

## CHAPTER VI

### BANKING, TRADE AND COMMERCE

#### A—BANKING AND FINANCE

SINCE industrially the district is very backward and in the field of agriculture and horticulture also, it is yet to make headway; it may be said that relatively there is not still much development in the spheres of banking and finance, trade and commerce. There is some improvement in the infrastructure of the district in recent years. But there is need to develop it further massively.

Because of long neglected state of agriculture, uneconomic holdings and impoverished condition of the generality of farmers, circumstances have been forcing them to borrow money from money-lenders for pursuing not only their agricultural operations, but also to fulfil domestic and social commitments. These repeated necessities experienced by a large section of the people gave rise to the age-old practice of money-lending by some affluent traders and others. Sometimes mutual trust and confidence served as security for the purpose of borrowing. But very often, cultivated fields, ornaments and dwelling houses and sometimes grains, house-hold articles, etc., were mortgaged or pledged as security. In recent times, this business attracted many *marwadis* who settled in the district for this and other purposes of trade.

#### Money-lending

Some decades back there were no organised institutional credit agencies and as a result, the needy had but to approach the private money-lenders. Later, though some co-operative institutions were brought into being, because of their inadequacies, lack of proper management, cumbersome procedures, and delays and securities demanded, the money-lenders continued to flourish though dreaded. Taking undue advantage of the helplessness and ignorance of the needy people, many of the money-lenders adopted dubious ways and took to usurious practices. They took over both moveable and

immoveable properties of the debtors and amassed wealth. Numerous families, on the other hand, were groaning under heavy debts from generation to generation. The Government of the erstwhile Nizam's State advanced some small sums of *taccavi* and other loans for agricultural operations at lower rates of interest. Agricultural loans to the extent of Rs. 27,690, Rs. 3,325 and Rs. 14,000 were given to the cultivators of the then larger district in the years 1934, 1935 and 1936 respectively, while in 1939, 1940 and 1941, the loans extended were of Rs. 22,522, Rs. 18,394 and Rs. 10,042 respectively.

When the Government realised that the lands of the agriculturists were passing into the hands of money-lenders reducing the debtors to the position of landless labourers, it adopted a Land Alienation Regulation in 1936. After a lapse of two years, in 1938, a Debt Conciliation Act was passed with a view to relieving the cultivators of the burden of old debts. This helped some of the debtors in getting a reduction in their old debts, a large part of which generally consisted of accumulated interests. In the same year (1938), the Government promulgated a Money-Lenders Act which aimed at checking various malpractices of the money-lenders. It fixed the rate of interest and enforced compulsory registration and licensing of money-lenders. The maximum permissible rate of interest fixed by the Act was 9 per cent on secured loans and 12 per cent on unsecured ones. The Act made a provision for submission of accounts of money-lenders and issue of receipts for amounts paid by the loanees. But a study of working of these measures, however, showed that they met with little success in dealing with agricultural indebtedness.

**Debt  
conciliation  
Act**

After the States' reorganisation in 1956, more comprehensive measures applicable to the entire State called the Karnataka Money-Lenders Act, 1961 (Karnataka Act 12 of 1962) and Karnataka Pawn-Brokers Act, 1961 (Karnataka Act 13 of 1962) were passed. Under the provisions of these Acts, money-lenders and pawn-brokers are required to obtain licences and to submit periodical returns to the Government. The maximum rate of interest allowed is 15 per cent on secured loans and 18 per cent on unsecured ones, while the pawn-brokers are permitted to charge 18 per cent simple interest on loans not exceeding Rs. 25 and 15 per cent simple interest in other cases. The Registrar of Co-operative Societies at the State level and the Deputy Registrar of Co-operative Societies at the district-level function as Registrar-General and Registrar of Money-lenders respectively.

**New Acts**

In 1976, there were 13 registered money-lenders in the district. Seven of them were doing their business in Bidar taluk, of whom

six were functioning in Bidar town. In Humnabad taluk, there were three money-lenders, two of whom resided in Humnabad town, while the other taluks have one each. According to the Assistant Registrar of Co-operative Societies, Bidar, the total advances made by the money-lenders was Rs. 17,720 in 1971; it was Rs. 23,363 in 1972 and Rs. 57,613 in 1975. In addition to these money-lenders, there are four "Finance Corporations" in the district (*see* elsewhere in the Chapter).

#### Indebtedness

Rural indebtedness is a problem faced in this district as in various other parts. A Village Survey Monograph pertaining to 1961 on Kamalnagar of Aurad taluk of the district prepared by the census authorities reveals the following details about the indebtedness of that place: In all, 208 households or 35.2 per cent of the total number of (619) households were indebted and the total amount of debt was of Rs. 1,71,660. There were no indebted households in the lowest income-group of Rs. 25 and below per month, as they could not obtain loans from individuals or institutions, though they needed loans. About 20 per cent of the households (18 out of 95 households) in the income-group of Rs. 26 to 50 had a total amount of debt of Rs. 3,705, which worked out to an average of Rs. 205 per indebted household.

In the next income group of Rs. 51 to 75, 30 households out of 151 or 20 per cent of the households were in debt and their average debt worked out to Rs. 701, the total debt of this group being of Rs. 21,305. In the next higher income-group of Rs. 76 to 100, 18 households out of 108 or about 16 per cent of the total number of households were in debt with an average debt of Rs. 341 per household and the total debt of the group was of Rs. 6,120. In the last income-group, i.e., Rs. 100 and above, about 55 per cent of the households, i.e., 142 out of 252 of the group were in debt and total debt of this group amounted to Rs. 1,40,530 which worked out to nearly 81 per cent of the total debt of the village. This clearly indicated that in providing credit facilities, generally households with higher income-groups were favoured and under such favourable conditions, the tendency to obtain loans was also more.

#### Utilisation of loans

The study revealed the purpose-wise utilisation of loans as follows: Out of Rs. 1,71,660 held in debt, as much as Rs. 1,15,455 (66.6 per cent) of the total debt was obtained for productive purposes and the rest (33.4 per cent) for non-productive purposes. The non-productive loans were mainly meant for domestic needs and marriage expenses. Regarding debt by source and occupation groups, the report indicated that out of Rs. 1,71,660 held in debt, a sum of Rs. 1,45,025 or about 84.4 per cent of the total outstanding

debt was due from cultivators, and the balance 15.6 per cent was due from non-cultivators. Even among the cultivators, 73 per cent of the outstanding debt was due from persons cultivating more than 10 acres of land. The bigger cultivators and people in higher income-groups, who sought loans, obtained them easily. The most important source of credit in the village had continued to be private agencies like money-lenders, traders, etc. Of the total amount of Rs. 1,94,760 obtained by way of loans, as much as Rs. 1,13,020 was from sources other than the co-operatives or Governmental agencies. Loans were also advanced in kinds in addition to cash; if a quantity of jowar was given as a loan during the lean period, the borrower had to return 75 per cent more besides the quantity of jowar loaned. The loans in kind generally bore a very high rate of interest.

In 1971, an attempt was made by the State Bank of Hyderabad under a Lead Bank Scheme to estimate the potential credit needs of the important sectors of the economy of the district. Its enquiry disclosed that the short-term credit requirements for the district were Rs. 4 crores. As against this, in 1968-69, the primary agricultural credit co-operative societies had disbursed Rs. 142 lakhs which worked out to 7.5 per cent of the total credit requirements. The small Farmers Development Agency had placed the medium and long-term credit requirements of the small farmers at Rs. 61.76 lakhs for the year 1970-71 and that of other farmers at round about Rs. 38 lakhs, thus estimating their total loan requirements at about Rs. 1 crore. The survey team had estimated in 1971 that the total credit requirements of the district for various sectors of economy amounted to Rs. 556.88 lakhs and that roughly 75 per cent of these requirements were met by the existing financial institutions in the district.

**Credit  
requirements**

In order to provide material relief to the bonded labourers who had been suffering grave hardships, the Bonded Labour system (Abolition) Act, 1976, was passed by the Parliament which received the assent of the President of India on 9th February 1976 which extends to the whole of India. Accordingly, the bonded labour system has been abolished in the State. All obligations of such debtors (bonded labourers) to perform labour either by himself or through the members of his family are deemed to have been extinguished and the debts payable to the creditors together with interest are deemed to have been discharged. Every offence, which contravenes the provisions of the Ordinance has been made cognisable. The bonded labour system has not been found to be much in vogue in the Bidar district. About nine stray cases were noticed upto the end of May 1976 and action was taken as per

**Release of  
bonded  
labour**

the rule. Such labourers are being rehabilitated by providing employment opportunities in their respective villages and also by extending bank loans under the differential interest rates scheme.

After the commencement of the plan period, the financial assistance being extended to the cultivators has been increased to a considerable extent. Special loans are being granted under various schemes for the development of agriculture and horticulture. During the year 1969-70, 527 farmers were given *taccavi* loans to the extent of Rs. 9.22 lakhs, and a sum of Rs. 10.64 lakhs of previous loans was recovered. In addition, other agencies like co-operative credit societies, commercial banks are extending credit facilities to the agriculturists. After the nationalisation of some of the major commercial banks, credit facilities have been liberalised.

**Karnataka  
Debt Relief  
Act. 1976**

The Karnataka Debt Relief Ordinance was issued in October 1975 to provide relief to the small farmers, landless agricultural labourers and other weaker sections of the society. This Ordinance received the assent of the President of India on 12th March 1976, and became an Act, with retrospective effect. The main objective of this Act is to give relief to small agriculturists having less than two hectares of unirrigated lands, all agricultural labourers and other weaker sections of the community having an annual income upto Rs. 2,400. Under the provisions of this Act, debts including interest are not recoverable from any moveable or immoveable properties belonging to persons of those categories. No civil court can entertain any suit or proceedings against such debtors. All civil suits pending before the courts and decrees obtained by the creditors for the recovery of loans stood annulled.

An important provision of this Act is about the return of pledged articles; the articles pledged by the debtors should be returned to them immediately by the creditors. If a creditor fails to do so, the debtor has the right to move the Sub-Divisional Magistrate of the respective jurisdiction, who will arrange for the return of the pledged articles. Further, every mortgage executed by the debtor in favour of the creditor stands redeemed, and mortgaged properties have to be released in favour of the debtor. Loans obtained from Central and State Governments, co-operative societies, etc., are not affected. A creditor who fails to furnish statements or to comply with orders under section 5 of the Act is liable to be punished with imprisonment ranging from three months to one year and fine ranging from Rs. 1,000 to Rs. 5,000. Three earlier ordinances issued in this connection with a view to extend relief to the debtors are hereby repealed.

## COMMERCIAL BANKS

The modern commercial banking activities began in the district in the latter part of the fifth decade of the present century, when the State Bank of Hyderabad opened its first branch in the district at Bidar in March 1946. Till the reorganisation of the States and even after some years, there was no other branch of a commercial bank in the district. Fifteen years later, the same bank (State Bank of Hyderabad) extended its banking facility by opening its second branch at Bhalki in 1961. After a gap of two years, Humnabad, another taluk headquarters town, was provided with a branch by that bank. The Syndicate Bank entered the district in 1964 by opening its first branch at Basavakalyan. This was followed by another branch of the State Bank of Hyderabad at Aurad in 1966. In the next year, the Syndicate Bank opened its second branch at Bidar in 1967. Till then (*i.e.*, from 1946 to 1967), the Bidar town was served by a single branch. The increasing banking consciousness among the people, the liberal policy adopted by the Reserve Bank of India in respect of expansion of banking facilities in the rural areas and the nationalisation of some of the major commercial banks in July 1969 have helped the growth of banking business and of the number of branches in the district.

