and other compelling reason was for marriage expenses and other social commitments as observed in the case of Chakrabhavi. In respect of Aralumallige, it has been stated that the economic conditions of small cultivators were far from satisfactory even though there was scope for raising of cash crops like sugarcane. In respect of Iggalur, though situated on the northern bank of the Shimsha, which surrounded the village on three sides, the main cause for indebtedness was that net income of lower middle class was insufficient for its regular maintenance in addition to the exigencie created by marriage, sickness, death, failure of crops, etc. The common feature found in these macro level survey was that the indebtedness increased directly according to the increase in the average monthly income of the household and the reason was probably due to better credit worthyness. This analogy holds good even now. Out of the total debt, the share of the land owning class was the highest (89% in Chakrabhavi) than the non-cultivators with 11%.

Regarding sources of the money borrowed, it is evident that the village money lenders or private money lenders had predominance in general over the rural finance than the institutional or Government agencies. Now the situations have changed due to the network of banks and credit societies. In a village like Iggalur, 52 families had advanced loans to others. In Aralumallige non-institutional agencies like friends and relatives had granted maximum amount constituting 55% of the total borrowings. It is reported that money lending was resorted to in villages without any licence and most of the transactions were oral agreements based on mutual trust and confidence. The rate of interest charged varied from place to place. In a village of Aralu mallige it was 12 to 18% on small unsecured

amount, while it was from 10 to 12% on the security of the landed property. At Iggalur, the lending rate varied from 12 to 75%, small amounts were advanced only at 75% of interest to be paid every month. In case of Chakrabhavi, the lending rates varied between 12 to 30% per year.

Regarding the purposes of utilisation of loan, it is revealed that in the case of Chakrabhavi more than 50% of the loans obtained were meant for non-productive purposes, the amount utilised on remunerative enterprises was 20% and on cultivation of land 20%. In respect of Arelu mallege, 53% of the total borrowings was for remunerative purposes, 11% for marriage, 26% for meeting ordinary wants, etc. The similar mixed tendency was noticed in respect of the other village also.

Regarding the habit of savings, the survey has marked that "the habit of savings is conspicuous by its absence not because that none can afford to save anything but because of virtue of thrift is not inculcated in the minds of villagers". In addition to money lending, the survey has also mentioned about lending of foodgrains and seeds on barter. In Iggalur, people borrowing groundnut seeds were repaying double the quantity immediately after the harvest. The system of loaning ragi during September-October and its return with 30% extra after harvest was in vogue at Chakrabhavi. These general and broad trends of rural indebtedness as indicated by the survey conducted about three decades earlier have changed much now due to increased infrastructural and developmental activities in the rural areas, like increased institutional credit facilities, transport, communication and marketing in addition to income generating schemes like IRDP, etc, financed by the banking institutions.

COMMERCIAL BANKING

The history of modern commercial banking of Bangalore rural district by and large is closely associated with the history of Bangalore (Urban) district which can be traced from 1868. However, when the present areas of Rural district are taken into account, the banking history of Rural district can be traced from 1875 beginning with the establishments of Ranganathpur Bank Ltd. of Magadi followed by Sri Adinarayanaswamy Banking Co. Ltd. at Devanahalli in 1895, and Vadigenhalli (present Vijayapura) Dharm Saheybhivridhhi Banking Co. incorporated in 1919, under Mysore Cos. Regulation VIII of 1917. The last named had a paid up share capital of Rs 29,250 and was functioning even in 1946 as per the records. The length of service rendered by the first two banks is not known. The Devanga Bank originating at

Bangalore in 1926, had a branch at Dodballapura which later merged with Vijaya Bank in 1963. Similarly, the Vysya Mercantile Bank Ltd. originated at Ramanageram in 1930 with a paid up capital of Rs 95,000 (in 1956) had branches at Channapatna and Kanakapura. This later merged with Vijaya Bank in 1964 after serving for 34 years.

The establishment of state sponsored Mysore Bank Ltd. in 1913 incorporated under Mysore Companies Act 1895 (the present State Bank of Mysore), at Bangalore was very significant in spreading banking activities in the district by opening its branches, before other banking companies entered into the banking business of the district. The first branch of the SBM was opened in the district at Channapatna in December 1913. SBM continued to work as the agent of the Reserve Bank of India in old Mysore and was doing all government transactions. By 1957, the district had six branches of commercial banks viz. SBM and vysya Mercantile Bank branches at Channapatna, Corporation and Devanga Bank branches at Dodballapura, and Vysya Mercantile Bank (H.O.) at Ramanageram and a branch at Kanakapura. In course of time, many more banking companies originating in Karnataka and outside the state entered into banking business in the district. Karnataka Bank Ltd. entered into the banking business in the district in 1959 by opening its branch at Ramanageram and Canara Bank in 1968 at Bidadi.

Of late, banking companies originating outside the state viz. S.B.I., Central Bank of India, Bank of Baroda, Dena Bank and UCO Bank have also entered the banking map of the district. The establishment of Kalapataru Grameena Bank in 1982, stimulated the rural banking activities in the district on large scale by opening 22 branches during 1982-87. Increased banking facilities in the district specially during the post-nationalisation period till the establishment of R.R.B. in 1982 have accelerated the mobilisation of deposits and increased the amount advanced on diversified schemes in the district with emphasis on priority sector and the weaker sections. The number of branches of commercial banks in the Rural district by the end of 1973, 1975 and 1976 (including the four hoblis from four taluks transferred to Urban district in 1986) were 54 in each year. The taluk-wise distribution of branches was as follows: Hoskote 10, Devanahalli 9, Dodballapura and Kanakapura 8 each, Nelamangala and Ramanageram 6 each, Channapatna 4 and Magadi 3.

The number of branches of commercial banks in the district (including four hoblies transferred to Urban district) before the formation of Bangalore Rural district from 1982 to 1987 were as follows: 1982-(70), 1983-(70), 1984-(69) and 1985-(95).

The number of branches by the end of 1987 just after four months of the formation of new district was 63 and by the end of June 1988 it rose to 64. This is excluding of 22 branches of R.R.B. The total deposits and advances of commercial banks of rural district by the end of 1987 were accounted to Rs 69.01 crores and Rs 64.94 crores and the C.D. ratio was 94%. Of the total advances, the share of the priority sector was accounted to Rs 56.30 crores (86.88%) and of this, advances to weaker sections accounted to Rs 30.75 crores; of which, advances to SC/ST communities and under DIR Scheme were reckoned at Rs 5.14 crores and Rs 3.51 crores respectively. The direct lending to agriculture and advances under new 20 point programme accounted to Rs 37.70 crores and Rs 21.13 crores respectively. By the end of June 1988, deposits and advances of commercial banks in the district were accounted to Rs 66.64 crores and Rs 62.27 crores respectively with C.D.R. being at 93% and percentage of priority lending was 86% (Rs 54.04 crores). Some selected key indicators of commercial banking activities in the district as in 1987 were as follows. Population served per branch (22,550), per branch deposits (104 lakhs), per branch advances (Rs 97 lakhs) and area served per branch (92 sq km). The table given below indicates bank-wise particulars of performance in Rural district as on 30th June 1988.

Rs. in thousands

Name of the bank	No. of branches	Deposits	Advances	Outstanding advances to priority sector	o/s Advances to SCs/STs	D.I.R.	Direct finance to agriculture o/s	Advances under New 20 points programme o/s
Canara Bank	19	2,35,198	2,47,479	2,20,691	20,648	19,967	1,49,656	96,645
State of Bank of Mysore	16	1,86,217	1,11,148	93,025	7,404	5,580	50,528	27,028
State of Bank of India	3	29,260	72,981	71,535	6,007	708	59,989	39,929
Vijaya Bank	7	99,108	61,577	48,713	3,716	2,832	32,067	32,498
Central Bank of India	2	4,126	21,452	18,988	1,369	113	12,835	10,264
Bank of Baroda	2	5,412	11,729	11,046	1,814	371	8,609	8,834
Dena Bank	1	2,025	6,858	6,624	793	30	5,498	3,988
UCO Bank	3	13,183	36,152	35,373	5,764	2,996	26,184	32,706
Corporation Bank	5	45,761	31,940	19,587	2,818	523	13,886	9,289
Karnataka Bank	5	29,483	16,815	11,223	1,074	431	6,836	6,288
The Vysya Bank Ltd.	1	16,646	4,622	3,682	55	42	1,653	416
Total	64	6,66,419	6,22,753	5,40,487	51,462	33,593	3,67,741	2,67,885

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LEAD BANK

The Lead Bank scheme ushered in 1969 envisages several remedial steps for correcting the regional imbalances in respect of availability of banking services noticed from time to time with an area approach i.e. district and ensures bridging the credit gap among various sectors of development through the active involvement of banks and other financial institutions working in the district. The lead bank so appointed will monitor and co-ordinate these activities. The lead bank for the district is Canara with 19 branches. The sector-wise/scheme-wise credit outlay prepared by the bank for 1987 in terms of lakhs was as follows: Agriculture Rs 1,341.00, Allied activities to agriculture Rs 419.50, Small Scale Industries Rs 389.30, Small road transport operators Rs 11.55, Retail trade Rs 55.45, Small business Rs 56.11, Self-employment Rs 44.95, Education Rs 2.85, Housing finance to weaker sections Rs 1.35, Consumption credit Rs 0.28 and others Rs 85.20. The total outlay for the district was Rs 2,407.54 lakhs. The taluk-wise distribution of credit outlay for agriculture was as follows in terms of lakhs of Rs: Dodballapur 291.85, Nelamangala 201.10, Ramnagar 190.90, Devanahalli 190.80, Kanakapura 144.40, Channapatna 132.65, Hoskote 121.80 and Magadi 67.50.

KALPATHARU GRAMEENA BANK

Kalpatharu Gramena Bank is the sixth Regional Rural Bank organised in the State, sponsored by the State Bank of Mysore with Head Office at Tumkur in March 1982 under the R.R.B. Act, 1976. The area of operation of the bank now covers three districts viz. Tumkur, Bangalore Rural and Bangalore Urban. While lending, much emphasis is given in meeting the credit requirements of small and marginal farmers, weaker sections including priority sector advances.

By the end of 1987, of the total branches of the bank, the share of the rural district was 22 and the rest were shared by other two districts, viz. Tumkur 42 and Bangalore 12. The first branch of the bank in Bangalore Rural district was opened at T. Begur (Nelamangala tq.) in July 1982, followed by its second branch in the district at Solur (Magadi tq) in March 1983. The number of new branches opened by the bank in the district during the years 1983 was (12), 1984 (5) and in 1985 (4).

Among other deposit accounts of the bank, Kalpataru Cash Certificate is more popular. The aggregate deposits accretion made by the bank in the rural district by the end of 1984, 1985 and 1986

accounted to Rs 73.56 lakhs, Rs 150.58 lakhs and Rs 232.95 lakhs respectively while the advances made in the above years accounted to Rs 171.68 lakhs, Rs 248.11 lakhs and Rs 354.99 lakhs respectively. The C.D. ratio in 1984 was the highest being 233%. The bank proposes to open three more branches in the district (two in Kanakapura and one in Dodballapura).

So far, the bank has assisted about 250 farmers in Bangalore rural district for setting up of bio-gas plants through vigorous campaign. Bank claims that it is the pioneer in popularising 3 cmt size plants of bio-gas as recommended by the National Commission on bio-gas suited for Indian rural household.

The deposit held by the bank by the end of 1987 in the district was Rs 178.04 lakhs which works out to Rs 8.09 lakhs per branch for the rural district and this being less than per branch deposits ie. Rs 9.75 lakhs when all the three districts sverage deposits are taken together. The total deployment of credit extended in the district in 1987 was Rs 325.32 lakhs, with a C.D. ratio of 183%. The share of the priority sector and 20 point programme advances out of total advances were Rs 297.37 lakhs and Rs 191.06 lakhs respectively. While the advances made under I.R.D.P. and to SC/ST communities accounted to Rs 41.79 lakhs and Rs 41.90 lakhs respectively in total advances. Per branch advances of the bank in the district accounted to Rs 14.79 lakhs as against Rs 15.82 lakhs for the entire operating area. The total staff employed by the bank in the district was 57 as in 1987.

K.G.I.D.

Karnataka Government Insurance Department, originally founded in 1891 as official Insurance Branch is also engaged in the insurance business in the district both in life and vehicles, confined to the State Government Employees and the vehicles of the State Government including state undertakings and organisations. Consequent on the reorganisation and decentralisation of the department in 1976, the District Insurance Office was opened at Bangalore. The department also administers the Family Benefit Fund Scheme (since 1977) in the rural district covering the employees of municipalities, certain local boards and aided educational institutions. During 1987-88, the district office had issued 8,822 life policies, earning a premium income of Rs 7.13 lakhs, accounting the progressive sum assured of Rs 10.24 crores. During the last five years, ie. from 1983-84 to 1987-88, the cumulative total number of policies issued, premium income received and the sum assured were accounted to 14,568 policies, Rs 10.50 lakhs and Rs 18.53 crores respectively.

POSTAL INSURANCE

In addition to L.I.C. and K.G.I.D., there is also a scheme called Postal Life Insurance initiated in 1883 for the benefit of the P & T employees; now it covers the employees of the State and the Central Governments including public undertakings, etc. in respect of which separate district figures are not available.

LIFE INSURANCE BUSINESS

The Princely Mysore State had taken initiative in extending life insurance benefit as early as in 1891 by starting Insurance Department (Official Insurance Branch) by providing cheap insurance to the officials of the State Government. In 1916, the insurance scheme was extended to the non-official persons also known as Public Branch Insurance, confined to the residents of Mysore State only. The Public Branch Insurance continued to operate until it was finally taken over by the L.I.C. and the Official Branch Insurance was converted into present K.G.I.D.

In addition to Public Branch Insurance, there were other companies viz. Mysore Assurance Co. Ltd., Mysore (1913), Reliance Assurance Co. Ltd., Bangalore (1923), engaged in the insurance business of the district before their nationalisation in 1956. Besides the insurance companies, there were also two Provident Insurance Companies operating from Bangalore, viz., Mysore Provident Insurance Co.(1942) and Bangalore Provident Insurance Co.(1943) which were also nationalised in 1956 and the insurance business of this area was largely done by these companies. After the nationalisation of life insurance business in 1956, considerable expansion has taken place in the insurance business of the district both in life and general insurance due to increasing insurance consciousness and increasing risk in the business activities.

