

CHAPTER 6

BANKING, TRADE AND COMMERCE

Banking and financial institutions shall play a vital role in supplying the capital required for the financial development of a region. Banking business is essentially accretion of capital and then its distribution. Private banks, public sector banks, industrial banks, agricultural co-operative credit societies, etc. are institutions that provide necessary capital required for development of agriculture, industry and trade. If these institutions mobilise deposits from public and disburse loans required for trade and other financial activities, the social and economic activity in economic and social sectors will be spurred in the region. Banking system should change its loan policy according to the changing social and economic activities of the society. For the economy to improve and move upwards the banking institutions should play a predominant role. They should take lead to encourage people and institutions taking up activities to improve economic development. Only then the banking institutions will have fruitful existence. Even in Bijapur district we can see the important role played by banking institutions in the changes taking place in economic and social development.

History of Banking Industry in the district

Before modern banking facilities emerged in the district, private moneylenders used to conduct lending business. The moneylenders did not accept deposits from the public. They used their own money for the activity. As per a survey viz. as per License tax statement of 1879, there were many landlords with an annual income of Rs.100/- to Rs.1000/- and 15,824 traders with enough capital and eleven rich families with income exceeding Rs.10,000 per annum. It is evident from this, that the wealth generation in the region was very limited. In addition, as the district used to face draught now and then, growth in economy would normally be negative. During the

acute drought conditions prevailed in 1876-77 the moneylenders were put to a great loss. The money lent could not be recovered and the progress of the district economy was hindered. At times not only the rich people but even the middle class people were involved in money lending. Some people used to borrow money from rich landlords and doing the money lending. At this time there was no systematic banking activity. There is no clear evidence to know about the interest rate levied at that time.

Bills Business

As major portion of the country's business was conducted in cash, most of the trade transactions were conducted in cash even here also. A small portion of the transactions was through bills. Big merchants of Bijapur, Talikot and Bagalkot used to sell their bills in the markets of Sholapur and Bombay and purchase bills thereat. The merchants from Bombay and Gujarat raised hundis on the commercial organisations of trade centres in the district to buy cotton and groceries. The merchants in the district used these hundis to buy silk, cotton yarn, silk cloth, gold, silver, brass, copper, iron and paints. The commission on these hundis was one to one and half percent. The commission was decided based on the market pressure or influence.

The Monetary System

From the beginning of the twentieth century, till the British rule came into existence, the coinages of the local rulers were in practice. The merchants of the eastern part of the Bijapur district used to trade with Hyderabad merchants and were using Hyderabad Rupee. As this was not accepted in the treasury, the exchange traders were taking commission from one and half annas to two annas. Adilshahi coins were minted in Bijapur from 1490 AD to 1686 AD. The mint was running under the orders of Malhar Bhikkaji, a Sardar of the Peshve administration, the coins were called Malharishahi rupees. The Mint at Bagalakot was functioning till 1833. After the British rule was enforced, the Bijapur mint stopped minting coins on the orders of the company rule. Even in Mudhol, a mint was operating till 1822. All the mints were under private administration. The coins minted were exchanged for silver bars or gold bars. The owner of the mint was paying a specific tax for minting coins. Malharshahi rupee used to weigh 172 gulaganjis. Before the British rule, gold, silver and copper coins were in circulation in the district. Of the gold coins, Ramatanki Moharu, Hanumatanki Moharu, Padmatanki Moharu and Akbari Moharu coins were in circulation. Each Ramatanki Moharu weighed four tolas. Half of this was called Pratapa, and the half of this was Dharana. The Dharana was weighing one tola. The value of Ramatanki Moharu was Rs.80/- and that of Hanumatanki Moharu was Rs.18/-, and that of Padmatanki Moharu was Rs.16/-. The last one was in circulation rarely. This was also called Duddu. But usually varaha coins were in circulation. These were called varaha because they contained picture of varaha on them. After a few years, the honnu a coin minted by the Hyder Ali of Mysore also came into circulation. But the circulation of varaha's continued even after Honnu entered the district. When the British administration began in the district there were about eighteen types of honnu and varahas under circulation. They were Gajapathi coins brought out by Vijayanagar Kingdom valued Rs.4 and 8 annas; Bahaduri (Hyder Ali) valued Rs.4 and 8 annas; Hosa Ikkeri (Ikkeri Kings) valued Rs.4 and 8 annas; Hale Ikkeri valued Rs.4 ; Tipu Sultan value Rs.4 ; Durgi ; Jamsheri and Magadhi

valued Rs.3 and 12 annas; Dharawadi ; Navalagundi ; Banavasi , Shamsleri, Ashvapathi, Venkatapathi, all of which were of Rs.3 and 8 annas; Sathari ; Alamgiri ; Kanthiraya valued Rs.3 and 4 annas; Savanuri valued Rs. 3.

Silver Coins: Beginning from the British rule till 1840, sixteen types of silver rupees were in practice. They were Aurangabadi, Bagalakote (Malharshahi), Ankushee, Halli shikka, Shahapuri, Kittur shahapuri, Dahrawadi, Hyderabad, Panali, Nilakanthi, Bhuthapadi, Chandodi, Hukkeri, Udavani, Govindabakshi, Peerakhani. Panali and Nilakanthi were equivalent at ten annas. All the other coins were equal to one full rupee.

Alongside the silver coins, copper coins were also in circulation. Under the Peshve regime, a copper coin called Shahu paise was in circulation. This was known as duddu. One duddu was equal to two kasus. The Company also brought out copper coins into circulation during 1835-36.

Mints: The Mint established by Malhar Bhikkaji Rasthe in Bagalkote was well known. The people called the coins minted here Malhari coins. Though the company rule came into force in 1817, the minting of Malhari coins was continued till 1833. The Company government gave permission to the Malhari family to mint the coins. In addition to rupee coins, copper coins called Govindaraji duddu were also minted here. Govindaraji coins were in circulation in Mudhol till 1860. It is also known that a mint, producing copper coins did exist in Jamakhandi.

Minting techniques

It is known that in mints, the minting of coins was done systematically. The Silver for the Bagalakot mint was brought from Miraj and Sholapur. The Silver Bar weighing 1250 rupees used to be melted using earthen pots. They used firewood and coal for melting the silver. The pot had two blowers. The air would be blown to intensify the fire flames. The intense flames would then melt the silver. The molten silver was poured on to the canals made of wood. Each rupee would be added lead of equal weight and melted. After silver was melted, the silver was dabbled to the size of the rupee and the symbol was embossed on it. In this method they used to make hundred rupees per minute. In addition to Bagalkote, coins were produced in Mudhol also. The rupees were produced upon the initials of the Muredikshit, the representative of peshve Bajiraya. In 1820, the district officer of Dharwad ordered that the year of minting should be printed on the coins. It was from then that the English year continued to appear on the coins. Normally there used to be no external difference between Malhari rupees and Mudhola rupees. But the value of Mudhol rupee was 16% less than that of Bagalkot rupee. The merchants knew this and hence could not be deceived. But the villagers used to get cheated. But the government endorsed that the chandur rupee was equal to Malhari rupee. This made misuse possible. The village officials would collect revenue in Malhari rupees and convert them to chendur rupees and then make payment to the treasury.

Prior to British government, all the accounting in the eastern part of the district was done in Malharishahi rupees. In some parts it was done in Ikkeri varaha. After the British rule commenced, in lieu of both these coins the Madrasi rupee was brought into force. As a result the

public transactions suffered heavily. The fact that the value of Madrasi rupee was 12½% more than the Malharishahi rupee, made a lot of changes in accounting necessary.

History of capital mobilisation and loan distribution

Bijapur district did not have a good railway network. There were no bridges to cross the large rivers in the rainy season. Along with this the large distance between the trade centres contributed to the slow rate of progress in trade in the district. There were not many entrepreneurs in the district and hence amount of money being put to productive use was very limited. Traders, landlords, goldsmiths, advocates and government officials were the only people who used their money for productive purposes in their various transactions. Prior to 1876, landlords used to store their entire grains and used to sell them only when required. These landlords used to lend the grains to the poor farmers and used to collect them back in grains. The interest used to be 25% in the form of grains only. Whenever the grains lent became spoilt due to various reasons, there used to be a discount in interest. In case of default the interest was to escalate to 25% to 50%. If the default exceeded two years, the interest rate would go up to 100%. The landlords sold their grains at much higher prices during the famine of 1876. But as the famine continued for a longer time the landlords had to buy the grains at a higher rate.