Before the nationalisation of banks, the district had only seven branches, of which five were of the State Bank of Hyderabad and two of the Syndicate Bank. The Canara Bank, one of the nationalised banks, came to this district in 1970 when it opened two branches, one at Bidar and the other at Kushnoor Thana in Aurad taluk. After a gap of five years, another branch of this bank was opened at Bhalki in August 1975. The Karnataka Bank Ltd., was the first non-nationalised bank to extend its banking activities to this district. In 1970, it opened two branches, one at Bidar and the other at Chitaguppa in Humnabad taluk. With a view to taking up intensive financing of agriculture and allied activities, an agricultural development branch was opened by the State Bank of Hyderabad at Bidar in 1971. In 1973, the Punjab and Sind Bank Ltd., opened its first branch in the district at Bidar. This was followed by a branch of the State Bank of India in 1974 at Bidar in order to facilitate the implementation of the Lead Bank Scheme in the district. During 1975, the State Bank of India, opened two more branches in the district one at Hulsoor and another at Santhpur (Agricultural Development Branch). In 1976, fourth branch office of the bank in the district was started at Chitaguppa. During the same year, the Corporation Bank entered into the banking business of the district, by opening its first branch at Bidar in November

**Growth of  
branches**

1976 followed by another branch of Canara Bank at Basavakalyan by the end of 1976.

At present (1976), there are 23 branches of banks functioning in the district, of which nine are of the State Bank of Hyderabad, four each of the Canara Bank and the State Bank of India, two each of the Syndicate Bank and the Karnataka Bank Ltd., and one each of the Punjab and Sind Bank and Corporation Bank Ltd. Before the nationalisation of banks, there were no branches serving in the rural areas, but at present, out of 23 branches, six (*i.e.*, 26 per cent of them) are functioning in the rural area. On an average, the population served by a branch of the commercial bank in the district as in June 1972 was 59,000 as against the State average of 23,000, and the Bidar district occupied the 14th place among the districts of Karnataka in this respect, next below to Gulbarga (62,000). After the nationalisation in 1969 till 1976, there has been a net increase by 228 per cent in the number of branches of commercial banks in the district. Out of the seven banking companies functioning in the district, four have their registered offices in Karnataka. The commercial banks are now playing an important role in providing finance to the priority sectors and other economically backward and weaker sections of the society which had been neglected before.

The statement given below shows centre-wise deposits and advances of commercial banks in the district as in June 1971 :

*(Rs. in lakhs)*

<i>Bank Centres</i>	<i>No. of bank offices</i>	<i>Deposits</i>	<i>Advances</i>
Basavakalyan	2	26	23
Bidar	4	68	32
Other centres	5	34	4
Total	11	128	59

**Lead Bank Scheme**

In order to survey the resources and potentialities of banking and to evolve a co-ordinated programme for ensuring adequate banking facilities in the district, a "Lead Bank Scheme" was introduced by the Reserve Bank of India in December 1969. Under this scheme, the nationalised banks were allotted certain districts for the purpose. At first, the State Bank of Hyderabad was assigned this task for Bidar district, and subsequently in August 1974, this work was entrusted to the State Bank of India. The lead bank survey conducted by the State Bank of Hyderabad disclosed the following total deposits mobilised and advances made

by the commercial banks, central co-operative and industrial co-operative banks of the district for the years 1968, 1969 and 1970.

(Amount in lakhs of Rs.)

Particulars	Year		
	1968	1969	1970
<b>Deposits :</b>			
State Bank of Hyderabad	66.03	72.73	82.80
Other commercial banks	27.01	36.29	47.06
Central and Industrial Co-operative banks	79.92	66.71	73.45
<b>Total</b>	<b>172.96</b>	<b>175.73</b>	<b>203.31</b>
<b>Advances :</b>			
State Bank of Hyderabad	2.61	7.13	9.33
Other commercial banks	17.73	40.00	45.74
Central and Industrial Co-operative Bank	..	195.17	364.95
Primary Agricultural Co-operative Societies	8.13	8.11	11.40
Land Development banks	..	15.78	..
<b>Total</b>	<b>28.47</b>	<b>266.19</b>	<b>431.42</b>

The advances of commercial banks in the district in respect of agriculture and allied activities as in December 1972 were as follows :

(Amount in 000's)

Particulars	No. of accounts	Advances
1 Direct finance	1,216	3,312
2 Manufacturing	72	986
3 Construction	1	11
4 Transport	11	269
5 Personal and professional services	260	718
6 Trade	281	1,348
7 Personal loans	189	124
8 Others	1,890	1,709

Source: Banking Statistics, Reserve Bank of India, Bombay, December, 1972.

The Hyderabad State Bank, which was renamed as the State Bank of Hyderabad in 1956, was registered in August 1941. It had the objects of regulating and stabilising the currency of the erstwhile princely State of Hyderabad, managing the public debts, undertaking Government transactions, and encouraging agriculture, trade, commerce and industries. It has now nine branches in the

State Bank  
of Hyderabad

district. With a view to accelerating the pace of deposit accretions, schemes such as *Janata* Deposit Scheme, Special-term Deposit Scheme have been introduced by this bank. The total deposits mobilised by its branches in the district, as in December 1974, were of Rs. 161.66 lakhs, while the total advances made amounted to Rs. 60.59 lakhs, which included Rs. 42.52 lakhs for agriculture, Rs. 13.87 lakhs personal and other advances and Rs. 2.03 lakhs for trade and commerce. The advances made for small-scale industries and for retail trade accounted for Rs. 0.66 lakh and Rs. 1.51 lakhs respectively.

**Agricultural  
Development  
Branch**

In order to provide extensive direct finance for agriculture and allied activities, such as, sheep-rearing, poultry, dairy, self-employment, etc., in adopted villages, an agricultural development branch of this bank was opened at Bidar in December 1971. By the end of March 1975, this branch had mobilised total deposits of Rs. 4.04 lakhs mainly from the rural sector and had financed 164 small farmers to the extent of Rs. 8.88 lakhs. This branch had adopted 110 villages of which 82 had received financial assistance. The financial assistance extended by this branch as at the end of March 1975 was as follows :

<i>Sl. No.</i>	<i>Particulars</i>	<i>No. of units</i>	<i>Credit extended (Rs. in lakhs)</i>
1	Rural industries	1	0.05
2	Poultry farming	3	0.14
3	Sheep rearing	31	0.74
4	Dairy farming	7	0.17
5	Retailtraders	8	0.10
6	Personal loans	1	0.01
7	Self-employment	1	0.89
8	Differential interest rate scheme	4	0.03
9	Well sinking and I. P. sets	338	29.97
10	Revitalisation of old wells	65	3.76
11	I. P. sets	88	3.16
12	Land development	9	0.48
13	Crop loans	271	10.78

**State Bank  
of India**

At present (1976), the State Bank of India is having four branches in the district including one agricultural development branch. The total deposits mobilised and advances made by the bank in the district was accounted to Rs. 13.34 lakhs and Rs. 32.37 lakhs respectively by the end of 1976 as against Rs. 5 lakhs and 9 lakhs in the previous year.

At present (1976), the Syndicate Bank has two branches in the district. It has introduced a special savings scheme called the Pigmy Deposit Scheme along with other general deposit mobilisation schemes. The total deposits mobilised and advances made by the two branches of this bank, in the district, were of Rs. 79.51 lakhs and 55.29 lakhs respectively as in December 1975, as against Rs. 48.61 lakhs and Rs. 44.93 lakhs respectively in June 1973, while the deposits mobilised and advances made by the bank as in December 1971 and 1972 were of Rs. 42.59 lakhs and Rs. 42.59 lakhs, and Rs. 44.56 lakhs and Rs. 44.14 lakhs respectively. The following table indicates the advances made by this bank to the priority sectors in the district, during the years 1971, 1973 and in 1975 :

Syndicate  
Bank

(Rs. in 000's)

Sl. No.	Particulars	1971		1973		1975	
		No. of accounts	Balance	No. of accounts	Balance	No. of accounts	Balance
1	Road transport	11	97	10	149	6	238
2	Small-scale industries	41	170	26	129	16	201
3	Retail trade	77	134	128	211	124	241
4	Direct finance	1,911	2,909	1,416	2,740	682	1,582
5	Small business	9	21	35	70	44	50
6	Professionals	106	120	124	193	103	163
7	Education	1	1	4	7	4	8
Total		2,156	3,452	1,743	3,499	979	2,483

The Canara Bank has four branches in the district. In addition to regular banking business, the Canara Bank has *Kamadhenu* Deposits, *Nirantara* Deposits, *Nirantara* (insurance-linked) Deposits, etc. The annexed table indicates the position of total deposits mobilised, and advances made by this bank in the district from 1972 to 1975 :

Canara Bank

(Rs. in 000 s)

Particulars	1972	1973	1974	1975
	<b>Deposits :</b>			
Current	111	198	215	504
Savings	560	598	703	1,105
Fixed deposits	899	1,304	1,841	993
Others	474	1,014	1,411	2,481
Total	2,044	3,114	4,170	5,083

Advances ;					
1	Agriculture	145	268	346	411
2	Small-scale industries	..	133	285	314
3	Road transport operation	..	46	53	29
4	Retail trade	182	721	602	682
5	Self-employed, professionals and for education.	52	94	231	262
6	Small business	..	197	194	98
7	Others	605	1,241	923	878
Total		984	2,700	2,634	2,674

**Karnataka  
Bank Ltd.**

The Karnataka Bank Ltd., which has two branches in this district, introduced a special scheme called the *Abhyudaya* Cash Certificates for tapping deposits, besides extending other modern banking facilities. The total deposits collected and advances made by this bank in the district from 1971 to the end of December 1976 were as follows :

(Rs. in thousands)

Year	Deposits	Total advances	Share of the priority sectors
1971	972	893	162
1972	1,239	968	202
1973	1,545	1,315	302
1974	2,073	1,737	256
1975	2,033	1,637	602
1976	2,224	1,974	519

**Punjab and  
Sind Bank  
Ltd.**

The Punjab and Sind Bank Ltd., a non-nationalised bank, which has a branch at Bidar, mobilised deposits to the extent of Rs. 7 lakhs and extended loans for agriculture, retail trade and commercial business to the tune of Rs. 2.5 lakhs during the period from 1974 to 1975.

**Other  
financial  
agencies**

Financial institutions of another category, which are local in character and management are also playing a role in the district in financing local trade, commerce, and industries and also in tapping deposits. They are, by and large, called finance corporations. In this district, there are four such enterprises all located at Bidar. They have been organised by moneyed persons under the Indian Partnership Act of 1932. The main objectives of these enterprises are to provide finance on security or mortgage basis mainly for purposes of trade and commerce. They provide quick credit facilities. Some of these organisations also conduct "Lucky benefit

schemes”, *chits*, etc. Interest rates being given by these business houses on deposits range from 6 per cent to 18 per cent per annum. They are able to collect considerable amounts of deposits from the local public. Some of these organisations extend credit facilities like overdrafts, discount of time bills, credit facilities for hire-purchase, etc. These agencies have introduced their own cheque books and pass books and the like. The following statement gives particulars of these organisations as at the end of 1974 :

Sl. No.	Names of firms	Date of starting	Loans advanced Rs.	Deposits collected Rs.
1	Lakshmi Finance and Investment Corporation, Bidar	16-10-1973	5,58,177	4,43,901
2	Bidar Finance and Investment Corporation, Bidar	16-3-1972	6,81,529	7,64,648
3	Saraswati Financiers, Bidar	15-8-1974	57,700	34,643
4	Janata Finance Corporation, Bidar	11-11-1972	4,91,985	4,35,179

#### CO-OPERATIVE MOVEMENT

In the erstwhile Hyderabad State, a Co-operative Credit Societies Act was first passed in 1323 *Fasli* (1914 A.D.). It provided for formation of co-operative credit societies under unlimited liability in order to extend relief to the agriculturists and other persons of limited means. Simultaneously, District Co-operative Banks with limited liability were also brought into existence with the participation of Government in the form of share capital. The Hyderabad Dominion Co-operative Bank Ltd., was the Apex Bank for all the co-operatives, which was financing through the respective district banks.

