CHAPTER VI

BANKING, TRADE AND COMMERCE

Productive activities are mostly represented by agriculture and industry. Organised and unorganised banking and other credit agencies including the government agencies help production by assisting capital formation and its channelisation for various productive activities. At the same time, commerce in general removes the hindrances of place, person and time.

BANKING AND FINANCE

Before the advent of organised modern banking in the beginning of 19th century, as elsewhere in the country, in this district also, money lending was very common without any restriction practised by the affluent who had surplus funds. Absence of tangible security to the creditor lead to the practice of bonded labour system undergone by the debtor out of economic necessity, specially among the lower caste people. In the absence of stringent regulatory measures, creditor exploiting the debtor by dubious ways and usurious practices was very common till the beginning of the 20th century.

As elsewhere in Karnataka, here in this district also, during the ancient and medieval period indigenous banking was practised by the craft and trade guilds collectively and also by the temples which used to accept public deposits. The interest accrued on temple deposits were utilised for temple services. Generally, the traders of those days called Nanadesis, Ubhaya-nanadesis and Vaddavyavaharis had their guilds which engaged themselves in banking. Charging varied rates of interest based on the caste and the credit worthiness of the borrowers were not uncommon according to the customs and usages of the time. The purpose of borrowing and the security offered also influenced the rate. Similarly, interest on deposits also varied according to the purpose for which returns on investment were utilised, the charities carrying higher returns.

In course of time, the periodical famines and other socio- religious commitments forced small agriculturists and others to have a recourse with village money lenders. The prevalence of this tendency for a longer period and the predominance of money lenders in the rural economy had resulted in the oppression of small agriculturists, labourers and craftsmen. Even today, the rural segments of the urban district are predominated by small cultivators and about 26,113 own land less than one hectare in size and agriculture is mainly based on the vagaries of nature. In order to ease this grave situation, the intervention of the governmnet became inevitable.

With the advent of British rule in the state, several economic relief measures were extended to Princely Mysore viz. 1) Takavi Loans Act, 1876, 2) Deccan Peasants Relief Act, 1879, 3) Land Reforms Loan Act, 1883, 4) Peasants Loan Act, 1884 and 5) Mysore Land Improvement Loan Act, 1890, etc. However, the effects of these Acts were very much limited. In the Princely Mysore, under the Land Revenue Code, Amildars, Assistant Commissioners and Deputy Commissioners were empowered to sanction Takavi loans upto Rs.250, Rs.500 and Rs.1,000 respectively. The period of repayment of land improvement loans varied from 10 to 30 years based on the purpose of the loan. Another noteworthy relief measure extended by the Maharaja's Government in order to provide institutionalised cheap and easy credit, specially for small holders, was starting of Agricultural Banks as early as in 1894 all over the State, which served upto 1917.

The launching of Co-operative Movement in Mysore in 1905, and Government's active encouragement in promoting agricultural credit societies on large scale etc., further extended relief to the farmers by way of providing term loans for agriculturists on reasonable rates of interest.

Money lending at Bangalore

The existence of very rich money lenders in Bangalore during the 18th century when Haider could borrow huge sums from them is mentioned in the pages of history of the period. Haider had borrowed Rs. four lakhs from the bankers of Bangalore in 1760. After the fall of Tipu in 1799, there was a large scale inflow of professional money lenders from North and South; the Marwadis, Gujarathis, Jains and the Multhani Bankers from the North, and the Chettiyars and others from Tamilnadu became native money lenders in course of time. According to 1951 Census, of the total 6,257 immigrants to Bangalore for the purpose of trade and commerce, 109 from Tamilnadu, 314 from other parts of India and 46 from outside India had taken to money lending business in Bangalore in addition to local money lenders. The concentration of money lenders and pawn brokers in Bangalore from the early decades is mainly due to its growing commercial and industrial importance. By about 1861, in the Cantonment, good number of army officers and their widows were engaged in money lending. The extent of their money lending business was such that there was a demand from them to open a separate Small Causes Court mainly to settle money lending disputes. The "respectable ladies" found it inconvenient to attend existing courts meant for other 'commoners'. Accordingly, in

1863, a separate Small Causes Court was opened for Cantonment to try litigations below Rs.500. Bowring in his Eastern Experiences in 1872, while speaking of Bangalore says "The character of native bankers stands as high as that of any bankers in the world, breach of commercial honesty, as regards the due acceptance and payment of bills, being almost unknown among them". Winston Churchill who was in Bangalore in 1895 as an army officer remarks about the native money lenders of Bangalore Cantonment. The rate of interest charged by the Cantonment native money lenders was two percent per month and they made a quite good living out of it. He describes them as 'gentlemen' and found them most agreeable, "very fat, very urbane, quite honest and mercilessly rapacious. They hardly ever had a bad debt". " A Guide to Bangalore 1905" remarks that "The Sawcar is quite an institution in Bangalore and every Regiment has its own Sawcars, through whose hands very large sum of Govt. money passes. He is veritable, blood-sucker and soon amasses a fortune. Besides being a banker, he is a pawn broker. In St. Johns' Hill, Commercial Street, the Bazaars, Ulsoor, Shooley and nearby at all regimental lines they are to be found ever willing to accommodate on security or otherwise, the needy of all classes". The Book describes them as "Hindu Bankers and Sawcars".

Regulation of money lending

Once totally free from any regulations, the money lending profession later came to be controlled by the government from time to time by enacting series of legislations in order to prevent some usurious practices of money lenders. The Acts enacted were 1) Mysore Usurious Loans Act 1923, 2) Mysore Agriculturist Relief Act 1928, 3) Mysore Debt Conciliation Act 1937 and 4) Mysore Money Lenders Act 1939. The first Act empowered the courts to intervene when the interest charged by the creditor was excessive and the transactions between the parties were unfair. According to the second Act, in case of small farmers whose annual income did not exceed Rs. 1,000 their immoveable properties, which were not covered by mortgage for debt were exempted from sale and repayment of loan was permitted by the courts in instalments, normally upto eight years. This benefit first made applicable to Malnad taluks, was extended to other areas in the State in 1934. The third Act made a provision for establishment of Conciliation Boards for amicable settlement of agricultural debts. The Act of 1939 contemplated the money lenders to keep regular and proper accounts of their dealings. There was a provision to acknowledge the payments made by the debtor and issuing of statement of accounts with particulars showing balance. The interest rates fixed by the Act on secured and unsecured loans were 9 and 12 per cent simple interest respectively. 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

The Reorganisation of the State envisaged to have unified and more comprehensive Act made applicable to entire state. Accordingly, Karnataka Money Lenders Act 1961 and Karnataka Pawn Brokers Act 1961 were enacted and

brought into force from 1962 and 1966 respectively including Bangalore district. In order to ensure proper vigilance and control over money lending activities, a number of amendments have been made to these Acts. The present rate of lending by the money lenders is 18% on secured loans and 21% unsecured debt. The Assistant Registrar of Co-operative Societies under the control of Sub-division and the Deputy Registrar of Co-operative Societies at the district level enforce the above Acts in addition to Chit Funds Act 1982 and Chit Funds (Karnataka) Rules 1983. In addition to registered money lenders, money lending is being practised in the district within the close circles without any licence based on mutual confidence and trust on monthly interest basis varying from 2 to 5% per month with or without security. Organising monthly bid chits is very common. The number of registered money lenders and pawn brokers in the district which was 152 and 1820 respectively as at the end of 1984 had increased to 156 and 1,942 respectively by 1986. By the end of December 1989, the district had 8 individual money lenders 3,272 pawn brokers and 900 Finance Corporations.

Finance Corporations

These corporate finance bodies governed either by the provisions of Indian Partnership Act 1932 or under Co. Act 1956, play very significant role in tapping deposits and financing local trade and commerce. The *modus operandi* of lending activities of these semi-banking institutions are governed by the provisions of the Karnataka Money Lenders Act 1961. Generally, the rates of interest offered on deposits as well as those charged on lending by these organisations are higher than that of commercial banks, co-operative banks and public company deposits. Some of these corporations run chit schemes on commission basis. Some of the corporations registered outside the state have also opened their branches here in Bangalore. The enormous trading and commercial activities of Bangalore city has attracted many finance corporations. The number of finance corporations in Bangalore city by the end of 1984, 1985 and 1986 was 314, 460 and 481 as against 181 and 165 as at the end of 1981 and 1980 respectively. As in Dec. 1989, the city district had a pre-eminent number ie. 900 as against 2,332 finance corporations in the state (1987).

In recent years, Central and State Governments are attempting to mitigate the economic oppressions of poverty-stricken sections in the society through the different poverty alleviation programmes and projects, implemented through commercial banks, D.C.C. banks and R.R. Bs. as a part of national policy and programmes.

D.I.R. Scheme: Differential Interest Rate Scheme (1973) is one of the lending schemes of the banks under anti-poverty programme to the specified weaker sections including SCs. and STs. Under this scheme, both public sector and private sector banks including RRBs. are expected to lend for productive purposes to the identified beneficiaries at 4 % interest. The annual income limits of beneficiaries under this scheme should not exceed Rs. 6,400 in urban and semi-urban centres and Rs.7,200 in metropolitan towns. The total amount of advances under D.I.R. in

the district as at the end of December 1987 and 1988 were accounted to Rs.328 and 401 lakhs respectively.

Advances under 20 Point Programme: Advances by public sector banks for various poverty alleviation schemes coming under 20 Point Economic Programme include such advances like better use of irrigation water, bigger harvest, health for all, justice to the SCs. and STs., equality for women and improvement of slums, etc. The advances of commercial banks in the district under the above programme as in December 1987 and 1988 were accounted to Rs. 1,594 and 2,534 lakhs respectively.

Karnataka Debt Relief Act 1976

This act mainly aimed at relieving those debtors of weaker sections from the clutches of money lenders whose annual income did not exceed Rs. 2,400 (now Rs. 4,800). According to the provisions of the Act, the debt including interest outstanding in respect of the above categories of debtors are not to be recovered and all decrees obtained by the creditors are declared as annulled and goods pledged as security are returnable. However, the debts of the governments, co-operatives and companies do not come under the perview of this Act. Since inception of the scheme upto the end of March 1989, the total number of applications received seeking relief in the district were *2,617* involving an amount of Rs. *27.84* lakhs, the highest number of applications being 1,273 from Anekal tq. involving an amount of Rs.1.13 lakhs. The highest amount of debt relief sought was from Bangalore North tq. involving an amount of Rs. 25.84 lakhs with1,264 applicants. The least number (80) was from Bangalore South involving an amount of Rs. 86,500. The total number of cases disposed off with relief is reported as 1,348 involving an amount of Rs. 19.95 lakhs. The number of SC/ST beneficiaries was 309 and the amount of relief secured was Rs. 4.71 lakhs.

Abolition of Bonded Labour

Karnataka is one of the 12 states in the country reporting the existence of the practice of bonded labour system. This Central legislation of 1976 contemplates the abolishing of the age-old evil practice of bonded labour, much evident in the district not only among the agricultural labourers of lower castes but also in other castes like Vokkaligas, Thigalas, and others in the district engaged in stone cutting, mines and the like. According to the Act, the indebted bonded labourers were deemed to have been freed from the bondage from the date of enforcement of the Act, and the debts payable to the creditors together with interest were deemed to have been discharged. Both the Central and State Governments have launched several rehabilitation measures under the Tribal Sub-Plan and Special Component Plan by forming co-operatives for the welfare of released labourers. In order to accelerate the rehabilitation programmes, the Central Government is contributing 50% of the finnancial assistance from 1979-80. The relief is extended by means of providing income generating assets, like milch animals, goats, sheep, bullock- carts, etc. worth Rs. 6,250 (from 1.2.1986) as against Rs.4,000 in the beginning. Loans are

also being granted to released bonded labourers under D.I.R. scheme. The work of identification and rehabilitation of labourers is implemented through Mandal Panchayats and Zilla Parishads. At present, Bangalore is one of the six districts in the state, where rehabilitation programme is to be streamlined.

The practicing of bonded labour and making advances with an intention to make a person a bonded labourer is declared as cognisable offence resulting into a fine of Rs. 2,000 and imprisonment for three years. Since the inception of the scheme upto the end of March 1989, the number of bonded labourers released and rehabilitated in the district was 2,887 and 2,593 respectively. Of the released, 2,193 were reported as belonging to SC and 216 to ST communities. The volume of Central assistance released for the rehabilitation of bonded labourers upto the end of March 1989 was Rs. 129.93 lakhs and the amount expended by the State Govt. for rehabilitation measures amounted to Rs. 121.19 lakhs upto the end of March 1989 as reported by the DRDS., Bangalore.

Rural Indebtedness

In the absence of comprehensive socio-economic survey exclusively meant for urban district, the broad trends of macro-level study indicated for rural district based on the socio-economic survey of three villages viz. Chakrabhavi (Magadi tq), Iggalur (Channapatna tq) and Aralumallige (Dodaballapur tq), by and large hold good for the rural segments of urban district also. This survey was undertaken in 1961 as a part of Census Operations. The common features found in the macro-level survey was that indebtedness generally increased directly in proportion to the increase in the average monthly income of the households. This was probably due to better credit-worthyness of the higher income group who had easy recourse with village money lenders. Out of the total debts, the share of the land owning class was the highest. Regarding the sources of credit supply, village money lenders, mostly without licence had predominance in general over institutional finance. Now, during the course of these three decades, the situations have changed to a greater extent due to network of banks and co-operatives which channelise the required farm credit and inputs with special emphasis on rural poverty. The study has identified the wide variations in the lending rates in the district probably by the unregistered village money lenders. In Dodaballapur area (Aralumallige) it was 12 to 18% on small unsecured amount, while it was from 10 to 12% on the security of landed property. In Channapatna area (Iggalur) lending rates varied from 12% to 75%. Small amounts were advanced only at 75% of interest to be paid every month. In Magadi area, lending rates varied from 12 to 30% per year.

Regarding the purposes of utilisation of loan, it was found that generally more than 50% was expended for non-productive purposes. About the habit of savings, the survey has remarked that "The habit of savings is conspicuous by its absence not because that none can afford to save anything but because the virtue of thrift is not inculcated in the minds of villagers".

In addition to money lending, lending of food-grains, seeds on barter, usually getting double the quantity lent was very common in the rural areas of the district. Most of the rural segments of Bangalore urban district being within the close proximity of urban influence associated with improved infrastructural facilities like banking, marketing, transportation etc., they are economically better off than the rural segments elsewhere in the state.

COMMERCIAL BANKS

The history of modern commercial banking of Karnataka in general and Bangalore city in particular can be traced back to 1863-64 when modern banking practice had just begun elsewhere in the country by promoting joint stock companies. The period of Commissioner's rule (1831-1881) was of great significance in the annals of history of princely Mysore which ushered in an era of modernisation by evolving the British system of administration in the state in all spheres including banking, trade, commerce, industry, etc. The shifting of the state secretariat to Bangalore in 1831 and the establishment of Bangalore Cantonment in 1809 accelerated the commercial and industrial growth of Bangalore. These in turn provided the needed infrastructure for the rapid growth of banking industry in and around Bangalore. The cotton boom of the 1860s and the introduction of limited liability principles in company business from 1857 onwards gave a stimulus for the coming up of new joint stock companies, which combined both banking and trading.

As per the available records, the first commercial bank branch to be opened at Bangalore was the branch of Madras Presidency Bank (1843) on 1st July 1864. In 1868, the branch was shifted to the present site of S.B.I. Regional Office, St. Marks Road, Bangalore. Earlier to this, in 1863, the Bombay Presidency Bank (1840) had opened its branch at Dharwad to promote cotton trade of the place, is said to be the first commercial bank branch established in Karnataka. The earliest native joint stock banks to be registered in Bangalore were Bangalore Bank Ltd. and Mysore Bank Corporation Ltd. both registered in 1868 with a share capital of Rs. 7 Lakhs and Rs. 2 lakhs respectively, followed by two more banks in the next year ie. in 1869 viz. Hindu Dravya Shekhara Nidhi and Karnatic Bank Ltd. with a capital of Rs. 50,000 and Rs. 1.50 lakhs respectively. During the period of two decades (1868 to 1889) the then Bangalore city alone including the Cantonment area witnessed the growth of nearly 32 banking companies with fascinating names associated with religion, caste, personality, cult, etc. The Cantonment area alone had about six banking companies and of them five were functioning at Ulsur with different names during 1868 to 1875. In addition to financing trading and commercial activities, there were some banks financing social commitments like marriages, etc. The Bangalore Taluk Krishnarajapura Sri Kodandaramaswami Prerepita Paraspara Dhana Sahaya Lokamanoranjini Co. Ltd., founded in August 1889 which had a paid-up capital of Rs. 16,860 was one such banking and loan joint stock company which ceased to function by 1895. In the absence of any apex agency to

regulate banking activities and also due to weak capital base and deep involvement in speculative activities, many of these banks found it difficult to survive for a longer period. The list of Banking Companies at work as in 1876 in Bangalore district with their date of registration is given below.

Sl. No.	Name	Year of regis-tration	Amount of capital (Rs.)
1)	Bangalore Bank	1868	7,00,000
2)	Mysore Bank Corporation	1868	2,00,000
3)	Hindu Dravya Shekhara Nidhi	1869	50,000
4)	Karnatic Bank	1869	1,50,000
5)	Hindu Bank	1870	2,00,000
6)	Maharashtra Bank	1871	50,000
7)	Town Bank	1871	50,000
8)	Pete Merchants' Bank	1872	3,00,000
9)	Dhanabhivridhi Bank	1872	25,000
10)	Beli Bank	1872	20,000
11)	Alsur Bank	1873	50,000
12)	Commercial Bank	1873	50,000
13)	Kalyanapuri Bank	1873	1,00,000
14)	Muraharaswami Bank	1874	20,000
15)	Alsur Janopakara Bank	1874	20,000
16)	United Native Bank	1874	50,000
17)	Lakshmi Vilasa Bank	1875	50,000
18)	Alsur Hindu Fund	1875	20,000
19)	Alsur Hindu Dravya Poshini Sangham	1875	40,000
20)	Cantonment Cavalry Road Savings Bank	1875	50,000
21)	Provincial Bank	1875	1,00,000
22)	Dodpete Rajadhani Bank	1875	20,000
23)	Cantonment General Bank	1875	50,000
24)	Krishnarajendra Bank	1876	2,000

The Bangalore Nagartapetta Dravyopakaranidhi, Ltd. registered in 1889 with a paid-up capital of Rs. 4,926 ceased to function by 1895. During the course of two decades ie. 1876-1895, there were a large-scale failures of banks. Consequence of it only the following eight had survived in Bangalore city by 1894-95. Petta Merchants' Bank, Ltd. (Rs. 55,850), Doddapete Rajadhani Bank Ltd. (Rs. 10,833), Srinivasa Nidhi Ltd. (188[illegible] (Rs. 5,715), Doddapete Sri Sundara Minakshamman Nidhi Ltd. (1887) (Rs. 2[illegible],025), Dravya Sahaya Nidhi Ltd. (1889) (Rs. 4,212), Varasiddi Vinayaka Pre[illegible] Annyonya Dravya Sahaya Co. Ltd. (1889) (Rs. 115). Manoranjini Bank Ltd. (1[illegible]90) (Rs.47,012), and Suryanarayana Nidhi Ltd. (1892) (Rs. 526). (Brackets indic[illegible] year of registration and paidup capital).

During the period of five decades (1890-1949), about 12 banking companies were founded in Bangalore city but all did not survive upto 1949 when the first unified and comprehensive Banking Companies Regulation Act was passed in order to regulate and strengthen banking activities in the country. However, the Bangalore Union Bank Ltd. founded in 1890 had the longest service of 50 years before its liquidation in 1940. Some of the pre-1949 banking companies founded in Bangalore other than those mentioned above were Bank of Mysore Ltd. (1913), Manikavelu Banking Corporation (1920; defunct), Mysore Industrial Bank Ltd. (1920), Devanga Bank Ltd. (1926; amalgamated with Vijaya Bank in 1963), The Mysore Oriental Bank Ltd. (1926), Vysya Bank Ltd. (1930), Sriman Madhwa Sidhanta Abhivridhikarini Bank Ltd. (1930; defunct), Kaniyara Bank Ltd. (functioned between 1933-1939), Nataraj Bank Ltd. (1933; defunct), Century Bank Ltd. (1934; defunct), Provincial Bank of India Ltd. (functioned between 1936 and 1941), Bangalore Commercial Bank Ltd., (between 1936 and 1941), Associated Investment and Loan Syndicate Ltd. (1936), India's Ideal Banking Corporation Ltd (1942-defunct) and the Mysore Standard Bank Ltd. (1944) (went into liquidation in 1955). The only surviving banks of pre-Independence today are the present State Bank of Mysore (1913) and the Vysya Bank Ltd. (1930).