Government officials, advocates, traders, rich landlords and goldsmiths were the only people who used to save money. During famine times, middle class landlords who used to save in normal times would become debtors. After 1878, due to good rain and harvest, farmers sold their produce to clear the debt incurred by them. Then the rates would comedown sharply and the net income of the farmers used to get reduced drastically. In the famine times cotton and silk weavers, carpet weavers and others had to borrow money for buying the food grains and thus used to become debtors. After 1878 the famine ended and harvest increased. This led to a rise in demand for cotton and silk cloths and this improved the income of the weavers of cotton and silk. At that time the labour wages were paid in the form of hard money, which enabled them to save a bit. The savings also increased on account of availability of food grains at a lower rate. But most of the employeés, landlords used to keep their savings in the form of gold and silver. Government officials and advocates were the only people who used to keep their money in banks. Agriculturists used to store their income under the floor in their houses.

Investment of Capital

If depositing their savings in banks was one form, there were also investments in government bonds in Bijapur district. Government officials with higher salary, advocates and rich people used to invest in government bonds. In the district, during 1882, 5370 pounds or Rs.53700/- were invested on government bonds. On these investments, an amount of 250 pounds or Rs.25000/- was paid as interest. During 1870-1882, the deposits in savings bank had risen from 2210 pounds (Rs.22100) to 5990 pounds (Rs.59900). Traders used to invest to expand the trade. Government officials and advocates and rich people used their money to buy lands. They used to lease these lands to farmers and used to get back one third of the harvest in return. If they got a return of 12% on their investment on land it was considered adequate.

Lending

Professionals, farmers and ordinary people took loan from rich men. It was not a profession to lend money for the rich men. These people in addition, used to indulge in trade and cattle rearing etc. Even landlords used to lend money. Mostly brahmins, deshasthas, karadis, kanva, shenoy, gujarati lingayats, marvaris, panchamashali, reddy, komati and muslim were the only few who involved in lending money. Except marvaris all others used to transact through adjustments. There were many types among the rich people. First category rich would transact with capital from one lakh to two lakhs. The second category rich would transact from Rs. five thousand to Rs. one lakh. The third category rich would transact from Rs. One hundred to Rs. Five thousand. In important cities like Bijapur, Bagalkot, Ilakal, Muddebihal and Talikot, there were in total around fifteen first category rich lenders. In addition to direct lending these moneylenders used to conduct Bill discounting, gold trading etc. In addition they were the agents for merchants from Mumbai and Sholapur. In this district there were around two hundred second category rich men. First and third category rich men used to give loans to local traders and people of other professions. The loans were disbursed basing on individual security. Third category rich men lent to farmers also. The interest rate of 4.5% to 15% was in vogue. The lower loan amount would carry an higher interest rate and the higher amount loan would carry a lower interest rate. If the security provided is fixed assets, then the interest rate was less. If the lendee is honest and was of means then also the interest rate was low.

The Borrowers

In the district around 75% were borrowers and most of them were farmers. In the case of around 75% of the farmer borrowers, there was no probability that their loan would get reduced. Any farmer with a small holding if once became a borrower with a Marvari, it was certain that in a time of ten years all his lands would go to the Marvari. Usually the amount lent was very limited and that would increase at the time of famine. In rainy season, farmers were given food grains as loan, which was to be returned after the harvest with interest. If in the harvest season the loan was not returned the liability would be doubled for the next harvest season.

Many artisans were also taking loans. Weavers, yarn painters were given loans for purchase of cotton and other raw materials by the rich. The interest at the rate of half anna to one anna was recovered from loan amount itself at the time of disbursement. After selling the cloths, artisans would repay the loan. Respected weavers were taking advance for purchase of yarns and used to repay after selling the textiles. Otherwise textile traders would buy the cloths from the loaners and adjust the borrowings in the transaction. If the loans were not paid in time, the rich would move the court to get back the loan amount. If the loan was not repaid even after three years then compound interest was applied and the entire amount was converted as fresh loan. Credit was available only to the trusted borrowers and would not be available to those who would nag the rich by not paying the loan in time. After making two or three demands for repayment of loan rich would file a suit in the court to realise their dues. No loan was given without security. All the movable security such as gold, silver and immovable assets like land and building etc. were auctioned whenever the loan was not paid in time. If nobody participated in the auction then the rich man

himself would buy that asset. Many a time the landowner after submitting himself to clutches of the loan would become a tenant of the rich men due to the economic and financial conditions. The rich after having got the land like this would pay the land revenue to the authorities and transfer the land in their names. During the six years ending in 1882, 25,000 acres land was transferred. At the time of famine these lands became uncultivated for want of labourers.

After 1876, the rich started giving loans against fertile lands. When even these loans were not paid, the secured land would go to the rich, who had lent the money. After losing the lands many people left their place and migrated to Hubli, Sholapur and Mumbai. Some of the farmers started to work as agricultural labourers. In such fields new owners started growing cotton. The farmers after losing the lands would pledge their services and get fresh loans. To get a loan of one hundred rupees, a farmer aged 25 to 30 had to pledge two to five years of his service. During this period the owner would provide food and shelter to the farmer. If the farmer died before repaying the loan his children had to fulfill the obligation. In this way the slavery was widespread in the district.

As the labourers did not have any assets, the persons prepared to give loans to them were very limited. Both husband and wife who together worked for the whole harvest season could earn groceries enough only for six months. Both would go to the fields in the free days. During free days there was no work available for them in the village. Hence they would go to a big city and earn some daily wages. In this district, before railway transport became available, the daily wage for male worker was three to three and half annas and for woman worker it was two annas. After the rail transport was available the wages for men increased to four annas and for woman to two and half annas. In big villages and towns the wages were from five to six annas. Thus it appears that the wage earners were happier than the farmers with very small holdings.

Modern Banking and Finance

Prelude: Amongst the Mumbai Karnatak districts, Bijapur was fertile for emergence of banking institutions. The first commercial bank was established in 1908. That is Union Bank of Bijapur and Sholapur. In another important trade centre Bagalkot, two banks were established. One was Bagalkot Commercial Bank established in 1922 and the other was United Bank of Karnataka Ltd., established in 1935. In 1932, Bijapur Trinity Bank was established in Bijapur. Again in 1936 Guru Govind specie Bank Ltd., Corporation Bank Ltd. and in 1948 Sri Jadayashankaralinga Bank Ltd came into existence in Bijapur. Bagalkot Commercial Bank and Bijapur Trinity Bank were liquidated in 1939. Corporation Bank was merged with Union Bank of Bijapur and Sholapur during the decade of 1950s. At the time of merger this bank had its branches at Bijapur, Bagalkot, Ilakal, Tikota, Sholapur and Athani. In the same year, Guru Govind specie Bank Ltd and United Bank of Karnatak merged with Sangli Bank. Sri Jadayashankaralinga Bank Ltd merged with Belgam Bank in 1964. On the advice of Lakshmana Hari Chatre, Gangadhara Rao Deshapande and Koujalagi Srinivasa Rao purchased the shares of Parekha Bank, which was started in Mumbai during 1920s by Chotelal Parekh, a native of Mumbai. In addition its branches were opened at Belgaum and Bijapur. Though this ran well for one or two years, due to cheating by Chotelal Parekh, the branches were closed, records Deshapande in his autobiography.

Commercial banks meant to receive various kinds of deposits from the public and giving loans to trade, industry and such developmental activities. The following branches of various Banks were conducting their activities in Bijapur district during 1961.

1. **Badami:** a) Belgaum Bank Ltd. b) Canara Industrial and Banking Syndicate.
2. **Bagalkot:** a) Canara Bank, b) Canara Industrial and Banking syndicate, c) State Bank of India, d) Union Bank of Bijapur and Sholapur, e) United Bank of Karnataka (zonal Office)
3. **Banahatti:** Bank of Karnatak
4. **Bijapur:** a) Bank of Karnatak, b) Canara Bank, c) Canara Banking Corporation, d) Canara Industrial and Banking syndicate, e) Punjab National bank, f) Sri Jadeyashankaralinga Bank, g) Sri Gurugovind Specie Bank (zonal office), h) Union Bank of Bijapur and Sholapur. (Central Office), Central Bank of India
5. **Hunagund:** Canara Industrial and Banking Syndicate.
6. **Ilkal:** Canara Industrial and Banking Syndicate and Union Bank of Bijapur and Sholapur.
7. **Jamkhandi:** a) Bank of Karnatak, b) Canara Industrial and Banking Syndicate and c) State Bank of India.