Life Insurance business of the Rural district at present is controlled by four branches of L.I.C. viz. (1) Channapatna (1962) covering four taluks ie. Channapatna, Ramanagar, Magadi and Kanakapur, (2) Dodballapur (1964) covering three taluks ie. Dodballapur, Devanahalli and Nelamangala, (3) Whitefield Branch (1987) covers Hoskote taluk and Bangalore North Taluk (Urban district). By the end of March 1988, the total number of policies in force in Rural district were 49,269, comprising of 34,381 of Channapatna branch, 14,463 of Dodballapur branch and 425 policies from Whitefield branch. The number of agents working in each branch ie. Channapatna, Dodballapur

and Whitefield were 297, 198 and 97 respectively. The number of development officers in all the branches together was 23. The new business booked for the Rural district for 1987-88 was 11,941 policies with a sum assured being Rs 2,588.45 lakhs. The corresponding figures for 1986-87 were 9,458 policies and Rs 1,711.86 lakhs respectively. The branch-wise annual total premium income in the district for 1987-88 was as follows in terms of lakhs of rupees. The figures in the brackets indicate the premium income for the previous year. Channapatna 156.89 (131.85), Dodballapur 80.59 (59.80) and Whitefield 6.28 (N.A.). The new schemes introduced by the L.I.C. are Jeevana Dhara, Jeevana Akshaya and Housing loan. The Corporation has a proposal to open three more branches at Ramenagaram, Kanakapura and Hoskote.

ASHAKIRANA (RAY OF HOPE)

This is one of the social-security oriented welfare measure scheme of the State Government introduced from September 1982, under the group personal accident insurance for the benefit of those unorganised labourers covering as many as 30 distinct categories of workers at present, extended from time to time, such as agricultural labourers, fishermen, beedi and cigar workers, toddy tappers, barbers, tailors, etc. The accident covered under the scheme are rail and road, those caused by snake bite, attack by wild animals, electrocution, fall from tree, radiation, etc. The maximum relief given under the scheme will be Rs 5,000 in case of death, Rs 4,000 in case of loss of two limbs/two eyes or one limb and one eye, and Rs 2,500 for the loss of one limb or one eye (since 1-1-1985). The scheme covers only those labourers/workers whose annual income does not exceed Rs 6,000 in case of both the deceased and claimant. The persons who are entitled to receive compensation or relief from other agencies or schemes, etc. are not eligible for the relief under this scheme. Since inception up to the end of March 1986, the total number of beneficiaries who have availed this benefit in Bangalore Rural district was 52 and the total amount of relief paid was Rs 1.07 lakhs. The number of cases reported and relief extended during 1986-87 and 1987-88 was 15 and 13 and Rs 65,000 and Rs 54,000 respectively. Among the taluks, so far, more number of cases reported are from Ramenagaram, Channapatna and Dodballapur are 12 each followed by Nelamangala with seven.

CENTRAL SCHEME

A similar scheme was introduced by the Central Government from August 1985. This group insurance scheme covers landless agricultural labourers within the age group of 18-60. The annual premium at the

rate of Rs 10 per member is paid by the Central Government. In case of death due to accident of an unorganised labourer, the maximum compensation payable under the Central scheme is Rs 3000.

The compensation payable by the State Government now (1988) in case of death ie. Rs 5,000 is inclusive of the compensation ie. Rs 3,000 of the Central Government. The State pays only the difference ie. Rs 2,000 since all districts are covered under the Central Scheme also. This Central Scheme, when introduced first in August 1985 covered only five selected districts and in the next year another five districts were added. From August 1988, all the remaining districts including Bangalore Rural district are covered under the scheme.

STATE LOTTERY

A good response is noticed in the rural district to the Karnataka State Lottery Scheme started by the Government in 1970 as one of the means to mobilise small savings. During the last five years, ie. from 1983-84 to 1987-88, an increasing trend is evidenced in the sale of lottery tickets in the district except for the year 1986-87 (since sales tax on sale of lottery tickets was introduced and later withdrawn). The approximate number of lottery tickets sold in the district during 1983-84, 1984-85, 1985-86, 1986-87 and 1987-88 is reported as 6.95, 8.35, 9.60, 8.00 and 10 lakhs of rupees respectively which include the sales at Anekal. During 1987-88, among the taluks of the district, if the places like Channapatna (2.96 lakhs), Kanakapura (55,300), Ramanagar (25,000) and Magadi (22,000) have registered a good sale as shown in rupees in brackets, the least response noticed was (1,300) at Devanahalli. The lottery tickets of other States are also being sold in the district. The number of sub-agents in the district during 1987-88 was 42 as against 54 in the previous year. Prize money above Rs 5,000 is subjected to income tax (42%) in addition to Compulsory Investment in National Savings Certificates at the rate of 25% for prize value of Rs one lakh and above and 10% for prize amount below one lakh.

COINAGE AND CURRENCY

The system of coinage and currency have undergone many changes following the rise and fall of the dynasties that have ruled over the area. The numismatic history of Bangalore region can be traced with Roman period. The earliest discovery of Roman coins in Karnataka was made by B.L. Rice in 1891 while digging for the Yeshvantapur railway track where 160 Silver Roman coins of the period from 21 BC to 51 AD. were traced. They belonged to the Roman emperors Augustus, Tiberius, Caligula and Claudius. The Gangas of Talkad who ruled the area from 4th to 10th century had issued five types of coins in gold and copper with elephant as royal emblem on the obverse. The gold coins were perhaps termed as *varaha* according to M.H. Krishna.

During the Vijayanagar rule coins of gold and copper were in wide circulation with important denominations called as *varaha* or *gadyana* (about 52 grains, also called *pagoda* or *honnu*), *pratapa* (*kati*), *pana* (one-tenth of *gadyana*), *haga*, *tara*, *jital*, and *kasu*. The Mysore rulers in their long regality had continued the heritage of Vijayanagar coinage in many respects. The gold *panam* and half *varaha* of Kanthirava Narasaraja (1638-1658) and Krishnaraja III (1799-1868) were very close in resemblance to Vijayanagara issues with innovation in copper and silver coins which contained elephant or lion on the obverse with legend in Kannada or Nagari or English or Persian. The gold *varaha* of this period also weighed 52 grains, half *varaha* of 26 grains, and *pana* or *hana* (1/10 of the *varaha*) was weighing 5.2 grains. The silver coins were in the denominations of rupees, half a rupee and a quarter rupee. The mint founded by Krishnaraja Wodeyar III working till 1833 at Mysore was transferred to Bangalore and closed by 1843.

During the infancy of Krishnaraja Wodeyar III, Dewan Poornaiah had struck and re-issued *Ikkeri varaha* in the name of *Hosa Ikkeri Varaha* weighing 52 grains. He had also reissued *kanthiraya hana* known as *gidda kanthiraya hana*. The copper coins of Krishnaraja III had a word *Meilee kasu*. His copper coins exhibit a great variety. A coin of 40 *kasu* was of the highest denomination but rarely found, the other copper denominations were 25 *kasu*, 12 1/2 *kasu* (rare), 10 *kasu*, 6 1/2 *kasu* (rare), 5 *kasu* and two *kasu* (minted after the transfer of mint from Mysore to Bangalore).

During the period of Commissioners, in 1870, Indian Coinage Act of 1870 was extended to Mysore State, making the coins of Government of India as legal tender in Princely Mysore. Later in 1881, according to the instrument of transfer, coinage and currencies of British Government became legal tender in Mysore State. Earlier, during his reign, Hyder Ali had also issued gold and copper coins, imitating the coinages of Keladi Sadashivanayaka. Tipu, following Hyder, during his 17 years' rule had issued varieties of coins in 16 denominations in the media of gold, silver and copper by establishing 13 mints in his dominion. He had given fascinating names to mints and each coin was given a name in memory of Muslim saints or planets. His gold coin of the highest value was four *pagodas* called *Ahamadi*, its weight ranging between 210 to 215 grains. *Panam* (or *hana*) was the smallest gold coin of Tipu weighing 5-6 grains without any name. He had also issued silver coins of seven denominations with the highest value of coin being *double rupee* called *Haidari* followed by a rupee coin called *Imani*, half rupee called *Abidi* and quarter rupee as *Baquiri* etc. His

copper coins ranged from double *paisa* to one-eighth *paisa*. Due to the French impact, many of the silver and gold coins of Tipu had superior milling effect.

Under the Emergency Regulation XI of 1918, during World War I, the currency notes of Government of India issued with Madras Circle were made legal tender in Mysore State. The coins issued by the Government of India were copper, nickel and silver. The copper coins were in the denominations of *kasu* (pie) *murukasu* (quarter *anna*) and *ardha anna* (half *anna*). The new Indian rupee was divided into 16 *annas* and each *anna* into 12 *pies*. Nickel coins in the denominations of *chavali* (two *annas*) and *pavali* (four *annas*), *ardha rupayi* (half a rupee) and *rupayi* (one rupee). Silver was the medium for all these four types earlier.

After independence (1947), the new emblem of the Government of India appeared on all coins and currencies, post cards, etc. in place of King George VI. Later, in 1957, decimal coinage system was introduced.

CO-OPERATIVE MOVEMENT

Co-operative movement as a peoples' movement initiated by the Government marked its beginning in the Princely Mysore State in general and Bangalore Rural District in particular after enacting the Co-operative Societies Regulation III in June 1905 on the principles of limited liability. The Mysore Regulation was not only more progressive but also comprehensive than the Central Act of 1904 in many respects since it had made a provision for the establishment of non-agricultural and non-credit societies. In 1907 an officer of the Mysore Government was specially deputed to London and Europe to study the movement there and its applications in the State. The appointment of Registrar of Co-operative Societies appointed temporarily in 1905 was made permanent in 1912 so as to facilitate the monitoring of the movement. By 1910, Government introduced a scheme by availing the services of retired officials designated as Honorary supervisors for each taluk who were paid pocket expenses upto one rupee for each day's co-operative work for services like supervision and guidance in the establishment of co-operative societies specially in the rural areas.

According to the available records, the Channapatna Town Consumer Co-operative Society of 1909 and Sri Kasivishweshwaraswamy Co-operative Society of Kadgoddi of Hoskote taluk 1910 are the earliest co-operatives for the rural district (though the first society to be organised in Mysore State was Bangalore City Co-operative Society in

1905). In 1911, on the principles of unlimited liability, one more society was registered at Kannamangala of Hoskote tq (which went into liquidation in 1969) and in the same year (1911) another consumer co-operative society "Sri Ramanidhi" was registered at Ramanagaram. By 1911, the rural district had in total eight co-operatives. In course of time, many more co-operatives, both agricultural and non-agricultural came into being.

The establishment of central financing society i.e., Bangalore Central Co-operative Bank which began to issue loans to affiliated primary co-operatives in 1909-10 and the establishment of Unions in 1912-13 to serve as permanent link between the individual societies and Central Bank contributed more for the growth of the Movement. The Unions were entrusted with the work of both financing and supervising the affiliated societies.

By the end of June 1915, the then Bangalore district had 136 co-operatives, and of them only 33 societies had a limited liability and the rest were governed by unlimited liability. The Regulation of 1905 was replaced by the Regulation VII of 1918, incorporating the necessary provisions to ensure the sound progress of the movement in future like power to conduct an audit or enquiry and sanction of charities out of their profits, etc. By 1924-25, the number of societies increased to 283 and by 1934-35 there were 451 societies.

In 1915, the number of societies coming under the administrative jurisdiction of the present Rural District was about 90. The taluk-wise list of some of the earliest co-operatives now falling in Bangalore Rural District is as follows (total number of societies in each taluk upto 1915 is given in brackets).

Hoskote taluk (10): Kadgodi Sri Kasivishweshwaraswamy Co-operative Society 1910; Kannamangala Society 1911 and Hoskote Co-operative Society 1913; Nelamangala taluk (16): Billanakote Sri Veerabhadraswamy Co-operative Society 1912; Byadarhalli Society 1912 and Thyamagondlu Sri Anjaneyaswamy Society 1912; Kanakapura taluk (2): Kankanhalli Sanmitra Co-operative Society 1911 and Kankanhalli Weavers Society 1913; Magadi taluk (16): Tavarekere Society 1911 (now Urban district); Magady Society 1912, and Yennigere Sri Anjaneyaswamy Society 1912; Channapatna taluk (18): Channapatna Co-operative Society 1909, Dayare E. Eslam Co-operative Society 1911 (the present M.M.D. Credit Society) and Channapatna Lacquer Works Co-operative Society 1912; Devanahalli taluk (6): Yeltore Co-operative Society 1911, Vadigenahalli Dharma Co-operative Society 1912 and Vadigenahalli Sri Venugopalswamy Co-

operative Society 1914; Ramanagar taluk (6): Closepet Sri Ramanidhi Co-operative Society 1911, Bidadi Kuduri Narsimhaswami Co-operative Society 1912 and Avarageri Hombammadevaru Co-operative Society 1914; Dodballapura tq (16): Dodballapura Co-operative Society 1913, Haradipura Sri Anjaneya Co-operative Society 1913 and Tippur Co-operative Society 1914. Many of these earliest societies have been liquidated and converted into VSS/SS in 1976 and many have become defunct.

During 1915-1922, the department paid special attention to the development of non-credit societies such as consumers, marketing, industrial and weaving and employees credit societies. In 1929, the Regulation VII of 1918 was amended with a view to provide for organisation of land mortgage banks. The Regulation of 1918 was further amended in 1933 in order to include new matters arising from the development of co-operative banks formed for financing primary societies.

During 1928-29, a fresh impetus to agricultural co-operatives was given by large number of ordinary credit societies undertaking the work of purchase and distribution of improved agricultural seeds and implements in addition to providing credit called as large-sized seva sahakar societies. The first such society to be organised in the district was at Harohalli in 1927 (liquidated in 1977). Among the service societies, Tattigere Seva Sahakari Sangha of Kanakapura (1917) was the earliest (liquidated in 1977). Among the employees credit societies, Government employees credit society of Dodballapura (1920) was the earliest followed by Power and Light Employees Co-operative Society (1930), Kanakapura. Among the three Urban banks of the district Muslim Mahadiya Bank of Channapatna 1911 is the earliest followed by the Town Co-operative Bank, Hoskote, 1913. Among the non-employees' credit societies, Town Co-operative Society, Nelamangala (1913) and Muslim Co-operative Society, Dodballapur (1915) are the earliest. Though industrial co-operatives emerged in large number in the district after independence, the first to be organised in the district was Ranganatha Harijan Industrial Society at Magadi in 1914 (now defunct) and Khadi Societies in 1927.

The economic depression of the 1930s had great impact on the movement specially in respect of agricultural credit societies. To study the situation, Chandrashekar Ayyar Committee was appointed by the Government. Second World War period (1939-1945) proved to be a boom period to the PACs. As a result of rising prices, overdue balances of these societies were considerably cleared. In 1949, under the scheme introduced by the Central Government, many multipurpose co-

operatives came into being which were entrusted with marketing, distribution, processing and storage activities in addition to financing.