State Bank of Mysore: The establishment of present S.B.M. incorporated under Mysore Companies Act 1895 (then called the Bank of Mysore Ltd.) with financial participation by the Maharaja's Government in the form of share capital and deposits and meeting managerial expenses partly in the initial years and other concessions, helped much for the growth of banking in princely Mysore before other banking companies entered into the banking map of princely State. S.B.M. continued to work as the agent of R.B.I. in princely Mysore prior to the establishment of State Bank of India in 1955. In 1957, State Bank of Mysore was considered as the biggest bank in old Mysore. The first branch of the S.B.M. to be opened was the Lady Curzon Road branch in 1922 followed by the Fort branch in 1937. In 1989, it has in all 67 branches in the new district and of them 54 branches are in Bangalore metropolitan area. The aggregate deposits and total advances of the bank in this district as at the end of Sept. 1989 amounted to Rs. 392.28 and 251.06 crores respectively. The D.I.R. advances and advances under 20 point economic programme amounted Rs. 3.55 and 3.35 crores respectively. The bank has adopted 144 villages in the district for their all-round development. As in 1989 it has a staff strength of 2,728 in the district.

In course of time, many more banking companies with Karnataka base and outside also entered into the banking business of the district mainly because of the growing importance of the city's trade and commerce and concentration of industries. The Central Bank of India Ltd. (1911) seems to be the first banking company originating outside the state to have branches in Bangalore as early as in 1939. The Imperial Bank of India (1920) had opened a pay office in 1936 in Bangalore city under the control of its Cantonment branch, which later became a

regular branch of Imperial Bank of India in 1943. Among the Dakshina Kannada based institutions, Syndicate Bank was the first to open its Bangalore branch in 1933.

In 1939-40, there were 53 Joint Stock Companies engaged in banking business in the state and a large number of them were located in Bangalore. Besides these, there were a few such companies established outside Mysore State and doing business in Bangalore. Owing to the keen competition among these companies, the cost of banking service was being continuously lowered, particularly as regards auxiliary services like the collection of bills and issue of drafts. General reduction of rates of both interest and discount was prevalent and this had greatly helped the mercantile community to engage in every kind of trade.

By 1952, the Bangalore city had in all 36 branches of commercial banks operated by 20 banking companies including one foreign bank, ie. National Bank of India Ltd. (1862) London (the present Grindlays Bank) which had opened its branch office here in 1951. Of the 20 banking companies, six were Bangalore-based banks, viz. the State Bank of Mysore, Devanga Bank, Manikavelu Bank, Mysore Standard Bank, S.M.S.A. Bank and the Vysya bank. The Banking Companies operating branches here with their base outside Karnataka were the Central Bank of India, Hindu Bank of Karur, Imperial Bank of India, Indian Bank, Palai Central Bank, Punjab National Bank, Salem Bank, Travancore Bank and the United Commercial Bank. The Canara Bank, Syndicate Bank, Corporation Bank and Karnataka Bank, all originating from Dakshin Kannada, had also opened their branches by this time in Bangalore.

Among the 20 banking companies operating in Bangalore in 1952, the State Bank of Mysore had a big share of five branches-three in city and two in civil area, followed by Canara Bank and Punjab National Bank with three branches each, while Syndicate Bank, Central Bank of India, Imperial Bank, Indian Bank and Salem Bank had two branches each and the remaining banking companies had a single branch each.

In 1953, Bangalore office of the Reserve Bank of India was opened in order to function mainly as Bankers' Bank and Bankers to the government and also to manage the issue of notes and coins. The staff strength of Reserve Bank of India, Bangalore was reported as 1,696 as in December 1988.

After the Reorganisation of the State in 1956, and Bangalore being continued as State Capital and its accelerated growth as metropolitan town, attracted many leading commercial banks of other State to have branches here. By 1958 March, the number of branches operating in Bangalore city increased to 45 which further increased to 65 by March 1962.

The establishment of Bangalore Stock Exchange in 1963 further provided the needed basic infra-structure for fostering the growth of banking industry at Bangalore by providing the needed primary and secondary market for shares and debentures of public companies. The share market boom in the 1980s helped the

many bank branches in Bangalore to establish firmly their specialised services like merchant banking, under-writing, etc.

The nationalisation of 14 major commercial banks in 1969 (and another six in 1980), followed by the liberal policy adopted by the Reserve Bank of India in order to have geographical expansion of branches with special emphasis on bringing rural and semi- urban areas under the orbit of banking, gave an impetus to have a network of branches in the rural segments and outgrowths of Bangalore city. The period of post-nationalisation decade, specially till 1985, saw rapid growth of commercial banks in and around Bangalore, mainly to cater to the needs of small scale and other industries, artisans and others situated in Bangalore urban agglomeration limits. By the end of June 1972, there were about 150 commercial bank branches within the corporation limits of Bangalore as against 113 on the eve of nationalisation (19th July 1969). Table given below indicates the growth of banking activities in undivided Bangalore district from 1966 to 1972.

Amount in crores of rupees

Year end of December	Aggregate deposits	Advances	No. of branches
1966	72.14	60.37	109
1967	73.00	68.77	113
1968	82.31	77.47	125
1969	100.84	89.60	150
1970	119.74	117.11	182
1971 (June)	125.03	120.24	192
1972 (June)	146.39	172.95	222

During the period of 8 years from 1968 to 1976, the growth of branches of commercial banks in Bangalore city was more than three time ie. 105 offices in 1968, to 328 in 1976. By 1973, Bangalore was placed sixth among the 50 top metropolitan towns recognised on the basis of number of branches, advances and deposits, others being Bombay, Calcutta, Delhi, Madras and Ahmedabad. Bangalore continues to hold the same position even today. The number of branches of commercial banks in Bangalore city increased from 124 in December 1969 to 208 in June 1973. The deposits and advances also increased from Rs. 97.57 and 84.02 crores (1969) to Rs. 148.10 and 172.35 crores (1973) respectively during the above period. In 1974-75, the city district had 295 branches and of them, 260 were within the corporation limits, while the revenue jurisdictions of Bangalore north tq, Bangalore south tq and Anekal tq had 16, 13 and 6 branches respectively which reveals heavy concentration of banking activities in Bangalore city proper. By the end of 1981, the undivided Bangalore district had the largest number of branches in the state ie. 538 followed by Dakshina Kannada with 373. The population served

per branch office was reported as 9,000 for Bangalore district as against 13,000 for the state.

As in other state metropolitan centres, here in Karnataka too, banking is very much concentrated in Bangalore city because of its localisation of public sector, basic and key industries and of late Bangalore is emerging as a strong base for electronic industries in the country. Now, Bangalore has emerged as one of the main centres for foreign exchange related activity in the country. The per *capita* deposits in Bangalore district in 1981 was highest (Rs.1,582) followed by Dakshina Kannada (Rs. 1,084) which was much higher than all-India average of Rs.557 and the state average of Rs. 523. Regarding the deployment of credit, Bangalore district had the highest per branch credit (Rs. 128 lakhs) followed by Shimoga (Rs. 44 lakhs) as in 1981. The establishment of Kalpatharu Grameena Bank in 1982 accelerated the growth of banking in the district specially in rural segments.

During the period of two years (1983-1985), Grameena bank was able to open as many as 12 branches in the rural segments of the district (Bangalore north, Bangalore south and Anekal taluks) which contributed in large measure specially in catering to the credit requirements of small and marginal farmers, whose number predominates among the agriculturists of the district. Opening of R.R.B. branches in the rural pockets of the district and their lending policy with special emphasis on priority sectors and anti-poverty programmes, etc. have tried to reduce the lopsided banking development and also eased the pressure on commercial banks for agricultural finance.

Though the Bangalore Metropolitan limit has attained more than optimum size of growth in banking, still there is a scope to open new branches in the areas being adjacent to metropolitan city because of influx of small scale and cottage industries in large number and the area has been equipped with necessary infrastructural facilities.

As at the end of December 1988, the total number of branches of commercial banks in the city district was about 615 administered by 50 banking companies of both public and private sector together, with a major share of about 545 branches being within the metropolitan limits and about 70 branches in rural segments of the district. After taking into account of 12 branches of Kalpatharu Grameena bank, the total number of branches would come to about 627, of which, 82 fall under rural segments. Even in rural segments, uneven distribution of branches can be found because of the development strategy. More concentration of branches is found in Bangalore South followed by Bangalore North and Anekal taluks.

As reported by the R.B.I., the aggregate deposits held by the commercial bank branches working within the metropolitan limits of Bangalore as at the end of June 1989 and Dec. 1988 ammounted to Rs. 2,784.15 and 2,597.24 crores respectively as against Rs. 2,154.63 and 1,935.03 crores as in Dec. 1987 and a year before respectively. The number of reporting branches in June 1989 were 539 as against 530, 511

and 510 in Dec. 1988, 1987 and 1986 respectively. The advances made as in June 1989 and Dec. 1988 is reported as Rs. 2,927.33 and 2,803.52 crores respectively. The corresponding figures of advances as in Dec. 1987 and 1986 amounted to Rs. 2,231.48 and 1,783.37 crores respectively.

Bangalore is the administrative headquarters of leading banks like Canara, Vijaya, State Bank of Mysore and the Vysya Bank in addition to housing Zonal or Regional office of many other banks. The bank-wise distribution of branches of commercial banks in the present Bangalore district and Bangalore Metropolitan city as in December 1989 is as follows: (Plus number indicates the number of branches other than Metropolitan category). The State Bank of Mysore 54 + 13, State Bank of India 63 + 8, Syndicate Bank 45 + 6, Canara Bank 73 + 11, Vijaya Bank 41 + 11, Karnataka Bank Ltd. 23 + 1, Corporation Bank 19 + 1, Central Bank of India 19 + 3, Indian Bank 19 + 1, Vysya Bank 17 + 3, Bank of India 14 + 3, Indian Overseas Bank 13, United Commercial Bank 12 + 2, Union Bank of India 12 + 2, Bank of Baroda 11 + 1, Punjab National Bank 10 + 1, Bank of Maharashtra 9 + 1, Dena Bank 8 + 2, Andhra Bank 8, South Indian Bank Ltd. 7, State Bank of Hyderabad 5, Bank of Madurai Ltd. 5, Lakshmi Vilas Bank Ltd. 5, State Bank of Travancore 5, Karur Vysya Bank Ltd. 5, Allahabad Bank 3, United Bank of India 3, State Bank of Bikaner and Jaipur 3, Bank of Thanjavur Ltd. 3, New Bank of India 3, Federal Bank Ltd. 3, Sangli Bank Ltd. 2, Tamil Nadu Mercantile Bank Ltd. 2, Punjab and Sind Bank 2, State Bank of Patiala 2, Dhanalakshmi Bank Ltd. 2, Catholic Syrian Bank Ltd. 2, Nedungadi Bank Ltd. 2, and a branch of each of the following banks: The Rathnakar Bank Ltd., United Western Bank Ltd., United Industrial Bank Ltd., Bank of Rajasthan Ltd., Bharat Overseas Bank Ltd., Bank of Tamilnadu Ltd., City Union Bank Ltd., Oriental Bank of Commerce Ltd., State Bank of Saurashtra, Jammu and Kashmir Bank Ltd., Bank of Cochin Ltd. and the Grindlays Bank Ltd. (These are the latest figures compiled by the Gazetteer Dept. in Jan. 1990).

Lead Bank Scheme

The lead bank scheme ushered in 1969 contemplates for several remedial steps in order to correct the regional imbalances noticed in respect of availability of banking services from time to time, with an area approach *ie.* District as a unit. The scheme ensures in bridging the credit gaps among the various sectors of development through the active participation of banking and other financial institutions including the government agencies working in the district. The lead bank so appointed will monitor and co-ordinate these lending operations. The Canara Bank which is the lead bank for the Bangalore Rural district functions as the lead bank for the rural segments of this urban district. In order to make 'area approach' scheme more meaningful and result oriented, a village wise service area approach at the grass-root level was adopted in the district in March 1989 and accordingly

banks operating in rural segments of the district (excluding the metropolitan branches) have submitted their plans of action to the lead bank. The annual action plans for the district for 1987 and 1988 were prepared for Rs. 18.09 and 19.84 crores respectively and the achievements were accounted to Rs. 26.16 and 44.74 crores respectively. The sector-wise performance in December 1988 was as follows: Agriculture Rs. 7.94 crores (8.30 crores), small scale industries Rs. 33.56 crores (8.50 crores) and tertiary sector Rs.3.33 crores (3.04 crores). The figures in the brackets indicate the targets fixed for the year. According to the lead bank report, the performance of commercial banks at the end of December 1988 was 95.26 %. Under the service area plan for 1989-90, the total allocation of credit for the rural segments of the district ie. comprising of the taluks like Anekal, Bangalore North and South was Rs. 38.36 crores encompassing 32,805 accounts spread over to 98 branches of different banks (19) and of the total credit Rs. 29.43 crores will be in the form of term loan and the rest *ie.* Rs. 8.93 crores as working capital loan. The talukwise distribution of credit will be Rs. 14.97 crores for Bangalore North, Rs. 12.01 crores for Bangalore South and Rs. 11.35 Crores for Anekal.

Kalpatharu Grameena Bank

This is the sixth R.R.B. organised in the state, sponsored by State Bank of Mysore in 1982 under the R.R.B. Act 1976. The bank with Tumkur as head-quarters covers three districts as its area of operation *viz.* Tumkur, Bangalore Rural and Bangalore Urban. While lending, much emphasis is laid in catering to the credit requirements of small and marginal farmers, agricultural labourers and other categories coming under New 20 Point Economic Programme and anti-poverty programmes. During 1983 to 1985, the bank has opened 12 branches in the district, covering four branches each in Bangalore North, South and Anekal taluks. The first two branches opened in the district were at Rajanakunte (Bangalore North) and Bellandur (Bangalore South) on 1st June 1983. The total deposits mobilised and advances made by the bank in the district by the end of December 1987 accounted to Rs. 145.01 lakhs and Rs. 163.02 lakhs as against Rs. 106.24 lakhs and Rs. 112.41 lakhs in the previous year. While the deposits accretion and deployment of credit during 1988-89 were reckoned at Rs. 189.17 lakhs and Rs. 253.39 Lakhs with C.D. ratio of 74.66%. The advances made by the bank under priority sector for 1988-89 covering both urban and rural districts accounted to Rs. 1,349.43 lakhs as against Rs. 1,063.25 lakhs and Rs. 857.10 lakhs by the end of 1987 and 1986 respectively. The credit deployed by the bank under the Loan Mela during 1987 held at Bangalore amounted to Rs. 41.95 lakhs covering 1,798 accounts. The bank has a credit of being pioneer in popularising 3 cmt size biogas plant most suited for Indian rural household as recommended by the National Commission on Biogas and has also introduced students savings schemes through its branches to encourage thrift among rural children.

NABARD

The Regional office of the National Bank for Agriculture and Rural Development, Bombay, was opened at Bangalore in 1982 extending the jurisdiction all over Karnataka. The main functional activities of the bank include providing refinance and credit limits against bank loans disbursed by commercial banks, RRBs., Co-operative Banks for the activities like agriculture and rural development including Government programmes like IRDP, SFPP, NDPP, MNPA, Anthyodaya, etc. The bank also conducts statutory inspection of RRBs, DCC banks in addition to Monitoring and evaluation of studies on agriculture and other allied activities.

INSURANCE

Karnataka Government Insurance Department

The present Karnataka Government Insurance Department (originally founded in 1891 as the official Insurance Branch of the Maharaja's Government) is also engaged in the insurance business in the district both in life, and vehicles confined only to State Government Servants, including State Government undertakings and organisations. Consequent on the reorganisation and decentralisation of the department in 1976, a separate District Insurance Office was opened for Bangalore Urban district. The Department also administers the Family Benefit Fund Scheme (since 1977) covering the employees of municipalities, local boards and aided educational institutions. During 1987-88, the district office had issued 32,849 insurance policies assuring a sum of Rs. 4971.75 lakhs, yielding an annual premium of Rs. 487.89 lakhs. As in 1989, the total number of Government employees covered under the insurance scheme by the district office is reported as 64,987.

Postal Insurance: In addition to Life Insurance Corporation and Karnataka Government Insurance Departmet, there is also a scheme called Postal Life Insurance initiated in 1883 for the benefit of Post and Telegraph employees and now it also covers employees of the State and the Central Government employees including public undertakings, etc., in respect of which separate district figures are not available.

Life Insurance Business

It was the Government in Princely Mysore State which had taken initiative in extending life insurance benefit to its employees of subordinate public services as early as in 1891 through the department known as Official Insurance Branch. In 1916, insurance benefit was extended to non-official permanent residents of Mysore State only, administered by the department of Public Branch Insurance. This continued to operate till it was taken over by L.I.C and the Official Insurance Branch was reconstituted as Karnataka Government Insurance Department.

In addition to the above schemes, government had also sanctioned Family Pension Scheme (1911), and State Provident Fund (1915) for the benefit of public servants. In addition to above Government Insurance Departments, there were other registered joint stock public companies engaged in insurance business in life

and marine etc., operating from Bangalore *viz.* the Mysore Insurance Co. Ltd., Bangalore (1933), Reliance Assurance Co. Ltd., Bangalore (1923), Karnataka and All India Assurance Co. Ltd., Bangalore (1923), Asiatic Government Security Life and the General Assurance Co. Ltd., Bangalore (1913) (earlier started at Mysore as Mysore Government Security Life and Marriage Assurance Co. in 1913). In addition to the above Bangalore based companies, there were the branches of other insurance companies in Bangalore which originated outside the state *viz.* the Bharat Insurance Co., Lahore (1896), General Assurance Society, Ajmere (1919) and the Great Eastern Life Assurance Co. Ltd., Singapore (1924). There were also two Provident Insurance companies operating from Bangalore *viz.* the Mysore Provident Insurance Co., Ltd. (1939) and Bangalore Provident Insurance Corporation Ltd. (1939). All these companies were nationalised in 1956 and thereafter considerable expansion and development has taken place in the insurance business of the district both in life insurance and general insurance due to increasing insurance consciousness in the general public both in rural and urban areas and increasing risks of various types associated with business.

L.I.C. OF INDIA

Prior to the nationalisation of Life Insurance business in India in January 1956, there were seven Insurance Companies in the State with their head offices and branches in big towns engaged in the business. Later, in September 1956, Life Insurance Corporation of India was established. The insurance business of all the amalgamated insurance corporations in the state were then managed by two Divisional offices, one at Bangalore and the other at Udupi. Later in 1970, a new Division at Dharwad was established. At present, Bangalore Division of L.I.C. comprises of four Revenue Districts viz., Bangalore (City), Bangalore Rural, Tumkur and Kolar.

At present (1990) City District has as many as 19 branch offices and of these, the City Branch and Civil Station branch, both opened in 1956 are the earliest followed by branches at Malleswaram and the Residency road in 1957. The branches at White Field and the N.R. Square also cover the business of the rural segments of the District covering the taluks like Hoskote and Anekal respectively.

The table given below indicates progress of L.I.C business in the District during the last three years.

(Amount in crores)

	1986-87	1987-88	1988-89
No. of policies in force	6,72,614	7,08,949	7,57,803
New business completed	58,213	69,462	78,443
Sum Assured	150.90	196.66	246.58
Premium income	39.56	47.89	56.41
No. of agents	3,540	3,919	4,834
No. of Development officers	123	133	162

Ashakiran ('Ray of Hope')

This is one of the social-security-oriented welfare measures of the State Government introduced in the state from September 1982, covered under the group personal accident insurance for the benefit of un-organised labourers covering as many as 30 distinct categories of labourers covering both rural and urban. The unorganised labourers coming within the purview of the Act are agricultural labourers, fishermen, beedi and cigar workers, toddy tappers, bakers, tailors, rickshaw pullers, handcart pullers, rural craftsmen and others whose family's annual income does not exceed Rs. 7,200 (the earlier income limit was Rs. 5,000). The age limit of a worker for eligibility under the scheme has been raised to 60 years now as against the earlier limit of 55 years so as to extend the benefit to larger sections of unorganised labourers.

The accidents covered under the scheme are rail or road, those caused by snake bite, attack by wild animals, fall from tree, electrocution and radiation, etc. The compensation is not payable in case of death arising or resulting from breach of any law with criminal intent and also for those who are entitled to receive compensation or relief from other agencies or schemes like E.S.I., motor vehicle accident claim, 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 loss of one limb or one eye (since 1.1.1985). Since inception of the scheme till the end of December 1988, the number of cases reported from urban district were 43, the break-up being 33 from Bangalore North taluk and five cases each from Bangalore South and Anekal taluks. The taluk-wise compensation paid was Rs. 78,000, Rs. 16,000 and Rs. 10,000 respectively.