The co-operative movement in this district made its beginning in the early part of the third decade of the present century, when two central co-operative banks, one at Bidar and the other at Udgir were registered in 1331 *Fasli* (1922 A.D.). The Government introduced a scheme for supervision of co-operative institutions by non-official agencies, the cost of which was partly met by the societies and banks. This helped to give a stimulus to the movement. Each supervisor was entrusted with 25 to 30 village co-operative societies for supervising their accounts and recoveries of loans. In the early years, mostly credit societies were formed. Later on, gradually, other types of co-operatives were formed. The Annual Report of 1925-26 on the working of co-operatives in the erstwhile Hyderabad State reveals that the former undivided bigger district of Bidar had 48 agricultural societies with a total membership of

**During  
earlier years**

906 and a paid-up share capital of Rs. 7,245. The reserve fund and working capital of those societies amounted to Rs. 4,418 and Rs. 1,19,565 respectively. The total amount of loans advanced by them was of Rs. 32,960. There were only two non-agricultural societies with a membership of 25 and a share capital of Rs. 433. During the same year, the District Central Co-operative Bank, which was the chief financing agency for the district, had 84 members including 47 societies and the rest (37) were individuals. The paid-up share capital of this central agency was Rs. 15,606. The amounts of deposits held by this bank were Rs. 8,001 from individuals, Rs. 62,000 from the provincial bank and Rs. 20,000 from Government as its share. Reserve and other funds of the bank amounted to Rs. 551. It had a total working capital of Rs. 1,06,158, and had advanced Rs. 37,452 to the affiliated co-operatives in the district.

The number of non-credit societies gradually increased. The movement, however, could not make the desired progress, *inter alia*, due to economic depression. Many societies were liquidated or became dormant. The Hyderabad Co-operative Finance Enquiry Committee appointed in 1934 recommended State assistance to co-operative central banks on liberalised terms for meeting the credit requirements of the primary societies. To cater to the financial needs of the urban people and for encouraging the habit of thrift, an urban co-operative bank (*shahari* bank) was established at Bidar in June 1935. By 1941-42, there were, in the former bigger district, 197 agricultural societies with a membership of 4,140 and a share capital of Rs. 62,793. The total working capital of all these societies was Rs. 4,01,235, while loans issued to the members and to societies amounted to Rs. 56,665. At this time, the number of non-agricultural societies working was 17 with a membership of 2,510 and a paid-up share capital of Rs. 43,457. The working capital of these organisations was Rs. 1,20,054, while the advances made were to the extent of Rs. 55,966.

**Distribution  
of essential  
commodities**

During the period from 1941 to 1948, with scarcity conditions prevalent in the war and post-war years, the responsibility of distribution of essential commodities was entrusted to some of the co-operative societies. Some new societies and Taluk Development Unions were also formed in almost all taluks of the district. It was during this period that formation of grain societies was undertaken in the district. The system of credit in the form of grains was commonly known here as *savai*. After 1956, when the controls were removed, several grain banks were found either defunct or dormant. Some of them were converted into service societies.

Since the commencement of the Five-Year Plans in 1951, there is a widening of the orbit of the co-operative movement. In 1951-52, in the former bigger district, there were 391 agricultural societies with 13,294 members on roll and a share capital of Rs. 2,27,767 while there were 53 non-agricultural societies with 10,307 members and a share capital of Rs. 2,87,143. The total working capital of agricultural and non-agricultural societies was of Rs. 12,16,003 and Rs. 6,92,127 respectively. By the end of June 1952, the total liabilities of two co-operative central banks working in the district, one at Bidar and the other at Udgir, were Rs. 5,11,304 and the total assets were Rs. 5,16,025. In 1954, the Central Co-operative Bank working at Udgir was merged with the Bidar Central Co-operative Bank. In June 1955, the liabilities of the Bidar District Central Co-operative Bank were Rs. 8,89,964 while the assets held were Rs. 8,99,434. In 1955, the number of agricultural societies was 526 with a membership of 20,485, a share capital of Rs. 4,57,474 and a working capital of Rs. 22,21,212, while there were 41 non-agricultural societies with 8,030 members, Rs. 1,63,124 as share capital and Rs. 5,25,296 as working capital. Before the reorganisation of the States on 1st November 1956, the area of the district was considerably larger and there were nine taluks. As only four of the then nine taluks were allotted to the new Mysore State, a large number of co-operative organisations did not come within the purview of this reduced district.

After 1956, with the increasing tempo of development activities, efforts were made to streamline the working of the co-operative bodies. In order to provide better guidance and more assistance to them, an office of a Deputy Registrar of Co-operative Societies was opened at Bidar in 1971. In order to widen the scope of the movement and to facilitate its balanced development, consumers co-operatives, producers' co-operatives, marketing co-operatives, house-building co-operatives, industrial co-operatives, processing co-operatives, farming co-operatives, land development banks, etc., were started in recent years. The first land development bank of the district was registered at Aurad in 1958. A Primary Consumer Stores was started at Bidar in 1959. The first housing society registered in the district was the General Housing Society at Bidar in 1959. The first Milk Producers Co-operative Society in the district was established at Bidar in 1964. A co-operative sugar factory named Bidar Sahakara Sakkare Karkhane Ltd., which was registered in 1961 at Hallikhed (B) in Humnabad taluk went into production in 1969. In June 1973 the society had 6,472 members with a paid-up share capital of Rs. 103 lakhs. The total number

**Balanced  
development**

of members of this organisation as in June 1975 was 6,540 of whom 6,296 were sugarcane producers, 136 non-producers, 107 co-operative societies and Government, and it had a paid-up share capital of Rs. 114.61 lakhs of which the share of the Government was to the extent of Rs. 50 lakhs (*see* also Chapter V). In order to cater to the financial needs of medium-scale, small-scale and rural industries a District Industrial Co-operative Bank was started at Bidar in 1964.

**Integrated  
credit**

An Agricultural Service and Development Society was formed in 1969 at Bidar. Recently, with a view to provide integrated credit with package services and also to strengthen the co-operative movement in the district, a Farmers Service Society was registered at Mudbi (Basavakalyan taluk) in March 1974 with 1,436 members and a share capital of Rs. 11,800. The State Bank of India is the financing agency for the society. At present, there are as many as 26 types of co-operative organisations functioning in the district. Funds in the form of subsidies, outright grants, share capital, managerial grants and loans are being given by the State Government to many co-operative organisations in order to enable them to work more satisfactorily. The table indicating the nature and extent of financial assistance given by the Government to the co-operatives, in the district, from 1956 to 1974 is appended at the end of the Chapter.

The table given below shows the amounts of share capital, loans issued, recovered and outstanding along with net profit or loss in the co-operative institutions of the Bidar district for the years 1967-68, 1970-71 and 1972-73 :

(Amount in Rs.)

Sl. No.	Particulars	As in the year		
		1967-68	1970-71	1972-73
1	Share capital			
	(a) Government	1,64,62,488	2,44,82,417	3,53,71,000
	(b) Individuals			
2	Loans issued	2,99,05,795	7,11,87,926	20,81,85,000
3	Loans recovered	2,18,16,643	6,17,25,387	4,98,54,000
4	Loans outstanding	3,05,90,342	7,60,24,725	13,91,68,000
5	Net profit of some institutions	9,21,105	8,19,248	8,99,000
6	Net loss of other institutions	5,56,210	63,04,292	90,86,000

A survey conducted by the State Bank of Hyderabad, Lead Bank in 1971, has disclosed that the deposit mobilisation achieved by the co-operative institutions of the district, other than the Central Co-operative Bank and the Industrial Co-operative Bank, was very poor. The deposits of these two co-operative banks during the years from 1968 to 1970 had decreased by Rs. 6.47 lakhs from 79.92 lakhs to 73.45 lakhs, the percentage of decrease being 8.09. While there was a growth of 5.37 per cent in current deposits, 12.07 per cent in savings deposits, there was a decrease by 35.36 per cent in fixed deposits in them during that period. The position in this regard during the years from 1968 to 1970 is shown by the sub-joined table :

Deposit  
mobilisation

(Amount in lakhs of Rs.)

Deposits	As at the end of June		
	1968	1969	1970
Current	18.05	20.01	19.02
Savings	25.85	21.95	28.97
Fixed	34.59	22.33	22.36
Others	1.43	2.42	3.10
Total	79.92	66.71	73.45

While, by 1956, 375 villages of the district had been covered by the co-operative movement, a decade later, *i.e.*, by 1966, the number of villages that had been brought into the co-operative fold was 521 out of 591 villages in the district. This number had further increased to 561 by 1970 and to 588 by 1974. Whereas in 1964-65, there were 408 co-operative institutions of all kinds in the district with a total membership of 50,658, by the end of June 1974, there were 425 co-operative organisations in the district with a total membership of about 1,04,870, including 122 co-operative institutions under liquidation. The category-wise number of co-operative institutions and their membership as on 30th June 1976 were as follows :

Sl No.	Category	No. of institutions	Membership
1	District Co-operative Central Bank	1	416
2	Primary Agricultural Credit Societies	235	60,058
3	Primary Land Development Banks	5	14,536
4	Agricultural Service and Development Society	1	237
5	Non-agricultural Credit Societies :		
	(i) District Industrial Co-operative Bank	1	853
	(ii) Urban Co-Operative Banks	2	1,013
	(iii) Employees' Co-operative Credit Societies	4	375
6	Taluk Agricultural Produce Co-operative Marketing Societies	5	2,201

1	2	3	4
7	Sugar Factory	1	7,021
8	Non-agricultural Non-credit Societies :		
	(i) Milk and Dairy-farming Societies	12	952
	(ii) Livestock Co-operative Society	1	56
9	Farming Societies :		
	(i) Joint-Farming Societies	6	125
	(ii) Lift-Irrigation Societies	5	406
10	Transport Co-operative Societies	2	98
11	Labour Contract Co-operative Societies	6	212
12	Rickshaw-pullers' Co-operative Societies	2	92
13	Co-operative Printing Works	1	22
14	Housing Co-operatives :		
	(i) General Housing Societies	13	1,124
	(ii) Housing Societies for Scheduled Castes and Scheduled Tribes	5	2,717
15	Industrial Co-operative Societies :		
	(i) Handloom Weavers Co-operative Societies	8	3,140
	(ii) Industrial Co-operatives other than those of Weavers	47	2,235
16	Consumer Co-operative Societies		
	(i) District Co-operative Wholesale Stores	1	27
	(ii) Primary Consumer Co-operatives	15	3,630
17	Other Co-operatives :		
	(i) Fisheries Co-operatives	3	49
	(ii) District Co-operative Union	1	113
	Societies under liquidation.	130	

**Co-operative  
Central Bank**

The District Co-operative Central Bank is a premier banking organisation of the district, established at Bidar in 1922. The objectives of this bank are to raise funds through deposit mobilisation for financing co-operative societies in the district, to develop, assist and co-ordinate the work of affiliated organisations and assume the responsibility for making available agricultural credit in the district. It acts as a balancing centre for surplus funds of the societies. The bank is an intermediary financing agency between the primary societies and the Co-operative Apex Bank functioning at the State-level.

The authorised share capital of the bank was Rs. 2 lakhs at the time of registration and there was a paid-up share capital of Rs. 69,000 and membership of 154. As a result of reorganisation of States in 1956, the assets and liabilities of the bank were trifurcated. At the end of June 1957, the authorised share capital of the bank was raised to Rs. 5 lakhs, paid-up share capital to Rs. 1.38 lakhs and its membership strength was 231, consisting of 204 societies, 26 individuals and Government. As on 30th June 1975, the paid-up share capital of the bank was Rs. 74.15 lakhs and it had 410 members. At present (1976), the State Government holds

paid-up shares worth Rs. 65.14 lakhs in this bank. The bank has opened six branch offices and 15 pay offices spread all over the district. A crop loan system of lending was adopted by the bank in 1967-68. Medium-term loans and marketing finance are also extended by the bank. To accelerate the growth of deposits, the bank has introduced certain novel deposit schemes called Cash Certificates, Social Security Deposits, Retirement Security Certificates, Welfare Security Certificates and Giant Cash Certificates.