In order to encourage sericultural activities in the co-operative fold in 1921-22, two sericultural co-operative associations were formed in the State and one of them was at Channapatna and the other being at T. Narasipura of Mysore district. Long term lending through co-operatives was very much felt in order to step up agriculture and other allied activities by means of cheaper credit. The first P.L.D. bank to be started in the district was at Devanahalli in 1936 followed by three more such banks in 1940 at Hoskote, Ramanagaram and Channapatna. By 1945 all the taluks in the district had these banking facilities. Providing better marketing facilities could not be overlooked in order to save the farmers from the multiple middle agencies. By 1949, linking of credit with marketing activities were undertaken in the district by establishing TAPCMS for all the taluks and later special marketing societies to facilitate marketing of fruits, flowers and vegetables, etc. came into being in 1949-50. Though good number of special marketing societies were registered, only a few are working at present. House building (general) co-operatives were registered in the district first in 1949 at Hoskote, Devanahalli, Dodballapur and Ramanagaram and for SCs/STs later in 1962-63. Dodballapur town noted for both handloom and powerlooms weaving had promoted three co-operatives between 1951-58 viz. Dodballapura Powerloom Weavers Society (1951), Dodballapura Town Cottage Powerloom Weavers Society (1957) and Dodballapura Town Powerloom Textile Manufacturers Society (1958). All these closed their business by 1984-85. As early as in 1949, a society was promoted at Belagumba of Magadi taluk to promote mat and coir works (liquidated in 1986). The table given below indicates some particulars of co-operative societies in six taluks during 1939-40. (Amount in lakhs of Rs.)

Name of the taluk	No. of societies	Membership	Working capital	Total transaction
Ramanagaram	14	950	1.22	1.64
Magadi	25	1,467	1.19	3.41
Hoskote	20	1,046	0.74	0.99
Kanakapura	16	660	0.46	0.07
Devanahalli	21	1,088	0.81	0.39
Channapatna	32	1,794	3.07	7.45

By 1945-46, the taluk wise distribution of co-operatives of all categories in Bangalore Rural District was as follows. Channapatna (33), Ramanagar (21), Devanahalli (47), Dodballapur (41), Kanakapura (13), Megadi (38), Nelamangala (31) and Hoskote (NA).

During the post-independence period, specially after the launching of successive economic development plans, new breed of societies catering to the variegated local needs were registered like joint farming (1963), dairying (1960-1970), irrigation, housing both for general and SC/ST, rural and cottage industries, handicrafts, F.S.S. and Sericulturist and other allied activities' societies, fisheries and labour etc. have emerged on large scale, widening the orbit of co-operative movement. The district has as many as 22 irrigation societies founded during 1981 to 1986 and of them as many as 18 are meant for SC/STs which have enabled these weaker sections to have common irrigation facilities at a minimum cost for their small and marginal holdings. They are largely found in Devanahalli and Channapatna taluks. Another special feature of co-operative movement of this district is that large number of milk societies which constitute more than 50% of the total societies in the district. The concentration of these societies is found in the taluks like Devanahalli, Dodballapura, Hoskote and Channapatna.

Increased financial participation by the State Government and by the Central Government through NCDC in the form of share capital, managerial grants, subsidy, etc. have stimulated the growth of co-operative movement in the district, specially during the post-planning period. To have an effective administration, the district administration of the department of Co-operation was bifurcated into rural and urban in 1976 with a separate office of the Deputy Registrar for Bangalore Rural which also included four hoblies now transferred from their old taluks to the Bangalore (Urban) district. Earlier, in 1966 the office of the ARCS Dodballapura and Ramanagaram were opened. By the end of June 1975, the total number of societies in the district was 993 and of them 461 were agricultural credit societies and the rest (532) were non-agricultural societies. The total number of societies in the district was reduced in 1976-77 due to large scale reorganisation of PACSs as a State policy. But in respect of Nelamangala taluk, the reorganisation of societies took place only in 1985. The number of co-operatives and the total membership from 1977-78 to 1987-88 was as follows (figures in the brackets indicate the membership in lakhs). The number of co-operative societies during 1977-78 was 973 (1.45), 1978-79 -747 (2.85), 1979-80-817 (3.10), 1981-82-897 (3.20), 1982-83 - 918 (3.94), 1984-85-688 (3.96), 1985-86-787 (4.35), 1986-87-778 (4.53) and 1987-88-784 (4.75). The total number of societies under

liquidation by the end of June 1988 were 251 as against 335 in the previous year. The total staff employed in various co-operatives of the district including Government staff on deputation is reported to be 1,927 including 216 SCs/STs. The largest number of employees were in milk societies (about 1,000). It is reported that the total financial participation by the Government in various co-operatives in the district in the form of share capital, loans and subsidy during 1986-87 accounted to Rs.4.86 lakhs, Rs.9.70 lakhs and Rs.8.86 lakhs respectively. The corresponding figures for 1987-88 were Rs.1 lakh, 3.35 lakhs and 8.97 lakhs respectively. The tables given below indicate the general progress of the co-operative movement of Bangalore Rural district for 1987 and 1988.

Progress of Co-operative Movement in the district as in 1987 and 1988

	1987	1988
1. Total number of societies in the district	778	784
2. Total membership	4,53,000	4,75,643
Scheduled castes	71,000	68,988
Scheduled tribes	25,000	23,587
Share capital (lakhs of Rs)	421.94	393.61
Government share capital "	NA	103.17
Deposits mobilised "	143.16	173.06
Borrowings:		
From the Government	76.17	82.44
C.F.A. "	2,734.22	2,558.42
Others "	98.14	112.74
Loans advanced "	827.74	1,071.36
Loans recovered "	686.43	1,215.74
Loans due "	2,522.91	2,436.19
Loans overdue "	833.92	546.89
Societies under profit (number)	485	541
Profit earned (in lakhs)	114.38	204.70
Societies under loss (number)	207	172
Amount of loss (in lakhs)	72.39	42.33

Particulars of different co-operatives in the district as on end of
June 1987 and 1988

Sl. No.	Particulars	1987		1988	
		No. of societies	Member-ship	No. of societies	Member-ship
1.	Agriculture and Rural Development Banks	8	86,900	8	91,000
2.	Primary Agricultural Credit Societies	159	1,97,900	154	2,05,000
3.	Non-Agricultural Credit Societies	30	13,800	29	14,800
4.	Marketing Societies	13	22,700	13	21,600
5.	Processing Societies	1	130	-	-
6.	Milk Societies	429	1,01,180	436	1,02,800
7.	Poultry Societies	1	20	1	20
8.	Joint Farming Societies	6	250	5	220
9.	Irrigation Societies	22	1,400	24	1,700
10.	Fisheries	7	1,500	9	1,600
11.	Weavers Co-operatives	6	4,500	5	1,400
12.	Other than weavers	49	5,000	50	12,400
13.	Consumers Societies	17	7,400	16	7,600
14.	House-building Societies	18	10,900	18	11,000
15.	Labour Societies	6	700	6	700
16.	Supervisory Unions	2	-	2	-
17.	Other Co-operatives	4	500	8	2,900

MISAPPROPRIATION

By the end of June 1988, the total number of cases of misappropriation reported in the district were 103 involving an amount of Rs.75.58 lakhs. The large scale misappropriation is found in weaving society (one) involving an amount of Rs.36.30 lakhs, followed by agricultural credit societies (66) involving an amount of Rs.25.21 lakhs, TAPCMS (5) amounting to Rs.8.32 lakhs and milk societies (22) amounting to Rs.3.35 lakhs, etc. Steps are being taken from the department to recover this amount.

By way of illustration, certain important categories of co-operatives and district apex co-operatives are dealt in the proceedings paragraphs.

D.C.C. BANK LIMITED, BANGALORE

Bangalore District Co-operative Central Bank Ltd., Bangalore, was established in 1955 as a district apex financing agency to cater to the financial needs of affiliated primary co-operatives and other member organisations. The main objectives of this central financing agency in the beginning were to provide rural credit for agricultural and other allied operations. Now, the bank has extended its sphere of financing activities covering all primary units both agricultural and non-agricultural credit co-operatives. The area of operation of the Bank covers both Rural and Urban districts of Bangalore (11 taluks). By the end of June 1988, the membership of the bank was 1,466 member co-operatives and 19,680 individuals with a share capital of Rs.223.27 lakhs including the Government share of Rs.21.12 lakhs (figures include Urban district also). The present lending rates of the bank vary from 7.5% (crop loans) to 16½ (non-agricultural purpose) to the primary societies. The total credit deployed by the bank for Bangalore Rural district alone during 1987-88 was Rs.570.81 lakhs comprising of Rs.498.27 lakhs for short term agricultural operations and Rs.72.54 lakhs as medium term lending. The corresponding figures for the previous year 1986-1987 accounted to Rs.519.44 lakhs comprising of Rs.500.85 lakhs for S.A.O. and the rest Rs.18.59 lakhs as M.T. loans.

Bank's advance also include for several anti-poverty programmes under IRDP viz., for purchase of milch animals, bullock-carts, piggery, blacksmithy and petty business, etc. The total amount loaned under the above schemes together were of Rs 32.85 lakhs for 1987-88 covering 663 persons as against Rs. 1.17 lakhs covering 32 beneficiaries in the previous year. The bank is also financing SCFSCS, at Hoskote and FSCS at Nagarasanakote (Kanakapura tq). Under the scheme

of Non-Farm Sector (NFS) advances are also made by the bank for industries and rural artisans. The advances made in the rural district in this scheme is reported as Rs 33.14 lakhs (1987-88).

The deposit accretion made by the bank in the Rural district during 1987-88 and for 1986-87 was of Rs 284.12 lakhs and Rs 233.94 lakhs respectively. The bank has a network of 13 branches in Rural district. First two branches in the district at Dodballapura and Kanakapura were opened in March 1961. The total borrowings of the bank from the NABARD for 1987-88 and 1986-87 accounted to Rs 351.05 lakhs and Rs 275.60 lakhs respectively. The net profit earned by the bank for 1987-88 and 1986-87 were accounted to Rs 20.65 lakhs and Rs 15.04 lakhs. Under the scheme of integrated co-operative development programme sponsored by the NABARD under N.C.D.C. which aims at development of economic centres in the project area to cater to the needs of rural mass by means of providing infrastructural facilities like marketing, agricultural inputs and distribution of consumer goods, etc., the bank covers four taluks of Rural district viz. Ramanagaram, Channapatna, Magadi and Dodballapura. The period of the project is five years with a total sanctioned outlay of Rs 318.78 lakhs. The total staff strength of the bank in Rural district is reported as 77 in 1988.

PRIMARY AGRICULTURAL CREDIT SOCIETIES

The role being played by these co-operatives working at the grass root level is very significant in the entire spectrum of co-operative movement. These are the basic units through which co-operative credit and agricultural inputs are channelised.

In 1976, these co-operatives were re-organised in the State including Rural district by the process of merger in order to make them economically more viable and to serve the members effectively. Hence, there was a conspicuous decrease in the number of these societies in the district. Before the reorganisation of these societies in 1976, there were as many as 421 primary agricultural credit societies in the district with 1.13 lakh members and share capital of Rs 68.03 lakhs, their number was finally reduced to 177 in the process of reorganisation.

Some of the earliest registered PACs of the district according to the taluks were as follows: Kadgodri Sri Kasivisweswaraswami Co-operative Society (1910), Hoskote taluk; Tavarekere Co-operative Society (1911), Magadi tq; Singarajapur Co-operative Society (1911), Channapatna tq; Yeltore Co-operative Society (1911), Devanahalli tq;

Billanakote Sri Veerabhadraswami Co-operative Society (1912), Nelamangala tq; Bidadi Kudari Narasimhaswami Co-operative Society (1912), Ramanagar tq; Tippur Co-operative Society (1914), Dodballapur tq; etc. In Course of time many of these societies became defunct or went into liquidation and some were reconstituted in different names.

By the end of June 1986, bulk of this category of societies in the district i.e., 177 comprised of 144 Vyavasaya Seva Sahakara Sanghas (V.S.S.), 17 Seva Sahakara Sanghas (Service Societies) and 16 Farmers-cum-sericulturist societies, F.S.S. and S.C.F.S.C. are found in all taluks except Channapatna, Magadi and Nelamangala taluks. These are found in large number in Hoskote tq (6), followed by Devanahalli (5), Kanakapura (3) and one each in Ramanagar and Dodballapura taluks. Regarding 17 Seva Sahakara Sanghas (Service Societies), 8 are found in Devanahalli tq. followed by Magadi taluk 4 (one service and three LSCS), two each in Dodballapur and Channapatna and one in Kanakapura. The talukwise distribution of PACS was as follows. Magadi 32, Nelamangala 25, Dodballapura 24, Devanahalli 23, Kanakapura 22, Channapatna 21, Ramanagar 19 and Hoskote 11, and of these societies, the actual number of working societies was 159 in 1987. By the end of June 1988, this number of actual working societies was further reduced to 154, since reorganisation process was done in 1985 in Nelamangala taluk. In 1987, out of 159 societies, as many as 117 (116 PACs. and one FSS) ceded to D.C.C. Bank, Bangalore, while 42 were ceded to commercial banks. The total number of farmers service and sericulturist societies financed by commercial banks was 11. By the end of June 1987, the membership of all these societies together was 1.98 lakhs with a share capital of Rs 208.84 lakhs including the Government share of Rs 51.76 lakhs. The corresponding figures for 1977 were 201 societies with a membership of 1.52 lakhs and a share capital of Rs 86.89 lakhs including the Government share of Rs 23.28 lakhs. The deposits held by these co-operatives in the district in 1987 was limited to Rs 10.03 lakhs as against Rs 5.28 lakhs a decade before.

The total funds borrowed by these institutions for their lending operations in 1987 amounted to Rs 1,362.73 lakhs and of this Rs 1,286.41 lakhs was borrowed from Central financing agency (D.C.C. Bank), Rs 43.58 lakhs from the Government and the rest Rs 32.74 lakhs from other sources. In 1977, the total borrowings were Rs 408.86 lakhs. The total credit distributed by these agencies amounting to Rs 151.90 lakhs in 1977 had increased to Rs 623.05 lakhs in 1987 as against Rs 325.14 lakhs in 1982. The total working capital held by these co-operatives in the district in 1987, 1982 and in 1977 were accounted to Rs 1,426.49 lakhs, Rs 960.71 lakhs and Rs 521.88 lakhs respectively. In 1987, if 130 societies together had suffered a loss

to the tune of Rs 61.26 lakhs, the profit earned by 29 was Rs 8.22 lakhs. The total purchases and sales of consumer goods effected by these co-operatives in 1987 was of Rs 414.95 lakhs and Rs 417.71 lakhs respectively, while the corresponding figures in respect of agricultural inputs and implements, etc. together accounted to Rs 245.65 lakhs and Rs 244.32 lakhs respectively. The total interest subsidy sanctioned by the State Government through these co-operatives to the borrower members in rural district for 1986-87 is reported as Rs 18.74 lakhs. Of this, subsidy allowed through commercial banks was Rs 98,000. The highest subsidy was given in Dodballapur taluk (5.81 lakhs) followed by Devanahalli tq (3.92 lakhs), Nelamangala tq (3.43 lakhs). The total staff employed by these societies in the district in 1987 was 437.

S.C.F.S.C.S., ALAHALLI

Sericulturists-cum-Farmers Service Co-operative Society Ltd., Alahalli of Kanakapura taluk was reconstituted with the present name in September 1976 as a result of merger of seven earlier service co-operatives working at Alahalli, Halegehalli, Yadamaranahalli, Maralebekuppe, etc. in order to provide adequate, better and diversified services for those engaged in sericulture, agriculture and other allied activities covering a larger area. This society was ceded to United Commercial Bank in order to secure adequate finance and better management when it was newly reconstituted.