Central Scheme: A similar Central Scheme called as Personal Accident Insurance Social Security Scheme (PAISSS) was introduced by the Central Government from 15.8.85 covering 10 districts only and later the scheme was modified and extended to remaining 10 districts including Bangalore Urban from 15th August 1988. The object of the scheme is to cover the risk of death by accident in respect of earning members of poor families not covered for compensation under any insurance scheme or any law/statute. Under this scheme, a sum of Rs. 3,000 will be paid to the dependents of the deceased who dies as a result of accident. Since the introduction of Central Scheme in the state, the liability of the State Government under Ashakiran in case of death will be limited to Rs. 2,000 in each case because Rs. 3,000 is met by the Central Government under PAISSS. Regarding the claims for compensation due to loss of limbs etc. due to accident will however be settled under Ashakiran Scheme. The introduction of Central Scheme in 1988 has also introduced certain relaxations in the scheme so as to extend the benefit to a larger weaker sections of the society.

Insurance for Huts

This Central scheme of insurance introduced from 1.5.1988 mainly aims in providing material relief to the poor village families in case of loss or damage to huts caused by fire. The compensation is payable to the poorest families like small

and marginal farmers, landless labourers and others whose families' annual income does not exceed Rs. 4,800. The relief extended is Rs. 1,000 for loss of hut and another Rs. 500 for loss of goods destroyed in fire excluding those of animals like sheep, goats, chicken, etc. This benefit is not extended for such damages caused due to war, attack by enemies, rioting, theft, strike and fire caused with bad intention, and demolition of huts by the government, etc. The premium under the scheme is paid by the Central Government. The compensation can be claimed within 45 days after registering the cases to the nearest police station or head of the village. In case where compensation payable by the State Government exceeds Rs. 1,500, the scheme is not applicable. Since the benefit under the scheme is confined to rural areas as declared by the State Government, the scheme is not applicable to the urban huts mostly found in slums at present.

Savings Banks

In order to mobilise small savings of the people by inculcating the habit of thrift, the Mysore Government had started its own Savings Banks as early as in 1870, attached to all taluk and district treasuries as well as in the State Huzur Treasury, Bangalore. The minimum amount of deposit acceptable was four annas. By 1873, the provisions of the Government of India Savings Bank Act (1873) were made applicable to Mysore State. Later in April 1882, Post Office Savings Banks were opened in all existing Post Offices to mop up rural savings extensively. Later in 1886, district banks were closed and amalgamated with Post Office Savings Banks. In 1897, the rate of interest on Savings Bank deposits was three and one-eighth per cent.

Feeder Banks (Village Savings Banks)

In order to mobilise small deposits from those villages with more than 300 population without the facility of co-operative society or bank, village savings banks were opened on an experimental basis in selected five districts in December 1915, under the scheme mooted by J.S. Chakravarthy, the then Finance Secretary of the government. Under the scheme, a minimum deposit of one anna was collected and the maximum was upto Rs. 5 per month from individuals. There was a provision to withdraw a small payment upto rupee one per month with a minimum withdrawal of four annas. The agents who were managing the scheme were paid commission by the government. There was an effective system of internal check in operating the system exercised by the taluk treasuries.

The term "Feeder Banks" comprised not only village savings banks of rural areas but also savings associations started in large offices, schools, factories, etc. in towns and cities. Collecting savings banks were opened in district headquarters and other big towns. Of the three collecting savings banks, one was in Bangalore and the other two were at Mysore and Bangarpet (Bowringpet). The scheme of Village Savings Banks was however closed by 1922-23, when most of the Savings Associations also ceased to work.

National Savings Organisation

After independence, much importance was given to mobilise small savings by constituting National Savings Organisation in 1948, by the Government of India. Later, the regional and district units were also opened. The State Government is evincing keen interest to mop up small savings by launching several schemes and drives, under the control of the Directorate of Small Savings and State Lottery. Under the present set up in different schemes, small savings in the district are mobilised through 244 post offices (excluding Anekal taluk), scattered over the district. The number of Savings Bank Accounts opened in the district in the post offices upto 1986-87 were 63,678 and in 1987-88 9,619 new accounts were opened. The amount outstanding in those accounts was reported as Rs. 6,404.43 lakhs in (1986-87) and Rs. 8,836.43 lakhs (1987- 88). The balance outstanding in respect of other accounts ie. post office CTD A/c. during 1986-87 and 1987-88 was of Rs. 340.09 lakhs and Rs. 316.63 lakhs (new accounts were not opened since it was withdrawn). The number of new accounts opened under post office RD A/c. were 25,964 and 38,390 during 1986-87 and 1987-88 and the amount outstanding in those accounts were Rs. 637.74 lakhs and Rs. 722.00 lakhs respectively. The number of new accounts opened under Time Deposit Scheme and the balance outstanding for 1986-87 were 1,100 accounts and Rs. 943.95 lakhs respectively as against 818 accounts and Rs. 328.01 lakhs in the next year. In respect of PPF Account, the number of new accounts opened for 1986-87 were 220 with a balance of Rs. 123 lakhs as against 243 accounts with a balance of Rs. 418.39 lakhs.

Under the Indira Vikas Patra Scheme (started on 19.11.1986), the total collections made in the district during 1986-87 and 1987-88 were Rs. 1,117.84 lakhs and Rs. 1,974.97 lakhs respectively. Under the social security scheme (introduced on 1.6.1982), the amount collected by the post offices in the district for 1987-88 was Rs. 5.80 lakhs. Under National Savings Scheme 1987, the number of accounts opened and amount mobilised during 1987-88 were 2,969 and Rs. 328.80 lakhs. The total investment made in the district under the Monthly Income Scheme (introduced in August 1987), upto the end of March 1988 was Rs. 468.07 lakhs. Under the scheme called Kisan Vikas Patra (introduced in April 1988), the collections made in the district during 1988-89 accounted to Rs. 1,440.33 lakhs. The table given below indicates the details about investments in NSC under different issues.

Amount in lakhs of rupees

Issue	1986-87		1987-88	
	Gross	Net	Gross	Net
NSC II	71.85	33.19	85.36	70.93
NSC VI	3,586.18	3,244.16	4,131.78	3,204.02
NSC VII	508.17	428.99	472.27	281.28

In order to boost-up small savings collections the State Government have introduced several attractive prize schemes from 1.8.1989.

State Lottery

A good response is evident in Bangalore Urban District specially in Bangalore city to the Karnataka Lottery Scheme started by the State Government in 1970 as one of the means of mobilising savings. The record of sale of lottery tickets in the district is quite encouraging in recent years. The approximate value of tickets sold in the district during the period of last five years ie from 1984-85 to 1988-89 was Ra. 1.75, 2.95, 2.80, 2.90 and 3.53 crores respectively. Due to imposition of Sales Tax on the sales of lottery tickets, there was a set back in the sale during 1986-87.

The lottery tickets of other states and organisations specially of daily draw tickets are in good demand. The number of sub- agents engaged in the sale of tickets in the district was 285 during 1988-89 as against 328 and 635 in the proceeding two years respectively. At present, prize money above Rs. 5,000 is subjected to Income tax (42%) including surcharge (2%) and compulsory investment in National Savings Certificates at the rate of 25% for prize money of Rs. one lakh and above and at 10% for less than Rs. one lakh.

Coinage and currency

In the course of history, with the rise and fall of the ruling dynasties of the region, the system of coinage and currency have undergone many changes in their size, design and contents. The numismatic history of Bangalore region dates back to 1st century A.D. The earliest discovery of Roman coins in Karnataka was made by L.B. Rice in 1891 at the time of laying railway lines in Yeshvantapur where 163 *dinars* (silver) of the Roman Empire dated between 21 BC to 51 AD were traced. Another hoard of Roman coins 256 *dinars* silver were found in HAL airport in 1965. This alluded the trade connections between the region and Rome and these coins being in currency here. The Gangas of Talkadu who exercised their sovereignty over the area from the 4th to 10th century had issued five types of coins in gold and copper with elephant as royal emblem. The gold coins of the Gangas might be *varaha* according to M.H. Krishna. Hoysala coins were also of gold called *gadyanas,* weighing 62 grains. During the Vijayanagar period, standard coins of gold and copper were in wide circulation in denominations like *varaha* or *gadyana* (about 52 grains also called *pagoda* or *honnu*), *pratapa* (*kati* or half *gadyana*), *pana* (1/10 of *gadyana*) *haga, tara, jital* and *kasu.* With advent of Bijapur and the Mughuls, their coins were in currency and Shahji had issued his own copper coins modelled on Bijapur coinage.

The Mysore rulers in their long regality had continued the heritage of Vijayanagar coinage in many respects with some innovations. Kempegowda II, the

founder of Bangalore principality is said to have issued the gold coins under the name of Kunigal hana. Similarly, in 1765 AD, the Palegars of Chikballapura, Dodballapura and Nandidurga had also issued their own coins known as *fanams* (*hana*) which were in circulation in the region. The common coins bearing the inscription in Marathi "Sri Raja Siva Chatrapati" was also in circulation in the region probably issued by Chatrapati Shivaji. Among the Mysore rulers, Kanthirava Narasaraja Wodeyar I (1638-1658) was the first to eastablish a mint (*tanka sale*) at Shrirangapattana and reorganised the currency and coinage. The first coins were struck in Kanthirava's name in 1645 were known as *kanthirayi hana* and *kanthirayi pagoda,* the former being one-tenth of the latter, both impressed with the figure of God Lakshmi Narasimha. This *pagoda* too weighed about 52 grains. Mysore rulers had also issued series of copper coins to serve as token currency. The copper coinage of Mysore had a special feature of its own. Small copper coins later were struck by Krishnaraja Wodeyar III which bore on the obverse the elephant with sun and moon symbols and Nagari characters "Sri Krishnaraja" on the other side known as *ane kasu* (cash). Kanthirayi gold coin (hana) was familiarly known as *agala* (broad) Kanthirayi *hana,* which was distinguished from the well-known *gidda kanthirayi* (small) when issued by Dewan Purnaiya in the 19th century which was for a long time the established currency of Mysore. The mint founded by Krishnaraja Wodeyar III (1799-1868) at Bangalore was minting only *kasu,* a copper coin. Even this was also stopped in 1843 owing to its saturation in curculations, and not revived later on, and later the government began to withdraw all coins except the rupee currency from circulation.

During the infancy of Krishnaraja Wodeyar III, Purnaiya had also struck and re-issued Ikkeri *varaha* in the name of *hosaikkeri varaha* weighing 52 grains. Untill 1854, government accounts were kept in *kanthirayi pagodas,* and also from 1855, Company's currency was instituted and payment of tribute was fixed in Company rupees. Before 1855, the Bahaduri (gold) *pagodas* of Hyder's period, and silver rupees of Madras and Surat mints of the East India Company were also in circulation at different rates of exchange. A record of 1855 (Marathi) granting the charity to Manche Someswara of 'Arilipet' (Bangalor city) indicates the use of company rupees in the transaction of a sale of property.

At the time of his rule, Hyder Ali had also issued gold and copper coins imitating the numismatics of Keladi Sadasivanayaka. Tipu (1782-1799), issued coins in 16 denominations in the media of gold, silver and copper by establishing 13 mints in his dominion including the one at Bangalore. He had given fascinating names to mints and each coin was given a name referring to a Muhammadan saint, Khalifa, Imam and also the Arabic or Persian name of the stars. His gold coin of highest value was the four-*pagoda* piece called *ahmadi*, its weight ranging between 210 to 215 grains. He had also issued silver coins of seven denominations with the highest value of the coin being double the rupee called the *haidari* followed by a

rupee coin called the *imani*, half rupee called the *abidi* and a quarter rupee the *bakhir*, 1/8 rupee the *jazi*, 1/16 rupee the *kazni* and 1/32 rupee the *kizri*, etc. In the reign of Tipu two distinct series of coins were in use, the *mohurs* and rupees and the old *pagodas* and *panams* of Mysore rulers. His copper coins ranged from double *paisa* to one-eighth *paisa*. There are references of over valuation of a coin in a very arbitrary manner during the time of Tipu. It was only after the establishment of British power and control, a certain uniformity in coinage came into existence. Before the advent of British rule over Mysore, according to Buchanan, in 1801 every coins of India were in circulation in Bangalore. Tipu had a mint here to strike copper coins ranging from *paisa* to eight *paisa*. In 1879, currencies of Madras circle were made legal tender in Bangalore.

According to Article 15 of the Instrument of transfer of 1881 AD., the coinage of Government of India was made a legal tender and the Mysore coinage was abolished. Under the Emergency Regulation XI of 1919, during the 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), muru kasu* (quarter *anna*), and *ardha ane* (half *anna*) and the nickel coins in the denominations of one anna, *chavali* (two *annas*), *pavali* (four annas), *ardha rupayi* (half a rupee) and *rupayi* (one rupee). There were silver coins too earlier in the last four denominations.

After 1947, the new emblem of the Government of India was introduced on all legal tender coins and currencies replacing King George VI. The new Indian rupee was divided into 16 *annas* and each *anna* was subdivided into 12 *pies*. Later, in 1957, decimal coinage was introduced.

Bangalore Stock Exchange

Stock exchanges are the important segments of capital market which provide liquidity for shares, debentures and gilt-edged securities by providing organised marketing facilities for exchange of shares and debentures of public issues. Now, Bangalore has emerged as one of the important stock exchanges operating in major financial centres of the country. Bangalore Stock Exchange made its beginning in 1957, as a private limited company, later converted into public limited company in 1963 and was temporarily recognised by the Central Government with a share capital of Rs. 37,500. The functional activities of the exchange are governed in accordance with the provisions of Securities Contracts (Regulation) Act 1956 and Rules thereunder and also by the Companies Act 1956. The speculative trading activities of the stock exchange are undertaken by the members (Bear and Bull) or authorised agents on behalf of the subscribers on commission basis. The number of members of stock exchange now has gone upto 150 as against 11 in the beginning (1963) due to conspicuous increase in the number of investors in corporate finance and floating of new joint stock companies within and outside Karnataka. The number of companies who have officially listed their share with Bangalore

exchange is increasing in recent years, specially after getting the permanent recognition from the Central Government in 1982. The present (1989) number of companies listed with the exchange is 313 as against 217 in 1985 and 160 in 1980. The number of Karnataka based companies listed with this exchange are 166. The category-wise distribution of listed companies with Bangalore Exchange in 1989 was as follows: chemicals and fertilizers 20, engineering 36, cement 10, plantations 21, textiles 25, sugar 8, paper 7, and the rest 161 were classified as miscellaneous. The approximate face value of equity and preference shares and debentures of the listed companies in 1989 was reported as Rs. 1,255 crores, Rs. 35 crores and Rs.4,230 crores respectively. It is reported that Bangalore Stock Exchange ranks 6th in comparison with other major Stock Exchanges in India and the average volume of business transacted per day is around Rs. three crores. The income and expenditure of the exchange during the last three years was as follows. The figures in the brackets indicate the expenditure and the amount is in terms of lakhs of rupees. 1986: 12.00 (9.84), 1987: 22.76 (15.23), 1988-89 (15 months) 34.83 (25.70). The exchange has proposed to open a branch at Mysore in order to promote capital market in growing towns.

CO-OPERATIVE MOVEMENT

Co-operative movement as people's movement initiated by the government, marked its beginning in the princely Mysore by enacting Co-operative Societies Regulation III in June 1905. By and large, the movement in the princely state developed on the pattern of British India. However, the Regulation of Princely State in addition to being more progressive and comprehensive in character than the Central Act of 1904, had also made a provision for the establishment of non-agricultural and non-credit societies to serve non-agricultural members in the urban centres, which came into being in other parts of the country, only after 1912. In 1907, an officer of the Mysore Govt. was specially deputed to London and Europe to study the movement there and its adoption in the state. In the meanwhile, the temporary appointment of the Registrar of Co-operative Societies in 1905 was made permanent in 1912 with additional staff to facilitate the work of monitoring of the movement. M. Shama Rao was the first Registrar, described as the founder of the co-operative movement in the state. By 1910, in order to have vertical expansion of the movement with special emphasis on establishing rural co-operatives, the government introduced a scheme by availing the services of retired taluk sheristedars designating them as Honorary Supervisors of Co-operative Societies for each taluk and were paid a pocket expense (one rupee) for each day's co-operative work specially in the rural areas for the supervision and guidance in the establishment of co-operatives.

For tracing out the history of co-operative movement in the district, according to available records, Bangalore city Consumers Co-operative Society registered on 8-12-1905 was the first society to be organised in the former Mysore State as well as for Bangalore district, followed by Bangalore City Co- operative Bank (1907),

Basavanagudi Consumer's Co-operative Society (1908) and Bangalore Co-operative Central Bank (1908). The first house building society in the State then known as Bangalore City Building Co-operative Society was founded at Bangalore in 1909 and is said to be the earliest housing society in the country which is working even now. The Malleswaram Consumer's Co-operative Society was established in 1910.

The Bangalore Central Co-operative Bank was the sole financing bank in the State till the establishment of the Mysore Provincial Bank in 1915 which was later converted into Apex Bank in 1925 which also was functioning as Central Co-operative House Building Society for financing house building societies in the state till the establishment of Karnataka State Co-operative Housing Corporation in 1950. Most of the societies registered in Bangalore city were non-agricultural credit societies catering to the local requirements of the urban middle classes and many of these earlier credit societies later became urban banks. Regarding the earliest agricultural credit societies now falling within the jurisdiction of urban district, a mention can be made of the Gottigere Co-operative Society, Kengeri Co-operative Society, Ramohalli Society and the Varthur Society, all registered in 1910. During the next four years, agricultural credit co-operatives were started in places like Kacharkanahalli, Doddakanahalli, Gunjur, Kadatanamaley, Mannekolalada, Pantoor, Olageri, Agara and Madivala (all in Bangalore taluk). By the end of 1915, Bangalore taluk including Bangalore city had as many as 28 different co-operatives and half of them were in Bangalore proper. The memership and share capital of these (28) societies was 6,820 and Rs.2.77 lakhs respectively. Among the different categories of societies, other than agricultural credit, Bangalore Industrial and Commercial Consumers' Society (1913), Mysore Transport Co-operative Society, Hebbal (1914), Bangalore City Government Press Servants Credit Co-operative Society (1915), Bangalore City Mission Co-operative Society (1915), Gavipura Extension House Building Society (1915), and the Seetharam Mandiram Credit Society, Ulsoorpete (1917) could be mentioned.

Regarding Anekal taluk, now constituting the rural segment of urban district, though the number of registered societies was 18 upto the end of June 1915, only 13 had started working. The earliest to be founded in the taluk was Anekal Sri Lakshmi Nilaya Co-operative Society in August 1911 followed by three agricultural credit societies viz. Gangamba Society, Bukkasagara; Sri Madduramba Society, Huskur (liquidated in 1977) and Kachanayakanahalli Sri Basaweswaraswami Society (all registered in 1912). The first weavers society to be registered in the district was the Anekal Thimmarayaswamy Society in 1914 followed by Sarjapura Silk Handloom Weavers Society in 1919 (since defunct).

The establishment of central financing society ie. Bangalore Central Co-operative Bank which began to issue loans to affiliated primary co-operatives by about 1910 and establishment of unions in 1912-13 to serve as permanent link between individual societies and the central bank placed the movement on strong footing with stability and growth. The movement was further strengthened in the state in general by establishing Mysore State Co-operative Apex Bank (1925) in order to serve district co-operative banks and other co-operatives and thereby

three-tier linked system in the *modus operandi* of co-operatives was adopted in channelising agricultural credit. The Regulation of 1905 was replaced by the Regulation VII of 1918 which delegated the powers like conduct of audit or enquiry by the government and sanction of charities out of profit etc., by the societies, contributed for the orderly growth of the movement. The number of societies specially non-agricultural and non-credit in city areas and agricultural credit and other societies in rural areas went on increasing.

According to the Regulation of 1918, There was a provision to organise agricultural credit societies in the rural area on the principles of unlimited liability and those of urban credit societies on limited liability. During 1915-1922, the department paid special attention for the development of non-credit societies such as consumers, marketing, industrial, weaving, house building and employees credit societies. Accordingly, employees credit societies like Municipal Employees Co-operative Society (1914), Bangalore City Government Press Servants Co- operative Society (1915), Gavipuram Extension House Building Society (1915), Bhavasara Kshatriya Bank (1916), Comptrollers Office Co-operative Bank (1916), Bangalore City Chikpet House Building Society (1918), Swakulashali Consumers' Society (1918) (now defunct), Malleswaram Co-operative Bank (1920), Engineering College Consumers' Society (1921), etc. were founded.

Later in about 1924, when the department was reorganised and decentralisation took place by formulating four divisions, each division was placed under the control of Assistant Registrar. Bangalore City which was considered as the centre of the movement in the state was placed under the direct supervision and control of the Registrar of Co-operative Societies and much stress was laid on developing agricultural and industrial co-operatives. By 1924-25, the number of societies in the then Bangalore district increased to 283 as against 136 in June 1915 and by 1934-35 further increased to 451 societies.