Upto Nationalisation

The nationalisation of big banks began in 1969. At the time of Nationalisation there were 40 branches in the district. In 1960, there were eleven commercial banking companies in the district having four zonal offices and 23 branches. Between 1960 and 1969 June, their number increased to forty. The number of towns with bank branches increased to eleven. In this period there was a branch bank for every fifty thousand people in the district.

At the time of Nationalisation of big banks (1969) the district's banking industry scenario was like this. In 1966 there were 37 branches with deposits amounting to Rs.4.58 crore. These branches had advanced Rs.1.72 crore. In 1969, the amount of deposits mobilised by 40 branches was Rs.6.86 crore and the advances made was Rs.2.71 crore.

The following table will give a complete picture.

Table 6.1
Banking particulars before and after the Nationalisation. (Rupees in crore)

Year	Branches	Deposits	Advances
1966	37	4.58	1.72
1967	38	5.06	1.62
1968	38	5.50	1.85
1969	40	6.36	2.71
1970	45	7.20	3.22
1971 June	51	7.23	3.88

It is clear from the above table that the development in banking prior to nationalisation was not satisfactory. Either in increasing deposits or advances there was no progress. The increase in deposits was about 9% to 10% only. Though in 1967 the deposits increased by Rs.48,000, the advances went down by Rs.6,000. Progress was noticeable only in 1969. Deposits increased by Rs.1.36 lakh and advances increased by Rs.86,000.

After Nationalisation

Fourteen big banks of the nation were nationalised on 19th July 1969. Before nationalisation, the private banks used to provide advances only to rich traders and big industrialists. These banks neglected areas like agriculture, small industries and village development. Branches were opened only in big cities and coastal port cities. The weaker sections of the society were neglected. For these reasons banks were not useful to the overall development of the nation. To achieve more progress in the banking industry, the government nationalised banks having a deposit base of more than rupees fifty crore. The government announced twenty point programme and laid down norms for proportion of credit to specific areas. Here are some of the main programmes announced by the government.

1. Lead Bank Scheme (1969), 2. Priority sector declaration and proportion of advances to this sector, 3. Differential Interest Rate Loan Scheme, 4. Establishment of Rural Banks (1976) 5. Social banking schemes like Anthyodaya and IRDP (Integrated Rural Development Programme).

The progress was normal in the first decade of nationalisation. As the district was socially and economically backward branch expansion and distribution of advances were not large. But due to the policy declared by the government the branch expansion was noticeable. The number of branches rose from forty in 1969 to fifty eight in 1972. Even deposits were increased from Rs.6.86 crore to Rs. 8.92 crore. Correspondingly advances also increased from Rs. 2.71 crore to Rs.4.8 crore. If before nationalisation there was a branch for every 50,000 people, in 1971-72 there was a branch for every 35,193 people. Banking services further improved in 1975-76 when there was a branch for every 27,853 people. At the state level, a branch was there for every 18,000 people. But when compared to the national level achievement, the district position seems better.

Table 6.2
With Progress of commercial banks for the period ending June 1975 and
comparison the state and national level statistics

	(Rs. incrore)		
	Bijapur	Karnataka	India
Deposits	17	528.87	11,440
Loans and Advances	11	479.52	7,914
Credit Deposit Ratio	65	91	69
Bank Branches(no.)	80	1620	18,180
Population per branch	27,000	18,000	30,000

The economic progress of any district is dependent on the infrastructure and other facilities available thereat. In this district except Bagalkot and Bijapur cities other towns were not advanced in either trade or industries. Hence, there was no possibility for branch expansion, deposit mobilisation or providing advances. However the banking transactions were full of hope in several places of the district. The following table gives a brief introduction to the banking sector in various places in the district. These details pertain to the year 1973. Since Bagalkot was an important industrial center, there were five branches. Bijapur, the district place being an important trading centre, had eleven branches.

Table 6.3 : Taluk-wise Branches & Transactions

Places	(Rs. in lakh)		
	Total branches	Deposits	Advances
Badami	3	28	25
Bagalkot	5	229	91
Bijapur	11	468	220
Guledgudd	2	37	12
Hungunda	2	19	9
Ilkal	2	27	9
Jamkhandi	4	97	73
Mahalingpur	2	8	4
Mudhol	2	20	14
Rabkavi	2	52	16
Sindgi	2	25	23
Talikot	2	14	10
Terdal	2	21	6
Indi	2	16	5
Other places	21	107	87

Table 6.4 : Business of various segments of banks

Particulars	(Rs.in lakh)		
	Total branches	Deposits	Advances
Rural branches	15	58	58
Semi Urban branches	38	642	326
Urban branches	11	468	220

Thus out of sixty-four branches there were fifteen rural branches, thirty eight semi urban branches and eleven urban branches. Between 1975 and 1980 the pace of branch expansion of commercial banks was intense. In this period the number of branches increased to one hundred and eighteen from eighty. The increase in deposits was also considerable. The total deposits of banks increased to forty-seven crore from seventeen crore. The sole reason for this increase was the branch expansion. If in 1978-79 the banks had mobilised deposits worth Rs.30.94 crore, in 1979-80 the deposits were Rs.39.34 crore. The increase of Rs.8.60 crore during one year was phenomenal. The advances also increased similarly. During the period 1975-80 the advances rose to Rs.26 crore from Rs.11 crore. During the year 1978-79 the banks had advanced a sum of Rs.12.03 crore. But during 1979-80 the advances were Rs. 20.94 crore. That means the banks had achieved an increase of Rs.8.91 crore. The credit deposit ratio was 39% in 1978-79 and it was 53% in 1979-80. Out of Rs.20.94 crore of advances small scale industries got Rs.207.24 lakh, road and water transport development sector got Rs.72.68 lakh and Agricultural development sector got Rs.878.78 lakh. Advances to the tune of Rs.936.24 lakh were made to other priority sectors.

**Table 6.5 : Details of branches established by different banks
between 1977 to end of June 1980**

Banks	Branches in 1977	Branches in 1980
Syndicate Bank	28	28
State Bank Of India	17	20
Sangli Bank	9	9
Vijaya Bank	6	8
Canara Bank	7	7
Union Bank of India	7	7
Karnataka Bank	7	7
State Bank of Mysore	5	5
Vysya Bank	0	5
Bank of Maharastra	3	3
Corporation bank	1	3
Bank Of Baroda	0	1
Dena Bank	0	1
Punjab National Bank	1	1
Central Bank of India	0	1
Indian Bank	1	1
Total	92	107

Table 6.6 : Taluk-wise Branches working in the district.

Taluku	Branches in 1977	Branches in 1980
Badami	8	9
Bagalkot	12	12
Bijapur	22	21
Basavana Bagevadi	8	9
Bilagi	3	4
Hunagund	10	10
Indi	9	9
Jamkhandi	15	15
Muddebihal	7	7
Mudhol	6	7
Sindagi	5	4
Total	105	107

The initiative of Syndicate Bank

It can be seen that the Syndicate Bank has taken leadership in opening its branches in Bijapur district and providing banking services thereat. The first branch of Syndicate Bank was opened in Bijapur town in the year 1942. During the same year Bagalkot branch was also opened. Then it opened a branch at Rabkavi in 1953. One branch each at Jamkhandi, Ilkal, Guledgudda and Badami were opened in 1957. In 1958, it opened a branch at Hunagund and in 1968 a branch at Sulebhavi. That means by the time of nationalisation, Syndicate Bank had opened nine branches in the district. Between 1969 and 1971 the bank opened seven more branches. After nationalisation of banks, more and more public sector banks entered the district by opening their branches. But the Syndicate Bank itself had 28 branches by 1977. Following this, State Bank of India, State Bank of Mysore and Canara Bank opened seventeen, five and seven branches respectively in the district. The number of bank branches touched eighty in 1975. Of these the nationalised banks had a share of 80%. In the next five years, the banks of other States namely Maharashtra Bank, Punjab National Bank and Bank of India opened branches in the district.