The present area of operation of the society covers 22 villages comprising the area of seven former V.Ps. of the merged societies where cultivation of mulberry is chiefly undertaken. Among other things, the main functional activities undertaken by the society include to provide short, medium and long term finance for V.Ps. sericultural-cum-agricultural operations, establishment and running of mulberry nurseries and chauki centres, development of variety seeds and grainage centres to produce eggs and its supply to the members. The distribution of essential commodities is also undertaken by the society. The society owns its agricultural lands to undertake these demonstrative activities. The grainage centre was established in 1984 with the loan assistance of Rs 2.50 lakhs from N.C.D.C.

The society initiated with 1,167 members and share capital of Rs 1.20 lakhs during 1976-77, had membership strength of 4,190 and share capital of Rs 2.13 lakhs including the Government share of Rs 96,970 contributed during 1976-77 to 1979-80 and the rest i.e., Rs 1.16 lakhs was members' contribution as stood in June 1988. UCO bank is the central financing agency to the society since its formation. The total

financial assistance (term loans) granted by the UCO Bank to the society during the last three years i.e., 1987-88, 1986-87 and 1985-86 accounted to Rs 2.44 lakhs, Rs 17.78 lakhs and Rs 18.46 lakhs respectively and major component of this loan amount was medium term loan. The total permanent assets of the society by the end of June 1986 were accounted to Rs 3.35 lakhs, while the total loans to be recovered by the members were accounted to Rs 9.96 lakhs. The total purchases and sales effected by the society for 1987-88 accounted to Rs 9.70 lakhs and Rs 11.35 lakhs respectively. The interest subsidy scheme announced by the State Government has enabled the society to recover the principal amount to the tune of Rs 10.65 lakhs from the borrowers during 1988. The interest accrued on these accounts amounts to Rs 7.17 lakhs. During the period of last 12 years i.e, from 1976-77 to 1987-88, except for the years 1977-78 and 1985-86, the institution has incurred a loss. The accumulated loss suffered by the society for 1987-88 was accounted to Rs 9.43 lakhs which includes the loss for the current year of Rs 3.57 lakhs.

R.S.S.S., BIDADI

The Raithara Seva Sahakara Sangha, Bidadi of Ramanagaram tq. has the credit of being the first Farmers Service Society (FSS) organised in the Country in 1973 since Karnataka is the first State in the Country to amend Co-operative Act so as to facilitate the formation of this new breed of societies then, as recommended by the National Commission. The main objectives in formulating these societies were to cater to the financial and other needs of the small and marginal farmers, agricultural labourers and rural artisans. Commercial banks and D.C.C. Banks were entrusted with the responsibility of financing and managing these co-operatives.

This society sponsored by Canara Bank in 1973, had an area of operation covering 50 villages (population 34,903) of Bidadi hobli. In 1976, under the reorganisation scheme of the State Government, the area of operation was reduced to 36 villages, covering the population of 27,715 comprising of 6,346 agricultural families; of them, 3,128 were small and marginal farmers with an area of 17,550 acres under cultivation. It is reported that after the reorganisation of the society with reduced area in 1976, the potentialities of the society have been affected since some of the villages situated in the fertile Vrishabhavati Valley were lost from the jurisdiction of the society.

The chief functional activities undertaken by the society include extending different term loans to members, procuring, purchasing and supplying of agricultural inputs and raw materials and organising

agricultural and other allied service activities. The society has also undertaken the distribution of rationed commodities. An individual member can borrow upto Rs 15,000 as short-term loan, Rs 35,000 medium and long-term loan and Rs 2,000 for other occupational purposes.

In 1977-78, the membership of the organisation was 2,934 with a share capital of Rs 3.89 lakhs including Government share (B Class) of Rs 75,000, however decreased to 2,882 with a share capital of Rs 3.59 lakhs as in 1982-83. By the end of June 1988, the membership had however increased to 4,113 comprising of 1,786 small and marginal farmers, 206 agricultural labourers and the rest (2,121) being others with a total share capital of Rs 5.41 lakhs inclusive of Rs 75,000 Government's participation.

Since its inception (1973) upto 1987, the society has loaned about Rs 120.57 lakhs for crop production and has serviced about 6,320 members. The total financial assistance so far given by the Canara Bank to the society was to the tune of Rs 40 lakhs distributed to 2,685 members. The total credit granted by the society during 1987-88 accounted to Rs 23.39 lakhs comprising of Rs 19.78 lakhs short term loan and Rs 3.61 lakhs medium term loan. Of this lending, the amount of loan granted to SCs/STs was Rs 1.65 lakhs. The loan outstanding from the members to the society by the end of June 1988 was Rs 30.26 lakhs. The total percentage of recovery of loan for 1987-88 was 81%. All varieties of agricultural inputs, consumer goods, clothes, kerosene, cement, etc. are supplied by the society. Since December 1980, it has also undertaken wholesale distribution of essential commodities. The total inputs like fertilisers, insecticides, etc. purchased and sold by the society for 1987-88 accounted to Rs 8.73 and Rs 9.98 lakhs respectively, while the foodgrains and wholesale goods purchased and sold accounted to Rs 34.22 lakhs and Rs 35.30 lakhs respectively. The total purchases and sales effected by the society during 1986-87 accounted to Rs 37.53 lakhs and Rs 38.85 lakhs respectively. The corresponding figures for the previous year were Rs 31.17 lakhs and Rs 32.50 lakhs respectively. During 1974-1978, the State Government had provided agricultural extension services to the society free of cost by deputing its staff to promote better farming techniques and to equip the members of the society in popularising many high yielding varieties.

'Collaborative farming' is a special field training programme undertaken by the society since 1983-84 on regular basis, though started on small scale in 1975-76 for two years. Under this, selected 50 to 60 small farmers in the units or blocks of 100 to 120 acres of land are provided with all training and package facilities beginning

with soil testing to harvesting including financial assistance to the needy. This scheme has yielded good results to step up agricultural production in the area. The society had programmed to train 50 members through the agricultural study centre who could be called as 'bare-foot farm technicians'.

The society has opened a branch at Ittamadu in 1976. Though the society had suffered accumulated loss of Rs 3.65 lakhs since 1975-76 due to continuous drought which affected the recovery, etc., has earned a net profit of Rs 3.21 lakhs during 1987-88. The total assets and liabilities held by the society as at the end of June 1988 were accounted to Rs 45.64 and Rs 41.81 lakhs respectively. The interest concession availed by the society from the State Government for 1986-87, 1985-86 and 1984-85 accounted to Rs 20,000, Rs 19,000 and Rs 12,000 respectively.

A. & R.D. BANKS

In order to cater to the long and medium term credit requirements of the agriculturists for the promotion of agriculture and other allied activities, Land Mortgage Banks came into being in the princely Mysore State in the early 1930's in the Malnad districts. In Bangalore rural district, first such bank to be registered was at Devanahalli in 1936 followed by Channapatna, Hosakote and Ramanagaram (all in 1940). By 1945, all the taluks had similar banking facilities. These co-operatives earlier known as Land Mortgage and Land Development Banks are now known as Agriculture and Rural Development Banks (1985) to make these institutions really meaningful in a wider perspective under the directions of NABARD. The total membership of all these banks (8) in the district during 1980-81 was 60,459 with a share capital of Rs 60.18 lakhs including the Government share of Rs 2.23 lakhs. By 1986-87, the membership of these institutions increased to 83,738 with a share capital of Rs 97.44 lakhs including the Government share of Rs 5.40 lakhs, during the next year (1987-88), the membership further rose to 91,937, the highest being Nelamangala (15,055) followed by Hosakote (14,170), Channapatna (12,667), the least was from Magadi (8,892), the share capital was of Rs 101.91 lakhs including the Government share of Rs 6.88 lakhs (there was no Government share in respect of Hoskote and Devanahalli banks). The total amount of credit deployed by these primary banks in the rural district under different schemes like general scheme, horticulture and farm mechanisation, minor irrigation and diversified schemes amounted to Rs 259.50 lakhs during 1987-88 as against Rs

136.98 lakhs and Rs 169.39 lakhs in the preceding two years respectively. Of the total credit deployed during 1987-88, the major share was (Rs 103.46 lakhs) for diversified schemes like dairy, sericulture, sheep rearing, etc., whereas during the preceding two years, major lending was for minor irrigation i.e, Rs 77.15 lakhs for 1986-87 and Rs 69.94 lakhs for 1985-86 respectively. The lending rates vary between 10 to 12½ per cent on different categories of loans. It is reported that about 2½ of the total loans was meant for the SC/ST members.

Since 1988, in addition to agriculture and other allied activities, these banks are also lending for non-farming schemes like printing press, purchase of sewing machines, pottery, weaving, brick-making, bakery, etc. at 10% interest. Except the normal scheme which is financed by the bank's own funds, lending in other schemes are covered by the refinance facilities extended by the NABARD. During 1987-88, the total interest subsidy given by the State Government to the members of these banks in the district was Rs 172.08 lakhs which included arrears of interest of Rs 81.57 lakhs and current interest of Rs 57.89 lakhs to make these banks eligible to finance their members fully. By the end of June 1988, the total demand, collection and balance position of these banks in the district was Rs 472.13, 390.96 and 81.17 lakhs respectively. Taking into account the Government subsidy allowed on interest, the recovery percentage was 82.81.

In order to have an effective co-ordination, supervision and monitoring of the primary co-operatives, working at the taluk level, the district branch office of the Karnataka State Agriculture and Rural Development Bank Ltd., Bangalore, was opened at Bangalore, meant for both Urban and Rural district in 1968. During 1987-88, if the profit earned by seven banks together was Rs 43.62 lakhs, the loss suffered by a single bank was of Rs 7.03 lakhs, on the other hand in the previous year ((1986-87) if six banks together had earned a profit of Rs 14.99 lakhs, two banks together had incurred a loss of Rs 12.68 lakhs. During 1985-86, only one bank had earned a profit of Rs 9.62 lakhs while the rest (7) had suffered a loss to the tune of Rs 25.68 lakhs. By way of illustration A. & R.D. Bank, Dodballapura has been discussed in the following paragraphs.

A. & R.D. BANK, DODABALLAPURA

The Taluka Primary Co-operative Agriculture and Rural Development Bank Ltd., Dodballapura came into being in 1943 in order to cater to the long and medium term credit needs of agriculturists with an area of operation covering the revenue taluk of Dodballapura. The

schemes that are being financed by the Bank now include minor schemes like levelling, bunding and building cattle-sheds, farm-houses, gobargas plants, etc; minor irrigation works like open wells and bore wells including deepening of wells and sprinklers; under horticulture, for cultivation of coconut, grapes, mangoes and other fruits and flowers. Financial assistance is also rendered for sericulture and related activities and also for the activities like dairy development, poultry and animal husbandry, etc. under the anti-poverty programmes schemes generating income and to building up assets. Of late, the bank is also financing non-agricultural schemes like power-looms, hand-looms, winding machines and other small industries.

The bank initiated with 25 members and share capital of Rs 1,000 in 1943 had 870 members with a share of Rs 21,000 after two decades. By 1973, membership had risen to 4,354 with a share of Rs 4.93 lakhs, and had advanced Rs 15.70 lakhs. By the end of June 1988, the total membership of the bank was 8,693 (A Class) with a share capital of Rs 18.68 lakhs including the Government share of Rs 50,000 (held since 1974). The total advances of the bank during the last three years i.e., 1985-86, 86-87 and 87-88 were Rs 38.77 lakhs, Rs 37.67 lakhs and Rs 58.55 lakhs respectively. The purpose wise deployment of credit by the Bank for 1987-88 was Rs 24.33 lakhs for minor irrigation, Rs 21.37 lakhs for diversified schemes, while money lent on sericulture, horticulture and on non-agricultural schemes accounted to Rs 5.93, Rs 4.55 and Rs 2.37 lakhs respectively, while the total borrowings of the bank from the Central financing agency during the above years accounted to Rs 209.55 lakhs, Rs 214.62 lakhs and Rs 248.87 lakhs respectively. By the end of June 1988, the position of demand, collection and balance of the bank were reckoned at Rs 57.67 lakhs, Rs 49.35 lakhs and Rs 8.32 lakhs registering the highest percentage of recovery that being 85.57% during the decade 1977-78 to 1987-88. If the bank had incurred a loss of Rs 3.32 lakhs for 1985-86 and Rs 7.03 lakhs for 1987-88, it had earned a profit of Rs 43,000 for 1986-87. During 1969-70, the bank had a credit of securing first prize in the State for having financed and completed the highest number of wells in the State; similarly in 1981-82, for the best administration and recovery. New office building of the bank was constructed in 1975 at a cost of Rs 7 lakhs. It has a staff strength of 15 (1988).

IRRIGATION SOCIETIES

Irrigation societies have been formulated in the district in late 1970s in order to have common irrigation facilities for dry lands through borewells and sprinklers to step-up horticulture production

and cultivation of mulberry in addition to agriculture by small and marginal farmers, specially weaker sections who cannot afford for individual irrigation facilities. The land so irrigated is pooled. One of these societies registered is at Harisandra of Channapatna tq (1981) exclusively meant for the SCs and STs. There was also a society for lift irrigation at Sametanahalli of Hoskote tq founded in 1977 (now defunct). Out of 22 irrigation societies registered in the district, 18 are actually functioning and the remaining two have become defunct and another two have not yet started functioning. The societies working at Gangasandra (Hoskote tq), Harisandra (Channapatna tq) and Chikkahejjaji (Dodballapura tq) are reported as working properly. The number of these societies in the district has increased from one with 97 members in 1977 to 22 in 1987 with about 1,388 members and of them as many as 1,231 were of the SCs/STs. The total share capital of these institutions was Rs 36,000 including the Government share of Rs 10,000. The total extent of land under the control of these societies was about 1,334 hectares (1987). For the purpose of illustration, the society working at Tippur is being dealt herewith.

IRRIGATION AND FARMING SOCIETY, TIPPUR

In order to encourage and facilitate small and marginal farmers including of the SC/ST communities to grow horticulture crops like coconut, areca and other fruits, flowers etc, by making use of common water on rental basis by pooling their lands (however retaining individual ownership) was registered in December 1985 at Tippur, about 15 km from Dodballapura. The area of operation of the society is limited to Tippur village. Among other things, the main functions of the society include providing water to its members and non-members on rental basis.

The society began to function with 70 members and a share capital of Rs 5,700. The extent of land irrigated by the society at present is about 25 acres where the cultivation of coconut, areca, banana, lemon, jowar and ragi in addition to vegetables, fruits and flowers is taken up by making use of water drawn from five borewells provided by the former D.R.D.S. of Bangalore and Taluk Development Board, Dodballapur, at free of cost at an expense of Rs 2.50 lakhs as a grant. The office building of the society is also constructed by the subsidy granted by the D.R.D.S., Bangalore. The profit earned by the society during 1987-88 and a year before was accounted to Rs 10,000 and Rs 6,538 respectively. The society is yet to expand its activities.