In 1929, the Regulation VII of 1918 was amended which paved the way for the establishment of Land Mortgage Banks in order to cater to the long and medium term credit requirements of the agriculturists and also for helping redemption of old debts. Accordingly, Mysore Co-operative Land Mortgage Bank was founded in 1929 (present K.S.C.A. & R.D. Bank) and later on branches for other taluks were opened viz. Anekal 1938, Bangalore North 1940 etc. During 1928-29, a fresh impetus was given to agricultural credit societies and in consequence of it large number of ordinary credit societies also undertook the work of purchase and distribution of agricultural requisites and other essential commodities named as Large Sized Seva Sahakara Sanghas. Providing better marketing facilities in order to enable the farmers to have remunerative prices for their produce could not be overlooked in order to save the farmers from the exploitation by multiple middle agencies.

Linking of credit with marketing activities were undertaken in the co-operative sector by establishing TAPCMS for Anekal taluk in 1949 which was later extended

to other taluks during 1975-78. In order to streamline the marketing activities at the state level under the co-operative fold, a central marketing agency now known as the Karnataka State Co-operative Marketing Federation was established in 1943 at Bangalore. In the meanwhile, special marketing societies to facilitate marketing of fruits flowers and vegetables, etc. came into being since the area around Bangalore city has a rich potentiality for horticulture crops. Bangalore Grape Growers Marketing and Processing Society (1959) seems to be the earliest special marketing society for the district.

In 1944, several schemes were proposed by the government under the co-operative fold in order to accelerate the economic development of modern Mysore. The schemes proposed in co- operative sector were the establishment of Egg Marketing Society with network of collecting centres, Central Silk Marketing Society and also a Printing Press to cater to the needs of the societies. Later, all these institutions came into being at Bangalore.

In 1945-46, the number of co-operative institutions of all categories together in the present Urban District were 215 with 41,888 members. The working capital of all these institutions together was accounted to Rs. 177.26 lakhs and the total transactions effected was reckoned at Rs. 1,816.62 lakhs. In 1948, the earlier Act of 1918 was amended incorporating several changes in the establishment, management, supervision and control and made the way for establishment of multi-purpose and marketing societies.

In order to strengthen marketing of consumer items' activities at the primary level and to have an apex body at the state level, Mysore State Co-operative Marketing Corporation was incorporated at Bangalore in 1950 (the present Co-operative Consumers' Federation). To mobilise finance, specially for agro-based rural industries launched under rural industrialisation scheme beginning with Bangalore and Kolar district an apex institution called Mysore Central Co-operative Rural Industrial Financing Bank was founded at Bangalore in 1952 (the present Industrial Co- operative Bank) on the advice of Sir M. Visveswaraya.

In order to build up proper infrastructure like co-operative education, training, management and co-ordination between the government and the co-operatives, the Mysore Provincial Co- operative Propagandist Institute was registered in 1924 in Bangalore as an advisory body to guide the movement by providing proper leadership and better management of the co-operatives. (The present state co-operative federation).

During the post-independence period, especially after the launching of successive economic development plans, a new breed of societies were registered in order to cater to the variegated local needs of the community and the region. Prominent among them are house building, both general and for the SCs/STs, consumer societies, employees credit societies, marketing, industrial and milk societies. These were started in large number and many new apex bodies representing distinctive categories of societies came into being and the old apex bodies

earlier confined to old Mysore extended their jurisdiction throughout the new state. All these apex bodies except a few have made Bangalore as their headquarters.

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 post- planning period. The policy of the government in the field of agricultural credit continues to be progressive, institutionlisation of agricultural credit under multi agency approach, and commercial banks also continue to play an important role in providing agricultural credit to the farmers. Special emphasis continues to be laid on institutional credit for the weaker sections and small farmers. Availability of credit is made more production-oriented than security oriented. Consequence on it, more number of agricultural families have been brought under the co-operative fold. To have an effective administration, the district administration of the department of co-operation was bifurcated into rural and city district in 1976 with a separate office of the Deputy Registrar of Co-operative Societies for urban district which included metropolitan town limits of Bangalore, and revenue taluk limits of Bangalore North and South and Anekal taluks. There are three circles headed by A.R.C.S. in addition to a separate office of A.R.C.S. for money lending under the control of the Deputy Registrar.

By 1973, the district had about 985 co-operatives and of them, 723 were non-credit and 262 credit societies; by 1976, the number increased to 1,178 of which, 895 were non-redit and the rest (283) credit societies. The concentration of non-agricultural and non-credit co-operatives found to be conspicuous in Bangalore North taluk (722) compared to other two taluks viz. Bangalore South (105) and Anekal (68), since major portion of the area of Bangalore Metropolitan limits constitutes North taluk and also it is mainly due to the emergence of non-credit co-operatives like housing, milk, consumers and industrial co-operatives in large number in and around Bangalore city limits in recent decades and also due to employees credit and housing societies which have come up in large numbers in recent decades specially after the Re-organisation of the state. Among the 21 distinct categories of co-operatives, the housing societies predominate. The district had highest number of housing societies in the state (355) during 1986-87, followed by consumer co-operatives (206), also being highest in number in the state. In respect of non-agricultural credit societies like employees credit and other credit societies, the number is the highest in the state, being 285. Similarly, in respect of Urban banks, the district tops when compared to other districts in the state. The district also has the highest number of industrial co-operatives (other than those of weavers societies) in the state, their number being 114. All this is mainly due to rapid urbanisation, industrialisation and commercial growth of Bangalore city. The district has the least number (48) of primary agricultural credit societies in the state as the agrarian area in the district is very limited.

By the end of June 1976, the total credit (short and medium) deployed by the co-operatives in the district accounted to Rs. 38.70 lakhs and the major portion was

in Anekal taluk (Rs. 26.22 lakhs), and the deployment of long term finance was Rs. 94 lakhs and of this, the share of Anekal taluk was Rs. 58 lakhs.

Some of the highlights and special features of cooperative movement of Bangalore city as at the end of June 1979 in comparison to the state as a whole were that the total membership of all types of co-operatives in Bangalore city was 7.07 lakhs which was about 9% of the total membership of the state. The share capital held by the co-operatives including the apex bodies in the city district stood at Rs. 39.17 crores, being 24% of the total amount of the state; and financial participation by the government in the form of share capital was Rs. 14.62 crores, being 25% of the state's total government share capital employed in co-operative sector. The total deposits held by the co- operatives inclusive of the apex bodies in the city district accounted to Rs. 76.18 crores, reporting 32% of the total deposits in the state, while the total borrowings from government stood at Rs. 14.91 crores which worked out to 44% of the total borrowings. Regarding loans and advances, the city district had the highest percentage of advances ie. 25% to the total loans and advances of the state (Rs. 300.45 crores).

By the end of June 1979, the total number of working co- operatives in the district was 1,383 with 7.07 lakh members and had a share capital of Rs. 3,917.00 lakhs including the government share of Rs. 1,442-00 lakhs. The total deposits mobilised by the co-operatives in the district was accounted to Rs. 7,618 lakhs. The number of societies that earned profit was 440, and they together had earned a profit of Rs. 397 lakhs, while the loss suffered by 500 institutions accounted to Rs. 244 lakhs. The table given below indicates the position of the movement in the city district as on 30.6.1979

(Amount in lakhs of rupees)

Particulars	
No. of societies	1,383
Membership (000's)	707
Share capital: total	3,917
of which government share	1,442
Reserve fund	2,166
Deposits	7,618
Borrowings:	
Government	1,491
C.F.A	7,629
Others	15,190
Working capital	37,641
Loans advanced	7,417
Loans recovered	8,039
Loans outstanding	22,307

Loans over-due	3,821
Number of societies under profit	440
Amount of profit	397
Number of societies under loss	500
Amount of loss	244
Total purchases	6,619
Total sales	6,638

(Source: Annual Report of the Dept. of Co-operation).

The table given below indicates the number of working co- operatives in each category and membership as in June 1988 and 1987.

Particulars	June 1988		June 1987	
	No. of Co-ops	Member -ship	No. of Co-ops	Member -ship
P.C.A.R.D. Banks	3	14,969	3	14,517
T.A.P.C.M.Ss.	3	4,070	3	6,141
P.A.C.Ss.	49	85,169	48	88,785
Urban Banks	42	1,64,746	42	1,60,259
Employees Credit C.Ss.	182	1,80,233	150	49,547
Other credit C.Ss.	135	53,142	135	53,142
Primary Cons. C.Ss.	213	1,24,325	206	1,38,223
Wholesale Stores	5	22,956	5	15,321
Housing Societies	351	2,30,586	355	2,29,437
Weavers Co-op. Ss.	41	11,554	45	9,255
Industrial C.Ss.	103	1,856	134	1,254
Students C.Ss.	9	13,306	8	5,998
Industrial Estates	3	240	3	222
Women Co-op. Societies	7	2,094	7	2,000
Milk Supply C.Ss.	135	16,620	111	16,620
Fishermens C.Ss.	3	967	1	664
Labour Co-op. Societies	6	700	5	770
Dist. Co-op. Union	1	92	1	92
Farming Societies	3	250	5	310

(Source: Dy. Register of Co-op societies, Bangalore)

By the end of June 1988, the total number of co-operatives of all categories together excluding the societies under liquidation was 1,885 with 7.53 lakh members. The distribution of societies and the membership was as follows (the figures in the brackets indicate the membership in thousands). Bangalore City 961 (222), Bangalore South 403 (201), Bangalore North 313 (216) and Anekal 208 (114). The

number of societies under liquidation were 484 and their distribution areawise was Bangalore City 266, Bangalore South 102, North 59 and Anekal 57. Of the existing societies, the total number of societies reported as defunct was 357. (Source: Dir. of Economics and Statistics). By the end of June 1989, the total number of societies in the district was 1,963 of them 1,226 were working, 464 were under liquidation and 269 were defunct.

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

B.D.C.C. Bank.

Bangalore District Co-operative Central Bank Ltd., Bangalore was established in 1955 as an apex financing agency to cater to the financial needs of affiliated primary co-operatives and other member co-operatives. Now, the bank renders financial assistance for non-farming industrial units also. The area of operation of the bank covers both city as well as rural districts comprising 11 revenue taluks. Since June 1988, the name of the bank has been changed as Bangalore District and Bangalore Rural District Co- operative Central Bank.

By the end of June 1989, the membership of the bank confined to the areas of urban district only was 804 with Rs. 103.97 lakhs as share capital as against 797 members with a share capital of Rs. 81.32 lakhs for 1986-87. The membership of the combined district was 1,421 with share capital of Rs. 236.86 lakhs including the Govt. share of Rs. 21.12 lakhs. The deposit accretion achieved by the bank from city district had increased from Rs. 2,027.13 lakhs during 1986-87 to Rs. 2,750.41 lakhs during 1988-89. The deployment of credit by the bank in the new district during 1988- 89 under different schemes were as follows (The figures in bracket indicate the number of beneficiaries): short term Rs. 201.29 lakhs (3,037), medium term Rs. 32.86 lakhs (499), I.R.D.P. Rs. 12.66 lakhs (249), non-agriculture Rs. 950.44 lakhs and non- farm sector Rs. 83.05 lakhs (38). Under the NABARD refinance scheme the bank lends upto Rs. 50,000. The lending rates of the bank vary from 7.5% (crop loans) to 16.5 % (non-agricultural purpose). At present the bank has 11 branches in the district and the first branch to be opened was at Anekal in 1962 followed by Civil station and Malleswaram branches in 1964. The profit earned by the bank during 88-89 was Rs. 15.33 lakhs as against Rs. 30.91 and 14.61 lakhs in the previous two years respectively. The bank has taken up integrated co-operative development programme covering five taluks of the district including Anekal tq. of the city district sponsored by N.C.D.C. The present head office building of the bank was purchased in 1965 at a cost of Rs. 1.05 lakhs. The staff strength of the bank in urban district is 135.

Primary Agricultural Credit Societies

The Primary Agricultural Credit Societies working at the grassroot level are expected to play a significant part in the entire spectrum of co-operative movement. These are the basic co- operatives through which co-operative credit and other agricultural requisites are channelised. These institutions are financed by District

Co-operative Central Bank and some are ceded to commercial banks. In 1976, as a state policy these institutions were reorganised by the process of amalgamation and merger in order to make them economically more viable and effective in their services; consequent to it, there was a considerable decrease in the number of these co-operatives. Now, these restructured co-operatives are called Raytara Seva Sahkari Sangh (R.S.S.S.) or Vyavasaya Seva Sahkari Sanghas (V.S.S.S.). Before the reorganisation of these societies in 1976, there were 133 primary agricultural credit societies in the district in 1975-76 with 36,000 members and a share capital of Rs. 13.66 lakhs and of these societies, 50 had earned profit and of these societies, only 100 were active and the rest dormant. The number of borrowing members was 2,000 (5.56%) of the total membership. The average share capital per society and per member during 1975- 76 were Rs. 10,271 and Rs. 38 respectively which were far below the State average of Rs. 30,222 and Rs. 97 respectively. The total of ST and MT loans advanced by these societies during 1975- 76 accounted to Rs. 29.43 lakhs. By 1979-80, the number of active P.A.C.S. excluding F.S.S.S. and L.A.M.P.S. was reduced to 27 due to the process of reorganisation. The membership and share capital of these bodies was 46,000 and Rs. 18.62 lakhs and of them 11 had earned profit. The percentage of borrowing members was only 4.35% (2,000) of the total membership which was least compared to State average ie. 19.12%. The total credit deployed by these societies was Rs. 59.40 lakhs.

By the end of June 1988, City district had 49 such co-operatives including two Sericulture-cum-Farmers Service Societies working at Singahally and Chikkajala (Bangalore North) with a total membership of 85,169. The taluk-wise distribution of these societies was: Bangalore North 20, Bangalore South 15 and Anekal 14. The total paid-up share capital of these co-operatives in the district was Rs. 112.17 lakhs including the government share of Rs. 14.66 lakhs. The total amount of loan advanced by these co- operatives amounted to Rs. 404.79 lakhs the recovery being Rs. 369.47 lakhs. The total purchases and sales of consumer goods effected by these societies accounted to Rs. 194.00 lakhs and Rs. 163.14 lakhs respectively. In respect of farm requisites, the related figures of purchases and sales were worth Rs.41.48 lakhs and Rs. 46.47 lakhs respectively (1987). Of the 49 societies, 30 together had earned a profit of Rs. 39.62 lakhs while 14 had suffered a total loss of Rs. 16.67 lakhs.

Primary Co-op. Agriculture and Rural Development Banks

In order to cater to the long and medium term credit requirements of the agriculturists for the promotion of agriculture by adapting mechanisation and scientific farming and other allied activities, Land Mortgage Banks came into being in the Princely Mysore in the early 1930s beginning with Malnad districts. Since 1985, these banks are renamed as Primary Co-operative Agriculture and Rural Development Banks to make these institutions really active catalyst in the process of economic development at the grassroot level by channelising rural credit according to plan priorities for generating income and to build-up earning assets under the direction of NABARD. Now, there is much diversification in their lending to suit the local requirements. Among the three taluks of the district, first bank to be

founded was the one at Anekal in 1938, followed by the one in Bangalore North taluk in 1940. In Bangalore South taluk, this bank was founded in 1967. The total membership and share capital held by these banks by the end of June 1988 were about 15,000 and Rs. 23.47 lakhs including the government share of Rs. 1.66 lakhs and they were able to mobilise deposits of Rs. 15.67 lakhs. Among the three banks, Bangalore South had highest number of memberships 5,839, with a share capital of Rs. 8.59 lakhs followed by Bangalore North with 4,782 members and share capital of Rs. 8.44 lakhs. The total credit deployed by these banks together in the district under different schemes of development accounted to Rs.120.03 lakhs during 1988-89 comprising Rs. 49.35 lakhs for Bangalore South, Rs. 32.06 lakhs for Bangalore North and Rs. 38.62 lakhs for Anekal as against Rs. 33.09 lakhs during 1986-87. Of the total credit, the share of SC/ST members was accounted to Rs.7.19 lakhs during 1988-89, covering 110 members as against Rs. 2.94 lakhs during 1986-87 covering 61 members.

Since 1988, in addition to agriculture and other allied activities, these banks are also lending for non-farming schemes like starting of printing press, purchase of sewing machine, productive ventures like pottery, weaving, brick-making, bakery, etc. at 10% interest. During 1988-89, the total interest subsidy provided by the State Government to the members of these banks in the district was Rs. 3.66 lakhs as against Rs. 2.74 lakhs during 1986-87. 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 State A.R.D. Bank, was opened at Bangalore in 1968 combined for both urban and rural district. For the year 1987-88, if one bank had earned a profit of Rs. 1.93 lakhs, the other two had suffered a total loss of Rs. 29.03 lakhs.

Industrial Co-operative Bank

Karnataka Industrial Co-operative Bank Ltd., Bangalore, reconstituted in 1972 as state-level primary Urban Co-operative Bank sponsored by the State Government is the successor of the erstwhile Mysore Central Co-operative Rural Industrial Financing Bank founded in 1952 to function as Central financing agency in meeting the credit needs of rural industrialisation programme launched by the state under the guidance of Sir M. Visweswaraya. In 1981, the former, the Vysya Co-operative Bank Ltd., Bangalore founded in 1925 merged with this bank with 11 branches, all operating within Bangalore. At present, the bank is having 14 branches in Bangalore city. Under the new set-up, the bank finances the small and cottage industries and extends refinance facilities under the Reserve Bank of India scheme for certain selected industries. By the end of June, 1988, the membership confining to city district was 6,239 with share capital of Rs. 28.30 lakhs as against 6,129 members with a share capital of Rs. 25.46 lakhs in 1987 June. The aggregate deposits held by the bank accounted to Rs. 608.88 lakhs and Rs. 366.65 lakhs by the end of June 1988 and 1987 respectively, mobilised in the city district while the total loans and advance made as on the above period accounted to Rs. 758.44 lakhs and Rs. 468.26 lakhs respectively. During the first nine months of the co-operative year 1988-89, loans issued by the bank to small scale industrial units accounted to

Rs. 282.60 lakhs. The total staff employed by the bank in the district during 1988-89 was 125.

Industrial Co-operatives

Industries under the co-operative ownership are grouped in two categories *viz.* weavers societies and other than those of weavers. The district has large number of silk weaving industrial co-operatives than cotton weaving. Among the weavers societies, Timmaraya swami Weavers Co-operative Society, Anekal happens to be the earlier society in the district registered in June 1914, now defunct. The bulk of industrial co-operatives other than those of weavers mainly include the co-operatives like brick making, stone-cutting, wood craft, village industries, tailoring, agarbatti manufacturing and general engineering. Many womens' co- operatives are engaged in manufacturing and assembling of components to serve as auxiliaries to main industries. Industrial co-operatives of miscellaneous type have emerged after the 1960s on a large number. Some of the earlier weavers co-operatives of the district include *viz.* the Mysore Powerloom Silk Manufacturers Society, Bangalore (1950), Kannamangala Cotton Handloom Weavers Society, Kannamangala, Bangalore South (1950) and Mysore Provincial Silk Handloom Weavers Co-operative Society, Bangalore (1950) exercising jurisdiction over the whole State are prominent. Amomg the Woollen Handloom Weavers Societies, the Anekal Taluk Woollen Handloom Weavers Society (1956) is the earliest and only one in the category for the whole district. It is reported that as many as 57 industrial co-operatives have become defunct in the district.

By the end of June 1987, the district had 134 industrial and 45 weavers co-operatives with 1,254 and 9,255 members respectively. The paid-up share capital held by the industrial co-operatives was Rs.32.08 lakhs including the government share of Rs. 3.74 lakhs. The corresponding figures in respect of weavers societies were Rs. 21.52 lakhs and Rs. 5.23 lakhs respectively.

By the end of June 1988, the number of industrial co-operatives other than weavers was however reduced to 103 with a total membership of 1,856, and had a paid-up share capital of Rs. 33.36 lakhs and their total borrowings accounted to Rs. 98.99 lakhs. They held a working capital of Rs. 437.88 lakhs. The total loans advanced by these societies during 1987-88 accounted to Rs. 34.13 lakhs with outstanding amounting to Rs. 18.62 lakhs. In addition to industrial co-operatives, the district has three industrial estates working under the co-operative sector. The weavers societies, whose number was also reduced to 41 had a membership of 11,554 with a paid-up share capital of Rs. 19.76 lakhs. The total borrowings of the societies accounted to Rs. 100.66 lakhs. The total amount of loan outstanding by these organisations was Rs. 13.08 lakhs.