The extension of branches continued at a swift pace. It was fast during eighties- nineties till 1990-91 and almost stagnated afterwards.

Table 6.7 : Expansion of banking business during 1980 - 1990.

	1975	1980	1985	1990-91	1993-94	1996-97
Branches	80	118	204	239	240	241
Deposits (Rs.in crore)	17	47	101	295	404	767
Advances (Rs. in crore)	11	26	73	192	251	417

The Lead Bank Scheme

After the nationalisation of banks, to use the banking facility for the development of the backward areas, the Lead Bank Scheme was implemented. The D.R Gadgil committee and The Nariman committees recommended the Scheme. The Reserve Bank of India implemented the recommendations of these committees. The purpose of the Lead Bank and Credit plan was to integrate the banking services and to localise them to complement the integrated development of the regions. As per these recommendations, the commercial banks started to evolve plans to develop the regions. The district was seen as a unit, all banks met together and started deciding how to meet the credit needs of the district by them. This programme was known as the Lead Bank Scheme.

As per the plan, Syndicate Bank was made the Lead Bank for Bijapur district. This Bank drew a plan with regard to the entire credit needs of the district and assigned the responsibility of meeting these needs to various banks in the district. As per this, any farmer, agricultural labourer, artisan had to obtain loans from specified bank branches. As per the Lead Bank report, all the villages within ten to fifteen kilometres of radius were covered under this plan. When the plan was commenced, out of 1268 villages 413 villages were selected for implementation of the plan. These villages were distributed among various banks in the district. After the implementation of the plan the villagers ignored the co-operatives and depended more on the lead bank branches. Even though the credit plans were envisaged for the whole of the district, the plan was limited for a limited number of villages only. The reason was that most of the commercial banks had opened branches in urban, semi-urban or irrigated regions only. After the implementation of Lead Bank Scheme, the banking activity in the district increased and banks did open the branches in rural areas too. By the end of March 1985 the number of branches rose to 204. The deposits mobilised by the banks also increased to Rs.100.89 crore. The advances touched Rs.73.45 crore. Due to the branch expansion spree in 1985-86 there was a bank branch for every 12026 persons, compared to a branch for 27,853 persons in 1975-76. The large private and nationalised banks also started opening their branches and providing the banking services. By the end of 1990 the number of branches rose to 296. Out of this 191 branches were in the rural area. There were 83 semi-urban and 22 urban branches also. After 1991, the branch expansion work was stagnated.

Table. 6.8 : Progress of banking industry in the period 1990-92.
(Including the DCC Bank, the Agriculture and rural development bank, Industrial Co-Operative bank and the finance corporation.)

Details	December 1990	December 1991	December 1992
Total branches	296	297	298
1. Rural	191	191	191
2. Semi-Urban	83	84	85
3. Urban	22	22	22
Deposits (Rs. In crore)	297	337	378
Advances (Rs. In crore)	210	233	256
Credit Deposit Ratio	71	69	68
Priority sector loans (Rs. in crore)	165	180	149
Ratio (%)	79	77	58
Direct Agriculture lending (Rs. in crore)	75	97	149
Ratio (%)	36	42	58
DIR Loans (Rs. In crore)	2	2	1.49
Ratio (%)	1	1	-
Backward classes: no. of accounts	1,27,341	1,28,153	1,04,552
Amount of loan (Rs.in crore)	62	72	69
SC and ST: no. of accounts	38,071	38,074	—
Amount of loan (Rs. in crore)	12	13	12
20-point programme: no. of A/c s	1,40,731	1,34,254	1,25,233
Amount of loan (Rs. in crore)	74	80	78
Advances to minority people (Rs. in crore)	8.4	9.9	10.08

During the decade of 1990s, the banking industry in the district took a new turn. Rather than the statistical development, the qualitative development drew much attention. In 1990-91 the number of commercial bank braches reached 239. Afterwards, the expansion was halted till 1997. But more importance was given to increase the deposits and variety in advances. As a result the deposits of Rs.295 crore in 1990-91 increased to Rs. 334 crore in 1992-93, to Rs. 404 crore in 1993-94, to Rs.499crore in 1994-95 and to Rs.767 crore in 1996-97. During this period,

deposits rose from 20% to 24%. But there was a restraint in disbursing advances. Between 1990-91 and 1992-93 the advances increased by only Rs.25crore whereas the increase in deposits was Rs.39 crore. In the next year, the increase in deposits was Rs. 70 crore whereas the increase in advances was only. Rs.34crore. We can see this in the table 6.9

Table. 6.9 : Progress of commercial banks for the period ending 1997(Rs. in crore)

Year	Branches	Deposits	Advances
1980	118	47	26
1985	204	101	73
1990	231	217	163
1991	239	295	192
1993	239	334	217
1994	240	404	251
1995	242	499	306
1997	241	767	414

The Rural banks and the District Cooperative Banks are covered under commercial banks. Lead bank scheme relates not only to commercial banks but also to the rural banks and DCC banks. Though the rural banks and the district cooperative banks have been prominent in the district, the people patronized the commercial banks only. In 241 commercial bank branches, rural bank branches numbered 85. The commercial bank branches were more influential and patronised by the people, hence the deposits mobilised by them were more than that of other banks.

Table 6.10
Proportion of deposit mobilisation in various commercial banks (%)

	1992	1993
Public sector commercial banks	63.88	62.37
Private sector commercial banks	12.75	13.19
Bijapur district rural bank	7.50	7.89
Bijapur D C C Bank	15.87	16.35

During these two years it may be observed that the DCC Banks and the rural banks have also performed better than the public sector and the private sector commercial banks. Even in advances portfolio, the rural banks and the DCC banks have done better. The details of loans disbursed by different banks under various economic activities for the year ended 1997, is given in table 6.11.

Table 6.11 : Details of the total progress made by the banking industry in Bijapur district (including Co-operative banks) up to 31.03.1997.

Banks in the District	Branches	Deposits	Loans & Advances	Ratio	Agri	Small Scale Industries	Service	Total Priority sector	IRDP	DIR	Weaker Section	20 Point Progr ammer
	2	3	4	5	6	7	8	9	10	11	12	13
Alahabad Bank	1	12858	3334	26	7	142	701	850	-	15	127	576
Bank of Baroda	1	82708	28011	34	4866	2612	3686	11164	2729	5	2348	4385
Bank of Maharashtra	3	67930	37167	55	19983	21	7275	27279	4443	156	1532	7923
Bank of India	1	34899	12255	35	378	681	3557	4616	-	-	310	2267
Canara Bank	9	448356	290028	65	9645	15901	222470	248016	9645	3178	24920	71806
Corporation Bank	8	385106	114529	38	49072	2301	17203	68576	3556	1403	3919	-
Central Bank of India	3	27943	21562	77	13154	326	3829	17359	3705	-	1982	7092
Dena Bank	1	20202	8873	44	1800	190	3841	5831	-	9	705	1159
Indian Bank	2	53271	15326	29	1283	1150	2789	5222	512	5	1291	2620
Karnataka Bank	7	369900	148900	40	35588	7058	19152	61798	1065	21	1072	18975
Punjab National Bank	1	27600	13800	50	4300	1000	4600	9900	400	300	900	1200
State Bank of India	24	1887600	1040900	55	611500	65400	126800	803700	58500	1600	57115	-
State Bank of Mysore	7	65570	41061	63	21313	2537	10191	34041	8453	486	2700	400
State Bank of Hyderabad	3	99840	48650	49	5060	11690	11174	28194	1565	225	2475	-
Syndicate Bank	47	1438832	673037	47	305960	27130	133067	466157	23614	1487	91756	204837
Sangli bank	10	427908	165920	39	41258	12908	23260	77426	516	180	1822	19718
United Bank of India	10	305174	186644	61	64804	12681	24301	101786	2867	274	4071	27295
Vysya Bank	6	374679	88248	24	35212	5467	21154	61833	2575	47	3251	8936
Vijaya Bank	12	436386	171522	39	108573	10495	17686	136754	9658	137	13489	84726
Bijapur DCC Banks	48	1087374	581470	53	194048	-	227316	421364	-	-	-	-
Bijapur Rural Banks	85	1099000	1063000	97	808700	24200	97100	930000	83000	300	69600	888467
Primary Land Development Banks	11	-	535200	-	535200	-	-	535200	-	-	-	-
TOTAL	300	8759116	5289337	60	2817704	204160	981202	4057066	216803	9828	285385	1450882

As per the report of lead bank, commercial banks have lent sixty percent of their deposits. Out of total advances, 54 % have been disbursed for agriculture and allied activities. 4% have been lent to small industries, 19% has reached service sector. In all 77% has gone for priority sector. 27% have been lent to twenty-point programme. An amount of Rs.98.28 lakh has been disbursed to depressed class under DIR scheme. SC and ST have got 5% of the total advances meaning a sum of Rs.28.53 crore. In certain sectors, mainly to agriculture (crop loan) stipulated target has been exceeded by 6%. For trade and services sector the target has been exceeded by 155%.