MARKETING SOCIETIES

Taluka Agricultural Produce Co-operative Marketing Societies play an important role in linking of credit with marketing. They also undertake processing of agricultural produces, supply of essential commodities both controlled and non-controlled in addition to procurement of levy paddy and supply of agricultural inputs. The district has eight TAPCMS one each for a taluk, the first being Dodballapura founded in 1949. There are also other five special marketing societies as against eight registered in 1984-85 to facilitate marketing of fruits, vegetables and flowers established at Magadi (2), one each at Dodballapura, Nelamangala and Kanakapura (at present all have become defunct). Among the special marketing societies, the one registered at Nelamangala in 1964 was the earliest. TAPCMS working at Dodballapura, Channapatna and Kanakapura have paddy processing units.

By the end of June 1987, the total membership and share capital of 8 general societies was 22,000 and Rs 34.12 lakhs inclusive of Government share of Rs 28.80 lakhs. The working capital and borrowings of these accounted to Rs 225.12 lakhs and Rs 81.85 lakhs respectively. The total sales effected by these societies both controlled and non-controlled goods together was accounted to Rs 1,367.31 lakhs. Regarding five special marketing societies, they had a membership of 689 with Rs 57,000 as share capital and Rs 2.50 lakhs as working capital in 1987. By way of illustration, T.A.P.C.M.S., Kanakapura is discussed here.

T.A.P.C.M.S., KANAKAPURA

The former Multi-purpose Co-operative Society Ltd., Kanakapura founded in 1949 was reconstituted as T.A.P.C.M.S., in 1960 to facilitate marketing activities under co-operative fold extending its area of operation covering the entire revenue taluk. Among other things, the present functional activities of the society mainly include arranging for the sale of agricultural produce of its members, advancing loans on produce and to extend ware-housing and processing facilities. The society also undertakes the supply of fertilizers, seeds and agricultural requisites in addition to arranging the distribution of essential commodities as an agent of the Government. There are 22 V.S.S.S. and farmer-cum-sericulture co-operative societies affiliated to this taluk society for the purpose of linking of credit with marketing. It also acts as agent of K.F.C.S.C. Ltd., Bangalore for the purpose of procurement of levy foodgrains.

The total membership of the society of all categories together was 5,418 by the end of June 1987 with a share capital of Rs 5.83 lakhs including a Government share of Rs 4.33 lakhs as against 1,310 members with a share capital of Rs 3.88 lakhs including the Government share of Rs 3.50 lakhs in 1977-78. The working capital of the society for 1986-87 was of Rs 32.67 lakhs as against 12.32 lakhs for 1977-78. The total purchase and sales effected by the organisation by the end of June 1987 accounted to Rs 3.26 crores and Rs 3.18 crores respectively, while the corresponding figures for June 1983, stood at Rs 1.47 crores and Rs 1.58 crores respectively as against Rs 64.13 lakhs and Rs 71.89 lakhs during 1977-78.

The total financial participation by the Government in the society in the form of share capital from 1958-59 to 1985-86 on different functional activities like processing (Rs 2.25 lakhs), modernisation of rice mills (Rs 50,300), M.P.D. (Rs 50,000), general marketing (Rs 55,000) and working capital (Rs 25,000) etc. accounted to Rs 4.33 lakhs in addition to a total loan of Rs 2.38 lakhs for purposes like business premises, transport vehicles, godown and linking of credit with marketing etc. during the period from 1977-78 to 1985-86.

Under the public distribution system, the society supplies essential commodities to 115 fair price depots in the taluk and also distributes Government text books and controlled commodities like cement, kerosene, etc. The society also has a dealership of distribution of petroleum products locally. This branch is working under profit. The rice mill started by the society in 1969 with the financial assistance from N.C.D.C. which was working under profit during the initial years is suffering a loss since the introduction of mill point levy system by the State Government which has resulted in under-utilisation of the processing unit. The society also provides transport facilities to its members by maintaining two trucks and this unit is working under profit. The society is having five godowns of its own with a storage capacity of 1,320 mts and undertakes foodgrains under N.R.E.P. and R.L.E.G.P. schemes for the taluk.

The statutory reserves held by the organisation accounted to Rs 6.53 lakhs and deposits of Rs 2.15 lakhs by the end of June 1987. The total borrowings of the society from the C.F.A. during 1986-87 accounted to Rs 20 lakhs and interest paid on outstanding advances during 1986-87 is reported as 2.41 lakhs. The profit earned by the society for 1986-87 and 1985-86 was accounted to Rs 85,541 and Rs 78,636 respectively. The society has branches at Harohalli and Maralavadi in addition to four food branches, two for cloths, and one each for fertilisers and consumers goods (all at Kanakapura).

MILK PRODUCERS CO-OPERATIVES

Among the different categories of co-operatives in the district, Milk Co-operatives constitute the bulk, being more than 50% of the total number of co-operatives in the district which indicates the potential areas of commercial exploitation through co-operatives in the district. These co-operatives first came into being in the district from 1963 and onwards to provide necessary infrastructure to make a 'white revolution' as a successful commercial venture in rural area. Some of the earliest milk co-operatives of the district founded in 1963 include Santhe Mogenahalli of Channapatna tq, Dalimba of Kanakapura tq, Banawadi of Magadi tq, Kidigehalli of Dodballapur tq, Bijjawar of Devanahalli tq, Nelavagilu of Hoskote tq, and Thyamagondlu of Nelamangala tq, (all working). It is observed that more concentration of these societies working viably is found in the taluks like Dodballapur, Devanahalli and Hoskote. The number of these societies 241 in 1977 increased to 330 by 1982, which further increased to 429 by the end of June 1987, with more than one lakh members and of them 14,200 were SCs/STs. The total share capital invested in these societies in 1987 was Rs 10.67 lakhs including the Government share of Rs 1.90 lakhs as against Rs. 5.91 lakhs total shares in 1977 and Rs 7.61 lakhs in 1982. The total working capital of these bodies in 1987 was Rs 91.28 lakhs as against Rs 32.79 lakhs and Rs 21.32 lakhs in 1982 and in 1977 respectively.

The total borrowings of these co-operatives was reduced from Rs 13.63 lakhs in 1977 to Rs 10.04 lakhs in 1987 and there is an improvement in the reserve position held by them which have moved upward from Rs 1.78 lakhs in 1977 and Rs 6.76 lakhs in 1982 and to Rs 70.57 lakhs in 1987 indicating their self reliance in resource mobilisation. There is a conspicuous rise in the value of milk procured by them during this decade, which has increased from Rs 86.98 lakhs in 1977 and Rs 255.57 lakhs in 1982 to Rs 1,310.80 lakhs in 1987. Milk and animal feeds sold by these societies was Rs 1,357.55 lakhs in 1987, as against Rs 279.21 lakhs and Rs 98.56 lakhs in 1982 and 1977 respectively.

The percentage of number of societies earning profit is also on increase i.e. 62 out of 211 in 1977 (26%), 181 out of 330 (54%) in 1982 and 409 out of 429 (95%) in 1987. The total profit earned by these co-operatives in the district during 1987 was Rs 87.73 lakhs while in 1982 and in 1977 it was Rs 10.39 lakhs and Rs 11.18 lakhs respectively. By way of illustration, the milk society working at Viswanathapura is discussed.

MILK PRODUCERS SOCIETY, VISHVANATHAPURA

Vishvanathapura Milk Producers Co-operative Society of Devanahalli taluk began to function in 1973 though registered in 1963. In 1975, it was converted as 'Amul' type society. The area of operation of the society has changed from time to time in order to facilitate new such co-operatives in the original jurisdiction beginning with four villages i.e., Vishwanathapura, Solur, Devaganahalli and Chinna-kempanahalli in 1963. The present area of operation of the society is confined to three neighbouring villages viz., Vishvanathapura, Solur and Lakshmipura, together covering about 4,000 population and about 400 houses. The main functional activities of the society include the providing of all possible infrastructural facilities for the promotion and development of dairy as well as animal husbandry. In addition to procurement and selling of milk, the society assists to secure finance through banks for the purchase of milch animals and supplies animal feeds, arranges for artificial insemination and other veterinary facilities including the sale and supply of cross breed cows to its members. It also helps for the cultivation of green grass for animal feed by providing several incentives. In 1963, it had a membership of 63 with a share capital of Rs 660. When converted into 'Amul' model, the membership of the organisation was 235 with share capital of Rs 7,390 including Government share of Rs 5,000 in 1975-76. In 1988 June, it had 416 members and share capital of Rs 4,390. Upto 1985-86, it had a Government share capital of Rs 5,000. The membership comprises of 121 small farmers, 136 marginal farmers in addition to agricultural labourers (118) and big farmers 41. In the total membership, good number of people belong to SC/ST communities i.e., 118 SCs and 143 STs and the rest (155) others.

Milk procured by the society during the last three years i.e., 1985-86, 1986-87 and 1987-88 accounted to 7.00 lakhs, 5.92 lakh and 5.17 lakh litres per year respectively and milk procured during 1985-86 was the highest during the last 13 years i.e. 1975-76 to 1987-88. On an average, the procurement of milk per day during 1987-88 was 1,418 litres. Milk purchase charges paid by the society to the producers in the years 1985-86, 1986-87 and 1987-88 respectively is reported as Rs 21.55 lakhs, Rs 17.93 lakhs and Rs 15.50 lakhs.

The sale of cattle feeds effected by the society during 1987-88 was worth Rs 6.66 lakhs as against Rs 4.99 lakhs and Rs 5.27 lakhs in the preceding two years respectively. Since 1975-76, the society is working on profit. The net profit earned by the society during the last three years accounted to Rs 44,213, Rs 38,286 and Rs 1,84,765 for the years 1987-88, 1986-87 and 1985-86 respectively.

Since 1986-87, the society has started giving incentives to its members at the rate of 10 paise per litre of milk supplied and per kg of cattle feed purchased. The total incentives provided by the society during 1986-87 and in 1987-88 accounted to Rs 84,115 and Rs 88,000 respectively. Several charities have also been provided by the society out of its profit like providing street lights to the villages coming in its area of operation, contribution to the local P.H.C. (Rs 10,000), local high school (Rs 10,000), nursery school building, etc. The society also arranges study tours for the benefit of its members. It has its own building constructed at a cost of Rs 1.89 lakhs. It is considered as one of the good working milk societies in the district.

NON-AGRICULTURAL CREDIT SOCIETIES

The main constituent units of co-operatives classed in this category are Urban Co-operative Banks, Employees Credit Societies and other Credit Societies meant for catering to the credit requirements of non-agriculturists for non-agricultural purposes. These are mostly found in an urban and semi-urban centres of the district. These banks provide all banking facilities as provided by commercial banks, and the deposits held by co-operative banks are also covered by the deposit insurance scheme as in the case of commercial banks and they pay little more on deposits than commercial banks. In 1985-86, the district had 17 other credit societies, 15 employees credit societies and three urban banks. By the end of June 1987, out of the 15 employees credit societies only 11 were working and of the 17 other credit societies, only 16 were working.

URBAN BANKS

Three Urban banks of the district are located at Channapatna (1911), Hoskote (1913) and Dodballapura (1963). The first urban bank for the district ie. Muslim Mahadiya of Channapatna (1911) has not yet come under Banking Regulation Act of 1949. The total membership and share capital held by these banks (3) in 1987 was 5,444 and Rs 14.76 lakhs as against 5,260 members with a share of Rs 13.02 lakhs in 1985. The deposits mobilised by these banks had increased to Rs 111.62 lakhs in 1987 as against Rs 96.24 lakhs in 1986 and Rs 90.69 lakhs in the previous year. The deployment of funds by these banks however was reduced to Rs 58.91 lakhs in 1987 from Rs 96.21 lakhs in 1985. In 1986, their total lending was Rs 112.36 lakhs. For 1985, 1986 and 1987, out of three banks, only two had earned a profit amounting to Rs 2.84 lakhs, Rs 3.04 lakhs and Rs 2.87 lakhs respectively.

The number of the employees credit societies and other credit societies have been reduced between 1985 and 1987 mainly because of the reorganisation of the district in 1986 and liquidation of some of these institutions. Among the employees credit societies, Government employees society at Dodballapura (1920) is the earliest followed by Power and Light Employees Society, Kanakapura (1931). Regarding other credit societies, Town Co-operative Society, Nelamangala (1913) and Muslim Co-operative Society, Dodballapura (1915) are the earliest.

EMPLOYEES CREDIT SOCIETIES

The number of employees credit societies in the district i.e., 17 in 1985 was reduced to 11 in 1987 with 4,873 members and share capital of Rs 5.00 lakhs. The deposits mobilised by these credit societies accounted to Rs 92,000 in 1987 as against Rs 2.34 lakhs in 1985 and Rs 3.33 lakhs in 1986. The volume of money advanced by these societies for 1985, 1986 and 1987 were reckoned at Rs 15.27 lakhs, Rs 21.38 lakhs and Rs 23.29 lakhs respectively. The profit earned by some of these societies (4) in 1987 was Rs 37,000 as against (6) societies with a profit of Rs 1.01 lakhs in 1986.

OTHER CREDIT SOCIETIES

Regarding other credit societies, the number has been reduced to 16 in 1987 as against 21 in 1985 and 17 in 1986. The membership and share capital held by these societies in 1987 was 3,887 and Rs 4.10 lakhs respectively. The deposits mobilised and money loaned by these organisations in 1987 accounted to Rs 9.47 lakhs and Rs 3.66 lakhs respectively. The profit earned by five societies out of 16 was of Rs 1.68 lakhs, while seven together had suffered a loss of Rs 33,000 as in 1987. For the purpose of illustration, Textile Manufacturers Co-operative Bank Ltd., Dodballapura is given in the following paragraphs.

T.M.C. BANK, DODBALLAPUR

The Textile Manufacturers' Co-operative Bank Ltd., Dodballapur was started in 1963 by the initiative of K.C. Puttaiah and his associates, with an objective to cater to the credit requirements of large number of small weavers and those engaged in the power loom industry of the place on the eve of liquidation of Bangalore based Devanga Bank (1926) which was mostly catering to the local needs of weavers and weaving industry. The present area of operation of the bank extends to the municipal limits of Dodballapur.

During 1965-66, it had a membership of 347 with a share capital of Rs 1.36 lakhs and had advanced Rs 2.23 lakhs earning a net profit of Rs 21,000. By the end of June 1976 the membership had increased to 1,309 with a share capital of Rs 3.87 lakhs and had mobilised deposits of Rs 18.30 lakhs. The loans and advances were of Rs 19.50 lakhs with a net profit of Rs 92,000. By the end of June 1988, it had a membership of 2,043 with a share capital of Rs 8.42 lakhs. The deposits held were of Rs 80.04 lakhs and had loaned Rs 49.24 lakhs earning a net profit of Rs 1.51 lakhs. During 1979-80 and 1980-81, the bank had a Government share capital of Rs 2 lakhs. The bank provides all urban banking facilities to its members with a special emphasis in catering to the trading and industrial needs of its weaver members who constitute the largest bulk in the total membership. It is reported that the first year's profit of the bank about Rs 10,000 was donated to local Municipal High School. The bank is housed in its own building at Gandhinagar, worth about Rs 5 lakhs.