Establishment of a Small Farmers Development Agency in the district, in 1970, has been of much help to this bank. Three different types of finances are included under this scheme. The bank identified 35,373 small farmers and about 2,920 marginal farmers (see also Chapter IV). The nature and extent of finance made available to farmers by the bank under the Small Farmers Development Agency Scheme for some recent years from 1970-71 to 1974-75 are shown below :

Advances  
to small  
farmers

(Amount in Rs.)

Sl. No.	Name of the scheme	1970-71		1972-73		1974-75	
		No. of members	Amount	No. of members	Amount	No. of members	Amount
1	2	3	4	5	6	7	8
1	Crop loans to small farmers	8,247	28,08,229	13,879	38,15,000	17,189	38,30,000
2	Crop loans to marginal farmers	..	..	1,780	4,18,000	407	5,12,000
3	Tractor ploughing	217	5,400	..	..	..	..
4	I.P. sets	154	3,93,000	118	3,14,000	194	1,22,000
5	Agricultural implements	259	37,616	..	..	16	3,000
6	Milch cattle	102	1,18,803	..	..	137	2,25,000
7	Poultry-farming	48	1,44,234	..	..	..	..
8	Sheep rearing	17	29,700	..	..	..	..
9	Infra-structure (Chilling plant)	1	91,119	..	..	..	..
10	Conversion of short-term loans into medium-term	..	..	..	..	6,285	29,17,000

The bank has about 117 employees. It is managed by a board of 15 members elected from different constituencies of co-operative organisations including two nominees of the State Government. The

sub-joined statement shows the periodical progress of the bank for the years 1960-61 to 1970-71 and 1974-75 :

(Rs. in lakhs)

Sl.No.	Particulars	1960-61	1970-71	1974-75
1	Number of members	368	414	410
2	Share capital	11.29	61.03	139.29
3	Reserve fund	0.42	5.14	9.20
4	Other funds	0.64	7.06	22.89
5	Deposits	18.01	93.92	158.17
6	Loans from Apex Bank	88.13	292.19	464.18
7	Working capital	120.35	461.80	824.60
8	Loans outstanding	92.38	403.08	745.87
9	Overdues	4.56	67.73	178.05
10	Net profit	0.76	1.23	8.94

**Industrial  
Co-operative  
Bank**

For catering to the financial needs of agro-based and processing industries, specially small-scale rural and cottage industries, a District Industrial Co-operative Bank Ltd., was established at Bidar in July 1964. The bank extends financial assistance to individuals and affiliated co-operatives. The total membership of this bank in 1964-65 was 358 with a paid-up share capital of Rs. 50,030. By 1970-71, the membership had increased to 565 comprising 505 nominal members, 13 societies, 46 individuals and a Government share with a paid-up share capital of Rs. 3,80,934. By the end of 1975, there were 843 members and the share capital amounted to Rs. 4,87,430. The deposits collected and advances made by the bank in 1964-65 were Rs. 77,544 and Rs. 1,94,088 respectively, whereas in 1970-71, the corresponding figures were Rs. 5,83,169 and Rs. 13,69,847 respectively.

As at the end of 1975, the deposits mobilised by this bank amounted to Rs. 7,48,633, and loans advanced to Rs. 23,69,113, Rs. 2,14,732 being for small-scale industries, Rs. 1,52,750 for medium-scale industries and Rs. 13,99,042 for rural industries; the advances made for rural artisans and other types of advances were Rs. 17,000 and Rs. 5,85,588 respectively. The total share capital held by the Government in this bank was Rs. 2 lakhs by the end of 1975. In October 1973, this bank was made a part of the Karnataka Industrial Co-operative Bank Ltd., Bangalore, and it is now functioning as a branch of the latter which is the Apex

institution. The following table indicates the position of this bank as in 1964-65, 1970-71 and as at the end of December 1975.

(Amount in Rs.)

Sl.No. Particulars	1964-65	1970-71	1975(31-12-75)
1 Share capital	50,030	3,80,934	4,87,430
2 Reserve and other funds	—	45,400	—
3 Borrowings (by bank)	1,26,177	8,23,244	14,24,666
4 Deposits	77,544	5,83,169	7,48,633
5 Advances	1,94,088	13,69,847	23,69,113
6 Net profit	1,161	19,509	1,271

With the main objectives of rendering service with tractors, etc., on hire basis for the development of lands, undertaking soil-testing for the benefit of agriculturists, rendering technical assistance, etc., an Agricultural Service and Development Society Ltd., was organised at Bidar in December 1969 with jurisdiction over the entire district. The Society has three categories of membership, namely, 'A' class (Government), 'B' class (agricultural credit and non-credit societies) and 'C' class (agriculturists). During the year 1969-70, the institution had a membership of 100, with a paid-up share capital of Rs. 1,31,300 of which the share of the Government was Rs. 72,000 and the rest constituted the share of member societies and individual agriculturists. The membership-strength of the organisation had increased to 225 with a paid-up share capital of Rs. 2,20,200 in 1972-73, and to 231 with a share capital of Rs. 2,20,900 in 1974-75. The total share capital amount contributed by the Government was Rs. 1,44,000. Since inception upto the end of March 1975, the society executed various types of work such as ploughing, blasting, levelling for which it received Rs. 3,48,331 from the farmers as charges. It owns 16 tractors, two oil engines, a deep-bore machine a blasting machine, four tractor trailers and a godown.

**Agricultural  
Service and  
Development  
Society**

The agricultural credit societies are considered the most important base for the development of the co-operative movement in the rural areas. By the end of June 1975, there were 294 such societies with a total membership of 65,000. They included both large-sized and small-sized societies, and service co-operatives. The largest number of such societies, i.e., 72, were located in Aurad taluk followed by Bidar taluk which has 61 of these institutions. The Basavakalyan, Bhalki and Humnabad taluks had 56, 55 and 50 of such co-operatives respectively. These co-operatives extend short and medium-term credit facilities and supply agricultural implements, pesticides, improved seeds, manures and consumer goods. By the end of June 1974, the total paid-up share capital of all these societies

**Agricultural  
Credit  
Societies**

was Rs. 73.64 lakhs of which the Government contribution was Rs. 18.07 lakhs. While the short-term loans extended by these organisations amounted to Rs. 271.42 lakhs and medium-term loans to Rs. 12.74 lakhs, and marketing and produce finance advanced was Rs. 129.93 lakhs. By the same date, these organisations had recovered Rs. 148.37 lakhs in the form of short-term loans, Rs. 65.21 lakhs as medium-term loans and Rs. 129.13 lakhs as marketing and produce finance from the members. It is reported that the performance of these organisations in respect of deposit mobilisation is poor and that during 1975-76, 12 of these institutions remained defunct and 25 were under liquidation.

**Consumer  
co-operatives**

As mentioned earlier, the consumer movement in the district made its beginning in 1959 when the Bidar Primary Consumer Co-operative Stores Ltd., was formed at Bidar. Later on, many such societies were registered in the district. The main aim of these organisations is to cater to the day-to-day requirements of the members at reasonable prices. These institutions also render assistance in equitable distribution of both controlled and non-controlled commodities. This helps to prevent profiteering by private merchants to some extent. By the end of June 1974, there were 12 consumer co-operatives in the district with a membership of 4,789 as against 4,092 members in 1970 for equal (12) number of institutions. In 1974, these co-operatives together had a share capital of Rs. 1.13 lakhs including the shares held by the Government, and the total purchases and sales effected by these societies were Rs. 17.62 lakhs and Rs. 18.91 lakhs respectively.

**Wholesale  
stores**

A District Co-operative Wholesale Stores Ltd. was established at Bidar in June 1966 and it opened a Janata Bazaar in 1970. In 1966-67, this Wholesale Stores had 18 members including the Government with a total share capital of Rs. 1,50,500 of which the share contributed by the Government was Rs. 1 lakh, and in 1969-70, it had 23 members and a share capital of Rs. 2,70,000. After five years, *i.e.*, in 1974-75, the membership-strength was 26 and it had a share capital of Rs. 3,95,300 of which Rs. 3,35,000 was the Government share. The total purchases made and sales effected by the stores stood at Rs. 12,85,707 and Rs. 13,88,563 in 1974-75 as against Rs. 18,09,179 and Rs. 18,15,529 in 1969-70 and Rs. 8,71,925 and Rs. 7,01,908 in 1966-67. In 1972-73, the stores had purchased controlled goods worth Rs. 98,963 and non-controlled goods worth Rs. 3,21,016, the sales of controlled and non-controlled goods were Rs. 86,178 and Rs. 4,75,443 respectively. During that year, the stores incurred a loss of Rs. 67,495, as against a loss of Rs. 1,30,096 and Rs. 3,694 in 1969-70 and in 1966-67 respectively. However, it earned a profit of Rs. 24,600 during the year 1974-75.

It is reported that during 1975, three consumer co-operatives had become defunct. The table given below indicates the collective position of these societies for the years 1965-66, 1969-70 and in 1973-74 :

Sl. No.	Particulars	(Amount in Rs.)		
		Year		
		1965-66	1969-70	1973-74
1	Number of consumer co-operatives	11	12	12
2	Number of members	1,523	4,092	4,789
3	Share capital	54,753	55,000	1,13,000
4	Reserve and other funds	22,990	2,87,284	1,90,656
5	Working capital	2,26,123	4,21,655	3,30,484
6	Purchases <sup>1</sup>	37,35,000	15,60,000	18,40,183
7	Sales	37,58,000	16,90,000	18,91,000
8	Government assistance	46,615	13,713	47,000

Besides five regulated markets, there are five Agricultural Produce Co-operative Marketing Societies Ltd., functioning in the district, one in each taluk. These had a total membership of 2,130 as in June 1974, with a paid-up share capital of Rs. 12.16 lakhs of which the share of the Government was Rs. 11.05 lakhs. The first society of this kind in the district was established at Bhalki in 1954. The main functions of these societies are to supply fertilisers, seeds, agricultural implements and chemicals for plant protection, besides linking credit with marketing. These societies also have taken up procurement of foodgrains under the Government levy scheme. The Karnataka Food and Civil Supplies Corporation, Bangalore, is acting as the procurement agent for the district, while the taluk agricultural co-operative marketing societies are working as sub-agents. At present (1976), there are 31 purchase centres in the district. The target of procurement fixed for the district for 1975-76 was 19,555 quintals of jowar and 3,816 quintals of paddy and the achievement was 2,012 and 1,100 quintals respectively. The notified purchase rate both for jowar and coarse paddy was Rs. 74 per quintal during the year 1975-76.

**Marketing societies**

Of these five societies, those working at Bhalki and Aurad have an oil mill each, and the one at Bidar runs a fertiliser-mixing plant on a small scale. The total purchases and sales by these societies were to the extent of Rs. 59.08 lakhs and Rs. 13.93 lakhs respectively during 1968-69. They handled agricultural produce worth Rs. 2.26 lakhs, agricultural requisites worth Rs. 37.51 lakhs and consumer goods of Rs. 91.41 lakhs in the year 1971-72. The total purchases made by these societies on behalf of the Karnataka Food and Civil

Supplies Corporation were to the extent of Rs. 2,22,005 during the year 1973-74. The following figures indicate the position of these societies as in 1967, 1972 and 1975 :

Sl.No.	Particulars	Year		
		1967	1972	1975
1	Number of Societies	5	5	5
2	Membership	1,849	1,801	2,152
3	Share capital (Rs.)	11,70,634	11,82,000	12,30,555
4	Reserve and other funds (Rs.)	95,011	76,000	76,000
5	Working capital (Rs.)	29,53,961	22,46,000	21,58,424
6	Total purchases (Rs.)	90,76,000	1,32,53,000	11,22,596
7	Total sales (Rs.)	80,48,210	1,50,48,000	9,85,914

**Milk supply  
co-operatives**

The first milk supply co-operative society in the district was started at Bidar in 1964. Later on, more such societies were formed in the district. By the end of June 1974, there were seven such societies registered in the district with a total membership of 752. It is reported that out of the seven societies, only two are at present economically viable and the rest are practically defunct. Efforts are being made to revitalise the defunct societies. The societies working at Hudgi and Basavakalyan are supplying their excess milk to the Government Dairy at Gulbarga. The statement given below shows the position of the seven milk supply co-operatives from the year 1971-72 to 1973-74 :

Sl.No.	Particulars	Year		
		1971-72	1972-73	1973-74
1	Number of societies	7	7	7
2	Membership	840	753	752
3	Share capital (Rs.)	27,103	27,000	27,000
4	Reserve and other funds (Rs.)	3,789	4,000	4,375
5	Working capital (Rs.)	2,90,552	2,47,000	2,24,512
6	Qty. of milk purchased (in ltrs.)	4,59,390	8,54,000	7,14,000
7	Sales proceeds (Rs.)	4,83,275	9,70,000	8,00,198
8	Profits (Rs.)	10,727	80,000	61,299
9	Losses (Rs.)	7,958	52,112	52,112

**Karibasaveshwara  
Milk Society**

The Karibasaveshwara Milk Producers Society, Hudgi in Humnabad taluk, was established in July 1970. The membership of this organisation was 56 in 1974-75 with a paid-up share capital of Rs. 3,993, as against 71 members with a paid-up share capital of Rs. 3,440 in 1971. The society is collecting milk from nearby 20 villages with the help of a van purchased by the society in 1975 at a cost of Rs. 55,000 for which 25 per cent subsidy was given by the Small Farmers Development Agency, Bidar. A feed mixing plant

was also supplied to the society by the Government in 1973 under the Applied Nutrition Programme. Cattle-feed and mineral feeds are also being supplied by the society to the members in helping to increase the milking capacity of the animals.