District Co-ordination

As per the lead bank report for the year 1993-94, an amount of Rs.83.96 crore was coordinated for fifteen schemes of the district. The report tells us that the major portion of the loan was disbursed to the priority sector. (see table 6.12)

Table 6.12 : Details of loan amounts specified for various areas for the year 1993-94(Rs.in crore)

Various sectors	Amount	Ratio
Crop development	37.00	44.01
Minor irrigation	14.88	17.07
Land development	1.20	1.04
Mechanisation of agriculture	9.37	11.02
Horticulture	3.09	3.07
Allied Agri activities	00.91	1.01
Dairy	2.19	2.06
Poultry	00.51	00.06
Other Animal husbandry	00.82	1.00
Fisheries	00.01	—
Forestry	00.01	—
Storage, Market development	01.00	—
Non agri. activities	4.98	5.09
Other priority sector advances	8.98	10.07
Present priority sector advances	21.36	—
Total	83.96	100.00

Rural Banks

In Bijapur district, the rural banks were established with the participation of the Government of India, the state government and the participatory banks, as per the Regional Rural Banks act. The government thought that the urban banks could not take the burden of improving the creation of jobs, improving the industrial activities in rural areas fully on their own and hence started to establish separate banks which could adjust to rural environment. These banks are exclusively meant for fulfilling the needs of the rural people. These banks shall provide the complete finance to the economic activities of the village. There will be no delay in money reaching the public. This avoids the dependence of villagers on the commercial banks. The important purpose of the rural banks was to understand needs of the rural people and help in the development of the village. Rural banks would provide financial assistance to various activities in the village like encouraging irrigation, helping to increase the production of agro- products, development of horticulture, milk production schemes, mechanisation of agriculture, protecting the environment and solution to fuel problem, village industries integrated rural development, agriculture extension programmes etc. The interest rate varies with the quantum of the loan. Rural banks would also charge interest as the other banks do to their customers. But the interest rate of rural banks ranges from a minimum of 11.5% to a maximum of 16.5% only. The first Rural bank in the district was established in 1983. In the three years from 1983 to 1985 eighty-three branches of rural banks were opened. The central office of the rural bank would be in Bijapur. The expansion of rural banks is as shown in the table 6.13

Table 6.13 : Expansion Of Rural Banks

1983	15	branches
1984	52	branches
1985	16	branches
1989	1	branch
1997	1	branch
Total	85	branches

The rural bank shall accept deposits as all commercial banks. Rural banks will provide loans, especially to priority sector. It is easy for the unemployed youth to get loans from these banks to start a new venture. But this facility of the bank depends on new deposits and the repayment. For rural banks, scope in both these areas is limited. However the rural banks are doing good work in the district. The path of progress can be seen from the following table.

Table 6.14 : Progress made by the Rural Banks

Rs. in lakhs.

	Deposits	Loans and Advances	Priority sector	IRDP	DIR	SC & ST
1985-86	6.53	12.06	11.21	2.01	0.08	1.29
1990-91	24.63	23.64	20.12	3.40	0.09	2.09
1995-96	87.56	93.38	82.35	6.00	0.05	4.62
1996-97	109.90	106.30	93.00	8.30	0.03	6.36

From the above table it may be observed that the rural banks have provided 90% of its deposits to priority sector. The rural banks have provided banking employment to 431 people. Between 1992 and 1997, the rural bank administration board has conducted five economic surveys and has provided consultancy and assistance to dig wells and has formulated schemes for providing special loans to grapes cultivation, cattle rearing activity etc.

INSURANCE

Economic security is essential for labour class. Whether the labour in farming, factories or in the unorganized sector, it is not possible to work till the death. Every person is prone to old age. It is the insurance that supports one in the old age. In between one may subject to accidents. One may die from decease. It is the social responsibility of the modern governments to arrange for insurance for all the people covering such events. In the year 1982 Karnataka government brought out a scheme called 'Ashakirana' to provide assistance for the survivors in the case of accidents met by people in the unorganised labour sector. As per this scheme, unorganised labourers, daily wage earners, fishermen, tribal people who hunt for livelihood, people carrying load on their head, carpenters, construction workers, washermen and cobblers etc., are eligible for such insurance. These people do not belong to any organisation. They earn only when there is work, unemployment prevails otherwise. In between they are prone to accidents. The purpose of the Ashakirana scheme is to provide social security to such people by means of group insurance. People aged between 18 to 60 years and having income of Rs.7200 per annum and those who are engaged as labourers in specific jobs are covered under the scheme. The accidents covered in the scheme are rail or road accident, electrocution, snakebites, drowning in water, fall from a tree, death due to thunderbolt strike, attack by wild animals etc. Bijapur district is also included in the scheme giving such reliefs to sufferers of such accidents. Apart from this, the state government has brought into force many other insurance schemes like, group insurance for beedi labourers, hut insurance and accident insurance. The accident insurance covering the coolies and people engaged in measuring and weighing after obtaining license in APMC yards was introduced in 1994. On behalf of the beneficiaries of the scheme the state government will contribute 16% of the insurance premium. The related expenses will be borne by the State Agricultural Marketing Board. If a coolie covered

under the scheme dies due to a mishap, the family will get a sum of Rs.25,000 as relief. In case of suffering loss of limbs etc., the injured will get Rs.12,500 as relief.

Life Insurance

The State Government and the Life Insurance Corporation handle the life insurance business. Karnataka Government has provided compulsory insurance to its employees. State insurance department provides insurance facility to the government employees and the Life Insurance Corporation provides the facility to all others. Karnataka Government Insurance Department is providing motor vehicle insurance to vehicles owned by the State Govt., Corporations and Boards, and Vehicles of State Govt.employees.

The office of the District Insurance Officer was opened in the year 1976. Upto the year ended 1997-98, 27,734 people were insured under Karnataka Government Insurance Department. There were 52169 active policies as at the end of March 1997. There were altogether 29,931 employees in the district as on the said date. The annual income from the insurance premium during 1985-86 was Rs.62,22,400 and during 1990-91 it was Rs.1,94,48,669 and during 1995-96, it was Rs3,01,82,120.

Life Insurance Corporation

The Life Insurance Corporation was constituted in the year 1956. Prior to this several insurance companies were conducting insurance business. Before 1993, the insurance administration of the Bijapur district was covered under Raichur division. On 13th October 1993 it was transferred to Belgaum. Presently five branch offices have been opened to take care of the insurance business in the district. These branches are in Badami, Bagalkot, Basavanbagevadi, Bijapur and Jamkhandi. Bijapur branch was opened in 1960 itself. This branch lookafter Bijapur and Indi taluks. In 1990 a branch was opened in Basavanabagevadi. During the last three years, the business of LIC in the Bijapur district is as per the following table.

Table 6.15 : Insurance Business in the District

	1993-94	1994-95	1995-96
Current policies	26251	26872	26745
Policy amount (Rs. in crore)	86.52	118.26	102.64
Premium income (Rs.in crore)	1.67	1.83	2.37
Insurance agents (number)	—	—	1307

There will not be much enthusiasm in the villagers to buy the insurance policies as among the urbanites. The Bijapur district insurance office is putting on its best efforts to bring the rural folk to insurance fold. This is evident from the following table.

Table 6.16 : Details of the insurance policies in the district.