Marketing Societies (TAPCMS)

Taluka Agricultural Produce Co-operative Marketing Societies play an important role in linking of credit with marketing. They undertake the supply of fertilizers, agricultural implements, pesticides and quality seeds in addition to

controlled and non- controlled commodities. They also functioned as sub-agents of procurement of levy food grains on behalf of the KSFCS Corporation, Bangalore. The first TAPCMS to be established for the district was at Anekal as early as in 1949. For the remaining two taluks, these societies were started in 1975 (Bangalore North) and 1978 (Bangalore South). These societies are affiliated to the State Co-operative Marketing Federation, Bangalore (1943). In addition to these general marketing societies, there are some special marketing societies promoted in the district to facilitate the marketing of horticultural products like fruits and vegetables in the areas of rural pockets of the city district at the places like Chikkajala, Bagalur, Byatarayanapura, Byatha, Singanayakanahalli and Tavarekere, all founded during 1979 (now under liquidation).

By the end of June 1988, the total membership of three general marketing societies was 4,070 with a paid-up share capital of Rs. 7.10 lakhs including the government share capital of Rs. 2.60 lakhs (1987). The total borrowings of these societies accounted to Rs. 121.10 lakhs and the major portion of it (Rs. 119.34 lakhs) was from Central Financing Agency. The profit earned by two societies by the end of June 1987 was Rs. 3.13 lakhs. By way of illustration, a special marketing society is reviewed in the following paragraphs.

H.O.P.C.O.M. Society

The present Horticultural Producers' Co-operative Marketing and Processing Society is the successor of Bangalore Grape Growers Marketing and Processing Society founded in 1959. Among other things, the main objectives of the society are to help the farming community in the process of marketing of their farm produces without any exploitation and to provide necessary infra- structure for the development of horticulture and linking of credit with marketing. The area of operation of the society now comprises the districts like Bangalore, Kolar, Tumkur, Mandya, Mysore and Dakshina Kannada. The membership of the society consists of three categories viz. A class (producers), B class (traders and commission agents) and C class (government). The institution started with 507 members and a share capital of Rs. 12,675 in 1959 has now attained conspicuous progress vertically and horizontally in several spheres of its activities. By the end of March 1989, the organisation had 5,225 members with a share capital of Rs. 24.20 lakhs including the government share of Rs. 19 lakhs. In addition to government the other agencies like APMC, Bangalore City Corporation, S.F.D.A., Bangalore Zilla Parishad and N.C.D.C. have rendered financial assistance to this organisation for its expansion programmes.

At present, the main functional activities of the society include procurement of fruits and vegetables on indent basis from the grower members at reasonable rates and to supply the same to the consumers through its retail outlets opened in Bangalore, Mysore, Mangalore and Tumkur cities. So far, the society has opened 156 retail outlets and of them, 107 are located in different localities of Bangalore city. It is reported that the purchase and selling price of the society are almost the same. However, 8 per cent commission is being collected from the growers to meet

the administrative expenses of the society. Mobile sales are also made by the society. Bulk supply of fruits and vegetables to government hospitals, factories, hotels, clubs, etc. in Bangalore and Mysore are also made by the society. The society exports fruits, vegetables and coconuts to the National Dairy Development Board, New Delhi, and imports apples directly from the National Agricultural Co-operative Marketing Federation, New Delhi and also from Himachal Pradesh Co-operative Marketing Federation. Standardisation, grading and quality control measures are adopted by the society in order to ensure the supply of good quality products. At present, it has opened procurement centres at Sarjapur and Dodaballapur. Transportation facilities are provided by the society to the members for the movement of their produce to the society. The society has also undertaken preparing juice out of fruits like Bangalore blue grapes, mango, orange, etc. During 1987-88, the total quantity of fruits and vegetables handled by the society accounted to 7,930 and 9,713 tons respectively while the coconut and cauliflowers together handled numbered about 15.75 lakhs in addition to 5.93 lakh eggs. The total value of these above commodities was Rs. 599.77 lakhs. The number of bottles of juice marketed during 1987-88 was 22.01 lakhs as against 11.62 lakh bottles during 1984-85.

The total value of inputs like fertilizers, plant protection chemicals, etc. supplied by the society to the growers during 1987-88 and 1984-85 were worth Rs. 49.47. lakhs and Rs. 5.4 lakhs respectively. It is reported that the Govt. has advanced a term loan of Rs. 18.65 lakhs for fruit growers channelised through this society to 483 members. The society manages two branch offices at Mysore (1969) and Mangalore (1987) and two branches at Vijaya pura and Chikkaballapur for the sale of fertilizers and other farm inputs. The total staff employed by the society is 671 (1990). The table given below indicates the periodical progress of the society for some recent years for a decade 1977-78 to 1987-88.

(amount in lakhs of Rs.)

Particulars	1977-78	1982-83	1987-88
Membership (no.)	1,304	1,392	5,225
Share capital	2.99	3.59	23.97
Reserve and other funds	0.99	4.98	42.40
Working capital	4.38	5.38	52.20
Government assistance	-	-	4.50
Purchases	41.79	111.58	645.23
Sales	43.45	126.85	757.28
Loss (accumulated)	2.35	-	-
Profits	-	4.57	9.90

Milk Supply Co-operatives

The district has considerably good number of milk societies (135) under co-operative sector functioning as business enterprises from the 1950s onwards.

Some of the earliest milk societies falling within the jurisdiction of the present city district are Kengeri Milk Producers Society (1954; now defunct), Ulsoor MPCS., Yedavanahalli MPCS and Handenahalli MPCS (both in Anekal taluk) and Varthur MPCS (now defunct), all founded in 1958. As per the old records, there was a credit society in Bangalore city named Kamadhenu registered in 1928 which switched over to be a milk society in 1938. This appears to be the earliest milk society. During the 1960s and 1980s, these societies increased in number in the district. During the above period, more than 70 milk societies were set up in Bangalore South taluk alone. With the launching of the Karnataka Dairy Development Project by the World Bank, the activities of these societies were stimulated in the district and commercial exploitation of white revolution has been made possible by providing necessary infrastructure for the growth of cattle and dairy industries. Like Bangalore Rural District, the rural segments of city district have rich potentialities for the development of dairy industries. These societies undertake procurement and sale of milk and other allied activities like supply of animal feed, cold storage and veterinary service to the members.

By the end of June 1988, city district had 135 milk supply societies with 16,620 members and share capital of Rs. 4.79 lakhs as against 111 societies with 16,620 members and a share capital of Rs.2.54 lakhs including the government share of Rs. 39,000 as reported in June 1987. The total profit earned by 101 societies accounted to Rs. 32.36 lakhs and five together had suffered a loss of Rs. 5,000. In addition to milk societies, there is a Co- operative Milk Union to which the primary societies are affiliated. The number of defunct and liquidated societies was 27 and 43 respectively by the end of June 1988.

Consumer Societies

The next largest group of co-operatives of the district include more than 200 Consumer Co-operatives. From the beginning, consumer co-operatives have been encouraged here by the urban middle class and also by the employees of the government and other public undertakings and the residents of the new extensions added to Bangalore city in course of time to meet their consumer demands without any exploitation. There are consumer societies started by the employees of the government departments, universities and educational institutions for the benefit of the members. Many womens' organisations are also running consumer societies. Some of the earliest consumer societies to be mentioned are Bangalore city C.S., Chamarajapet (1905), Basavanagudi C.S. (1908), Industrial and Commercial C.S., K.R. Market (1913) and Swakula Sali C.S. (1918). All are working at present. Though these societies are working since long, much emphasis was given to place these societies on sound footing in order to build up a strong and responsive consumer movement during 1962-63 by the Central Government under the Central Sector Scheme for Consurmers Co-operatives by providing cent per cent financial assistance to the State Government till 1969 when the scheme was transferred to State.

Again in 1972, under the Central Scheme, the movement received new impetus and Janatha Bazars (large sized retail outlets) were opened with the Central financial assistance. Accordingly, Karnataka Co-operative Consumers Federation, Bangalore opened a Janatha Bazar (Kempegowda Road) in 1966, the first Janatha Bazar in the State. By the end of June 1988, there were 213 primary consumer co-operatives in the district with 1.24 lakh members as against 206 co-operatives with 1.38 lakh members in the previous year. They had a share capital of Rs. 61.83 lakhs in 1988 as against Rs. 20.61 lakhs during 1987 including the government share of Rs. 13.29 lakhs. The total borrowings of these co- operatives during 1987-88 accounted to Rs. 90.41 lakhs. The total purchases and sales of consumer goods effected by these primaries during 1986-87 were valued at Rs. 753 lakhs and Rs. 894.57 lakhs respectively. For the year 1987-88 if 152 societies together had earned a profit of Rs. 28.91 lakhs, 22 had incurred a total loss of Rs. 99,000. It is generally observed that these stores do well in places where they serve a compact area or have homogeneity in membership. By the end of June 1988, the number of dormant societies under this group was reported as 42 and that of under liquidation as 95.

Whole-sale Stores

In addition to 213 working primary consumers co-operatives, there are five Central Co-operative whole-sale stores functioning in the district to whom the primaries have affiliation. Whole-sale stores undertake whole-sale business in all commodities both controlled and non-controlled, and are affiliated to State Consumers Federation and they too have opened their own Janatha Bazars. The whole-sale stores of the city district are the Basavanagudi CWS., Malleswaram CWS., Rajajinagar, Simpson and Group Employees Store and the Veerashaiva CWS. By the end of June 1988, the above five co-operative whole-sale stores together had a membership of nearly 23,000 with a share capital of Rs. 64.82 lakhs and their total borrowings accounted to Rs. 86.85 lakhs and the total profit earned by all the five stores together accounted to Rs. 8.52 lakhs and sales of consumer goods effected was worth Rs. 453.43 lakhs. By way of illustration, Veerasaiva Co-operative Society has been reviewed under this category.

Veera Saiva Co-operative Society

The society came into being in the year 1943, specially to meet the demands of the community for essential goods in the scarcity conditions caused by the IInd World War. During 1965, the society was recognised as a Central Co-operative Whole-sale Store by the Central as well as State Governments with financial assistance for its expansion. By the end of June 1989, it had a membership of 5,529 including a Government membership. The share capital held by the society was Rs. 13.03 lakhs including the government participation of Rs. 8.91 lakhs and the rest was contributed by the individual members. The total sales turnover of the store

during the last three years accounted to Rs. 700 lakhs, Rs. 792 lakhs and Rs. 775 lakhs for 1988-89, 1987-88 and 1986-87 respectively and the net profit earned for the above years was accounted to Rs. 3.60, 3.88 and 3.74 lakhs respectively. The number of branches managed by the store at present are 34 as against 23 in 1985-86. The total assets owned by the society have increased from Rs. 3.63 lakhs in 1985-86 to Rs. 21.80 lakhs in 1988-89.

K.C.C.F

Karnataka Co-operative Consumers' Federation, Bangalore (1964) (successor of Mysore State Co-operative Marketing Corporation- 1950) mainly aims to co-ordinate and to facilitate the working of the member societies to assist in the organisation, promotion and development of co-operative whole-sale stores and acts as co- ordinating agency on all matters pertaining to consumer co- operative movement. By the end of June 1989, the Federation had a membership of 34 wholesale stores and a share capital of Rs. 75.64 lakhs inclusive of Government share capital of Rs. 66.32 lakhs.

Of the 14 Departmental stores (Janatha Bazaars) managed by the Federation, six are in Bangalore city. It also manages three mini janatha bazaars in Bangalore city.

Among the departmental stores, the one founded at Kempegowda road in 1966 is the earliest. The investment of the Federation in this Bazaar amounted Rs. 24.39 lakhs (1989). On an average, the daily sales of this Bazaar is reported as Rs. 1.56 lakhs during 1988- 89. The total sales effected by this Bazaar during 1987-88 is reported as about Rs. 502.36 lakhs. The profit for 1988-89 was Rs. 4.42 lakhs. The federation also manages four drug counters in city which are open all the 24 hours.

The Bangalore City Co-operative Society

This Co-operative Society has a unique credit of being the earliest and the first Co-operative Society to be registered in the princely Mysore State in general and Bangalore District in particular. This non-agricultural Credit Society was registered as Consumer's Society under the Mysore Co-operative Society's Regulation III of 1905 on 8.12.1905 which heralded the message of co-operation in Bangalore City. It was initiated by the veteran Co-operators like K.S. Chandra Shekar Iyer (former Chief Justice of the Mysore High Court) and M. Shama Rao (who was the first Registrar of Co-operative Societies) said to be one of the founders of Co-operative movement in Mysore State.

The Society started its activities with 213 Members and a Share capital of Rs. 7,931 as in 1906-07, and was able to mobilise deposits of Rs. 975. The total sales effected by the Society and net profit earned during 1906-07 were Rs. 5,755 and Rs. 299 respectively. The Provident Fund Bonds scheme was first introduced by

the Society in 1910 in order to encourage thrift among the members. The earlier proceedings of the Society reveal an interesting account that till 1930, the lady members were not admitted as freely as men "mainly with the objective of obviating legal complications which may arise in transactions with the agents of such of the ladies as may not desire to do their business directly with the society". The society which is primarily a consumer store dealing in provisions, cloth and other house hold articles was also doing some banking business like issuing Mortagage Loans and accepting deposits. The latter activity was discontinued later. By 1954-55, the membership of the Society was increased to 1,953 with a share capital of Rs. 92,308. It was able to mobilise deposits of Rs. 5.27 lakhs and had effected sales of Rs. 8.26 lakhs.

By the end of June 1989, the membership further increased to 2,833 associated with the share capital of Rs. 3.03 lakhs including the Government participation of Rs. 80,000.

In course of time, the society had undertaken many business activities in addition to consumer activities to help the members. The present activities of the society include consumers' activities like dealing in controlled and non-controlled goods, textiles and supply of uniforms at reasonable rates to SC/ST students under 18% fund scheme. It used to manage four branches earlier. At present, the society manages two braches at Shankarmath Road and Jayanagar Ist Block started about 20 years ago. The present main office building in N.T. Pete was constructed in 1958 was valued at Rs. 4.20 lakhs (88-89)

The society had a credit of winning the Government shield for the three successive years viz., 1926, 1927 and 1928 being adjudged as the best worked Urban Society in old Mysore State. The society celebrated its Golden Jubilee in 1955. The staff strength of the society now has been reduced to 9 as against 44 in 1955. The profit earned by the Society during the last three years ie., 1988-89, 1987-88, and 1986-87 were accounted to Rs. 1.14 lakhs, Rs. 1.14 lakhs and Rs. 1.15 lakhs respectively.

The table given below indicates business turnover of the society for 1987-88 and 1988-89.

Amount in lakhs

	1987-88	1988-89
Purchases		
Controlled goods	8.10	5.70
Groceries	1.02	0.38
Textiles	10.40	17.21
Sales		
Controlled goods	6.27	7.42
Groceries	1.12	0.68
Textiles	10.90	16.19

Housing Co-operatives

Bangalore has a unique honour of being the first city in the country to launch house building activities under co-operative fold, as early as in 1909 by organising a society known as the Bangalore House Building Society (now situated in Model House Block, Bangalore-4) followed by Gavipuram Extension H.B.C.S. in 1915, Bangalore City Chickpet H.B.C.S. (1918) and Bangalore City H.B.C.S., Seethapathi Agrahara (1927). Housing Co-operatives are expected to play an important role to ease the growing problem of acute shortage of housing in towns and cities, enabling the urban middle class to have their own houses. Some of the societies in addition to formation and distribution of house-sites to the members also arrange for financial assistance in the form of loan for house building, repairs, extensions, etc. directly or through the Karnataka State Co-operative Housing Corporation Ltd., Bangalore founded in 1950, with the object of co- ordinating, supervising and financing the housing societies with the jurisdiction extending to entire State. The special features of Co-operative Movement of City district is that, over predominance of the number of housing societies being the highest in the district (351) in the State. During 1960-1980, housing co- operatives have emerged in the district specially in the city in large number, promoted mostly by the employees of Government and Public Sector industries and other organised industrial workers including the legislators and others. Recently, the government has banned the promotion of new housing societies in Bangalore and other big cities. The mushroom growth of housing societies in Bangalore has posed several problems to the city planners and to the authorities like Bangalore Development Authority. Among other things, the main reasons for enormous increase in the number of housing co-operatives in Bangalore city is due to ever increasing cost of land and growing demand for house sites attributed by the rapid growth of Bangalore city during the last two decades and increased migration of people from within and outside Karnataka to Bangalore. In recent years, multistoried apartments are also coming up under co-operative fold.

In order to render financial help to the members of co-operatives in the form of loan and subsidy exclusively meant for SC/ST communities, taluk level SC/ST housing societies have been promoted and they are financed by the central agency known as Karnataka State SC/ST Co-operative Housing Corporation, Bangalore (1966). Number of houses have been constructed in the district by availing such facilities of the Corporation. By the end of June 1988, the number of working housing co-operatives in the district was 351 with 2.30 lakh members as against 355 societies with 2.29 lakh members in the previous year. The total share capital held by these societies was Rs. 695.72 lakhs and their total borrowings accounted to Rs. 2,400.38 lakhs and the total advances outstanding were accounted to Rs. 1,594.07 lakhs. Of these societies, if 204 had earned a profit of Rs. 428.07 lakhs, while 121 had suffered a loss of Rs. 261.23 lakhs. The number of SC/ST housing societies reported are not more than 20 out of 351 societies. The number of societies declared as dormant was 69 and number under liquidation was 26 by the end of June 1988.

Non-Agricultural Credit Societies

Non-agricultural credit societies as a group of co-operatives comprise three main categories of co-operatives viz. urban co- operative banks, employees credit socieites and general credit societies. The city district has the highest number of these categories of co-operatives. Many of the earlier credit societies have become urban banks in course of time. Employees credit societies have been formed mainly to cater to the credit needs of organised group of salary earners of the government, public sector undertakings, educational institutions and universities, etc. Of the oldest employees' credit societies now functioning, mention may be made of the Bangalore City Municipal Corporation Employees Society (1914), Lakshmi Nilaya Co-operative Credit Society, Anekal (1914), K.G.S. Credit Society, Bangalore (1915) and the Bangalore City Police Credit Society (1920). Among the general credit societies, the earliest are the Seetharam Mandiram C.S., Ulsoorpet (1917) and the S.S.K.C.S., Chikpet (1927). In respect of Urban Co-operative Banks, mention could be made of the Bangalore City Co-operative Bank (1907), Bangalore Central Co-operative Bank (1908), Comptroller's Office Co-operative Bank (1916), Bhavasara Kshatriya Bank (1916), Malleswaram, Co-operative Bank (1920) and the Grain Merchants Bank (1927). By the end of 1988 June, the district had as many as 182 employees credit societies with 1.80 lakh members (including associated) having a share capital of Rs. 506.55 lakhs and they had mobilised deposits of Rs. 1,022.64 lakhs. Their total borrowings accounted to Rs. 249.10 lakhs. The total amount loaned by them during 1987-88 was 1,364.52 lakhs of rupees and of these societies, if 157 together had earned a profit totalling Rs. 95.60 lakhs another 20 together had incurred a loss totalling Rs. 3.82 lakhs. In respect of other general credit societies by the end of June 1988, the district had 135 credit societies with more than 53,000 members and a share capital of Rs. 282.46 lakhs. The deposit accretion made by them was Rs. 27.83 lakhs and they had borrowed Rs. 11.99 lakhs from the CFA and their total outstanding loans at the end of June 1988 accounted to Rs. 116.74 lakhs. The total number of defunct societies both employees credit and general together were 77 and the number under liquidation was 88.

Urban Banks

The district has a credit of promoting highest number of urban banks in the state (42), followed by Belgaum district (41). Like other commercial banks, these co-operatives provide all kinds of banking facilities to their members. These small banks, local in character are found more suitable to serve as guardians of the people of lower middle class. The deposits of these banks are also covered by Deposit Insurance Scheme and they are permitted to pay one per cent more on their deposits than the commercial banks. Except a few, all other urban banks in the district have come under the provisions of B.R. Act 1949. Some of the urban banks of the city district have shown appreciable record of progress in their deposit mobilisation and lending activities including the priority sector advances.

Karnataka ranks third in the country in the urban bank movement and Bangalore has its own contribution for this, since three of the Bangalore based urban banks are included in the list of 100 top urban co-operative banks of India classified on the basis of working capital as in June 1987. These banks include the Karnataka Industrial Co-operative Bank (1973), Malleswaram Co- operative Bank (1920) and the Amanath Co-operative Bank (1977). The last named is authorised to receive N.R.I. deposits, the only such Bank with this facility in South India. There is also a branch here in Bangalore of the Shama Rao Vittal Co-operative Bank (1975) originating from Bombay (1905). There is also the Mahila Co-operative Bank (1977), Malleshwaram exclusively for ladies. Karnataka is the first State in the country to have a Federation of Urban Banks founded in 1965 to guide and monitor the urban bank movement in the state.

By the end of June 1988, 42 urban banks of the district together had 1.65 lakh membership and a share capital of Rs. 951.00 lakhs and were able to mobilise deposits to the tune of Rs. 10,008.42 lakhs. The loans issued by these banks accounted to Rs. 505.45 lakhs and had outstanding loans of Rs. 149.46 lakhs. Some of these banks have more than one branch in the city but of late restrictions have been placed on such expansion.