KARNATAKA INDUSTRIAL CO-OPERATIVE BANK LIMITED, BANGALORE

Reconstituted in 1972, as a State level Primary Urban Co-operative Bank KIC Bank was sponsored by the Government of Karnataka in the place of the erstwhile Mysore Central Co-operative Rural Industrial Financing Bank Ltd. founded in 1952 functioning as a central financing agency to meet the credit needs of rural industries under co-operative fold and other rural artisans before its re-organisation in 1972. Under the new set-up, the bank finances through its network of branches small and cottage industries and extends re-finance facilities under the RBI scheme to certain selected industries. The bank has two branches in the district viz. Bangalore Rural (1973) extending jurisdiction over all other taluks of Bangalore Rural District excluding Dodballapura tq and a separate branch for Dodballapura taluk was opened in 1975.

The membership of the bank covering Rural district in 1987-88 was 5,171 with share capital of Rs 13.33 lakhs as against 5,108 member and share capital of Rs 13.06 lakhs during 1986-87. The volume of deposits mobilised by the bank from the Rural District during the last two years, namely 1986-87 and 1987-88 accounted to Rs 92.03 lakhs and Rs 157.25 lakhs respectively. The total credit advanced by the bank during 1987 and 1988 in Rural district accounted to Rs 43.37 lakhs, Rs 60.38 lakhs respectively. The advances outstanding for 1988 were Rs 186.45 lakhs.

INDUSTRIAL CO-OPERATIVES

The industrial co-operatives of the district are broadly classified into two groups viz. weavers societies and non-weavers societies. The first weavers society to be registered in the district was at Kanakapura in 1913 (now defunct). Among the non-weavers societies, Sri Ranga Harijan Industrial Co-operative Society of Doddamudigere of Magadi taluk was the earliest founded in 1914 (now defunct). By the end of Jun 1986, the district had seven weavers societies and of them three were meant for silk handlooms, two for powerlooms, silk weaving and one each for cotton and woolen (kambali) societies. At present (1988) only four (one in each category) are working. In respect of other than those of weavers societies about 94 as in 1987, are grouped into several occupational classes like pottery, oil pressing, handicrafts, khadi, leather craft, silk reeling, coir, other rural industries, etc. and of them only 37 were reported as working and of the rest 45 were under liquidation and 12 defunct. Of the working societies (37), the largest number are found in Devanahalli tq (9) followed by Channapatna (8), Ramanagaram (6) and the rest are shared by other taluks. In 1987, of the 49 industrial co-operatives (37 working plus 12 defunct) together had 6,079 members with a share capital of Rs 9.98 lakhs as against 127 registered societies with a share of Rs 9.23 lakhs held by 2,982 members in 1977. The total purchases of raw materials and sales of finished goods effected by these societies in 1987 accounted to Rs 44.90 lakhs and Rs 39.03 lakhs respectively, while the corresponding figures for 1982 were recorded as Rs 3.50 lakhs and Rs 3.28 lakhs. The related figures for 1977 were accounted as Rs 2.53 lakhs and Rs 2.76 lakhs respectively.

CONSUMER CO-OPERATIVES

These co-operatives emerged in large numbers during and after the Second World War period, play an important role to arrest rising prices to a certain extent and ensure equitable distribution of essential and other consumer goods at reasonable prices to its members. Consumer co-operative movement was heralded in the district as early as in 1909 beginning with Channapatna Town Consumers Society, followed by a similar organisation ie. Sri Ramanidhi Consumers Society at Ramanagaram in 1911. By the end of June 1987, the district had 25 consumer societies and of them only 13 were working, eight under liquidation and four had become defunct. Of the working societies, six are in Ramanagaram taluk. The total membership and share capital held by these co-operatives (17) by 1987 were 7,417 and Rs 2.16 lakhs as against 22 co-operatives with Rs 1.02 lakhs shared by 11,851 members a

decade before (1977). The total purchases and sales of all commodities effected by these societies in 1987 were accounted Rs 63.07 lakhs and Rs 60.83 lakhs respectively as against to Rs 27.98 lakhs and Rs 28.90 lakhs during 1982. The relative figures for 1977 were accounted to Rs 2.00 lakhs and Rs 2.10 lakhs respectively. In 1987, if 11 societies together had earned a profit of Rs 1.49 lakhs, four together had incurred a loss of Rs 33,000. There is no separate District Central Co-operative Wholesale Store for Bangalore Rural District.

HOUSING CO-OPERATIVES

Housing Co-operatives are playing very useful role specially in urban and semi-urban centres in helping its members to secure house sites at reasonable rates and some of the societies also finance construction, alteration, repairs, etc. on long term basis. House building societies in the district have come up as early as in 1949 at Devanahalli, Ramanagaram and Dodballapura (all are working at present).

In 1988, the district had 18 housing societies and of them 8 were meant for SCs/STs, one each for a taluk and the rest (10) being general societies. The total membership of these (18) societies in the district was 11,000 and of them 8,000 were the members of SC/ST communities. The total share capital held by these societies was Rs 6.27 lakhs and they had borrowed Rs 52.40 lakhs from the central financing agencies. The loans due from the members to the societies accounted to Rs 46.29 lakhs. The financial assistance to the SC/ST societies from the State SC/ST Housing Corporation, Bangalore was Rs 51.57 lakhs in 1,259 cases as in 1987.

OTHER SOCIETIES

The societies coming under this group which are not categorised include seven labour contract and construction societies with about 700 members and share capital of Rs 37,000 and of them two are meant for SC/ST members (600). These societies are formed generally by those labourers (Bhavis) who are engaged in stone cutting, etc. The earliest society in this kind was multi-purpose forest labourers society, Kanakapura (1960) now defunct. Of these societies only four are working.

The district has five joint farming societies with 250 members and share of Rs 41,000 founded during 1960-1968. All these societies are located in Magadi taluk. At present, except one working at Yeligerhalli Harijan Colony, all others are defunct. The list also includes

three women's multi-purpose societies, the earliest being Ramanagaram Ladies Multi-purpose Society (1962) and the other two were founded at Tittamaranahalli (Channapattana tq) 1984 and at Kadugodi colony of Hosakote tq (1985). There were also societies named Belagumba Grow More Food Society (1949) and Arkavathi Progressive Farmers Society at Magadi (1977) now both defunct.

The district has nine fisheries societies with 1,600 members and share of Rs 54,000. The first one was founded at Herur of Channapatna tq in 1963. At present, six of them are working. This list also includes two supervisory unions (now defunct), viz. Taluka Supervisory Union, Magadi and Dodballapura founded in 1958 and one each processing and poultry co-operatives viz. Karnataka Textile Processing Society, Dodballapura (1977) and Poultry Farming Society of Magadi (1966) (both are defunct at present).

TRADE AND COMMERCE

The physical geography of the region of Bangalore Rural District largely covered by vast plains has facilitated to have good communication system which in turn has contributed much to the development of trade and allied activities in the district. The coins of the Roman Empire days found in Bangalore have authenticated the existence of transoceanic trade contacts of the region with the rest of the world through the ports of west coast at the beginning of the first century A.D. Many places of this district continued to be the centres of trading activities since the days of the Gangas and the imperial Cholas, dominated by the then class of traders known as *Nanadeshis*, *Ubhaya-Nanadeshis* and *Vaddabyavaharis*. During the Ganga rule, the following towns and cities of the district viz. Malur, Mankunda, Honganur, Manne, Vagata, Dodballapura, Avathi, Magadi and Nelamangala etc. were the centres of trade prosperity. Banavadi (1219), Harur (1300), Nittur (1299) of Kanakapura tq. Kabbal (1314), etc., are mentioned as notable centres of trade in pre-Vijayanagara period. Dodballapura was an important place of trade in the 12th century under the Hoysala Kings. Banavadi's commercial importance is indicated by the record of 1219 which speaks of the community or guild of senior merchants (*Maha Vadda Vyavahari*) and *Ubhaya Nanadeshis* (Mg 78). Harur, ancient Haraur, is described as major town of Kelalenu and that place too had the above body of senior merchants and *Ubhaya Nanadeshis*. The place had a *Pattana swamy*, the head of the trade guild named Ketiseti in 1395 (Cp 36, 37). Nittur in Kanakapura taluk also had this kind of merchants community consisting of *Maha Vadda Vyavahari* and *Ubhaya Nanadeshi*. The name of the head of this institution or group is also mentioned in the record of 1299. Kabbal in Kanakapura taluk also was a

similar commercial centre with a *Pattana swamy* in 1314 (Kn 69). Many of these towns had weekly shandis. The establishment of these shandis was considered as enhancement of the status of village to that of *pattana* and several incentives and concessions were offered to the merchants to induce them to organise shandis. Rajaghatta in Doddballapura tq had a shandy already functioning before 1267 A.D. according to the record of that year. The merchandise traded there are listed as cotton, tamarind, jaggery, salt, yarn, horses, pulses and betel leaves (Db 31). These details are not found in any other record from the district. Haneyur in Kanakapura tq also had a shandy functioning before 1291 according to the record of that year (Kn 64). Granting of land for construction of shandy site on the old village called Galihalu (present Gowalukoppa in Kanakapura tq) is recorded in 1316 (Kn 6). Erection of a shandy by royal order and also by providing various facilities is also indicated in many records. Channamaranahalli was converted in to a *pattana* by erecting necessary structure for a shandy (*santeya katte*: Cp 12). A shandy was also started at Magenahalli in 1318 in the days of Hoysala Ballala III. The record says that a shandy was raised (*santeya katte*) to make the place a *Nanadesi pattana* (Cp 73). A new town called as Bammarasapattana was created near Bevir in 1331 by a Hoysala Officer and it was granted for being administered by one Haribasetty, perhaps, appointed as *pattanasetty* (Cp 71). Erection of shandy in 1383 at Niduvanda in Vijayanagar times is also recorded (N1 166). These recorded instances, which may be few among many such arrangements made, clearly indicate the flourishing conditions of commercial activities in those days. A record of 1771 at Hosakote speaks of trade of betelnut, pepper, etc. being brought to the town. If the Vijayanagar empire helped the movement of goods beyond the Tungabhadra, the rule of Bijapur and the Marathas surely helped such movement beyond the Krishna. The Mughal-Maratha conflict caused the movement of armies from places like Jinji in the south to Pune, Auranqabad and other places in the northern Deccan and the Banjaras that moved with these rival armies must have facilitated the wider movement of goods. New towns like Bangalore City, Hoskote, Devanahalli, Kanakapura, Anekal, Awathi, Sarjapur, Channapattana, etc. that grew during the post-Vijayanagara times developed as major commercial centres. Tipu helped the expansion of commercial activity at Channapattana, Kanakapura and Devanahalli by establishing new industries in those places in addition to Bangalore. He took special steps to encourage industries and also foreign trade. The State monopoly in the trade of sandal wood, iron, black pepper and cardamom exercised from the days of Chikkadevaraya was continued by Tipu also with adding some more items like pearl and silk. During his period, though inland duties were heavy and multiple, they were in the nature of premium for insurance against theft as the roads were well guarded. He had

established 21 principal silk worm breeding stations in the State and of them, some were in Bangalore district. In 1785, he had opened 30 state depots for sales including two such depots at Bangalore and had introduced his own deposit mobilisation schemes to secure working capital for state trading, which was very attractive for small investors, they being paid higher dividend. Tipu prohibited export of cotton to encourage textile industry and weavers from Tamil-nadu came and settled in the weaving centres of the district. Growing sugarcane was specially encouraged and quality sugar and sugar candy were produced on large scale at Channapattana and Devanahalli. Buchanan has remarked that certain Brahmin families had enjoyed the privilege of manufacturing fine quality sugar for the use of the Royal family, ofcourse, by maintaining the secret of the industry.

Dr. Francis Buchanan who visited several places in the rural district in 1800 A.D. and stayed at several places like Magadi, Kanakapura, Dodballapura, Channapattana, etc. has given detailed accounts of commercial and other allied activities of several places of the district. "At different convenient places in every taluk, there are weekly markets, which in good parts of the country be about two or three miles from each other and that farmers carried their produce to these places. Business was carried out by sale and barter was not customary excepting for a few people who exchange grain for the produce of kitchen garden."

Buchanan describes trade at Dodballapura. He says that merchants from Tadapatry on the Pennar brought chints, muslin, turbans and handkerchiefs and took jaggery and cash back. From Nargund, merchants brought blue cotton cloth, thread, dates, etc., and took back jaggery and cash. Merchants from Salem brought muslins, cotton cloth with red borders, blue cotton cloth and turbans, Cloth, both cotton coloured cloth with silk borders and muslins, and turbans locally manufactured were taken to Shrirangapattana. "The commerce of place is inconsiderable, the traders seem to want enterprise and never venture from house" he remarks. Commercial connections of Bangalore (and its surrounding areas) both with the western sea through Mangalore and the East Coast via Wallajpet below the Eastern Ghats is indicated by him. Buchanan himself points out that red cloth from Dodballapur was brought to Bangalore, salt brought from lower Carnatic (Tamilnadu) by Woddars and Koramas to Bangalore was distributed after being taken to Magadi and Channapattana. Many Marwadis, Gujrathis and other Multhani bankers came and settled in several trading centres of the district after the fall of Tipu in 1799. The towns around Bangalore, of course had connections with Bangalore which being a terminal market improved during the 19th century with laying of railways and creation of all-weather roads.

IMPROVEMENT AFTER 1831

The commission appointed by the British Government in 1831 took several steps to develop trade and resources of the district. In 1864, most of the duties levied on articles passing between Mysore State and adjacent districts in British India were removed. The trade was completely liberated by *sayer* duties. In 1879-80, *octroi* was introduced replacing *sayer* duties for the benefit of municipal towns.

Bangalore being the capital city and hub of trading and industrial activities, other taluk headquarters towns continued to grow commercially under its influence being nearer to Bangalore. The period following the Rendition brought an improvement in the infrastructure which stimulated trading and commercial activities in the district. During the period of Bowring (1862-67), important roads connecting Bangalore with other places in the district were constructed. Railway links with Madras (1864) with Channapattana (1881), with Tumkur (1884) and with Harihar (1889) finally connecting to Bombay promoted rail road traffic of goods and passengers. Laying of railway line from Bangalore to Guntakal *via* Hindupur in 1890-93 established the link with Andhra Pradesh. Further in 1915, laying of narrow gauge rail lines between Devanahalli and Yelahanka and Chikballapur to Devanahalli facilitated the internal trade in the district. The establishment of banking institutions, joint stock companies which promoted industries at Ramanagaram and Channapatna and other industries and increased sericultural activities specially at Dodballapura, Ramanagaram, Kanakapura, Channapatna, etc. in the district in recent decades have increased the commercial prospects of the district.