	Total policies	Rural policies
1993-94	26,251	18,677(71%)
1994-95	26,872	18,712(70%)
1995-96	26,745	18,942(70%)

The following table indicates the premium paid by the rural people as per the time schedule. These also indicate the fact that the amount of rural policy appears more than the amount of the urban policies.

Table.6.17 : LIC business in the district (Rs.in lakhs)

	Total business	Rural business
1993-94	8,6 51	4,840 (56%)
1994-95	11,826	8,599 (56%)
1995-96	10,264	5,512 (54%)

National Savings Certificate

The Central Government which formulated the National Development Plans, formulated various savings schemes in order to consolidate the required funds. In order to encourage the habit of savings among the public, State Government has opened an office in the district. The government has given instructions to District Commissioner, the Chief Executive Officer, Zilla Panchayat, local authorities, government undertakings, about the savings programmes. Government with a view to maximise the savings has set savings targets for the districts and has sent the relevant circulars. In addition the institutions working for the welfare of the people, educational institutions, mujrai institutions and youth associations, women organisations, could take up agency and mobilise savings and get commission. Also, the government had announced a prize scheme. For Bijapur district the government had fixed a savings target of Rs.95 crore for the year 1995-96.

Money Lending

The rich people-giving loan to the poor is an old tradition. This is called Money-lending. The rich used to give loans against the ornaments or the movable assets. But all the transaction would be secret. Neither the borrowers nor the government officials know the accounts. Many of the customers were illiterates and helpless. Hence most of the rich used to exploit them. Before independence, the then ruling regional government, brought into force the money lending rules in order to protect from the exploitation. To protect the borrowers, control the interest rates, to

avoid the bad and fraudulent transactions of the rich moneylenders was the purpose of these rules. In 1946 the Mumbai Government had enforced money-lending rules. As per this all the moneylenders had to pay the required license fee to the government and obtain permission. And they had to keep all the accounts in good shape. Also they had to submit the accounts every year to the concerned office of the government. Initially the verification of the accounts was entrusted to officer of the revenue department of the district. Afterwards it was transferred to co-operation department. As per the money-lending act, loans against security should have carried an interest of 6% and loans without any security 9%. In 1946 the rate of interest on private loans were revised and it was decided to revise above rates to 9% and 12% respectively.

Karnataka government in 1961 introduced money-lending acts and the enforcement was entrusted to the district co-operation officer. The District Assistant Registrar Deputy Co-operative Societies is functioning as Registrar of pawning and money lending. Also at the state level the government has appointed an inspection team. The officers of this team conduct surprise inspections.

In Bijapur district in the year 1991, 153 had obtained license to money lending. Eighty-five people were given permission for pawn broking. 229 financial institutions had license for money lending. During 1991 moneylenders had mobilised deposits worth Rs.14.00 lakh.

In 1960 the sub divisional office was opened in Bagalkot. In 1961, the Karnataka money-lending act came into force in Bijapur district. The number of money lenders, pawn brokers and finance corporations in Bagalkot, Badami and Hungund taluks is given in the following table .

Table 6.18 : Money lending institutions

Year	Money-lenders	Pawnbrokers	Finance Corporations
1984-85	36	19	48
1994-95	52	31	173
1995-96	39	33	202
1996-97	33	18	200

The number of money lenders and pawn brokers in Bagalkot is presently reducing. Those used to lend money on their own are now establishing financial firms and conducting their business. For money lenders rather than mobilizing deposits lending money is the important business. In 1995 the loans given to agriculture itself was Rs.28.33 lakh. The loan given to non-agriculture activities was Rs.5.94 lakh. Pawn brokers had given loans worth Rs.25.77 lakh for agriculture and Rs.21.47 lakh for non-agriculture activities. In 1994 if the money collected as deposits by financial institutions was Rs.1.20 lakh, the loan disbursed for agriculture was Rs.264.42 lakh and for non agriculture purposes Rs.738.02 lakhs. In 1995 the deposits mobilised by these institutions was Rs.2.38 lakh. The loan given to non-agriculture purposes was Rs.770.75 lakh and for agriculture it was Rs.335.65 lakhs. In Jamakhandi division, there were 54 financial

institutions in 1989-90, 183 in 1994-95, 244 in 1995-96 and 266 institutions in 1996-97. The following table gives the details of loans provided by these institutions.

Table 6.19 : Details of the loans given by the financial institutions. (Rs. in lakhs)

Year	Deposits mobilised	Loans disbursed	Agriculture	Non-Agriculture
1991-92	150.00	214.00	21.00	193.00
1992-93	270.00	310.00	40.00	270.00
1993-94	350.00	400.00	100.00	300.00
1994-95	850.00	465.00	150.00	315.00
1995-96	1286.00	753.00	168.70	584.45
1996-97	1570.00	680.00	170.00	510.00

From the above table it may be observed that the amount of both deposits collected and loans disbursed by the financial institutions are increasing. The disbursement of loans indicates major share for consumption and trade in non-agricultural advances. The amount of loan given to agriculture in 1991-92 was 10% of the total loans; in 1996 and 1997 it was 30%.

We can understand that the moneylenders shall advance more to non-agriculture purposes only. The loans disbursed by these are increasing considerably every year. The details of the loans given by moneylenders are as follows. In 1992-93, Rs.310.00lakh, in 1993-94 Rs.400.00 lakh, in 1994-95 Rs.465.00 lakh, in 1995-96 Rs.753.00 lakh, and in 1996-97 Rs.680.00 lakh.

The amount collected in the form of license fee and the amount of security deposits are given in the following table.

Table 6.20 : Licence fee and security deposit details

Year	The licence fee collected Rs.	Security deposit collected Rs.in lakh
1992-93	4300	3.37
1993-94	14300	3.28
1994-95	20505	3.46
1995-96	27950	2.56
1996-97	27925	7.48

As per 1996 orders moneylenders had to charge an interest of 21% for secured loans and 23% for unsecured loans.

CO-OPERATIVE MOVEMENT

The co-operative movement in the Indian legal environment started in 1904. In Bijapur district the first co-operative society was established in the year 1905. In Muddebihal, a place in the district, Muddebihal agricultural co-operative credit society was established in 1905. Since then the co-operative movement has been growing unhindered. Innumerable honourable citizens of the district and social workers have toured all over the district and impressed on the public and made them participate in the movement. In 1906, Rabinal agricultural credit society was established. The most important person among all the activists was late Divan Bahaddur S.J. Deshmukh Alamel. He moved throughout the district and informed people about the benefits of co-operation and advantages of the co-operative laws. He established in his place Alamel, an agricultural co-operative in 1908 and a co-operative grain bank in 1911 and later started grain banks in Guttaragi, Vibhuthi halli and other places. He was called honorary organiser of the district co-operatives. In the initial period, even though 62.5% of the villages of the district were covered by Agriculture credit co-operatives, only around 16% of the people really got assistance from the societies. However there was enthusiasm among the persons involved in co-operative movement to establish more co-operatives in the district to provide assistance to more number of people.

The first co-operative society to give loans to non-agriculture purposes came into existence in the name of 'Sri Siddeshwara urban co-operative bank' in 1912. After passing of the 1912 cooperative societies Act, the co-operative movement in the district became vibrant. Besides the agricultural co-operative institutions, co-operatives for lending for non-agricultural purposes also came up. One special aspect to be mentioned is that the first co-operative 'Sri Sri Siddeshwara Urban Co-operative Bank' and the urban co-operative bank started with large investment 'Jamkhandi Urban Bank' are both running successfully even now.

History

The history of beginning of the Co-operative movement in the district may be analysed in two stages. One, between 1904-05 to 1912, when the societies were established with unlimited liability. Two, after 1912, when amendments to the co-operative laws of the 1904 were made and the societies were established based on the limited liability. If up to 1912, the establishment of societies was slow, after 1912, it can be seen that the pace picked up and the movement became intense.

In 1919, there was a significant change in the co-operative movement. The co-operative subject was shifted to regional governments from the central government fold. In regions a ministerial portfolio was created for co-operation. Because of these two changes many co-operatives were formed in various sectors of society. Initially the co-operatives were limited for agriculture only. Agricultural credit co-operatives were formed for agriculture sector only. As Bijapur was under Bombay province before 1956, we can see the influence of Bombay Government policies in the field of co-operative movement of Bijapur district. The co-operative institutions in Bijapur district were getting their loans from the Bombay Central Co-operative bank before 1916 and from 1916 from the Karnataka Central Co-operative Bank Dharwad. After 1919, the Bijapur

Central Co-operative Bank, which was established then, started financing the co-operatives of the district.