Bangalore City Co-operative Bank

This is said to be one of the earliest co-operative institutions in the erstwhile Princely Mysore and also the first urban bank to be started in the Princely Mysore, incorporated in August 1907 as a credit society; it was later reconstituted as urban bank. The humble beginning of the society was made with 156 members with a share capital of Rs. 2,700. It is said that in order to enrol people with small income groups as members, share amount was collected in monthly instalments in the beginning. During these more than 8 decades of service, the bank has achieved a phenomenal growth in all its spheres of activities vertically and horizontally and has won the appreciation as 'Peoples Bank'. By the end of June 1988 it had a membership strength of 8,786 with a share capital of Rs. 51.57 lakhs as against 2,955 members with a share of Rs. 3.68 lakhs in 1955, and 1,422 members with a share capital of Rs. 1.62 lakhs in 1925.

The deposit accretions made by the bank through its several novel deposit schemes in 1988, 1975 and in 1955 accounted to Rs. 709.52 lakhs, Rs. 37.28 lakhs and Rs. 18.61 lakhs respectively, registering the conspicuous step-up in deposits. Similarly, the credit deployed by the bank in the above years accounted to Rs. 484.26 lakhs, Rs. 47.85 lakhs and Rs.17.80 lakhs respectively. The total advances made by the bank for different purposes during 1987-88, 1986-87 and 1985-86 accounted to Rs. 481.80, 415.38 and 344.84 lakhs respectively and the major advance was property loan being Rs. 382.98 lakhs in 1987-88, Rs. 339.78 lakhs and Rs. 278.28 lakhs during the preceding two years respectively, followed by loans on deposits, personal surety and on jewels, etc. The priority sector advances made by the bank out of the total advances during the above period accounted to Rs.

344.78 lakhs, Rs. 234.68 lakhs and Rs. 192.73 lakhs respectively. The profit earned by the bank for the years 1988, 1987 and 1986 accounted to Rs. 15.95 lakhs, Rs. 11.54 lakhs and Rs. 9.81 lakhs respectively. The bank has a credit of being adjudged as the best urban co-operative bank in the Princely State continuously for three years from 1927. The bank has opened four branches at Vijayanagar (1980), Jayanagar (1981), Indiranagar (1983) and a Ladies Branch at Chamarajpet in 1989. The bank has its own majestic building, constructed in 1930. The total staff employed by the bank was 72 in 1989.

Other Co-operatives

The co-operatives under this group which are not categorised elsewhere include the co-operatives like Students Consumer Societies 9, Women's Societies 7, Labour Contract and Construction 6, Fishermen 3, Farming 7, Irrigation Societies 12, Poultry 10, Transport Societies 8, etc. and one Education Society.

Among the present functioning students' consumer co-operatives, mention can be made of R.B.A.N.M. Educational Institute Co- operative Society (1939), Jaya Bharathi Education Co-operative Society Attibele (1951), A.S.B. Junior College Co-operative Society, Anekal (1978), Bishop Cotton Boys School Co-operative Society (1974), Baldwin Boys High School Co-operative Society (1972), Government Boys High School Co-operative Society, Malleswaram (1971) (defunct), Sri Satya Sai Baba College Co- operative Society, Kadugodi, etc.

Among the Women's Co-operatives in the district which are distributed in the categories like consumers and industrial, mention could be made of Women Industrial Co-operative Society, Someswarapuram, Bangalore (1959), Vanitha Udyog Sangha, Dooravaninagar (1973), Women's Consumers Co-operative Society, Yeshwantapur (1980), Mahalakshmi Co-operative Society, Katriguppe (1985), Women's Multi-purpose Co-operative Society, Kadugodi, Indira Mahila Gramodyog Society, Bangalore (1976; defunct), etc.

Labour Contract and Construction Societies were promoted mainly to look after the well being of the unorganised casual or contract labourers who are engaged in stone mines, stone cutting and dressing, etc. Labour societies were also promoted to rehabilitate the released bonded labourers. Among the labour societies, mention could be made of Basavanapura Labour Society, Basavanapura, Bangalore South taluk (1975), Bhovi Bande (Boulder) Labour Contract and Construction Society, B. Narayanapura, Bangalore South tq, Rajajinagar Hamalies Co-operative Society, Bangalore (1982) and Wood Labour Contract Co-operative Society, Bangalore (1985).

The district has about 12 irrigation societies of which, eight are active ones, mostly formed by the small peasants of the SC/ST communities in order to get the benefits of community irrigation facilities at a cheaper rate by pooling their lands. Most of these societies are situated in Bangalore South tq in places like Jun-

nasandra, Maragondanahalli, Girigowdanahalli, Belegere, Devagere, Sulikere, Kaggalipura etc.

The district has seven joint farming co-operatives including about three meant for the SC/ST communities. These are located at Avalahally, Byalakere, Mulegollahally, Pillaganahally, Kadugodi, Bugganadoddi and Boothanahalli (last two are in Anekal tq). Among these seven co-operatives, only three are working at present.

There are eight Fisheries Co-operatives of which, only three are working. The district also has about ten Poultry Farming Co- operatives including one piggery society. Shri Chamaraja Poultry Farming Society, Chamarajpet, Bangalore, established in 1980 is the only society which is working at present. The rest are either defunct or under liquidation. The list also includes eight transport societies; of which, six are defunct and two are under liquidation.

The district had six printers and publishers co-operatives and of them, two are working viz. Karnataka State Printers Society, Avenue Road, Bangalore (1964) and B.E.L. Employees Co-op. Printing Press (1978); the rest are either defunct or under liquidation. There was the Karnataka Co-operative Publishing House Ltd. which was founded in 1962 and subsequently, merged with the Karnataka Co-operative Federation in 1987. The former had published notable works like Jnana Gangotri a seven-volume children's encyclopaedia. There are seven Canteen Societies and of them, three are working viz. Bangalore Medical College Society, R.B.I. Society and Income-tax Department Society, the rest are either defunct or under liquidation. The list also includes two Butchers Co-operative Societies, one Cycle Rickshaw Pullers' Society, one Engineers Agro Service Co-op. Society, Bangalore (1974) and one Airport Service Co-op. Society (1978), all working at present.

Education Society: Among the co-operatives of the district, the society which has taken up promotion of education as its main venture, mention can be made of Basaweswara Education Society, Rajajinagar, founded in 1959 after States Re-organisation in order to provide proper facilities for the education of the children of Government employees who had come from different integrated areas to the State capital. This is the first educational institution managed on co-operative basis in the district (see Chapter XV).

Co-operative Union

Bangalore City District Co-operative Union was registered in 1977 in order to propagate the principles and philosophy of co- operative movement in the district in accordance with the consonance of the State and national policy. It is said to be the monitor and mouth-piece of the movement in formulating policies and programmes in the district. As a part of its educational training programme, regular training classes are conducted by the Union for the benefit of the members, executives and employees of different co-operatives in addition to holding con-

ferences, siminars, co-operative weeks and study circles, etc. The membership of the union has now increased to 92 from 29 in 1977- 78. It is affiliated to the State Co-operative Federation which manages seven co-operative training centres in the state including the one at Bangalore (1959).

Co-operative Training College

The Co-operative Training College, Bangalore (CTCB) is a regional management institute founded in 1962, embarking upon to cater to the growing needs of professionalisation in the management of co- operative enterprises by conducting suitable need-based training programmes for the executives and policy makers of co-operative enterprises in the country. The college also promotes researches and offers consultancy services to the co-operatives. C.T.C.B. offers Diploma training programmes on four major sectors of co- operative movement viz. Diploma in Co-operation, Industrial Co-operation, Consumer and Marketing Co-operation in addition to short-term programmes on different functional areas of management for top executives of co-operative enterprises. Up to the end of March, 1989, the total number of persons that had received training in the college under different faculties was reported as 8,417 including 2,166 government officials and 62 foreigners. For the academic year 1989-90, the institution has a programme for five diploma and 34 short term programmes. The college has 9 faculty and 22 administrative staff.

The well equipped college is housed in a newly built beautiful and spacious complex at Padmanabhanagar covering six acres was opened in 1983. The complex was constructed at an estimated cost of Rs. over one crore with the active support of Government of India, Karnataka and Co-operative institutions of Karnataka.

Apex Co-operatives

Generally in Karnataka the *modus operandi* of the functioning, and the administrative set up of co-operative bodies except in the case of a few categories, the rest of the co-operatives are three-tier linked. Since Bangalore being the State headquarters, except two apex co-operatives, the rest are situated in Bangalore. Some of the apex bodies earlier confined to old Mysore as administrative jurisdiction have now extended their jurisdiction over the State and they have been reorganised and reconstituted. Some of these State apex bodies have affiliation to similar National level apex or federal bodies. The list of state-level apex bodies situated in Bangalore are as follows: 1) The Karnataka State Co-operative Apex Bank Ltd.,(1915); 2) The Karnataka State Co-operative Agriculture and Rural Development Bank Ltd. (1929); 3) The Karnataka State Co-operative Union (now Mahamandal) Ltd., (1924): 4) The Karnataka State Co-operative Marketing Federation Ltd (1943); 5) The Karnataka State Co-operative Housing Federation Ltd (1950) 6) The Karnataka State Scheduled Castes and Tribes Housing Corporation Ltd., (1966); 7) The Karnataka State Cotton Handloom Weavers Co-operative

Apex Society Ltd. (1950); 8) The Karnataka State Woollen Handloom Weavers Co-operative Apex Society Ltd., (1955); 9) The Karnataka State Silk Handloom Weavers Co-operative Apex Society Ltd. (1956); 10) The Karnataka Co-operative Consumers' Federation Ltd. (1964); 11) The Karnataka State Co-operative Seeds Federation Ltd.; 12) The Karnataka State Urban Co-operative Banks Federation Ltd. (1965); 13) The Karnataka Industrial Co-operative Bank Ltd. (1952); 14) The Karnataka State Central Coir Co-operative Marketing Society Ltd.; 15) The Karnataka State Co-operative Spinning Mills Federation Ltd. (1974); 16) The Karnataka Co- operative Milk Federation (KMF); 17) The Karnataka Co-operative Oilseeds Growers Federation Ltd.; 18) All India Industrial Co- operative Bank Federation Ltd.; and 19) The Karnataka Co- operative Film Federation Ltd.

Misappropriation

The total number of cases of misappropriation reported from various Co-operatives in the district by the end of June 1989 were 251, involving about Rs. 64.60 lakhs. The amount recovered by the launching of civil and criminal action was about Rs. 2.65 lakhs, as reported by the Dy. Registrar of Co-op. Societies.

TRADE AND COMMERCE

The physical geography of the region of Bangalore district largely covered by vast plains has facilitated good communication system from the earlier centuries which in turn has contributed much for the development of trade and commerce in the district. The numismatic evidences of early Roman period found in Bangalore have authenticated the existence of trans-oceanic trade contacts of this region with the rest of the world through the ports of the West Coast in the beginning of the first century A.D. Many places of the district continued to flourish as trade centres since the days of the Gangas and imperial Cholas dominated by the then merchant classes known as *nanadeshis, ubhayananadeshis and vaddavyavaharis,* etc.

The copper plate inscription of Bangalore (Bn 142) of 1105 A.D. of later Chalukyan period and another Telugu inscription of 1628 found at Ranganatha temple in the Rangaswamy Gudibeedi make mention of the above class of traders who enjoyed the five-fold royal honour (umbrella, palanquin, escort, throne and land given with eight-fold rights of full possession) for the valour exhibited in the battle field. The above inscriptions reveal that these *nanadeshi* and *ubhaya namadeshi* traders used to visit other parts of the country for the purpose of trading and had upheld the high tradition of Ayyavole-500, a famous merchant guild of that time in South India perhaps by being its members. Bangalore could grow in importance only after its development by the Kempegowda family who made it their capital by strengthening it with a fort and providing for various streets meant for the craftsmen and various groups of traders. Chikkadevaraj Wodeyar of Mysore (1672-1704) after getting Bangalore as *jahgir* from Mughals encouraged trading

activity by introducing uniform weights and measures and postal services for the first time. By then, separate markets were built for different trades *viz.* Aralepete for weavers and *sari* merchants, Akkipete for rice merchants, Nagarthapete for goldsmith, Doddapete for wholesale, Chickpet for retail etc. It was his Dalavai, one Malarangayya who was in charge of Bangalore who invited merchants (*shrestis*) and weavers from Andhra and arranged for their settlement here.

Apart from Bangalore, the surrounding areas in the district also had flourishing commercial activities as testified by the inscriptions. A record from Haragadde in Anekal tq of c 1200 (An 67) speaks of the merchants of the place constructing a building. The record speaks of the 'Ainurvar' or the Aihole-500 guild of traders. A record of Chikjala (Dv 63) in the Bangalore North tq mentions the *pattanaswamy* of the place in 1275 to indicate the fact that it was a commercial centre having this officer to supervise the trade and shandy of the place. A weekly shandy was started at Hoody in 1332 and certain grants were made to the *pattanaswamy* of the place (Bn 61). Begur in the outskirts of Bangalore had been a place of importance right from the Ganga times and the existence of Nagareshwara temple there is spoken in the records of 1402 indicating the fact that the devotees of this God, the traders, flourished at the place. The record speaks of other commercial centres which include Anekal, Bagalur and Bangalore.

A shandy was also started at Somagondanahalli in 1412 (An 44) by the administrator of Hirasunadu by appointing two brothers as Pattanaswamis and making them a grant of irrigated land and also apportioning certain taxes. A record from Sarjapur dated 1408 speaks of construction of shandy (*'santeya kattisi'*) at the place (An 4). Another record of 1427, also speaks of starting a shandy at Mastenhally (?) and appointing a *pattanaswamy* to supervise it. The record also speaks of *vadda vyavaharis* and *ubhayananadeshis.* During the early part of the 18th century ("during the former government of Raja's family"), considerable quantity of cloth was exported from Bangalore to Tanjore, Nagapattanam and Southern Carnatic, according to Buchanan. In 1758, the City was conferred as *jahgir* to Haider. During his time and after his death, during Tipu's rule (1782-1799), the city witnesed conspicuous changes in trade and commerce. Tipu's foreign and inland trade policy was remarkable. He followed restricted foreign trade policy prohibiting trade relations with hostile countries due to obvious reasons. He very much encouraged merchantile relations with China, France and the Middle-Eastern countries by offering liberal trade terms. Trading in sandalwood, pepper, cardamom, silk and pearls were the monopoly of the State. In weekly shandis, small duties were levied. He had established 21 principal silk worm breeding stations in the State including a few in Bangalore district for the development of sericulture. Consequence of it Bangalore became famous centre for the silk weaving and manufacturing. In 1785, he had opened 30 Government sales depots in his realm in order to boost state trading including two at Bangalore. Tipu also prohibited export of cotton to

encourage textile industry and weavers from Tamilnadu came and settled here during his period. Growing of sugarcane was specially encouraged, quality sugar and sugar-candy were produced in places around Bangalore like Channapatna, Devanahalli and Chikballapur to cater to the needs of Bangalore market. The travel account of Buchanan who visited Bangalore in 1800 gives a very exhaustive descriptive picture of trading and commercial activities of Bangalore. According to him, apart from Bangalore, the neighbouring villages like Agara, Halasur, Hesaraghatta, Varthur and Kengeri were centres brisk of whole-sale trade dominated by Banajiga Lingayaths and retail trade was undertaken on large scale by the Komatis and weavers. Sarjapur near Anekal was noted for muslin cloth. Saries manufactured at Aralepete were famous throughout the State and were exported to far off places like Mangalore, Bellary, Bombay and other places on sea port. Traders from places like Bellary, Adoni, Hubli, Nargund, Navalgund used to visit the City frequently including the traders from Bengal. According to Buchanan, under Haider Ali the trade of Bangalore was "great" and he also points out that "Tippoo began its misfortune by prohibiting the trade with the dominions of Arcot and Hyderabad". Many traders had left for Madras in 1799 due to the Anglo-Mysore war. When the British occupied and plundered it "the place was deserted". But soon after, the merchants returned to Bangalore. "The people however are now flocking to it from all quarters....the merchants, many of whom have been at Madras and are acquainted with British policy" says Buchanan in 1800. These merchants seem to have gained confidence in the British. Buchanan further points out that trade at Bangalore in 1800 had come down to one-fourth of the quantity that was exported and imported in the most flourishing time of Haider's Government. An informant from the Custom House from Bangalore, informed Buchanan that in one particular year of Haider's rule 1,500 bullock loads of cotton wool, 50 bullock loads of cotton thread, 230 bullock loads of raw silk, 7,000 bullock loads of salt and 300 bullock loads of foreign goods from Madras were imported into Bangalore. From other sources (a missionary's chronicle) it is learnt that in the days of Haider and Tipu in addition to salt, sulphur, indigo, tamarind, caustic soda, alum (borax), zinc, sugar candy, lac, wax, gum, arsenic and other such chemicals were brought from places like Madras. Flower and betel leaves came from Attibele and Balija Naidus traded in it. Betel leaves also came from Mysore and Harihar. Indigo came from Anekal and Dommasandra, *kamblis* (country blankets), from Maranayakanahalli and Kamblipura from Anekal taluk and also cereals like ragi and paddy, oil seeds and dairy products from the same area were brought to Bangalore and also sent to Salem and Madras. Salem and Pondicherry had regular trade connections with Bangalore during 18th century. In the days of Tippu lot of textile products specially silk cloths of superior quality went to Shrirangapattana from Bangalore and after the fall of Tipu the demand for many luxury items from the royal court at Shrirangapattana had totally declined.

Buchanan in 1800 speaks the following main items of trade in Bangalore (1) Betelnut ("principal article of trade at Bangalore") in which there were two kinds: (a) Deshavara had from Nagar (Shimoga area) and Wallagram from Gubbi (place at South of Sira) and also from the north of Madurai. The former was a boiled variety sent eastwards till Madras and the latter was mostly for local consumption; (2) Pepper ('next to betelnut') was the most common article of trade and the best was called *codali* (perhaps coming from Mangalore) and other *boygadi* and both the varieties were sent to Bara mahals and Arcot. "This was one article in which the Sultan traded". (3) Sandalwood was "also a considerable article of commerce" and the best quality came from Nagar and the Western Ghats and an inferior kind from Madurai, Devarayanadurga and Kabbal hill areas. (Tipu had made trade in this item a State monopoly and its billets were taken to China and Middle East as known from other sources). (4) Black blankets (*kamblis*) were "also a considerable article of trade" brought mainly from Goribidanur, Madhugiri, Sira, Chitradurga and Bellary. (5) "The importation of cotton wool to Bangalore is very great", says Buchanan speaking of cotton yarn, and it was imported mostly from Bombay Presidency and Nizam's dominions. It was brought by merchants from Nargund, Navalgund, Savanur, Hubli, Bellary and Adoni. "All the merchants are natives of these places" and "they sell by wholesale to the traders of Bangalore who retail it out in the town and neighbourhood". (6) Trade in drugs and herbs undertaken by 'Gandhaki' (Gandige or Granthika, described as pursued by Banajigas and Ladaru, "a kind of Mussulmans") is the next item of importance according to Buchanan. He gives the long list of such items clubbed under the head and tells us that "None of them are exported", and were brought from rural areas. Some of them are herbal items used for dyeing and also items like wax and lac. (7) "The trade in salt from the lower Carnatic is considerable" and people bringing salt from there took back tamarind, oilseeds and grains.