The society owns two chilling plants with a capacity of 2,000 litres each, of which one was purchased by the society in 1973 at a cost of Rs. 85,572 and the other was supplied by the Department of Animal Husbandry and Veterinary Services, free of cost. The daily collection of milk by the society varies from 2,600 litres to 6,000 litres (in winter season) and different rates are paid depending upon the fat content of the milk. The society had advanced a loan of Rs. 25,245 to 20 members for purchase of animals and Rs. 2,000 for fodder during the year 1973-74, of which a sum of Rs. 15,267 was recovered. The society has employed about seven persons. The following table shows the quantities of milk collected, value of sales and net profit earned by the society from 1970-71 to 1975-76 :

(figures are in lakhs)

Year	Collection of milk in litres	Amount Rs.	Profit earned Rs.
1970-71	1.74	1.56	0.12
1971-72	4.05	3.64	0.37
1972-73	6.86	5.18	0.67
1973-74	5.19	5.69	0.56
1974-75	8.8	10.5	0.92
1975-76	10.5	15.76	0.21

In 1976, there were eight handloom weavers' co-operatives, four of which are of cotton handlooms with a total membership of 2,212 and a share capital of Rs. 1,12,143. The other four are of woollen handlooms with a membership of 928 and a share capital of Rs. 1,19,595. Of these handloom societies, only three are at present functioning and efforts are being made to revitalise the other five societies. In 1973-74, there were 36 industrial co-operatives in the district excluding cotton and wool handloom and milk supply societies. They had a membership of 1,935, as against 46 such institutions with a membership of 4,691 in 1970-71, 62 with 4,921 members in 1967-68 and 63 with a membership of 5,335 in 1963-64. In 1973-74, only 13 were reported to be functioning out of 36 such societies and the rest 23 were defunct. Several such co-operatives became defunct or went into liquidation due to various reasons. The

**Industrial  
co-operatives**

bulk of this category of institutions is made up of handicrafts co-operatives and taluk industrial co-operatives. There are also rickshawmen's co-operatives, besides Bidari-ware co-operatives which are a speciality of this district. Of the four taluk industrial co-operatives, only three are working now. These industrial societies other than those of weaver's provide short and medium-term financial assistance to the craftsmen. They supply raw materials also to artisans, besides undertaking marketing activities. Some of these organisations have earned profits, while the others have incurred losses. The salient figures pertaining to this category of co-operatives for the years 1963-64, 1967-68, 1970-71 and 1973-74 are given below :

(Amount in Rs.)

Sl.No.	Particulars	1963-64	1967-68	1970-71	1973-74
1	Number of societies	63	62	46	36
2	Members	5,335	4,921	4,691	1,935
3	Share capital	89,349	2,21,420	2,51,143	2,35,000
4	Reserve and other funds	2,669	8,89,850	1,27,563	91,000
5	Value of goods produced	2,71,041	3,18,870	1,24,260	9,31,000
6	Sale-proceeds	2,02,281	5,84,712	1,24,260	9,96,000
7	Assistance from Govt.	77,138	2,66,449	—	91,015
8	Profits of some of the societies	11,561	29,424	20,721	9,000
9	Losses of some of the societies	1,39,007	34,761	23,276	19,000

**Fibre  
Co-operative  
Society**

There is a Fibre Co-operative Society at Madnoor in Aurad taluk, which was formed in 1959. The main objectives of this society are to improve the socio-economic conditions of those engaged in the manufacture of *batar*, fibre ropes, etc. The society at present is engaged in the production of *batars*, ropes of different sizes and carpets from *pundi* fibre. In 1975-76, the membership-strength of this organisation was 60 with a share capital of Rs. 4,982, as against 60 members with a share capital of Rs. 2,510 in 1971-72 and 36 members with a share capital of Rs. 350 at the beginning. Out of the 60 members, one third belong to the Scheduled Castes. In 1971-72, the society had purchased raw materials worth Rs. 19,476, while it manufactured and sold finished goods worth Rs. 25,522. The value of raw materials purchased, finished products, and sales effected was Rs. 21,880, Rs. 19,520 and Rs. 5,500 respectively by the end of 1975. The products of the

society are exported to the neighbouring districts of the cotton-growing areas of Karnataka and Maharashtra. The Khadi and Village Industries Commission, Bombay, has extended financial assistance to this organisation in the form of short-term loans, godown loans and working capital loans, besides grants. Since inception in 1958-59 upto 1974-75, the total financial assistance received by this society from the above-mentioned agency was of Rs. 1,63,234 of which a sum of Rs. 1,48,800 was in the form of loans and the rest, *i.e.*, Rs. 14,434 constituted grants. The total cost of equipment owned by this society is of Rs. 8,660.

There are 25 units engaged in Bidari-ware handicraft industry out of which two units are organised on co-operative lines. The Anmol Bidari-ware Co-operative Society Ltd., Bidar, was the first such institution to be organised in 1952 for the betterment of the economic condition of craftsmen of the unique Bidari-ware industry of this district. This society commenced its activities with 13 members and a share capital of Rs. 105. In 1974-75, it had 22 members and a share capital of Rs. 327. The working capital of the society which was Rs. 237 in 1955-56 had increased to Rs. 1,192 after a decade, to Rs. 5,433 by 1969-70 and to Rs. 10,502 by 1974-75. While the value of purchases made and sales effected by the organisation was Rs. 2,060 and Rs. 3,250 respectively in 1965-66, the corresponding figures for 1974-75 were Rs. 13,255 and Rs. 20,715. The net profit earned by the organisation was Rs. 2,070 in 1974-75, while it was 8,005 in 1969-70. The various types of Bidari-ware articles produced by the society are marketed locally and also exported to big cities like Bombay, Delhi, Calcutta, Madras, Hyderabad and Bangalore through the State Handicrafts Development Corporation. The institution has 12 workers.

**Anmol  
Bidari-ware**

There are five Primary Co-operative Land Development Banks functioning in the district, one in each taluk. The first bank of this kind was registered at Aurad in 1958 followed by the second bank at Bhalki in 1959. The last to be organised was that of Basavakalyan in 1966. These banks are affiliated to the Karnataka State Co-operative Land Development Bank Ltd., Bangalore, which is the apex financing agency for extending long- and medium-term credit for various purposes of agricultural development, improvement of lands, discharge of earlier mortgage debts, sinking of irrigation wells, purchase of pumpsets, tractors, power tillers, etc. Loans are also being sanctioned for development of vineyards under the Agricultural Refinance Corporation Scheme through these banks. In 1964-65, these development banks together had a total membership-strength of 2,651 with a share

**Primary  
land Develop-  
ment banks**

capital of Rs. 71,000 and had issued loans to the extent of Rs. 1.95 lakhs for various purposes of agricultural development. By 1968-69, the membership of these organisations was increased to 6,659 and share capital to Rs. 5.29 lakhs and they had advanced loans to the extent of Rs. 19.99 lakhs. The following figures indicate the collective position of these banks for some years from 1970-71 to 1974-75 :

(Amount in 000's)

<i>Sl. No.</i>	<i>Particulars</i>	1970-71	1972-73	1974-75
1	Number of members	9,157	13,365	14,256
2	Share capital	823	1,899	5,145
3	Reserve and other funds	36	121	262
4	Borrowings	11,169	26,639	35,669
5	Working capital	12,460	28,661	41,287
6	Loans issued	2,664	10,890	3,610
7	Loans recovered	572	94	3,061
8	Loans outstanding	11,104	25,651	35,180
9	Loans overdue	360	1,138	3,099
10	Net profit	36	2	—

**Land  
Development  
Bank,  
Humnabad**

By way of illustration, the working of one of these land development banks is narrated here. The Primary Land Development Bank, Humnabad, which was registered in 1960 began to function from the year 1961. The membership of the bank was 187 with a share capital of Rs. 8,560 in the initial year (1961-62). By 1967-68, the membership of the organisation had increased to 1,109 and the share capital to Rs. 1,13,772. By the end of 1975, the bank had 2,896 members consisting of 2,813 of 'A' class (original members), 82 of 'B' class (members who co-executed the mortgage bonds) and one of 'C' class (Government), and a total share capital of Rs. 15,57,707, of which the Government's contribution was to the extent of Rs. 9,64,900. Finance is also being extended by this bank for deepening of wells and for redemption of old debts. The bank has also taken up special schemes like those sponsored by the Small Farmers Development Agency and helps cultivation of grapes. The following figures indicate the

financial position of this Primary Land Development Bank as in 1970-71 and 1975-76 :

(Amount in Rs.)

Particulars	Year	
	1970-71	1975-76
	1	3
1 Membership :		
'A' Class	1,900	2,813
'B' Class	15	82
'C' Class	—	1
2 Share capital	2,46,850	15,57,707
3 Reserve fund	—	3,835
4 Other funds	22,479	48,462
5 Profit	3,287	—
6 Loss	—	7,93,290
7 Borrowings :		
(a) General scheme	3,28,127	2,72,910
(b) Well scheme	24,29,218	22,64,756
(c) Tractor	—	26,612
(d) Pumpsets	4,35,820	30,56,442
(e) Agriculture Refinance Corporation Scheme	1,23,750	6,67,144
(f) Deepening of wells	—	1,11,889
8 Special Scheme :		
Small Farmers Development Agency	3,49,040	34,63,784
9 International Development Association Scheme	—	24,10,936

There were 18 registered Housing Co-operative Societies in the district in 1976, including five societies organised for the Scheduled Castes and Tribes (one each for a taluk). During that year, the total membership of all these societies was 3,841 of which 1,124 represented the membership of general societies and the rest, *i.e.*, 2,717 were members of the Scheduled Castes and Scheduled Tribes societies. During the period from 1972-73 to 1975-76, the general societies had built 35 houses. It was reported that in 1973-74 eight of the societies were defunct. The Karnataka State Scheduled Castes and Scheduled Tribes Housing Corporation, Bangalore, is the central financing agency for the Scheduled Castes and Scheduled Tribes Housing Societies which are helped with loans at cheap rates of interest. During the year 1975, the five Scheduled Castes and Scheduled Tribes Housing Co-operatives had a total paid-up share capital of Rs. 45,986 and received financial

Housing  
Co-operative

assistance to the extent of Rs. 7,40,200 from the Corporation for the construction of 440 houses of which 320 houses were completed while the rest were under construction. During the same year, the Government also sanctioned a loan of Rs. 52,000 of which Rs. 21,525 was an interest-free loan to the Scheduled Castes and Scheduled Tribes Housing Society working at Humnabad for the construction of 26 houses. (see also Chapter XIV).