When the Bijapur Central Cooperative Bank was started, out of 1114 villages in the district, there were societies in 55 villages and out of eight towns four towns had societies. The total working capital of these did not exceed Rs.3 lakhs. The number of persons who could obtain loans from the co-operatives was only eight per thousand people. After 1919, the number of societies increased rapidly. In this most backward district, though co-operative movement spread in big way, qualitatively the results were not fruitful. The reason was inadequacy of the facilities in the district. By 1925, 137 co-operatives were there in Bijapur district and their total members were about 11172 and their cumulative working capital was Rs.9,23,579. Out of these 137 societies, 103 were for agriculture credit and four for implements and seeds and two for sale of agricultural produce and there were 28 societies for non agricultural purposes. Out of these 28 non-agriculture societies, four belonged to weavers needs. There were ten teachers' co-operatives each for a taluk and their share capital was Rs.78,954. There were a few societies for police and criminal tribes people. Among this there was a weavers society of criminal tribes and had a membership of twenty-one members. The Bijapur Draught relief society was established in 1927.

Between 1930-36 due to global economic crisis the progress of co-operatives also suffered a setback and slowed down. The loans were not repaid. To recover them hard measures had to be taken. Some facility schemes had to be drawn up. The Mumbai government appointed Bhansali-Mehtha committee in 1937 for suggesting action plan to restructure the co-operative movement. As a result multipurpose credit societies came into existence in place of primary agricultural credit co-operatives. During the Second World War period, the prices of agricultural and other products went up. And the farmers were able to repay their loans. Hence the agro-credit co-operatives had some relief. During this period many consumer societies, agricultural credit co-operatives, multipurpose societies and marketing societies came up.

In Mumbai State from 1947, co-operatives implemented the postwar plans and encouraged the establishment of credit management, home industries development, co-operative agriculture, and irrigation associations etc. In the postwar period, the co-operative movement entered into many other areas of life.

Table 6.21 : Different type of societies in Bijapur district as on June 1953

Type of societies	Number
1	2
DCC Bank Ltd	1
Industrial Co-operative Bank	1
Industrial Cooperative Association	1

Contd...

1	2
Agricultural credit co-operatives (including Multipurpose societies)	444
Non-credit agricultural cooperatives: Marketing societies	5
Cattle breeding society	1
Better farming societies	6
Collective farming society	1
Irrigation societies	2
Supervising unions	11
District co-operative Board	1
Taluk Development Boards	6
Urban Banks	7
Urban credit cooperatives and Employees Credit Societies	40
Consumer societies	26
House building societies	10
Producers societies	99
Better living societies	2
Education society	1
Total	665

The committee headed by Sri AD Gorawala appointed by the government for rural credit review in 1954 recommended that large scale credit societies should be established. As per the recommendations, in all the taluks some large scale credit co-operatives were established. As the National Development Council accepted the new co-operative policy in 1958, there began a new age of service co-operatives. The prominent aspects of the new policy were, establishment of a society for every village with a population of one thousand and financial assistance to all those covered under the society as per their agricultural producing plans. Accordingly in Bijapur district, during the year 1959-60, 175 service co-operatives were organized. During the decade of 1960's the co-operative movement grew with diversity. By the end of June 1961, there were 626 agricultural credit co-operative societies, consisting of 343 multipurpose and other credit societies; 26 large scale credit cooperatives and 256 service cooperatives. In total 60% of the credit co-operatives were for the development of agriculture. That means all 1229 villages of the district and about 52% of the rural farming families did benefit from credit co-operatives.

Table 6.22 : Progress of co-operatives as on 30.06.1961

	Ending 30.06.1950	Ending 30.06.1961
No. of societies	580	999
No. of members	56,326	1,37,224
Share capital (Rs)	21,71,298	1,04,68,956
Deposits (Rs)	24,41,309	2,30,87,033
Reserve fund (Rs)	16,18,315	54,25,499
Working Capital (Rs)	1,86,43,359	6,06,01,915

From the above the progress of agricultural credit co-operatives can be seen. At the end of June 1961, the 626 agricultural Co-operatives had membership strength of 82,216. The total share capital was Rs.36, 27,409, the reserve and other funds was Rs.14,46,365, deposits of Rs.3,11,444, loan from banks was Rs.96,67,932, working capital was Rs.1,49,59,650 and the unpaid loans were Rs.1,25,28,807, out of which loans amounting to Rs.91,00,108 had already become overdue. In addition, as on 30th June 1961, there were fourteen grain banks, which used to lend in the form of grains and recover in the same form.

The district co-operative movement was always being guided by the Mumbai province policies. Even though the district got merged to Karnataka State in 1956, upto 1960, the Mumbai government co-operative laws were applied. Afterwards in 1959 the Mysore State co-operative law and in 1960 Act, the Mysore Co-operative Rules came into force. We can see diversity in the progress of co-operative movement achieved up to June 1971 from the following tables.

Table 6.23 : Progress of co-operative societies as on 1971 (Rs. In lakh)

Details	No.	Members (000's)	Share Capital	Depo sits	Working Capital	Loans	Profit
1	2	3	4	5	6	7	8
Primary agricultural credit co-operatives	674	118	113.1	4.1	563.8	337.1	11.5
Primary Land development Banks	11	17	22.4	—	296.6	65.6	1.1
Non Agriculture loan societies	88	28	67.9	223.0	363.8	117.5	7.9
House building societies	61	8	5.0	—	61.7	78 (houses)	0.1
Primary Marketing and processing	12	13	56.7	67.6	--	---	1.3

Contd...

1	2	3	4	5	6	7	8
Co-operative Societies							
Primary consumers co-operative stores	56	16	3.7	6.4	—	24.8	0.4
Handloom co-operative societies	139	22	—	—	43.1	31.2	1.7
Other co-operative societies	125	9	4.0	37.4	8.6	20.0	0.7
Farming societies	56	1	2.9	14.2	—	—	0.7
Milk supply societies	18	0.9	0.3	0.7	0.9	1.2	0.02
Fisher men societies	10	0.8	0.2	0.3	—	—	—

Source : Karnataka Sahakari Kaipidi, Bharati Prakashana, Bangalore.

The progress achieved in co-operative movement in the decade of 1970s

By June 1973, the number of co-operative societies increased to 1497. By the end of June 1976, it rose to 1590. In 1978, it came down to 1536. In 1973 the membership was 2,47,000, which increased to 3,32,000 by 1976, and finally in 1978 it was reduced to 3,11,892. By June 1980 the number of societies got reduced to 1321 but the membership rose to 5,15,000.

Table 6.24 : Progress of Co-operative movement in the decade of 1970s

	(Rs in lakhs)	
	1973	1976
No. of co-operative Societies in the district	1494	1590
Members(in thousands)	247	332
Paid up share Capital(inclusive of Government contribution)	510	743
Reserve and other funds	204	520
Deposits	623	1882
Working Capital	3137	6532
Loans given	1542	3648
Loans Recovered	1179	4302
Loans due	2104	1810
Loans overdue	831	902
Profit	1	—
Purchase (materials)	473	650
Sales (materials)	566	940
Societies working in profit	—	476
Profit	—	75
Societies working in loss	—	465
Loss	—	42

Source: Statistics report of Karnataka Government

It is observed from the above that even though there is a progress in number of societies and membership, the overdues are mounting. 30% of the societies are working under loss. The quantum of loss is Rs.42.00 lakh. If 30% of the societies are to work under loss it can be inferred that there was lack of proper guidance. By the end of June 1981 the activities of the various co-operative societies are as follows. Number of agricultural credit co-operative societies: 444; Membership in these societies: 2.30 lakh, Share capital: Rs.312.74 lakh. Total loans given by the credit co-operative societies in the year 1980-81: Rs.967.18 lakh, Loans recovered: Rs.728 lakh. Loans due as at the end of the year: Rs.1466.84lakh, Loans that are overdue: Rs.678.54 lakh, From these figures it is evident that the agricultural credit co-operative societies are facing difficult situation. The societies with loans that are due to the tune of Rs.2145.38 lakh will become incapable of functioning effectively.