Next, Buchanan also describes the various places with which Bangalore had commercial connections and items of export and import from them. From Nagar district (Shimoga area) came betelnut, pepper, sandalwood and cardamum and food grains and tobacco, tamarind, blankets, muslin, turbans, coloured textiles, local textiles and paper had from lower Carnatic (Tamilnadu) were taken back. "Three quarters of the returns from Bangalore to Nagar are made in cash". From Shrirangapattana the imports were pepper and sandalwood and cardamum and items taken back were local cloth. From Gubbi came pepper, betelnut and coconut, and turmeric, a local produce and oxen from Hoskote and Kolar were taken in return. From Chitradurga came blankets and local products were taken in return. From Doddaballapur fine red local cloth was brought to Bangalore. From Namagondlu (Kolar district) were brought jaggery, raw sugar and sugar candy. To Kolar and Narasapur betelnut and pepper were taken. Tanjore merchants sold pearls in Bangalore and took back cash. To Mangalore cotton cloth were sent. All kinds of foreign goods brought in by sea were brought by Calicut and coloured clothes were taken back. The trade was "formerly considerable" but was "at a stand"

in 1800. From the areas to the South of the Krishna in Bombay Province and the Nizam's dominions cotton wool, cotton cloths, *dotras* (cotton cloth with silk borders), blankets, wheat, asafoetida, etc., were brought by merchants mostly coming from Bellary, Adoni, Agadi, Dharwad, Hubli, Nargund, Navalgund and Gutti who took mostly cash back, and at times coloured cotton and silk cloth. "Some gossavi merchants from Poonah bring shawls, saffron and musk from Cashmire and Persian pearls from Surat. The returns are made in money and manar pearls". From the Arcot Nawab's territory (Wallajapet being the chief mart), salt, sulphur, tin, lead, zinc, copper, European steel, paints, glue, indigo, nutmegs, cloves, camphor, benzoin, silk cloth (brought from various quarters including Bengal and China, Conjeevaram and Arni), cotton cloth, English wollen cloth, canvas and blankets, gunni cloth and also thread for packing, paper, etc., were brought to Bangalore. Paper, hardware, glassware and mirrors from England were also imported from Wallajpet. In addition to sugarcandy from China, Bengal sugar, dates and almounds were also procured. Formerly, they also brought pearls and red coral. Exports to this area from Bangalore were betelnut, sandalwood, pepper, cardamum, soapnut, tamarind etc. "The balance of money is in general due by the low country merchants" says Buchanan. The Merchants of Salem and Coimbatore area (the Baramahals) sent cotton cloths and took back some articles taken to Wallajpet. "No direct trade has been yet carried on between Bangalore and Company's Jaghire but some Gujrati merchants, now here (Bangalore) are making the necessary arrangements for opening a trade directly with Madras", Buchanan adds. For transport of goods, bullocks were used. Merchants coming from Bombay Presidency area bringing cloth used buffaloes. Food grains and salts were carried by asses. "At Bangalore almost every coin of India is current" Buchanan informs. The Cantonment formed in 1809 to house British troops also continued to grow as big commercial centre. Cantonment markets were noted for sale of European goods. From 1831, after shifting many Government offices to Bangalore, the city continued to be the hub of trade and commerce and industrial activities on modern lines. 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 from sayer duties. In 1879-80, octroi was introduced replacing sayer duties. Bangalore being the capital city and hub of trading and industrial activity, other taluk headquarter towns continued to grow commerically under its influence, being nearer to Bangalore and serving as its 'hinterland'.

Though the British had introduced judiciary, merchants preferred to settle their disputes through local panchayats than courts. Local Multhani bankers, Marwadis and bankers of Bombay who had come and settled in Bangalore after the fall of Tipu assisted importers and exporters by sale of *hundis* at higher rate of interest. In 1881, it was made compulsory to publish orders of insolvency in the Government Gazette free of cost. After the Rendition there was a significant

improvement in the infrastructure to facilitate trade and commerce in Bangalore in particular and the state in general. During the period of Bowring (1862-67) important roads connecting Bangalore with Kadur, Hassan, Hoskote, Kadapa, Penugonda, Hosur, Bellary etc. were constructed, railway links with Madras (1864) with Channapatna (1881) with Tumkur (1884) upto Harihar in 1889 finally connecting with Bombay promoted rail-road traffic of goods and passengers. Laying of railway lines from Bangalore to Guntakal *via* Hindupur in 1890-93 established links with Andhra Pradesh. Further in 1915, laying of narrow gauge lines between Devanahalli and Yelahanka and Chickballapur facilitated internal trade in the district.

Much earlier to this, in 1839, by constituting Agro Horticultural Society at Lalbagh much encouragement was given to local people engaged in gardening of quality fruits, flowers and vegetables; these were exported to England. The founding of the Mysore Chamber of Commerce in 1916 was a landmark. The Mysore Government also took keen initiative in promotion of hotel industry in Bangalore and also encouraged business promotion tours. In 1916, six leading merchants of the State including two from Bangalore (S.K. Narasimhaiah and P.M. Basappa) were sent to Japan to know more about procurement of paddy and its proper storage. Similar facilities were extended by the Government enabling the private management to establish High Class Indian Hotels in cities like Mysore and Bangalore by extending subsidies and loans. The commencement of Dasahara Industrial and Agricultural Exhibition at Mysore in 1907 promoted the local trade of silk goods, *kamblis,* vessels, fancy goods with places like Bombay, Madras, Kanpur, Kashi and Hydarabad.

During 1934-35 sandal wood oil from Bangalore was exported to London, Japan and Australia. By 1934-35, the local tobacco Co. (Tobacco Manufacturers India) used to export cigars valued at Rs. 1½ crores to Bombay, Calcutta and Delhi. A record of 1940 reveals that cattle shows were held at Bangalore and prizes were distributed. The Sampangi tank was generally chosen for this purpose. Conducting the annual market shows was a regular feature, where exhibits of good products were appreciated and rewarded. Mutton shows were organised in January every year, at the Russel Market and best quality mutton was duly rewarded. All these were widely patronised by the citizens of Bangalore.

During the course of these more than three decades specially after 1956, since Bangalore became the State capital, an enormous expansion in trade and commerce has taken place and now Bangalore has become the 5th biggest Metropolitan City in India.

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 rapid industrialisation, change in technology, occupational changes and other factors. During 1914-15, the chief exports from the district comprised as many as 29 items; the amount

of *ragi* exported to Madras was roughly more than 1.25 lakh *khandis* valued at Rs. 18.80 lakhs; paddy sent to Tumkur and Chitradurga was 17,150 *khandis* valued at Rs. 2.57 lakhs; jaggery to Bellary, Dharwad and Belgaum was about 808 tons valued at Rs. 1.72 lakhs, the number of coconuts sent to Madras were 4.45 lakhs valued at Rs. 20,890; hides of 710 tons valued at Rs. 9.60 lakhs was sent to Madras; and yarn weighing 36.04 lakh lbs valued at Rs. 18.88 lakhs was sent to Hassan and Kadur. The imports to the district during 1914-15 consisted of 32 items. The chief imports included ragi weighing 82,915 khandis from Tumkur and Mysore districts valued at Rs. 11.58 lakhs; hides imported from Mysore, Hassan, Kadur and Tumkur weighing 1,260 tons valued at Rs. 14.11 lakhs; while yarn imported from Madras and Bombay was 37.72 lakhs lbs valued at Rs. 19.62 lakhs. During the 1930s about 30 different commodities used to be exported from the 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 nearly 32 items including mainly wheat from Bombay and Dharwad, boiled rice from Madras, poppy seeds from Madras and Calcutta, 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.

As revealed by the Taluka Hand Book series of 1939-40, the main exports of Bangalore North Taluk were dry crops, fruits and tiles. Dommasandra of Anekal taluk was a noted weaving centre and there were about 200 families of weavers and good quality clothes were produced. Raw silk was produced in Anekal and Sarjapura and Sarjapur was noted for muslins of various patterns, turbans and small cotton carpets were also made at Sarjapur. The exports of Anekal taluk included silk and cotton goods, carpets and some dry crops.

The present day chief imports and exports according to 1981 Census report are as follows in the Bangalore Urban Agglomeration. *Imports:* food grains, electric components, special steel, watch components, platinum, nickel, silver, iron, steel rods and flats, silk yarn, non-edible oils, ferrous and non- ferrous, raw materials, groceries, skins and hides, industrial raw materials, aluminium, vegetables, drugs and chemicals, lime stone, veterinary medicines and rice etc. *Exports:* machinery and equipments, electronic equipments, vegetables, fruits and flowers, leather, carbon rods, aircrafts, wrist watches, machine tools, telephones and automatic exchanges, machine components, tanned leather, kamblis, wooden boxes and containers, bolts and nuts, silk fabrics, electrical and electronic goods, valves, slaked lime, plastic goods, railway coaches, electric motors, motor tools, carbon dioxide, noodles, silk and cotton textile, transistors, joss sticks, rexine, steel goods, transmission equipments, wrist watch components, iron rounds and flats, tiles and bricks, TV sets, condiments, readymade garments, milk or dairy products etc. Imports at Anekal include foodgrains and raw silk and exports twisted silk yarn, handloom silks, sarees etc. Among the agencies which monitor and facilitate foreign trade at the State-level a mention could be made of the following:

Bangalore Air Cargo Complex: Bangalore is the first inland airport to have an integrated air cargo complex commissioned in 1977 by the Government of India and the State Government. The M.S.I.L. Bangalore, a state-owned undertaking is administering the complex. The main object of the complex is to facilitate exports by air. The complex provides facilities for customs inspection and clearance of export cargo, processing of export and import documents, bonded warehousing facilities etc. During 1978-79, exports totalled 1,012.5 tonnes valued at Rs. 3,253.4 lakhs free- on-board. The imports cleared during this period accounted 2,307 tonnes valued at Rs. 3.369.7 lakhs. The total number of exporters in the State as in 1979 were 697 as revealed by the F.K.C.C.I. Bangalore and the State Export Promotion Advisory Board. There were as many as 31 categories of exporters based on the commodity chiefly exported by them. The leading importers who are using services of air cargo complex are major public sector under- takings and few major computer manufacturing industries in private sector. The air cargo complex of Bangalore, has placed the city on international cargo map operating a freighter service on weekly basis to Bangalore. The revenue of the cargo for 1988- 89 was Rs. 144.24 crores.

Inland Container Depot: The Inland Container Depot, Bangalore, functioning from 10-8-1981 was first to be set up in India to facilitate sea-borne trade of the State. The major items for imports and exports are as follows *Imports:* Electronic components, T.V. Tubes, chemicals, machinaries and un-accompanied baggage. *Exports:* Cotton, read-made garments, pickles, sandlwood dust and chips, agar battis and fish meal etc. The inland container depot is connected to Madras and Cochin ports. The revenue of the depot for 1988-89 was Rs. 25.95 crores. Since November 1989, M/S. Container Corporation of India has been appointed as custodians of I.C.D.

Postal Appraising Department: Since 1970, the postal appraising department has been functioning in Bangalore to appraise gift as well as trade parcels, which have increased considerably in recent years. The department receives around 34,180 LMAS and parcels annually. The revenue for 1988-89 was Rs. 1.17 crores.

Employment in trade

In recent decades, enlarged and growing commercial activities in general have drawn more and more people to engage themselves in trade and commerce as main occupation. According to the available data, in 1971 as per the Census definition, the total number of people found engaged in trade and commerce of the district taking into account only the present areas of city district were 1,82,553 and of them 10,418 were females. The number for rural areas was 4,536. The number of people engaged in trade and commerce within the limits of City Corporation and CITB limits accounted to 1,77,766, including 9,682 females. The distribution of urban population in trade was about 89,100 in Bangalore North taluk and City Corporation plus Trust Board areas together was about 87,300. The taluks like Anekal and

Bangalore south are largely covered by rural segments, of the 3,349 population of Bangalore south taluk found engaged in trade and commerce, the large number ie. 2,377 constituted rural population engaged in trade and commerce. In Anekal taluk of 1,478 people engaged in trade and commerce, 834 were found in rural areas.

Business establishments

According to 1971 Census, Bangalore district (old) had the largest number of business establishments (37,075) in the State and of the total establishments, the number falling within the urban areas of the district was 28,667 which was also highest in the State. The same tempo of increase was being continued even now.

Regarding the distribution of wholesale and retail establishments, the number found in Bangalore district in general and Bangalore City in particular were the largest in the State. The number of wholesale units in Bangalore City in 1971 was 2,312 followed by Hubli-Dharwad (493) and Belgaum (414). The number of retail trade establishments in Bangalore district were 27,252 being 15% of the State's total.

The number of dealers registered under KST and CST in sales tax division of Bangalore City is on an increase. The number of registered dealers under KST and CST were 36,548 and 18,398 respectively by the end of March 1981. During 1984-85, their number increased to 50,403 and 29,304 respectively. During 1988- 89, the number of registered dealers under KST and CST were 48,862 and 32,514 respectively. The tax collected during 1988-89 under KST and CST accounted to Rs. 517.33 crores and Rs. 57.31 crores respectively as against Rs. 244.07 crores and Rs. 29.00 crores during 1984-85 respectively.

Trade Associations

Modern competitive business activities have necessitated the formation of number of trade associations (like guilds of olden days) by different section of traders, manufacturers and those engaged in different vocations and callings etc. to promote and strengthen their business interest by united efforts. Some of these non-statutory and advisory bodies render some useful services to their members on various issues connected to their line of business and create business lobbies to redress their grievances. Some of these associations have affiliations to their federal bodies working at the State and National level. As per some old records, the earliest trade association formed in Bangalore was the Bangalore Trades Association in 1899 which was later registered in 1903. The registered office of this association was in South Parade. The main object of this Association was generally to promote the interest of trading community in Bangalore and membership was opened to those engaged in trade in Bangalore. The Association used to collect the entrance donation of Rs. 5 and a monthly subscription of Rs. 1. During 1902-03 the total membership of the association was 23 consisting mostly the firms registered under the Cos. Act.

The establishment of the present Federation of Karnataka Chamber of Commerce and Industry (1916), Bangalore, gave new impetus to the merchants community in other parts of the district to formulate their own associations. At present, the district has more than 100 trade associations all situated in Bangalore covering various trades and traders registered upto 1987. From the list of association it can be seen that no group or class of trading community has remained without forming an association. There are associations covering the merchants of different localities including Evening Bazar Merchants Association (1970). Among the earliest registered trade associations of the city district, the following may be cited. The Bangalore Grain Merchants Association (1920), Cloth Merchants Association in Mysore, Bangalore (1920), Mysore Silk Association (1927), Bangalore Piece Goods Merchants Association (1931), Mysore State Tanners Association (1931), New Market Merchants Association (1932), Muslim Merchants Association (1940), Mysore Raw Silk Merchants Association (1943), Mysore Film Chamber of Commerce (1944), Mysore State Chemist and Druggist Association (1944), The Bangalore Yarn Merchants Association (1945), The Bangalore Retail Yarn Merchants Association (1946) and Bangalore City Tobacco Whole-Sale Merchants Association (1946), Bangalore Provision Merchants Association (1949), Wine Merchants Association (1949), Sindhi Merchants Association (1949) etc.

F.K.C.C.I.

The present Karnataka Chamber of Commerce and Industry was inaugurated in 1916 with 151 members (1916-17). Dewan Sir M. Visveshwaraya encouraged its foundation, then called as Mysore of Chamber of Commerce. In 1938, it was incorporated as a limited Co. under the Mysore Company's Act 1938. In 1968, it was renamed as Mysore Chamber of Commerce and Industry which subsequently became Karnataka Chamber of Commerce and Industry in 1974. It had a membership of 2,000 during 1978-79. The Chamber has been given due representation in several statutory and advisory bodies of the Government and local organisations. In the early years of its existence, it helped Mysore Government to compile a Merchantile Directory. At present it is acting in liaison with various mercantile bodies, Government organisations and other similar associations in strengthening and furthering the interest of trade and industry in the State in general, Bangalore and Old Mysore areas in particular. The Chamber also conducts studies on the problems of trade and industries at the village level, and also organises seminars etc on topics relating to economics, commerce, taxation, planning etc pertaining to State and India, and also dessiminates information to its members regarding price policies. A consumer cell had also been organised to redress public grievances. A monthly publication "Mysore Commerce" is being published by the Chamber. Recently it has brought out an Export Directory of Karnataka. The Chamber celebrated its Diamond Jubilee in 1976. The present membership strength of the Chamber is 1773 comprising of 447 individuals, 967 firms and about 290 companies

and 69 trade associations affiliated to it in addition to 336 mofussil members, spread over Karnataka and other places. This is affiliated to Indian Chamber of Commerce and Industry, New Delhi.

Regulated Markets

Regulated Markets are expected to ensure competitive and remunerative prices to the producers of agricultural commodities, by avoiding distress sale locally. They facilitate orderly marketing by helping to build up the required infrastructure needed for free and fair marketing and guard the interest of both the growers and 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, absence of standardisation and grading, inadequate storage facilities, etc. that used to be impediments for free marketing activities. In order to overcome the above hindrances, 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 Market Act was enacted and was brought into effect with rules after 8 years *i.e.,* in 1947 which marked the beginning of establishment of Regulated Markets for agricultural producers in the State. In the meanwhile, in 1941, a separate Department of Marketing was set up temporarily to deal with the problems of agricultural marketing. In 1948 the Department was placed on permanent footing. Accordingly, Regulated Market Committees were founded at Bangalore and Channapatna in 1955 attached with demarked revenue taluks and later sub-markets attached to each market were opened, extending the marketing area under regulation. After the formation of new State, a more comprehensive and uniform legislation replacing the 1939 Act, the Karnataka Agricultural Produce Marketing (Regulation) Act 1966 was enacted and brought into effect in 1968. Under this Act, the Assistant Director of Agricultural Marketing is empowered to administer the provisions of the above Act and other Acts *viz.,* Karnataka Ware-Houses Act 1962, and Agricultural Produce (Grading and Marketing) Act 1937 (Central Act). In order to ensure more effective administration and implementation of various provisions of the Act, the office of the Assistant Director of Agriculture Marketing was opened at Bangalore in 1967 which exercises the jurisdiction over both the districts,-Bangalore rural and Bangalore.

A.P.M.C. Bangalore

Agriculture Produce Market Committee, Bangalore was first constituted in 1955 in accordance with the provisions of Mysore Agricultural Produce Act 1939 covering the entire district as its area of operation. Later in 1968, it was reconstituted according to the present Act in force and the area of operation was reduced to six taluks of combined Bangalore district *viz.,* Bangalore North and

South, Anekal, Hoskote, Devanahalli and Nelamangala. In the absence of sub-markets elsewhere in the area of operation, A.P.M.C. has opened as many as 12 sub-market yards for different commodities at different convenient places in Bangalore City *viz.,* K.R. Market Yard, Russel Market, Malleswaram Market, Yeshawantapur market (all opened in 1986), Kalasipalyam Market, Bangalore Horticultural Producers Co-operative Marketing Society, Lalbagh (opened in 1988) etc. There are separate Sub-market yards exclusively meant for fruits like mango at Bannerghatta road, near Guttahalli Palace grounds, Sethurao Road etc., (all opened in 1988) in Bangalore City. The Market Committee has notified as many as 22 different commodities. The main imports and exports of these markets are potato, onion, garlic, corriander, rice, groundnut and pulses.

The method of sale employed in the market is open auction in respect of vegetables and mutual negotiations and also by open auction in respect of fruits like mango, lemon etc.

The total amount expended by the Committee out of market funds during the last three years i.e., 1988-89, 87-88, 86-87 for various developmental activities accounted to Rs. 336.89 lakhs, Rs. 115.05 lakhs and Rs. 58.76 lakhs respectively. The developmental works include construction of 10 godowns (1985) at a cost of Rs. 30.31 lakhs, auction platforms, godowns and shops, canteen, water supply and drain etc.

Market Committee has constructed 10 retail outlets during 1987-88 for the sale of vegetables and fruits etc., in different localities of Bangalore to enable the Lalbagh Horticultural Society to have retail outlets, and it has planned to build another 10 outlets. The total amount expended by the Committee on these outlets was accounted to Rs. 8.90 lakhs. The APMC also extends transportation facilities to the small and marginal growers of vegetables and fruits for the quick movement of goods to the market centres.

In order to develop a separate market complex for fruits and vegetables, the Committee has acquired about 33 acres of land near Byatarayanapura on the Bangalore-Bellary road and another seven acres of land near the Binny Mill which is being developed as market complex with all facilities for the growers and buyers. It is desired to have a direct marketing here without commission agents. The proposed cost of the complex is estimated to cost Rs. 146 lakhs.

The details of different market functionaries during 1988-89 were as follows; the figures in the brackets indicate their numbers: Commission agents (772), retail traders (729), temporary traders (2,177), importers (362), exporters (232), processors (29) and weighmen (235). The total staff of the APMC is about 97. Warehousing facilities in the Market Yard are provided by the Central Ware-Housing Corporation since 1977. The total income and expenditure of the Committee for some recent years was as follows. The figures in the brackets indicate the expenditure in terms of lakhs of Rs: 1983-84- 249.39 (69.71); 1984-85-131.27 (42.12); 1985-86-167.08 (72.44); 1986-87-248.15 (81.13); 1987-88- 278.49 (109.50)

The table given below indicates the arrivals and sales value of some important notified commodities of the market for 1986-87 and 1988-89.

(Amount in lakhs)

Name of Commodity	1986-87		1988-89	
	Arrivals in Qtls.	Sales value	Arrival in Qtls.	Sales value
Rice	16,67,401	6,483.69	24,86,746	9,695.45
Ragi	3,54,885	511.53	4,68,586	1,098.04
Groundnut	14,565	60.18	53,437	32.14
Horsegram	7,325	16.10	7,274	8.30
Greengram	29,705	131.92	44,344	143.52
Potato	11,01,695	3,137.97	11,90,987	149.63
Onion	21,45,577	3,247.50	18,03,520	1,967.05
Tamarind	2,17,431	1,213.22	40,017	31.80
Corriander	1,71,084	4,083.27	2,61,538	582.08
Chillies	23,854	191.93	41,767	546.31
Jaggery	12,17,32,210	5,406.36	7,34,491	1,040.11
Garlic	1,88,395	2,325.07	3,22,898	999.02
Avare	3,684	15.51	6,352	9.24
Coconut (No.)	1,86,37,768	-	1,49,48,086	484.37

Source: A.P.M.C., Bangalore

During 1987-88, from among 33 varieties of vegetables sold by the Committee, the largest quantity sold was tomato, 2.04 lakh quintals (Rs. 305.76 lakhs) followed by cabbage 1.19 lakh quintals (Rs. 143.54 lakhs), radish 1.19 lakh quintals (Rs. 7.74 lakhs), ashgourd 1.66 lakh quintals (Rs. 12.81 lakhs).