**Farming societies**

Consolidation of small, fragmented and uneconomic holdings and increasing of agricultural outputs by means of scientific and intensive cultivation are the main objectives of the Co-operative Farming Societies. There are six joint farming societies in the district, out of which four are located in Humnabad taluk and one each in Basavakalyan and Bidar taluks. The first joint farming society to be registered in the district was at Harkud (Basavakalyan taluk) in 1963. These six societies have a total membership of 125 and a total area of 387 hectares. The Government has contributed a share capital of Rs. 9,100 in these societies. In 1973-74, the Government had advanced medium and long-term loans of Rs. 23,400 and another sum of Rs. 11,250 for godown and cattle-shed, besides giving a subsidy of Rs. 3,750.

**Lift irrigation societies**

In order to supplement the efforts for irrigating lands, lift irrigation co-operative societies have been organised in the district. The first society of this kind was registered at Horandi of Aurad taluk in 1970. In 1975, there were five such societies in the district, of which three were in Aurad taluk, and one each in Bhalki and Bidar taluks, with a total membership of 448 and a share capital of Rs. 55,445 with a total command area of about 2,240 hectares. The river Manjra is being utilised for lift irrigation by these institutions.

**Urban co-operative banks**

In 1975, there were two Urban Co-operative Banks functioning at Bidar with a total membership of 880. The Bidar Urban Co-operative Bank Ltd., was established in the year 1935 with 523 members. It has now 724 members and a share capital of Rs. 23,414. The advances made by this bank during 1974-75 amounted to Rs. 35,040. Recently, the Gandhi Gunj Primary Co-operative Bank Ltd., Bidar, registered in 1974, started business in February 1975. By the end of 1975, the share capital of this bank was Rs. 1,72,400 and the deposits collected amounted to Rs. 2,17,000, while advances were made to the extent of Rs. 3,80,000. The total borrowings of this bank amounted to Rs. 1,85,000 and the total amount outstanding was Rs. 4,65,000 by the end of 1975.

**Other co-operatives**

As in 1974-75, there were also co-operatives of other categories in the district, which included six employees' credit co-operative

societies with a membership of 288 and a share capital of Rs. 62,000, one medical store with 22 members and a share capital of Rs. 5,000, two transport and two rickshaw pullers' societies with a membership of 98 and 92 and share capital of Rs. 28,000 and Rs. 1,000 respectively. There were also two fisheries co-operatives, five labour-contract societies and a live-stock society. Of these societies, more than 50 per cent are reported to be defunct.

The Bidar District Co-operative Union Ltd., has been functioning since 1960. The main objective of this co-operative body is to propagate the co-operative principles by arranging film shows, running co-operative libraries and reading rooms, conducting training courses and study circles, holding co-operative conferences, co-operative weeks, etc., in order to strengthen the co-operative movement in the district. There are two District Co-operative Educational Instructors appointed by the Karnataka State Co-operative Union Ltd., Bangalore. Two types of training classes are arranged by the Union, *i.e.*, a four-weeks' secretaries and managers course and five days' short training course for managing committee members of various co-operative bodies of the district. During the year 1975-76, the Union imparted co-operative training to about 764 persons by conducting 59 classes. The income and expenditure of this co-operative body was of Rs. 11,001 and Rs. 8,123 respectively in the year 1975-76 as against Rs. 4,991 and Rs. 5,260 respectively in 1971-72. The annual membership strength of the Union was 69 in 1974-75 as against 101 during 1970-71.

Prior to the nationalisation of life insurance, the Hyderabad State Life Assurance Company established in April 1913 (1322 F.) was doing insurance business in this area besides as many as 26 non-Government Companies one of which was the United Karnataka Insurance Company Ltd., Dharwar. After the ushering of the Life Insurance Corporation of India, the Bidar district was attached to the Hyderabad Divisional Office and subsequently, the insurance administration of this district was attached to the Gulbarga branch office. For administrative convenience and for spreading the message of life insurance more effectively, a branch office was opened at Bidar in 1973 with jurisdiction over the entire district. During the year 1974-75, the branch office secured business to the extent of Rs. 2.45 crores with 2,399 proposals. Whereas during the previous year it had a business of Rs. 3.35 crores with 3,426 proposals. As in January 1976, this office was serving 10,372 policies and had 154 active agents.

The Karnataka Government Insurance Department is doing business both in life insurance and motor vehicle insurance in the district and it is confined to the employees of the State Government

**District  
Co-operative  
Union**

**Life  
Insurance  
Corporation**

**Karnataka  
Government  
Insurance**

and the vehicles of the State Government, including the vehicles owned by the industries managed by the State Government and quasi-Government organisations. The approximate number of policies held in the district as in 1973-74 was 1,820 and the total sum assured by the end of March 1974 was of Rs. 77,90,000. The total amount of annual premia received in the district in 1973-74 was Rs. 2,06,374 as against Rs. 1,35,393 in 1971-72 and Rs. 1,73,209 in 1972-73.

**Karnataka  
State Lottery**

There is considerable response in the district to the Karnataka State Lottery which is being conducted by the Government of Karnataka since 1969, as one of the measures to mop up small savings. Twenty-five per cent of the prize amounts of rupees one lakh and above and 10 per cent of the prize amounts below rupees one lakh upto Rs. 5,000 are to be invested in the form of the National Savings Certificates. At present (1976), there are about nine sub-agents in the district for the sale of the State lottery tickets. Lottery tickets of some other States are also sold in the district. Recently, on experimental basis mini draws are being conducted at the rate of one draw for every ten days from May 1976 besides regular draws.

**National  
Savings  
Scheme**

The National Savings Scheme which was taken up in the district in 1943, has made much progress in recent years. With the increase in the tempo of various developmental activities, the need for mobilising more funds has become imperative. This scheme is also considered as one of the best methods not only for capital formation but also to check inflationary trends to a certain extent. In order to popularise the scheme in the rural areas, the National Savings Organisation arranges savings drives at district and taluk-levels and mobilises savings of both the rich and the poor through the sale of national savings certificates of various durations. Besides these, the other kinds of savings include the Cumulative Time Deposits, Recurring Deposits and Time Deposits. In 1973-74, the net amount invested in Cumulative Time Deposits, Recurring Deposits and Time Deposits was of Rs. 2,29,300, Rs. 2,73,600 and Rs. 3,16,150 respectively, as against Rs. 1,07,000, Rs. 23,000 and Rs. 8,000 respectively during the previous year. The corresponding figures for the year 1974-75 were Rs. 1,28,000, Rs. 3,76,000 and Rs. 1,71,000 respectively. Several kinds of incentives are being offered by the State Government to increase national savings. The revenue and other officers at the district and taluk-levels, local bodies, voluntary organisations and the like are associated with the drive. Special cash awards are also given on the basis of total collections made. The figures given below, as furnished by the Regional Director, National Savings, Government of India,

Bangalore, indicate the gross and net collections under the National Savings Securities in the district for some years from 1962-63 to 1974-75 :

*Amount in Rs.*

<i>Year</i>	<i>Collections</i>	
	<i>Gross</i>	<i>Net</i>
1962-63	7,88,500	1,69,600
1964-65	10,48,800	1,92,900
1966-67	13,19,600	2,00,300
1968-69	15,55,100	4,04,200
1970-71	22,59,000	5,94,000
1972-73	24,37,000	1,70,000
1974-75	42,52,000	18,84,000

The system of post office savings bank accounts is also helping to mobilise savings of both the urban and the rural areas. In the year 1941, out of 77 post offices working in the district, 23 were having savings bank facilities and the number of accounts held in them was 3,411 and the total deposits with interest and balance was Rs. 5,15,766. The amount withdrawn during that year was Rs. 2,18,992. By the end of December 1975, there were 251 post offices in the district and all of them were having savings bank facilities. By the end of March 1975, the total deposits of all kinds held by the post offices amounted to Rs. 45,82,674 under 22,244 accounts, as against Rs. 29,78,033 under 14,567 accounts, and Rs. 28,13,211 under 17,508 accounts in 1972-73 and in 1970-71 respectively.

Post Office  
Savings  
Bank

#### COINAGE AND CURRENCY

Through the centuries many changes in coinage have taken place with the rise and fall of the ruling dynasties. The Chalukyas of Kalyana, an important dynasty, who had their capital in this district and exercised sovereignty over a wide area for more than two hundred years from 973 A.D. had a developed system of coinage. Their inscriptions mention coins like *dramma*, *gadyana*, *pana*, *honnu*, *haga*, *kagini*, *visa*, *gulike* and *bele*. Generally, the metals used for minting were gold, silver and copper. References are also found about some merchants' guilds which were permitted to issue coins. The coins of the Chalukyas of Kalyana were generally round and punched with various symbols on one side including *varaha* (boar). They contained not the names of particular rulers, but a hereditary title (*Jagadekamalla*) of the rulers. The Bahamanis and then the Barid Shahis, who ruled the region for more than two hundred years during the 14th, 15th and 16th

centuries, generally followed the pattern of coinage of the Delhi Sultans. In form, script, legend and weight, most of the Bahamani coins resembled the Delhi Sultanate coins of the Khiljis and the Tughluq. The Bahamanis issued their coins in gold, silver and copper. During their rule Muhammadabad Bidar had a mint.

Prior to the currency reforms initiated in 1856 A. D. by Sir Salar Jung I, the then Prime Minister of the Nizam, the coinage system in the erstwhile Hyderabad State was not properly organised. Several private mints were also in existence which created debase-ment, multiplicity of denominations and confusion for trade and commerce. The old method of minting of coins continued even upto 1893 A. D. and there were as many as 24 varieties of rupees in circulation in the Nizam's dominion. With the introduction of Charminar coins in 1904, the Hyderabad coinage was, for the first time, placed on a sound footing. This coin had depiction of the historic Charminar building on one side and the other side had an inscription in the Arabic language. These machine-made coins were called *Hali Sicca* (current coins). Later they were known as *Mahboobia Sicca* and finally as *Osmania Sicca*. Minting of *Mahboobia Sicca* rupees regulated the system and prevented wide fluctuations in its exchange value with the British Government rupees. The *Mahboobia* coins made of copper and bronze were of three denominations of one, two and three pies, whereas the *Osmania* coins, made of the same metals were of only two denominations, namely, two and six pies. The nickel one anna coin introduced in 1919 continued in circulation till 1956.

Charminar  
coins

The rate of exchange for accounts purpose was that one hundred British Government rupees were equal to one hundred and sixteen rupees, ten annas and eight pies of *Osmania Sicca*. Later on, the Hyderabad Currency Act III of 1912, however, provided for the fixing of maximum and minimum rates of exchange at which O. S. rupees could be exchanged with the British Government rupees. Exchange was regulated by the Government through the branches (within the State) of the then Imperial Bank of India and the Central Bank of India Ltd., which purchased and sold British Government rupee drafts as per the exchange ratio fixed from time to time. The Agricultural Market Act, which was passed in 1930, made it compulsory that all transactions in markets of the Hyderabad State should be made in *Osmania Sicca*.

Rates of  
exchange

Under the Hyderabad Paper Currency Act No. II of 1917, which provided for the issue and regulation of the paper currency, a Paper Currency Department was set up in 1918. The first paper currency issued for circulation was of two denominations, namely,

hundred and ten rupees notes followed by five and one rupees notes in 1919. Even after the accession of the State to the Indian Union in 1948, the Hyderabad currency along with the Indian currency was in circulation till December 1956 when the former currency was finally withdrawn and circulation of only the Indian currency and coins was permitted. An amendment to the Indian Coinage Act, 1906, was passed by the Parliament in August 1955 for bringing into force the decimal coinage system which was introduced with effect from 1st April 1957 throughout India and thus the district as other parts has had the beneficial impact of this change.