IMPORTS AND EXPORTS

Imports and exports of the district have changed from time to time, specially in respect of industrial commodities due to several factors like industrialisation, occupational changes and other factors. During the 1930s about 30 different commodities used to be exported from this district to the far off places like Madras (ragi, hides and til superior), silk to Salem and Kumbhakonam and jaggery to Dharwad, Belgaum and Bellary. The list of imports comprised of nearly 32 items including mainly wheat from Bombay, Dharwad, boiled rice from Madras, poppy seeds from Madras and Culcutta, pepper from Calicut, tobacco from Mysore and Calicut, yarn from Madras and Bombay, coconut oil from Dharwad and Vellore, silk and silk cloth from Bombay, Kumbhakonam and Salem and the rest within the state. The Taluka Hand Book Series of 1939-40 reveal that among other things, the chief

exports of Ramanagaram were lacquerware articles, pottery, fruits and oilseeds. Magadi was noted for manufacturing of brass lamps, candle stands and brass articles of household use. Hoskote used to export dry crops grown in the taluk. Kanakapura was noted for silk and silk goods. The silk centre working here had a recognition by all India Spinners Association. This was the only silk centre in the State certified by the above association. In addition to silk and silk goods, many of the dry crops, tamarind and coconut were exported from here. Sugar of superior quality was formerly manufactured at Devanahalli under the instruction of some Chinese brought over for the purpose during the time of Tipu. Devanahalli was also noted for coarse cotton cloths and *kambli*s (blankets). Vadagenahalli (Vijayapura) was also noted both for import and export of cotton in addition to export of potatoes and onions. It was largely populated by merchants and was the chief trading place of the district. The principal traders were the Nagarthas. At Channapatna, much raw silk was produced and exported. The town was celebrated for manufacture of lacquerware and toys. Fine steel wires for strings of musical instruments and glass bangles were manufactured. The Labbe and Daira Muslims of this place were trading with western coast. In Dodballapur, superior clothes of *ralepate* (Bangalore) and Dharmavaram pattern were manufactured and exported to different places.

PRESENT IMPORTS AND EXPORTS

As indicated in 1981 Census Report, the chief imports and exports of the district listed centr-wise are as follows: Channapatna: Imports - wood, tobacco and rice; Exports - spun silk fabrics, painted wooden toys and beedies. Devanahalli: Imports - ragi, rice and colth; Exports - vegetables and fruits, safety matches and raw silk. Dodballapura: Imports - raw silk, art silk yarn and cotton; Exports - silk fabrics art silk fabrics, cotton and nylon fabrics. Hoskote: Imports - food-grains, groceries and cloth; Exports - twisted silk yarn, fruits and vegetables, bricks and beedies. Kanakapura: Imports - sugar, raw silk and rice; Exports - Silk sarees, silk yarn and coir products. Magadi: Imports - pure silk yarn, rice and jaggery; Exports - silk cloth, milk, oil and washing soap. Nelamangala: Imports - rice, ragi, sugar and cloth; Exports - twisted silk and silk fabrics, bricks and tiles and vegetables. Ramanagarm: Imports - Cocoons, fertilizers and timber; Exports - twisted silk yarn and silk sarees, vegetables and fruits, beedis and tiles. Vijayapura: Imports - cloth, groceries and foodgrains; Exports - vegetables, milk and silk yarn.

TRADE CENTRES

In course of time, many new trade centres have emerged in the district due to expansion of trading and commercial activities. The present wholesale trade centres of the district include the places like Dodaballapur, Ramanagaram, Channapatna, Kanakapura, Magadi, Devanahalli and Vijayapura. The retail trade is carried on large scale at the following places like Solur, Kudur, Tippasandra (Magadi taluk), Devanagondi (Hosakote taluk), Kodihalli, Harohalli and Vemawadi (Kanakapura taluk), Awati, Bettadapura, Viswanathapura (Devnahalli taluk), Singarajpura and Santhemogenahalli (Channapatna taluk), Thyamagondlu and Dobbespeth of Nelamangala taluk.

EMPLOYMENT IN TRADE AND COMMERCE

In recent decades, enlarged and growing commercial activities have drawn more and more people engaged into trade and commerce. In 1971, the total number of people engaged in trade and commercial activities in the district were about 16,078 and of them the number of females was 1,448. The break-up of urban and rural figures were 9,499 and 6,579 respectively. Among the taluks, large number of people engaged in these activities in descending order were Channapatna (2,997), Kanakapura (2,581) and Ramanagaram (2,127). Regarding female employment in trade and commerce, the largest number was in Kanakapura taluk (324) followed by Magadi (250), Channapatna (179) and Hosakote (158). Among the rural segments the largest number of men engaged in trade and commerce were found at Kanakapura taluk (1,286) followed by Channapattana taluk (891) and Hosakote taluk (827), while among the women in rural segments the highest number was in Kanakapura taluk (264), followed by Magadi taluk (158), Hosakote taluk (115) and Channapattana taluk (115).

TRADE ASSOCIATIONS

Modern competitive business activities have necessitated the formation of number of trade associations (like the guilds of olden days) by different sections of traders, manufacturers and those engaged in different vocations and callings to promote and strengthen their business interests by united efforts. Some of these non-statutory advisory bodies render some useful services to their members on various issues connected with that particular line of business and create business lobbys to redress their grievances. Some of these associations have affiliations to their federal bodies working at the state level. The establishment of the present Federation of Karnataka

Chamber of Commerce and Industry (1916), Bangalore, gave an impetus to the merchants in other parts of the district to formulate their associations. Most of these associations are found in big trading centres and many are not registered bodies and even those registered earlier have become defunct. The earliest registered merchants association of the district was Cloth Merchants Association, Channapatna in 1945, followed by Devanahalli Taluk Kaimaggadavara Sangha in 1946 at Vadigenahalli. Some of the earliest registered trade associations of the district are Hindu Hotels Association, Magadi (1950), Dodballapura Wholesale Powerloom Merchants Association (1951), Merchants Association, Kanakanahalli (1952) etc. As per the records, the district has more than 100 registered trade associations beginning with 1945 and only a few of them are active.

REGULATED MARKETS

Regulated markets are expected to ensure remunerative and competitive prices to the producers by avoiding distress sale locally. They also facilitate orderly marketing by helping to build up the required infrastructure needed for free and the fair marketing, keeping the interest of both the growers and the consumers. Before the establishment of Regulated Markets, there used to be several types of malpractices like unauthorised and multiple deductions, improper weighing, delay in payments, etc. that resulted in exploiting the growers. In order to safeguard the interest of farmers, as early as in 1935, the former Mysore State had established a separate marketing organisation under the control of the Department of Horticulture, Industries and Commerce. Later, in 1939, the Mysore Agricultural Produce Markets Act was passed and was brought into effect in March 1947, when the rules were formulated. This marked the beginning of establishment of Regulated Markets for agricultural produces in the State. Accordingly, Regulated Markets were founded at Bangalore and Channapattana in 1955, attached with the distinctive revenue taluks for each market and later, sub-markets attached to each market were opened. After the formation of new State, a comprehensive and uniform legislation replacing the legislation of 1939, the Karnataka Agricultural Produce Marketing (Regulation) Act 1966 was enacted and brought into effect in the district in 1968. Under the Act, the Assistant Director of Agricultural Marketing is empowered to administer the provisions of the above Act and other Acts viz., Karnataka Warehouses Act 1962 and Agricultural Produce (Grading and Marketing) Act 1937 (Central Act). To ensure more effective administration and implementation of the above rules and regulations, the office of the Assistant Director of Agricultural Marketing was opened at Bangalore in 1967 which exercises the jurisdiction over both the districts.

At present, over the areas of the rural district, the Regulated Markets of Bangalore as well as Channapatna and Dodballapura exercise the jurisdiction. A.P.M.C., Bangalore covers the areas of Devanahalli, Hoskote and Nelamangala taluks of rural district in addition to the three taluks of Urban district, while Channapatna A.P.M.C. covers the taluks like Channapatna, Ramanagaram and Kanakapura. There is a separate Regulated Market for Dodballapur area started in 1978-79. Sub-markets at Ramanagaram and Kanakapura attached to Channapatna markets were opened in 1969 and 1978 respectively. The remaining one taluk i.e., Magadi is attached to A.P.M.C. Kunigal of Tumkur district which started functioning as Sub-market in 1973. By way of illustration, A.P.M.C., Channapatna is discussed herewith.

A.P.M.C. CHANNAPATNA

Agricultural Produce Market Committee, Channapatna was first constituted in March 1955 in accordance with provisions of Mysore Agricultural Produce Act 1939. The present area of operation of the market comprises of revenue taluks of Channapatna, Ramanagaram and Kanakapura. Later, in 1969 and 1978, sub-markets attached to this market were opened at Ramanagaram and Kanakapura respectively comprising the areas of respective revenue taluks. The list of notified produces include as many as 38 items including fruits, vegetables and livestock. Among other items the chief notified imports to this market include paddy, rice, ragi, jaggery, groundnut, horsegram and linseed, while the exports include coconut, tamarind, mangoes, sheep, goat, etc. The method of sale prevailing in the market are open auction in respect of groundnut, betel leaves and coconut, while other commodities are sold on mutual negotiations. The number of market functionaries attached to the market during 1987-88 was 746 and of them 263 were traders, 97 importers, 49 exporters, 50 commission agents and 36 processors, etc. The number of functionaries in 1982-83 were 418 and of them 213 were the traders.

During the decade 1977-78 to 1987-88, for the development of main yard at Channapatna, the committee had expended Rs 4 lakhs under the Central assistance for construction of buildings and to provide other amenities like rest house for farmers, cattle sheds, roads, drains, etc., in addition to spending Rs 1.12 lakhs for similar works by utilising market committee funds. Under the scheme of N.G.R.G., the amount expended for construction of four rural godowns two each at Channapatna and Ramanagaram was Rs 5.56 lakhs. All the above developmental works in the main yard are stated to have been completed. The developmental works undertaken by the committee at the sub-yard of Ramanagaram under the Central assistance in the above

period of 10 years was Rs 1.50 lakhs in addition to spending about Rs 62,000 from its own funds. The Committee has availed a loan of Rs 75,000 from the State Government to complete the work under the Central Scheme during 1980-81. The income and expenditure of the committee during the last five years were as follows: (The figures in the bracket indicate the expenditure in terms of lakhs). 1983-84 - 3.84 (1.46), 1984-85 - 2.93 (1.40), 1985-86 - 4.98 (2.61), 1986-87 - 5.47 (3.31), 1987-88 - 6.01 (3.96). The table given below indicates the arrivals and sales value of some important notified commodities of the market for 1982-83 and 1987-88.

Amount in lakhs

Name of commodity	1982-83		1987-88	
	Arrivals in quintals	Sales value	Arrivals in quintals	Sales value
Groundnut	2,012	8.07	16,558	100.24
Linseed	4,027	22.29	1,980	17.34
Rice	4,072	12.09	12,904	38.96
Paddy	3,190	4.60	13,682	25.90
Ragi	6,957	12.02	28,156	40.73
Jaggery	707	1.54	6,576	27.24
Onions	544	0.53	952	1.40
Potatoes	257	0.39	839	1.50
Jowar	350	0.36	74	0.13
Coconuts (number)	20,37,648	19.65	51,93,964	95.83
Sheep (heads)	11,652	-	3,218	-
Goats -do-	9,574	-	1,554	-

SHANDIS

From the days of evolution of commerce shandis are playing an important role by serving as retail and wholesale outlets for the marketing of surplus of a region. These institutions even now continue to be outlets for local products of small farmers, artisans and others. The district has good number of records revealing several aspects about shandis. The existence of shandis during the historical times has already been noted. The earlier records also mention about the shandi at Ramanagaram on Tuesday attended by about 4,000 persons.

Similarly at Dodballapura on Thursday with 3,000 people. For a shandi at Nelamangala on Friday, there used to be a congregation of 2,500 persons. The records of 1939-40 make a mention of a few important shandis in the district. The figures in the first bracket indicate the number of people attending them and the figures in the second bracket indicate the total transactions effected on the day of the shandi. Magadi (2,000) (Rs 5,000), Solur (3,000) (Rs 2,000). Tippasandra (1,500) (Rs 1,000), Kudur (3,000) (Rs 2,000), all in Magadi tq; Hoskote (2,000) (Rs 2,000), Sulibele (500) (Rs 300), Devanagundi (1,000) (Rs 500), all in Hoskote tq; Kanakapura (2,000) (Rs 2,000), Kodihalli (1,500) (Rs 1,000), Harohalli (1500) (Rs 1,000), Vemavadi (1500) (Rs 1,000), Satnur (1,000) (Rs 500), all in Kanakapura tq; Devanahalli (2,000) (Rs 1,000) and Vijayapura (2,000) (Rs 1,000) all in Devanahalli tq; Singarajapura (2,000) (Rs 1,000) and Santhemagenahalli (1,500) (Rs 1,000) in Channapatna tq; Ramanagaram (4,000) (Rs 5,000). At present, it is reported that no shandis are being held in Ramanagaram tq. Taluk-wise list of some important shandis in the district is as given below.

1. Channapatna - Dashwara (Monday), Singarajapura (Wednesday) and Hunasanahalli (Friday); 2. Nelamangala - Nelamangala (Friday), T. Begur (Thursday), Somapura (Wednesday), Shivagange (Friday), Thyamagondlu (Tuesday) and Narsipura (Saturday). 3. Dodballapura - Dodballapura town (Thursday), Melekote (Monday), Henabe (Tuesday), Sakkaregollahalli (Thursday), Dodahejjaji (Wednesday), Hulkunte (Sunday), C.D. Agrahara (Saturday) and Arudi (Monday); 4. Devanahalli - Devanahalli (Wednesday), Bagalur (Thursday), Chikkajala (Sunday), and Vishwanathapura (Friday); 5. Hoskote - Hoskote (Friday), Devanagondi (Wednesday), Doddagubbi (Monday), Hindignahal (Monday), Kadugodi (Thursday), Mulubagilu (Saturday), Santhenahalli (Wednesday) and Sulibele (Sunday); 6. Kanakapura - Kanakapura (Thursday) and Doddamudawadi (Monday); 7. Magadi - Magadi (Friday), Kudur (Saturday), Sugganahalli (Monday) and Gudemaranehalli (Monday).

CATTLE FAIRS AND MARKETS

In addition to cattle fairs on the occasion of annual local *jatras* held at Ghatisubramanya, Kengal, Magadi, Shivaganga, Mahimapura, etc., weekly regular cattle markets are held generally on the shandi day or on some other days under the control of Regulated markets of the area. Cattle fair on the occasion of Ghati *jatra* held every year during December - January is very famous in the district. About 10 to 15 thousand heads of cattle assemble and people are drawn from Andhra and many parts of Karnataka. Kengal *jatra* of Channapatna in January held for about 15 days is the biggest cattle fair in the

district and about one lakh heads of cattle assemble here. At Magadi during the *jatra* of Ranganatha, cattle fair is held for about 15 days during March - April when about 8,000 heads of cattle assemble. According to old records of 1928, there used to be 18 *jatras* in the district wherein cattle shows were held and for the famous Ghati Subramanya *jatra*, nearly 30,000 heads of cattle used to assemble. At Shivaganga on the occasion of Makara Sankranti and during Shivaratri festival, cattle fairs were held annually and about 7,000 to 10,000 heads of cattle assembled. At Mahimapura during February - March, cattle fair was held when about 8,000 heads of cattle were brought for sale. Regarding weekly cattle markets, the market held at Dodballapura on Monday is famous for exchange of pigs and sheep. In Nelamangala, sheep market is held on Friday. At Magadi marketing of sheep, goats and poultry takes place on large scale on Friday. In Channapatna taluk at Dashavara, Singarajapura and Hunasanahalli, cattle markets are also held with regular shandis.