Marketing Board: There is a State Agricultural Marketing Board, at Bangalore; a provisional body consisting of members representing each district. The main functional activities of the Board include grading and standardisation of agricultural produce, general improvement of marketing, financing loan and other assistance to economically non-viable market committees etc. The Board also conducts publicity and imparts education in marketing and training. The Board has Administrative survey, Research and Market Intelligence wing. The Board has established three training colleges at Mysore, Hubli and Raichur.

Shandies

Since evolution of commerce through several stages, shandies are playing an important role by serving as retail and wholesale outlets for marketing of surplus of a region. These primary markets even now continue to be outlets for local

products of small farmers, artisans and others. They also serve as assembling centres of wholesalers. The distribution of the shandies is quite uneven in the city district. Anekal taluk tops the list with 7 villages, the twin taluks of Bangalore North and South account for two villages each. The percentage of inhabited villages enjoying the weekly market is being highest in Anekal i.e., 3.5%, Bangalore South and North 1.24%. In Anekal taluk 16.43% of the population is covered by shandies and is considered as best served compared to other taluks. The existence of shandies and the maintenance etc., during the historical times has already been mentions the shandies of the following places with particulars like the day of the shandy and the approximate attendance of the people confined to the present area of City district: Krishnarajapura-Tuesday (4,000), Madivala-Thursday (3,000), Hessarghatta-Sunday (2,000), Addiganahally-Friday (2000), Chikkabanavara-Saturday (1,500), Kakola-Wednesday (1,000) and Varthur-Sunday (1,000); *Anekal taluk* Huskur-Wednesday (4,000), Chandrapura-Saturday (5,000), Anekal-Thursday-600). In course of time, the earlier prominent shandy places have lost their prominence due to rapid urbanisation and industrialisation and many small shandies are being held in the district. Shandies are managed by the authorities like APMC, T.D.B. and also by the local civic authorities. The talukwise list of some important present shandies of the district is as given below: *Bangalore North:* Chikbanavara (Saturday), Yeshawanthapura (Sunday), *Bangalore South:* Rajanakunte (Monday); Krishnarajapura (Sunday), and Varthur (Friday). *Anekal:* Attibele (Tuesday); Anekal (Thursday); Bannerghatta (Saturday); Chandrapura (Monday); Ramasandra (Monday); Huskur (Wednesday); Jigani (Sunday), Sarjapur (Tuesday); Bagalur and Chikjala (both on Thursday).

Cattle fairs and markets

At present in addition to cattle fairs held on the occasion of annual local *jatras* at Hennagara (Anekal tq) on the occasion on Yellamma Jatra during January and another special cattle fair at Mugalur of Sarjapur hobli of Anekal tq in January, weekly regular cattle markets are held at Chandrapura, Jigini and Hindignal of Anekal taluk on the day of local shandy. The animals mostly traded are sheep and goats and cattle. These above cattle markets are not regular markets of the A.P.M.C. Bangalore.

The old records of 1940 make a mention of cattle fairs on the occasion of annual *jatras* of Madduramma of Huskur and Thimmarayaswamy of Anekal during Phalguna and Chaitra respectively, when about 10,000 and 1,000 heads used to assemble respectively.

Silk Exchange, Bangalore.

Sericulture continues to be an important primary activity next only to agriculture spread over large areas of Bangalore rural district and rural segments of City district and Bangalore City continues to be an important terminal market both for

raw and twisted silk yarn. Since 1970, all indigenous traders were made to stop transactions in marketing of cocoons and were replaced by Government Cocoon Markets. Since 1979, the transaction of raw silk was also brought under legislation by establishing Silk Exchange which marked the beginning of imposition of regulations on silk marketing and other allied activities.

Bangalore Silk Exchange was established in December 1979. The main functions of silk exchange is to provide the required facilities for both silk yarn reelers and traders. The traders, weavers and twisters are the market functionaries of silk exchange who are licenced and whose activities are controlled by the Silk Exchange Authority. The price is fixed by means of open auction and market fee of one percent is collected from the buyers and the amount so collected is known as Price Stabilisation Fund being utilised for the benefit of reelers as a subsidy on loans for the purchase of reeling equipments and improvement of market facilities meant for silk etc. The exchange provides free transportation facilities to the reelers and buyers and free storage arrangements to buyers and reelers. It is reported that yearly to the tune of Rs. 7 to 8 crores is the collection of Price Stabilisation Fund. Quality control of yarn is also being insisted upon by the exchange according to the approved standards of Central Silk Board.

Since 1987, the business in the exchange has been computerised to a large extent. On an average, daily about 10 to 15 tons of silk yarn valued at Rs. 60 to 80 lakhs is transacted in Bangalore exchange. The total staff employed in the exchange is 119.

Statement showing the transaction of silk yarn at the Silk Exchange during 1980-81, 1983-84, 1986-87 and 1987-88.

Sl. No.	Particulars	1980-81 (1-4-80 to 31-3-81)	1983-84 (1-4-83 to 31-3-84)	1986-87 (1-4-86 to 31-3-87)	1987-88 (1-4-87 to 31-3-88)
1	2	3	4	5	6
1)	No. of lots transacted	59,022	85,941	1,04,434	1,07,222
2)	Qty (in tons)	1,630	2,248	2,888	2,983
3)	Value (in lakh Rs)	4,209	8,580	12,937	15,839
4)	M.F. (in lakhs Rs)	89.4	136.0	129.3	158.4
5)	Purchases made by K.S.M.B.				
	a) Qty in tons	191	424	353	386
	b) Value (in lakh Rs)	508	1,695	1,642	2,238
	c) M.F. (in lakh Rs)	6.8	16.9	16.4	22.4
6)	% of purchase by K.S.M.B.	12%	19%	12.21%	12.94%

1	2		3	4	5	6
7)	Rate prevailed in General (in Rs/kg)					
	a) Filature	Min	140	225	355	340
		Max	450	570	700	1070
		Ave.	302-79	445-62	541-89	636-45
	b) Charaka	Min	071	195	200	200
		Max	343	536	640	880
		Ave.	239-99	377-26	434-25	525-36
	c) Dupion	Min	025	100	111	100
		Max	160	252	360	600
		Ave.	080-86	232-13	280-00	399.43

Source: Silk Exchange, Bangalore

Karnataka Silk Marketing Board Ltd.

The KSMB is the State owned company incorporated in 1979 under the Indian Companies Act 1956. Among other thing, the main functional activities of the board include buying of raw silk from silk exchange in Karnataka and to market the raw and twisted silk throughout the country. This organisation has provided a market both for raw and twisted silk, and said to be the single largest buyer of raw silk in the State. The Company also gets raw silk twisted on job work basis.

The paid-up capital of the Company is Rs. 280 lakhs. The quantity of silk purchased (in tonnes) and its value and the quantity of sales and its value in terms of lakhs of Rs. for some recent years was as follows: *Purchases:* 1988-89-471 tonnes (Rs. 3,346); 1987- 88-424 tonnes (Rs. 2507); 1986-87-394 tonnes (Rs. 1872). *Sales:* 1988-89 = 475 tonnes (Rs. 3,579); 1987-88-455 tonnes (Rs.2,737); 1986-87-425 tonnes (Rs. 2132). If the profit earned by the Company for 1988-89 and 1987-88 accounted to Rs. 45.00 lakhs and Rs. 34.66 lakhs respectively, the loss sustained in 1986-87 was of Rs. 22.15 lakhs. The Company has undertaken a programme to earadicate Uzi fly diseases of silk cocoons with the help of Department of Sericulture.

Mysore Sales International Ltd.

Mysore Sales International was formed in 1966 as a Limited Company promoted by the State Government under the provisions of Companies Act 1956, with the main objectives of facilitating centralised marketing services to the numerous public and private sector enterprises including the State Government Undertakings. The subscribed capital of the Company is Rs. 60 lakhs fully subscribed by K.S.I.I.D.C (Karnataka State Industrial Investment and Development

Corporation), a Government of Karnataka Undertaking. The Company deals in mercantiles like consumer products, industrial products, paper, stationery, etc. It has a separate export division started in 1972 and commodities exported are sandalwood oil, soap, talcum powder, agarbathi, silk and leather goods etc., M.S.I.L. is the sole agent for the sale of State lottery tickets since 1969. It also administers the Bangalore Air Cargo Complex near Bangalore Airport since 1971.

The Company has five branch offices within the country at Bangalore, Bombay, Calcutta, Delhi and Madras and a overseas office in London (U.K.). M.S.I.L. is managed by a team of professional persons headed by the Chairman and Managing Director who is a senior I.A.S. officer appointed by the State Government. The profit earned by the organisation during the last three years 88-89, 87-88 and 86-87 accounted to Rs. 33,000, Rs. 27.56 lakhs and Rs. 41.85 lakhs respectively. The total staff employed by the Company in 1988-89 was 794.

The table given below indicates sales progress of the company during the last three years.

(Rs. in lakhs)

Major items	1988-89	1987-88	1986-87
Consumer Products Division.	571.43	2,771.53	4,030.43
Sandalwood Oil Dvn.	57.55	157.20	214.86
Product Dvn.	329.14	315.35	278.56
Export Division	39.18	347.40	465.21
Note Books/ Stationery	725.20	739.88	634.08
Lottery Divn.	1,540.00	1,370.61	1,212.40
Hire Purchase Divn.	1.37	--	--
Total	3,263.87	6,701.97	6,835.54

Public Distribution

In order to ensure effective implementation of public distribution system, Government have promulgated various orders from time to time *viz.*, Karnataka Sugar Dealers Licensing Order 1962, the Food Grains (Declaration of Stocks) Order 1967, the Karnataka (Edible Oil Dealers Licensing) Order 1977 etc.

The Public distribution system in the State dates back to 1943- 1944 when the statutory rationing was introduced in Bangalore and K.G.F. in the former Mysore State to meet the II World War scarcity conditions. However, it was discontinued in 1948. Again in 1965, informal rationing system was introduced in Bangalore and other big cities. Since 1978 it is made applicable to all the cities and towns in the State with a population 40,000 and above. The towns like Anekal and Yelahanka of City district do not come under the purview of informal rationing system. The

fair price shops are managed by different agencies like KFCSC, Co- operatives, Youth Clubs, Mahila Mandals, SC/ST persons and others.

The total number of ration shops within the Corporation limits of Bangalore by the end of March 1987, 1988 and 1989 were 1,431, 1,424 and 1,415 respectively. For the purpose of effective administration of public distribution system, Bangalore City is divided into 5 divisions under the control of Joint Directors, Food and Civil Supply Department. The total number of ration cards distributed in Bangalore City is reported as 6,48,810 by the end of March 1989. The distribution of fair price shops in the rural segments of urban district taluk-wise by the end of March 1989 and 1988 were as follows (figures in the brackets are for 1988). Bangalore North-103(107), Bangalore South-111 (109) and Anekal-79 (82).

Green cards: Families in the rural areas whose annual income is less than Rs. 3,500 and families residing in Urban centres with not more than 20,000 population and whose annual total income does not exceed Rs. 3,500 are entitled for green cards. Green Card holders are being supplied rice and ragi or wheat at subsidised rated upto certain fixed quantity. The total number of green cards holding families in the district by the end of March 1989 was 76,603. The taluk-wise distribution was, Bangalore South 30,823, North 28,939 and Anekal 16,841.

Procurement: The procurement of levy paddy from farmers has been discontinued since 1980. Now, rice mill owners are required to surrender levy rice at 33 1/3 of the resultant rice after hulling the paddy. The Food Corporation of India is the only agency entrusted with the purchase of levy rice. The target of procurement of levy rice and its achievement in the district during the last three years was as follows: The achievement is given in the brackets: 1986-87-2,000 MT (383 MT), 1987-88: 2,000 MT (452 MT), 1988-89; 1,500 MT (425 MT till Aug 1989).

Weights and Measures

As in the case of coinage and currency, a great variation can be seen in the system of weights and measures employed in trade and commerce in the district from time to time. Chikkadevaraj Wodeyar of Mysore is said to have introduced common weights and measures in his dominion of 84 *gadis* (taluks) during the 17th century by stamping his monogram (*mudre*) on weights and measures which were kept in village *chavadis* for the use in marts 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 *tola*; 24 *duddu* equalled one *kachchaseer,* 10 *seers* to one *dhadiya,* four *dhadiya* to one *kachcha mana,* and 44-46 seers equalled one *dodda mana.* The measuring instrument also called *seer* or *pakka seer* was formed by mixing equal quantitites of *navadhanyas* equal to the weight of Rs. 84 put into a vessel that exactly contained it when heaped.

Buchanan who visited Bangalore and surrounding places in 1800 remarks that "for almost every town and district weights and measures differed widely, the advantage of which was taken by the local cunning traders". For measuring length,

the imperial standard i.e. yard was adopted here in 1894. Earlier, the land measure corresponded with sowing capacity. The wide variation in weights and measures continued upto 1902 when the Mysore Weights and Measures Regulation was passed and the rules thereunder were made only in 1912, and the above Act was made applicable to certain selected trading centres and later in 1927 extended to entire princely Mysore.

The standard weights prescribed as per 1902 Act were: The *seer* the weight of which was a mass of metal equal to the weight of Rs. 24 (24 tolas) of British Indian coin, *arapavu* was equal to three tolas or 1/8 seer, *pavû* was equal to six tolas or 1/4 *seer, achcheru* was equal to 12 tolas or 1/2 *seer, pancheru* or *visa* was equal to 5 *seers* while *dhadiya* equalled *10 seers,* and *mana* was equal to 40 seers. For liquid items like oil or milk same measures with *seer* as the standard measure were used. In addition to these standard measures, there were also local measures like *balla* which equalled four *seers* (of 24 tolas) *kolaga* equalled 8 *seers,* and *palla* that tallied to 100 *seers,* while *khandi* was equal to 20 *kolagas* (160 seers).

The Industrial and Commerce Committee of the Economic Conference made several recommendations for improving the system in 1915. Accordingly in 1918, the activities of supplying, testing, stamping etc. of weights and measures were transferred to the Department of Industries and Commerce from the Revenue and Police.

Even before the introduction of metric system of weights and measures, there used to be great variation in weights and measures within the district in different trade centres and outside. If it were 210 *seers* per *khandi* in Bangalore it was 200 *seers* in Channapatna, 180 in Mysore, and 240 in Hassan, 60 in Chintamani, for commodities like grains, pulses, seeds etc. There was a great variation in maunds also. If a maund of copra consisted 31 1/2 lbs in Tiptur and Arsikere, it was 25 lbs in Bangalore, and 24 in Mysore. There were similar variations in respect of groundnut, betelnuts, groundnut oil etc. In case of potatoes if it were to be 52 *seers* of 33 1/5 lbs per maund in Chikballapur it was 48 seers of 29 lbs in Bangalore.

Introduction of Metric System: Based on the Standards of Weights & Measures Act 1956 (Central Act), the Karnataka Weights and Measures (Enforcement) Act was brought into effect in the district in 1958 and rules thereunder in 1959. In 1962, the office of the Assistant Controller of Weights and Measures for Bangalore district was opened. In September 1977, Standards of Weights and Measures (Packaged Commodities) Rules were also brought into force. The main functional activities of the Department include the 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 contemplates to protect the interest of consumers insists that every manufacturer or packer of commodities have to print

legibly, boldly and conspicuously certain mandatory declarations like name and address of the manufacturer or packer, net contents, maximum sale price, date of packing etc., on every package from where it is sold or delivered to consumers. According to the amendments made to Rule (6) (2) of the Packaged Commodities Rules 1977, the list of local taxes applicable to the packaged commodities are required to be displayed in the shop and non-display of the list is punishable.

The administrative set up of the Department of Weights and Measures of the City district headed by the Deputy Controller of Weights and Measures, Bangalore, is assissted by three Assistant Controllers of Weights and Measures one each for a circle, and there are 10 Inspectors of Weights and Measures working under them. Since 1989, the Department has been renamed as Department of Legal Metrology-cum-Consumer Protection. The number of traders, industrial establishments, petrol pumps and Government Departments coming under control of annual verification of the Department during 1988-89 were 34,487, 3,117, 278 and 50 respectively. While the number of weights, weighing instruments, measures and measuring instruments examined were accounted to 4.43 lakhs, 73,175, 96,457 and 2,586 respectively. The total service fees collected by the Department in the district for 1988-89 was Rs. 16.65 lakhs as against Rs. 18.40 lakhs and Rs. 15.25 lakhs for the preceding two years respectively. The number of cases detected for contravening the provisions of Weights and Measures Act during the last three years and the fine levied was as follows. The figures in the bracket indicate the number of cases: 1988-89 = Rs. 1.87 lakhs (1656); 1987-88; Rs. 1.09 lakhs (1610); and 1986-87: Rs. 1.05 lakhs (1464). The particulars in respect of violation of the provisions of Packages of Commodities Act were as given below: 1988-89 = Rs. 82,845 (453); 1987-88: Rs. 22,875(304); and 1986-87 = Rs. 21,290 (317).

Consumer Protection

The Government of Karnataka has constituted a Consumer Protection Board in January 1980 in order to imparting education and training to the citizens on general rights of consumers and to cause quality and price awareness of products among the consumers. The Board will also advise the Government regarding the measures to protect the interest of consumers. In order to make the movement more effective by providing statutory base, the State Government in exercise of the powers conferred under Section 9 and 10 of the Consumer Protection Act 1986 (Central Act 68 of 1986) have established State Forum and four District fora including Bangalore (vide *Gazette* notification on 24-8-1989) *viz.* The Karnataka State Consumer Dispute Redressal Commission, consisting of three members headed by the retired Judge of the High Court. The State Commission has the jurisdiction to adjudicate on disputes involving claims of Rs. one lakh and above. The headquarters of State Commission is at Bangalore. The Bangalore district forum consisting of three members, headed by retired District Judge will have the jurisdiction over Bangalore Urban and Rural district, Kolar, Tumkur, Chitradurga and Shimoga districts with Bangalore as headquarters.

Ware-housing

To suit the prevailing local conditions and climate, different methods of conserving food grains and other commodities have been adopted specially by the agriculturists. In ancient times, temples used to have common warehouses known as temple *kanaja* or *ugrana* for storage of food grains in villages, when land revenue and other cesses were collected in kind. The concept of public ware- housing is a recent development which ensures scientific storage of food grains and other commodities including raw materials and industrial goods, chemicals and fertilisers etc. without causing any deterioration in quality, quantity, weight, colour etc.

The warehouse receipts can also serve as instruments of credit enabling the depositor to have credit facilities from banks and depositors can wait for better bargaining in the market. Based on the recommendations of All-India Rural Credit Survey Committee (1954) the Public Warehouses were setup both by the Central and State agencies under the provisions of Ware-Housing Corporation Act 1962. Ware-Housing Corporations are expected to build up a large network of godowns in the country, so as to build-up the necessary infrastructure for the development of marketing. Bangalore Urban district has ware-houses managed by both of the Corporations.

The State Warehousing Corporation, Bangalore, altogether manages six ware-houses in the old undivided district and of them, three are situated within the jurisdiction of City district viz., Hongasandra (Anekal tq. 1983), Whitefield (B. North, 1984), and Makali (B. North 1987). All the above godowns being hired their individual storage capacity is reported as 13,490, 2,750 and 5,000 tonnes respectively as in may 1989. Since 23rd July 1988 the ware-house at Makali was closed.

In addition to notified commodities, food grains, pulses, oil seeds, fertilizers, the products of Karnataka Handloom Development Corporation, Sponge iron, empty gas cylinders of I.O.C. etc., were accomodated in the godown at Whitefield. The special items stored at Hongasandra included newsprint reels and hospital equipments of the health department. The Corporation allows 50% rabate on storage charges to agriculturist, 15% to co- operatives and 10% to State Government Departments and undertakings.

The Central Ware-housing Corporation has set up its own warehouses in Regulated Market Yard at Yeshawanthapur, Bangalore (1977) and hired godowns at Peenya, Whitefield and Rajeswarinagar (Mysore road). The total storage capacity of Central ware-houses is reported as 24,177 tonnes. In addition to food grains and notified commodities, warehousing facilities are extended by the Central warehouse to customs-bounded (duty payable) commercial and industrial goods.

All the warehouses both State and Central in addition to storage extend certain auxilary services like disinfestation, to the door steps of farmers, traders, co-operatives, Government etc., The table given below in the addenda indicates the income and expenditure of warehouses for some recent years.