B.—TRADE AND COMMERCE

In ancient days, the industries were mostly local in character with limited markets in view of inadequate communications and transport facilities and their frequent disruptions due to wars. The system of mercantile corporations, trade guilds and the like developed during the regimes of early rulers of the area survived for a long time. In the medieval period, fine muslin fabrics manufactured in the area found their way to many other places. The Deccan area, which included the Bidar district, had trade contacts with west-coast ports through which horses were imported. As the needs of the people were limited, the outward trade was transacted only for surplus goods. Only the people belonging to certain communities were engaged in trade practices in addition to money-lending business. Trade was a good source of revenue to the Government. Prior to the year 1861 A.D., there was no collection of duties on merchandise with any specific plan or policy and there was no customs department in the State of Hyderabad. Miscellaneous duties were levied both by the State Government and the *Jagirdars* without any systematised rules and regulations. There were no good roads and other facilities for trade. Each *Diwani* taluk and *Jagir* taluk and village had their own arrangement for collection of taxes, with various demands on trade. Customs, transit and excise duties were multiplied under various names such as *rahdari*, *huqdari*, *sayer* etc., which created confusion and scope for fraud which were detrimental to the smooth flow of trade and commerce.

Course of  
trade

Before the emergence of modern trade practices, the barter system was prevalent. The introduction of railways in the latter part of the last century when a broad-gauge railway line was laid between Madras and Bombay (1863-1873) through the neighbouring district of Gulbarga, facilitated some development of trade and commerce of the area. Wadi-Secunderabad broad gauge railway

line was opened for traffic in September 1889.\* The Vikarabad-Bidar railway line was opened for traffic in 1930 which facilitated the movement of men and materials. After the implementation of various programmes under the successive Five-Year Plans, there is some improvement in infra-structure facilities in the district. This has helped to promote trade and commerce in the area. But yet, the district has very few major roads and many villages suffer from very poor communication facilities. The district has only one national highway which connects Hyderabad with Sholapur and Pune. Only three places in Bhalki taluk and two places each of Bidar and Aurad taluks are connected by a railway.

In 1961, 11,527 persons were engaged in trade and commerce in the district, of whom 6,777 were in the rural areas and the rest (4,750) were in towns. Among the taluks, Humnabad taluk had the largest number of people (4,065) engaged in trade and commerce followed by Bidar and Bhalki taluks which had 3,854 and 2,323 such persons respectively. In respect of urban centres, the Bidar town had the largest number of persons engaged in trade, *i.e.*, 2,107, followed by Basavakalyan (1,197). In 1971, the total number of people engaged in trade and commerce had increased to 15,024 of whom 7,796 were in the rural areas and 7,228 in the urban centres. But by this time, among the taluks, Bidar taluk had the largest number of such persons (5,129) followed by the Humnabad taluk (3,480) and Basavakalyan taluk (2,872). Among the towns, Bidar and Basavakalyan retained first and second places respectively wherein the number of persons engaged in trade and commerce was 3,310 and 1,582 respectively.

#### Imports and exports

About six decades back, the principal exports of the district were jowar and other foodgrains, cotton, oil, chillies, oilseeds, jaggery, tobacco, sheep and horns. The chief imports consisted of hardware, salt, salted fish, opium, gold and silver, copper, brass and copper vessels, refined sugar, iron, mineral oil, sulphur, raw silk, woollen goods, etc. At present, the important commodities of export from the district are groundnut, *udid* and other pulses and sugar. These are normally sent to Sholapur, Pune, Hyderabad and Madras in addition to the neighbouring districts. The imports into the district consist of textiles, rice, wheat, provisions, stationery, engineering goods, electric goods, fertilisers, petroleum products, etc., which are imported from Bombay, Hyderabad, Sholapur, Gulbarga and Bangalore. Export and import of goods are done both by railways and roadways. In recent years, transport

---

\*Statistical Year Book, 1350F. (1941), Hyderabad, Deccan.

of goods by lorries has become more common. This district has constant trade contacts with all the neighbouring districts and States.

In older days, Bidar, Humnabad and Basavakalyan were the

noted trade centres of the district. Bidar was and is famous for

its Bidari-ware articles. It was also noted for embroidery, needle-

work, cotton cloth, saris and black blankets. In 1940, Humnabad,

Bidar and Bhaliki were the important trade centres of the district.

Bidar was noted for tobacco, ghee, jowar and moong, and Bhaliki

for groundnut and ghee. In 1941, in the larger undivided Bidar

district, there were four *mandis*, three weekly bazaars,

two periodical bazaars and 14 cattle markets. At present, there

are five wholesale trade centres in the district, namely, Bidar,

Bhaliki, Humnabad, Basavakalyan and Aurad. These trade

centres collect commodities for export. The Bidar, Humnabad

and Basavakalyan markets export jaggery, coriander, pulses and

groundnut to Hyderabad, Latur, Sholapur and Bangalore. The

Bhaliki market exports groundnut and pulses to Hyderabad.

In addition to these wholesale markets, there are about 28

important retail marketing centres scattered all over the district

which include four centres in Bidar taluk, five in Bhaliki taluk,

eight in Humnabad taluk, six in Basavakalyan taluk and five in

Aurad taluk. In addition to these, there are about four rural

marketing centres for livestock which are Dubuligundi in Humnabad

taluk, Kamalnagar and Jambi in Aurad taluk, and Khanapur in

Bhaliki taluk. Normally, wholesale transactions are effected in

commodities like paddy, rice, jowar, *bajra*, groundnut, jaggery,

onion, cotton, chillies, red sugar, pulses, sesamum, *uhid*, tobacco,

etc. Such transactions take place in the regulated markets and in

the bazaars.

The need for the establishment of regulated markets was

keenly felt because of the hardships experienced by the cultivators

in obtaining fair prices for their produce. There used to be

malpractices like variations in weighing and measuring, irregular

market charges, unauthorised deductions, *mamools* and *muttees*,

secret dealings, etc. There was no agency to settle disputes between

the buyers and the sellers. The Report of the Royal Commission

on Agriculture in 1928 drew the attention of the Government to the

need for organised markets for the welfare of the agriculturists.

As a result of this, the Hyderabad Agricultural Markets Act was

passed in 1930. A separate marketing department was formed in

1935. The Act regularised the business of *adatyas* and other

market functionaries. Under this Act, licensing was made

Regulated  
markets

Trade  
centres

compulsory and the rates of commission and maximum deductions permissible were fixed. A regulated market was established at Bidar in 1940. After nine years, Bhalki got a regulated market. During 1951, such markets were started at Humnabad and Basavakalyan also. In 1971, a regulated market was brought into being at Aurad.

The Karnataka Agricultural Produce Marketing (Regulation) Act, 1966, was brought into force in the district with effect from May 1968. Under the provisions of this Act, functionaries of the markets are required to obtain licences. The District Marketing Officer appointed under the Act supervises the work of these markets, grading units and also the livestock markets. At present, there are five regulated markets in the district, one for each taluk. The Humnabad Regulated Market has two sub-markets, one at Chitaguppa established in 1951 and the other at Dubulgundi started in 1974. The Aurad Regulated Market has also two sub-markets, one at Jambgi and the other at Kamalnagar established in 1974 and in 1975 respectively. The following table indicates the total arrivals of commodities (market-wise) and their sale-value for the years 1972-73, 1973-74 and 1975-76.

<i>(Amount in Rs)</i>							
<i>Sl. No.</i>	<i>Name of market</i>	<i>1972-73</i>		<i>1973-74</i>		<i>1975-76</i>	
		<i>Arrivals in quintals</i>	<i>Sale value</i>	<i>Arrivals in quintals</i>	<i>Sale value</i>	<i>Arrivals in quintals</i>	<i>Sale value</i>
1	Bidar	1,78,900	2,40,78,525	2,75,365	3,91,76,301	3,50,000	5,03,40,000
2	Bhalki	33,144	55,80,619	1,06,719	3,98,77,592	1,13,000	2,01,94,000
3	Basava-kalyan	25,979	28,77,388	37,200	53,42,574	28,000	41,42,000
4	Humnabad	5,679	9,86,272	6,067	9,06,769	14,000	19,43,000
5	Aurad	35,565	47,42,980	28,569	66,63,133	38,000	81,35,000

The table given below shows the number of different market functionaries in the different regulated markets of the district during the year 1975-76 :

Sl. No.	Particulars	Bidar	Bhaliki	Basava-kalyan	Humnabad	Aurad
1	Traders	298	75	148	120	72
2	Commission agents	95	61	21	12	27
3	Exporters	16	..	1	16	24
4	Importers	9	..	..	3	21
5	Crushers	11	..	..	1	..
6	Processors	3	..	2	..	3
7	Warehousemen	1	1	1	..	..
8	Weighmen	46	8	3	4	4
9	Temporary licence holders	1	6	..	..	..
10	Hamals	50	81	27	..	63
11	Brokers	..	..	21	23	..
12	Stockists	3	..	..	..	30
13	Ginners	..	1	..	..	3
14	Cartmen	17	..	2	..	..

By way of illustration, the Bidar Regulated Market Committee is dealt with here. A Regulated Market Committee was formed at Bidar in 1940 under the provisions of the Hyderabad Agricultural Markets Act of 1930, with a limited area of operation. Now the functioning of this market is governed by the provisions of the Karnataka Agricultural Produce Marketing (Regulations) Act of 1966, which came into force in the district in May 1968. The area of operation of the market is confined to the revenue taluk of Bidar. For this market, 55 commodities have been notified, chief among them being cotton, lint, wheat, jowar, paddy, rice, jaggery, ghee *udid*, sugarcane, including cattle, etc. The main imports of this market are jowar and wheat, while coriander, *gur*, blackgram, and rice are exported from this market to Mysore, Bangalore, Madurai, etc. White jowar is being imported from Gulbarga and Bijapur districts and *masoor* from Madhya Pradesh. The ghee is being graded under 'Agmark' by the Government Ghee Grading Laboratory, Bidar.

Regulated  
Market,  
Bidar

The usual method of sales prevailing in the market is by open auction except for groundnut and for coriander, for which the tender system is in vogue. Grading of agricultural produce is in force at the Bidar market. Important commodities that are graded are jaggery, groundnut and coriander. The Department of Marketing has established a ghee-grading laboratory at Bidar. There are two ghee-packers and four oil-packers authorised by the Agricultural Marketing Advisor, Government of India, Nagpur. This market is provided with warehousing facilities also. An amount of Rs. 12.73 lakhs has been sanctioned (1st phase)

to this market to take up development works under a World Bank Scheme, which includes the construction of administrative office building, sanitary blocks, internal roads, rest houses and sundry shops, etc.

During 1975-76, this market had 21 'A' class, 115 'B' class and 125 'D' class traders. There were also 95 commission agents, 16 exporters, 9 importers, 12 crushers. During the year 1940 when this Regulated Market was formed, the value of total arrivals of agricultural produce was Rs. 25 lakhs. In 1974-75, the total arrivals and their sale-value were 2,63,477 quintals and Rs. 4,98,92,682 respectively. The earlier corresponding figures for 1972-73 and for 1971-72 were 1,78,900 quintals and Rs. 2,40,78,525 and 5,07,999 quintals and of Rs. 5,30,53,797 respectively. The income and expenditure of this Market Committee for the year 1975-76 were Rs. 8,16,084 and Rs. 5,24,418 respectively as against Rs. 1,46,228 and Rs. 1,92,509 for the year 1972-73.

The Market Committee consists of 15 members including seven members representing agricultural constituency, two from traders, one each from commission agents, producers' societies, taluk development board, municipality, etc., including a Government nominee. The District Marketing Officer is also an *ex-officio* member of the Committee.