STATE TRADING AND PUBLIC DISTRIBUTION

Procurement of levy in respect of paddy/rice is made in the district by the Food Corporation of India as the agent of Govt. of Karnataka under the Karnataka Paddy Procurement Levy Order 1966 at fixed prices. In case of support price operations (to avoid distress sale by the farmers) procurement is made by the Karnataka Food and Civil Supplies Corporation, Bangalore, on behalf of the State Govt. The procurement of levy paddy/rice made in the district for 1986-87 was 329 tonnes as against the target of 2,000 tonnes. During the next year, the achievement was still poor, being 212 tonnes for the target of 1,500 tonnes.

Public distribution: The introduction of public distribution system in the princely Mysore dates back to 1944 for the first time (however discontinued in 1948). In 1978 it was extended to all cities and towns with a population of 40,000 and above. Accordingly, at present, Dodballapur, Channapatna and Ramanagar towns are brought under informal rationing system and the rest are under fixed rationing system.

By the end of March 1987, the total number of fair price shops in the district was 721, the highest being in Kanakapura taluk with 128 followed by Channapatna 115, Magadi 92, Dodballapur 88, etc., The total number of green cards distributed in the district by the end of March 1987 was 1,42,482 in rural areas covering equal number of families. The highest number of green cards were in Kanakapura taluk

(31,300) followed by Channapatna (20,150), Magadi (18,015), Dodballapur (17,500). The Food Assistant to the Deputy Commissioner administers various acts and rules thereunder the public distribution system.

MARKETING OF SERICULTURE PRODUCTS

Though Sericulture continues to be an important primary activity, next only to agriculture spread over large areas of Bangalore rural district, regulation of marketing activities keeping the larger interest of the silk worm rearer, in order to provide better and remunerative prices were started in the late 1950s and onwards. In the former Mysore State, for the first time in 1954, by introducing a regulation known as Mysore Seed Area covering only those places where only pure Multivoltine seed cocoons were being reared were brought under the regulations. For places other than the seed area where cross-breed cocoons were being reared were restricted to procure layings either from Government or from private persons licensed under the Act. But transaction of cross breed cocoons was not restricted. There were both Government and private markets. The provisions of this Act were further extended and the transactions of cross breed cocoons was restricted to Government cocoon markets only and area for each market was fixed. The present Act in force which governs the marketing of cocoons and other allied products is the Karnataka Silk Worm Seed, Cocoon and Silk Yarn (Regulation of Production, Supply, Distribution and Sale) Act 1959 and subsequent amendments thereon. Since 1970, all private markets were made to stop transaction in marketing of cocoons and were replaced by the Government cocoon markets. The transaction of raw silk was also brought under legislation in 1979 by establishing Silk Exchanges.

Rural district has eight Government notified cocoon markets at the following places viz. Bagalur, Channapatna, Kanakapura, Ramnagaram, Vijayapura, V.G. Doddi, Magadi and Kudur. The first five are commercial cocoon markets and the last three are Mysore Seed Area Markets. There is no demarked area attached to commercial cocoon markets whereas in Mysore Seed Area and Bivoltine Seed Area, cocoons should be transacted in the particular seed area markets only. The department has a squad for enforcement and supervision to ensure checks on the illicit and clandestine sale and purchase of cocoons outside the cocoon market. The markets are classified as Class I and II on the basis of volume of transaction. The quantity exceeding more than 100 tonnes per month, is considered as Class I and less than that Class II. If the Class I market is headed by the Assistant Director, Class II is headed by the Sericulture Extension Officer as Market Officer. The table given below indicates market-wise transactions of cocoons and their sales value during the last three years including 1987-88.

Name of the cocoon market	1985-86		1986-87		1987-88	
	Quantity in tonnes	Sales value in lakhs	Quantity in tonnes	Sales value in lakhs	Quantity in tonnes	Sales value in lakhs
Bagalur	71.615	34.85	72.231	33.28	61.570	33.78
Channapettana	1,408.087	599.78	1,749.950	724.91	1,740.528	877.03
Kanakapura	3,529.550	1,623.40	3,483.981	1,546.07	3,308.892	1,873.44
Ramanageram	7,950.958	3,849.54	8,295.992	3,905.35	8,498.277	4,978.88
Vijayapura	2,757.143	1,383.31	3,260.748	1,561.11	3,500.723	2,121.33
Magadi	-	-	236.158	99.46	246.188	117.49
V.G. Doddi	-	-	32.460	13.85	38.659	20.164
Kudur	-	-	98.266	36.92	136.225	62.918

The mode of transaction prevailing is by open auction in commercial cocoon market, whereas in case of pure Mysore cocoons, the sale of seed cocoons is only by number i.e., 1,000 cocoons unit rate fixed with the formula. In case of Bivoltine, rate fixed varies according to seasonal conditions and demand and supply forces. Under the World Bank Project, new cocoon market buildings were constructed at Channapatna, Kanakapura, Ramanagaram and Vijayapura.

According to the prevailing Act, market functionaries like rearers, seed preparers, chawki rearers, reelers of all types and traders are licenced. Selling and buying of cocoons outside the notified cocoon market are prohibited. Market fees at the rate of one per cent of the value of the cocoon transacted is being collected both from the rearers as well as reelers. Market fee is known as price stabilisation fund managed by the Price Stabilisation Fund Authority being utilised for the development of markets and price stabilisation of cocoons. The Licencing Authority in the case of rearers is the Sericulture Extension Officer and in the case of reelers is the Assistant Director of Sericulture.

WEIGHTS AND MEASURES

Like coinage and currency, a great variation can be seen in the weights and measures employed in the district. Chikkadevaraja Wodeyar of Mysore is said to have introduced common weights and measures during the 17th century in his dominion of 84 *gadis* (taluks), by stamping his monogram and kept them in each *chavadi* to be used in shops and markets. The weight of three Kanthiraya *hanas* was taken as equal to one *duddu* on the basis of which scale of weights were fixed. Accordingly one *duddu* was equal to one *tota*. 24 *duddu* = one *kachcha* seer, 10 *kachcha* seer = one *dhadiya*, four *dhadiya* = one *kachcha mana* and 44-46 *seers* equalled one *doddamana*. The commodities like areca, sugar, cotton, silk, drug, etc. were transacted by these weights. The measuring instrument also called *seer* or *pakka seer* which was formed by mixing equal quantities of *navadhanya* equal to the weight of Rs 84 put in to a vessel that exactly contained it when heaped.

Buchanan who visited this area, has remarked that for almost every town and district weights and measures differed widely, the advantage of which was taken by the local cunning traders. At Kanakapura, he mentions "a man servant gets annually *ragi* of 4 *candagas* of 200 *seers* worth at an average of 28 *fanams*. For measuring length, the imperial standard i.e. yard was adopted here in 1894. Earlier, the land measure corresponded with the sowing capacity. The wide variation in weights and measures continued upto 1902 when the Mysore Weights and

Measures Regulation was passed in July 1902, and Rules thereunder in 1912. The above Act which was first made applicable to certain areas was amended in 1927 and was made applicable to the entire area in old Mysore. Accordingly Mysore seer measure and seer weight were prescribed as standard all over the State.

The standard weights as prescribed were: the 'seer' weight which was a mass of metal equal to the weight of Rs 24 (24 *tolas*) of British Indian Currency. *Arapavu* was equal to three *tolas* or $1/8$ *seer*, *pavu* was equal to six *tolas* or $1/4$ *seer*, *achcheru* was equal to 12 *tolas* or $1/2$ *seer*, *pancheru* was equal to 5 *seers* while *dhadiya* equalled to 10 *seer* and a *mana* was equal to 40 *seers*. In addition, there were units like *balla* equal to 4 *seers*, *kolaga* equal to 8 *seers*, and *palla* that tallied to 100 *seers* while *khandi* was equal to 20 *kolagas* (160 *seers*). In spite of these standard measures, there were different *kolagas* in vogue with varying capacities in the district.

The Industries and Commerce Committee of the Economic Conference made several recommendations for improving the system in 1915. Accordingly, in 1918, the activities of supplying, testing and stamping etc. of weights and measures was transferred to the Department of Industries and Commerce from the Revenue and Police Department. Even before the introduction of metric system of weights and measures, there was a great variation. If it were 210 *seers* per *khandi* in Bangalore, it was 200 in Channapatna, 180 in Mysore and 240 in Hassan for commodities like grain, pulses, seeds, etc.

INTRODUCTION OF METRIC SYSTEM

Based on the standards of Weights and Measures Act, 1956, (Central Act), The Karnataka Weights and Measures (Enforcement) Act was brought into force in the district in 1958 and Rules thereunder in 1959. In 1977, September, Standards of Weights and Measures (Packaged Commodities) Rules were also brought into force. Prior to the formation of Bangalore Rural district, the Assistant Controllers of Weights and Measures, Bangalore East Circle and West Circle were sharing the jurisdiction over the present Rural district. Now (since 1986), a separate Deputy Controller of Weights and Measures exercises jurisdiction over Bangalore Rural district with the offices of the Assistant Controller of Weights and Measures at Dodballapura and Ramanagaram opened in 1986. Since February 1989 the department has been renamed as the Department of Legal Metrology-cum-Consumer protection. The main functional activities of the department include verification and stamping of weighing and measuring instruments used in

trade and commerce, bullion trade, Government Departments, industrial establishments including petroleum industry, etc. and to enforce the provisions of the above Acts and Rules.

Under the Standards of Weights and Measures (Packaged Commodities) Rules 1977 (Central Act) which mainly aims to protect the interest of the consumers envisages that every manufacturer or packer of commodities have to print legibly, boldly and conspicuously certain mandatory declarations like name and address of a manufacturer or packer, net contents, maximum sale price, date of packing, etc. on every package sold and delivered to the consumers.

The number of weights, measures, weighing instruments and measuring instruments brought for annual verification of the department in Rural district were 39,837, 16,725, 8,548 and 15 respectively for: 1986-87. The respective figures for 1987-88 were accounted to be 37,722, 19,461, 9,473 and 46 respectively. The number of traders, industrial establishments and petrol pumps coming under the verification of the department in the district was 8,835, 153 and 21 respectively and of them, 4,249 traders, 128 industrial establishments and 12 petrol pumps were in Ramanagar Sub-Division and the rest were in Doddballapura Sub-Division.

The verification fees collected by the department during 1987-88 and in the previous year in Ramanagar Sub-Division was Rs 1.17 lakhs and Rs 1.25 lakhs respectively. In respect of Doddballapura Sub-Division, collections accounted to Rs 70,736 and Rs 76,587 for the above years respectively.

For contravening the provisions of Karnataka Weights and Measures Act and Rules, the number of cases booked by the department during 1987-88 in Doddballapura Sub-Division was 166 and of them, 114 were compounded and 15 ended in conviction. The total fine collected was Rs 8,395. The corresponding figures in respect of Ramanagar Sub-Division were 204, 135 and 67 respectively and fine levied was Rs 13,235. For violation of packaged commodities Rules 1977, the number of cases booked during 1987-88 were 51 and of them 25 were compounded and a single case was decided by the Court. The total fine levied was Rs 6,420. The number of cases convicted was two. The total income and expenditure of the department for the district for 1986-87 is reported as Rs 100.61 lakhs and Rs 80.41 lakhs respectively. The corresponding figures for 1987-88 accounted to Rs 107.86 lakhs and Rs 8.10 lakhs respectively.

WAREHOUSING

To suit the prevailing local conditions different methods of conserving foodgrains and other commodities specially by agriculturists are in vogue. In ancient times, temples used to have common warehouses known as *kanajas* for storage of foodgrains in villages when land revenue was to be collected in kind. At Nelamangala, there is a temple called Adike Anjaneya where areca was said to be stored when revenue was paid in kind. During the time of Tipu in addition to the central warehouse at Shrirangapattana he had opened small depots to store merchandise to facilitate state trading. The concept of public warehousing is a recent development which ensures the scientific storage of both foodgrains and other mercantile goods. The warehouse receipts also serve as not negotiable documents to avail credit so that the grower can wait till he is assured of better prices for his produce. During the First Five Year Plan period, on the basis of the recommendations of All India Rural Credit Survey Committee (1954), the public warehouses both by the Central and State warehousing corporations were opened under the Warehousing Corporation Act 1962. All warehouses in the district are managed by the Karnataka State Warehousing Corporation, Bangalore. Out of six warehouses managed by the Corporation in Bangalore district, three godowns which are situated at Dodballapura, Devanahalli and Channapatna (all opened in 1985) come under the purview of Rural district. These three warehouses were started by the Corporation under the programme of N.G.R.G. in order to meet the growing requirements of storage accommodation for foodgrains, fertilisers and other commodities. The storage capacity of these godowns is as follows: Channapatna (1,000 mts), Dodballapura (550 mts) and Devanahalli (200 mts). Foodgrains, pulses, oilseeds, fertilisers and other notified commodities offered by individuals, co-operatives and other institutions are accepted for storage. Karnataka Handloom Development Corporation Ltd., Bangalore, has availed the services of these godowns in the district to store its janatha products. The Corporation also does certain specialised services like distribution and sale of goods on behalf of the depositor, handling and transportation, disinfestation service at the door steps of farmers and co-operatives. The storage and service charges are the main sources of income to the Corporation. Rebate on storage charge is allowed in respect of *bonafide* agriculturists (50%), registered co-operative organisations (15%) and State Government departments and undertakings (10%) from 1-8-1987 in all warehouses.

The income and expenditure of the warehouses working at Dodballapura for 1986-87 were Rs 28,494 and Rs 48,067 respectively as against Rs 4,825 and Rs 26,752 for the previous year. In respect of

Devanahalli, if the income for 1985-86 and 1986-87 were accounted to Rs 2,311 and Rs 31,773 respectively, the expenditures were accounted to Rs 16,200 and Rs 32,633 respectively. The warehouse of Channapatna had earned Rs 4,626 and Rs 34,098 for 1985-86 and 1986-87 respectively, while the expenditure incurred was accounted to Rs 38,973 and Rs 81,726 respectively.

In addition to the above storage facilities, there are also 170 godowns with a total storage capacity of 26,550 mts under the control of the Department of Co-operation, managed by the Marketing and other Co-operatives in the district as in June 1988. The largest number of these godowns are found in Dodballapura tq (29) followed by Kanakapura (26) and Magadi (24).