#### Shandis

*Shandis* (weekly bazaars) facilitated the barter trade in olden days. They continue to be held at many places in the district and serve useful purposes in the modern days also. Small dealers as well as producers put up their goods for sale in these *shandis* and consumers and middlemen make their purchases in small quantities or in bulk according to their requirements. These *shandis* are of much help to the agriculturists and other small producers to find a ready market for their produce and also to get their requirements locally. The total number of *shandis* being held in the district is about 30. The following table gives particulars of some important *shandis* in the district :

Sl. No.	Place	Taluk	Day of shandy	Approximate no. of people attending
1	2	3	4	5
1	Hunnabad	Hunnabad	Wednesday	10,000
2	Dubulgundi	do	Tuesday	10,000
3	Chitaguppa	do	Monday	15,000
4	Hallikhed (B)	do	Tuesday	8,000
5	Mannaekhalli	do	Friday	5,000
6	Talwadgi	do	Sunday	2,000
7	Nirna	do	Saturday	1,000

1	2	3	4	5
8	Basavakalyan	Basavakalyan	Saturday and	5,000
	do	do	Wednesday	5,000
9	Rajeshwar	do	Friday	1,000
10	Hulsoor	do	Monday	1,000
11	Matala	do	Tuesday	1,000
12	Mudbi	do	Monday	1,000
13	Aurad	Aurad	Monday	5,000
14	Santhpur	do	Sunday	2,000
15	Jambgi	do	Thursday	2,000
16	Kushnoor	do	Saturday	2,000
17	Sundhal	do	Tuesday	1,000
18	Kamalnagar	do	Sunday	3,000
19	Bhalki	Bhalki	Saturday	4,000
20	Bhatambra	do	Sunday	1,500
21	Khanapur	do	Sunday	1,500
22	Khatak Chincholli	do	Monday	1,000
23	Bidar	Bidar	Wednesday	2,000
24	Bagdal	do	Saturday	2,000
25	Kamthana	do	Tuesday	1,200

A *jatra* or *urus* is a periodical festival and on its occasion generally a fair is held, when there are also socio-cultural activities and varied types of entertainment. There are many temples and tombs of holy men scattered all over the district which attract a large number of pilgrims from within and outside the district on the occasion of their festivals. The fairs associated with them facilitate trade transactions to a considerable extent and serve as good centres for marketing of commodities and sometimes cattle also. Many of the fairs are held after the harvest season is over. More than about 75 fairs are held in the district. Brisk sales of various types of goods and articles including cutlery, crockery, utensils, sweetmeats, toys, etc., are done at these fairs. A few particulars of some important fairs of the district are given below :

Fairs

Sl. No.	Name of place	About the month of	Deity or saint in whose honour fair is held	Duration (No. of days)	Approximate attendance of people
1	2	3	4	5	6
<b>Basavakalyan taluk</b>					
1	Basavakalyan	April/May	Basaveshvara	3	20,000
		July	Sadanandaswami	1	5,000
		Shawwal	Hazarath Syed Tajuddin Bagsawar (urus)	5	25,000
2	Kohinoor	Jamad-ul-Awwal	Hazarath Zinda shah Madar (urus)	4	10,000
3	Hulsoor	Jan.	Veerabhadreshvara	2	5,000

1	2	3	4	5	6
4	Harkood	Jan.	Channabasaveshvara	3	10,000
5	Chandakapur	March	Ramalingeshvara	2	5,000
6	Kalkhora	January (once in 3 yrs)	Mahakali	3	10,000
7	Ujlam	May	Khandoba	3	10,000
8	Chitakota	March	Veerabhadreshvara	3	4,000
<b>Bhalki taluk</b>					
1	Khanapur	Dec-Jan	Mailara Lingeshvara (Khandoba)	..	20,000
2	Mehkar	February	Ramalingeshvara	2	2,500
3	Shivani	Muharram	Hussaini Pasha Alam (urus)	2	3,000
4	Siddeswar	Chaitra	Siddeshwara	..	..
5	Nawadgi	December	Revappayya	3	20,000
6	Chalkapur	April	Hanuman	2	5,000
7	Bhalki	April (Chaitra)	Bhalkeshwara	8	10,000
		Bhadrapada	Kumbeshwara	..	10,000
		Chaitra	Hanuman	..	10,000
<b>Humnabad taluk</b>					
1	Humnabad	January	Veerabhadreshvara	7	30,000
2	Manik Nagar	December	Manik Prabhu	4	20,000
3	Chitaguppa	August	Baloba Maharaj	5	5,000
4	Changler	November	Veerabhadreshvara	5	6,000
5	Meenkhere	Oct.—Nov.	do	2	2,000
6	Udbal	March	Yellamma	3	15,000
7	Kathalli	December	Maramma	2	3,000
8	Hallikhed (B)	October	Naganatha	3	6,000
9	Karalnalli	March	Bakka Prabhu	5	15,000
<b>Aurad taluk</b>					
1	Aurad	Feb. March	Amareshwara	7	8,000
2	Wadgaon	March—April	Veerabhadreshvara	1	10,000
3	Chawar Dabka	January	Bhavani	1	10,000
<b>Bidar taluk</b>					
1	Ashtoor	Rabil-awwal	Ahmad Shah Wali Bahamani (urus)	3	5,000
2	Bidar	November	Bhavani	3	1,000
		April	Ramadevaru	1	2,000
		December	Narasimha	2	4,000
		Shabaan	Multhani Pasha (ur is)	3	3,000
		Muharram	Jamale Bahar	2	4,000
3	Chintalagera	January	Venkateshwara	2	1,000
4	Agrahara	February	Anantashayana	1	2,000

After the enactment of the Central law called the Agricultural Produce (Development of Warehouses) Corporation Act, 1956 (Act XXVIII), Warehousing Corporations were established in each State. The Karnataka Warehousing Corporation opened its warehouse (branch) at Bidar in 1959. The capacity of this warehouse at present (1975), is 2,429 tonnes. Under its extension programme, in order to cater to the growing needs of the users, two sub-warehouses were opened, one at Basavakalyan and another at Bhalki in 1972 and 1973 respectively. The capacity of these warehouses in 1974-75 was 180 and 200 tonnes respectively. However, these two warehouses were closed in 1975.

**Warehouses**

A new scheme called "Comprehensive Disinfestation Service" is being implemented in the district by going to the doorsteps of the farmers, traders and other depositors for preserving their stocks and for preventing wastage due to insects and rodents. Facilities are being extended for preserving foodgrains on scientific lines with the help of technically trained personnel of the Corporation. The depositors are being supplied with information regarding the prevailing market rates to enable them to secure good prices. Commercial banks are extending advance facilities against the warehouse receipts.

Under a massive programme for extending godown facilities in the rural areas, which is being implemented under the plan programme under the supervision of the Co-operative Department, godowns of different sizes have been constructed by the Taluk Agricultural Produce Co-operative Marketing Societies and also by other societies. At the end of March 1973, there were seven medium-sized godowns with a total storage capacity of 1,600 tonnes, of which two each were in Bidar and Bhalki taluks, and one each in Humnabad, Aurad and Basavakalyan taluks under the Taluk Agricultural Produce Co-operative Marketing Societies, besides 41 rural godowns. The total storage capacity of all these godowns was 5,500 metric tonnes.

The informal rationing system has not been introduced at Bidar or any other towns of the district since their population is less than one lakh. By the end of 1974, there were 785 fair-price shops functioning in the district, of which 508 were with private agencies and the rest (277) were managed by co-operative organisations. The largest number of fair-price shops (170) were located in Basavakalyan taluk followed by Humnabad and Aurad taluks with 166 and 163 shops respectively. The Bhalki taluk had 151 such shops, while the Bidar taluk had 135 fair-price shops.

**Fair-price shops**

**Trade  
associations**

There are a number of associations pertaining to different trades, industries and occupations at several centres and many of them are located in Bidar town, such as Bidar District Small Industries Association, Bidri-ware Small-scale Industries Association, Small Traders Association, etc. They have been formed with the objectives of maintaining close co-operation and co-ordination among the members of the same trade and formulating common policies and devising ways and means for promotion of their interests. Sometimes, these associations also strive to settle disputes among the traders.

**Small  
Industries  
Association**

The Bidar District Small Industries Association, Bidar, was registered in the year 1974. The main aims of this Association are to organise the small manufacturers engaged in cottage and rural industries of the district, to facilitate investigations and the like and to aid general development and progress of such industries. The Association holds periodical meetings and exhibitions in selected centres. It imparts training by holding classes for the benefit of the members and their employees and other interested persons. The membership of the Association is open to all small industrialists of the district and others who intend to take up such industrial ventures in the district. Admission fees, annual subscriptions, contributions and donations by members, local bodies and co-operative institutions are the sources of income to the Association, besides Government grants. The Association had 20 members in 1975.

**Bidri-ware  
Industries  
Association**

The Bidriware Small-scale Industries Association, Bidar, was registered in 1973. The main objectives of this body are to take measures for the development of the Bidari-ware handicraft industry which is a reputed speciality of Bidar and betterment of the conditions of the artisans. The Association helps promotion of export of Bidari-ware articles and makes efforts to procure raw materials needed by the manufacturers engaged in the craft and to popularise the Bidari-ware articles by holding exhibitions.

The membership of the Association is open to the manufacturers engaged in the Bidari craft who have registered themselves as members of the small-scale industrial units with the Department of Industries and Commerce. The members of the Association are required to pay Rs. 25 as membership fee besides Rs. 5 as monthly subscription fee. In addition, contributions from members and local bodies constitute the sources of income besides Government grants. In 1975, the Association had 20 members.

**Weights and  
measures**

In the former Hyderabad State, in 1886, an attempt was made through a regulation (*Dastur-ul-amal*) to introduce some standard weights and measures. Before the district became a part

of the new Mysore State, the weights and measures that were in use in the area were those prescribed by the Hyderabad Weights and Measures Act of 1356 F. (1947 A.D.) which came into effect in this district during the year 1950 and it remained in force until the Karnataka Weights and Measures (Enforcement) Act, 1958, was introduced in the district replacing the earlier Acts of weights and measures by the metric system. To facilitate effective enforcement of the new system, an office of an Assistant Controller of Weights and Measures was opened at Bidar in September 1962.

Prior to the enforcement of the metric system in the district, the bullion transactions were being done by means of *tola*, *val* and *rathi* as units of weights and these bullion weights were equal to the Bombay bullion weights. The traders in the area usually followed two kinds of weights, *i.e.*, the *seer* and *tola* system and the pound system. A *seer* was equal to 80 *tolas* and a maund was equal to 40 *seers*. A *palla* was equal to three *maunds*, and twenty *maunds* were equal to one *khandi*. A *seer* was also a unit of measurement of grains. *Adheli* and *pyali* were equivalent to two and four *seers* respectively. Measures of half a *seer*, one-fourth of a *seer* and one-sixteenth of a *seer* were also in use. The liquids were measured by the imperial gallon and a pint was determined as one-eighth of a gallon. Traders in tea, tobacco, condiments and other consumer goods followed the pound weights in preference to the traditional *tola* weight. The standard unit of length used in the district was the same as elsewhere, namely, foot, yard, furlong and mile. The area was measured in terms of *guntas* and acres (one *gunta* was equal to 121 square yards and one acre was equal to 4,840 square yards).

As in 1974-75, there were 2,415 traders, 31 industrial establishments, 8 petrol and 10 high-speed-diesel pumps in the district which came under the bi-annual verification of the Department of Weights and Measures. There was a revenue of Rs. 10,405 in the form of fees. The fines imposed by the courts on defaulters came to Rs. 3,155 during a period of ten months from 1st April 1974 to the end of January 1975.

Table indicating the nature and extent of financial assistance given by the Government to the Co-operatives in the district from 1956 to 1974

(Amount in rupees)

Period	Government Share contribution			Godown loans and subsidies			Subsidy and outright grants		
	Sanctioned	Released	Balance	Sanctioned	Released	Balance	Sanctioned	Released	Balance
1	2	3	4	5	6	7	8	9	10
1956—1961	1,38,000	1,38,000	..	3,38,000	2,98,109	39,891	1,37,530	1,36,389	1,141
1961—1966	17,26,000	17,26,000	..	3,75,725	3,36,169	39,556	2,06,823	1,97,915	8,908
1966—1969	47,81,000	47,73,000	8,000	2,62,340	2,04,771	57,569	1,28,644	1,01,224	27,420
1969—1974	77,16,980	73,70,480	3,46,500	2,73,790	1,05,072	1,68,718	1,56,888	83,266	73,622

Source: Deputy Registrar of Co-operative Societies, Bidar district, Bidar.