Even the situation of non-agriculture credit co-operative societies is similar. There were 128 primary non-agricultural credit co-operatives as at the end of 1981. Their membership was 59,000 and the share capital was Rs.166.13 lakh, the loans disbursed by them was Rs.1000.73 lakh, loans recovered Rs.1030.04 lakh, loans due Rs.895.78 lakh and over due loans were Rs.128.66 lakh.

There were thirteen marketing co-operative societies working in the district as at the end of June 1981 with a membership of 19,896. The share capital raised by them was Rs.47.42 lakh. During 1980-81 the loans disbursed by them for marketing was Rs.30.81 lakh, loans recovered Rs.30.86 lakh, loans due Rs.21.57 lakh and loans over due Rs.13.81 lakh.

The activities of other co-operative societies are available in table 6.25.

Table 6.25 : Activities of other co-operative societies

During 1980-81	(Rs. in lakhs)						
	No. of societies	Member ship	Share capital	Loans Given	Loans recovered	Loans due	Over due loans
Processing co-operative societies	1	31	10	—	—	—	—
Milk producers co-operative societies	185	15556	5.42	0.36	—	1.77	0.87
Farming co-operative societies	49	1209	3.18	—	—	1.23	1.23
House building co-operative societies	91	10625	7.00	0.30	0.07	58.25	28.17
Weavers co-operative societies	249	26159	28.29	—	—	25.09	10.58
Industrial co-operative societies	77	6223	7.36	0.01	7.63	8.81	5.86
Consumers co-operative societies	90	28574	18.39	—	—	315.87	321.89

It may be observed from the above that loans due and over due loans together exceeded the share capital.

From the reports of the co-operative societies and institutions one can find the progress achieved by the special changes in co-operative movement. By 1988-89 all societies including credit and non-credit societies the number increased to 1586. Membership of these societies also rose to 5,11,000. The working capital of all these co-operative societies was Rs.89.25 crore. By the end of 1988-89, the total loans disbursed by credit co-operative societies were Rs.23.80 crore. But the loans that were due by the end of the year also were at Rs.27.99 crore. Among the co-operative societies, the credit co-operative societies were of great importance. Five hundred and thirty four such societies with 3.11 lakh members and Rs.41.10crore of capital had disbursed loans up to Rs.23.37 crore. But the loans due for payment also had touched Rs.24.59 crore by the year-end. The agricultural credit societies, the grain banks, the employee's and other credit co-operative societies, all fall within the ambit under credit co-operative societies. In this district, 1052 non-credit co-operative societies existed with two lakh members and a working capital of Rs.48.15 crore. Among non credit cooperatives, there were 315 milk producers, 94 House building societies, 100 consumer societies and 543 other societies in the district. By the end of 1988-89, 21 urban co-operative banks with a membership of 82000 and a working capital of Rs. 48.77 crore had disbursed loans amounting to Rs.38.71 crore.

Co-operative Movement during the decade of 1990s

In the 90's decade more programmes were chalked out to improve the efficiency of the co-operative institutions instead of establishing more number of societies. Merging the economically weaker societies with the strong ones or to cancel their registration were the important aspect of liquidation. At the end of the year 1990, there were 414 agriculture credit co-operative societies and 120 non- agriculture credit co-operative societies in the district. In the same period, there were about 47 marketing co-operative societies, 97 House building co-operative societies, 325 Milk producers' co-operative societies and 637 other co-operative societies. The co-operation department started the liquidation process and liquidated 27 credit co-operative societies and 221 non- credit co-operative societies. As at the end of 31.03.1994, 410 agriculture credit co-operative societies, 156 non- agricultural credit co-operative societies, in total 566 credit co-operative societies were there in the district. In the same period 60 marketing co-operative societies, 98 house building co-operative societies, 335 milk producers co-operative societies and 642 other co-operative societies were there. During 1994, 28 primary credit co-operative societies and 242 non-credit co-operative societies closed down. In this period, the loan amount disbursed by the agricultural co-operative societies was Rs.18.88 crore and out of this Rs.18.85 crore was given as short-term loans.

The number of co-operative societies and the fact that for every population group of 1336 has a co-operative society are the evidences for the claim that the co-operative movement in the district was wide spread. If in 1971-72 there was one society for 1574 people, in 1980-81 it improved to one society for 1366 people. From this point of view Bijapur district has secured second place in the state. Up to 1980 the increase appeared to be 5%. This is more than the average of growth in other districts. In 1970-71 there were 166 members per society, which increased

to 264 per society by 1980-81. But this less than the state average. The average membership per society in the state is 365. Undoubtedly it is a fact that the primary agricultural credit co-operative societies have secured a major place in the co-operative sector. In a country like India where the small farmers are in very large number to fulfill the needs of the farmers only such institutions are required. The co-operative societies were formed only to ease the difficulty of the farmers. During 1980-81, 444 agricultural credit co-operative societies had disbursed a loan of Rs.968.20 lakh. In 1994 even though the number of societies came down to 410, the loan disbursed was Rs.1888 lakh. But the only discouraging thing is the fact that the loans are not repaid before time. In primary agricultural credit co-operative societies the membership is growing. In 1980-81, the total membership was 2.30 lakh and the same increased to 3.44 lakh by 1994. If viewed from this point it can be said that the cooperation is economically sound.

Table 6.26 : A view of the Co-operative Societies in the district as on March 1997

Particulars	Total	Dormant	Liquidation
1	2	3	4
District Central Cooperative Bank	1	—	—
Agricultural credit co-operative societies			
a)Farmers service co-operative societies	10		
b)Agricultural service co-operative societies	394	2	8
Land development banks	10	—	—
Food Grain banks	3	—	2
Urban credit co-operative societies	73	2	2
Employee's credit co-operative societies	117	1	7
Urban co-operative Banks	26	—	2
Marketing co-operative societies	11	—	—
Special marketing co-operative societies	49	—	2
Milk producers co-operative societies	278	30	78
Joint farming co-operative societies	10	7	—
Irrigation co-operative societies	50	5	6
Janatha Bazaar	3	—	—
Consumers co-operative societies	97	15	14
House building co-operative societies	78	13	29
Labourers co-operative societies	23	17	16
Milk Union	1	—	—

Contd...

	1	2	3	4
Non agricultural Co-operative Societies				
a) General category Credit Co-operative Societies	15		—	3
b) Better living Credit Co-operative Societies	1		1	1
c) Women multipurpose Co-operative Societies	94		12	4
Poultry and piggery Credit Co-operative Societies	6		2	3
Industrial Co-operative Societies:				
a) Cotton yarn weavers Societies	51		11	51
b) Silk yarn weavers Societies	4		—	—
c) Sheep rearing and wool production Societies	66		45	94
Other Industrial Credit Co-operative Societies:				
a) Fiber Co-operative Societies	2		1	—
b) Cobblers Co-operative Societies	6		1	1
c) Oil ghani Co-operative Societies	6		3	1
d) Malberry growers Co-operative Societies	1		—	—
e) Hand pounding Co-operative Societies	2		1	—
f) Other rural Industrial Co-operative Societies	57		18	76
g) Sugarcane growers Co-operative Societies	1		—	—
h) Other types of Co-operative Societies	17		1	1
Co-operative yarn factory	2		—	2
Sugar factories (in Co-operative sector)	5		2	—
Fishermen Co-operatives	2		3	31
Industrial estate	—		—	1
Horticultural Co-operative Societies	—		—	2
Co-operative Union	1		—	—
Total	1604		187	449

In Bijapur district, the establishment of co-operatives has been a continuous phenomenon. In 1980 1674 societies were in existence and 319 co-operative societies were liquidated. There were 1604 cooperatives in 1997, of which 449 were liquidated.

**Table 6.27 : Details of total number of
Co-operative societies and liquidated Co-operative societies**

Year	Total Co-operative societies	Out of this liquidated Co-operative societies
1980	1674	319
1981	1808	329
1985	1779	280
1990	1869	253
1992	1908	244
1994	1333	269
1997	1604	449

The Bijapur Central Co-operative Bank

Sri Panduranga Rao Desai B.A., LLB, founded this bank in 1919 and was its president till 1925-26. Before this, the Co-operative banks in the district were getting their loans through Karnataka Central Co-operative Bank, Dharwad. After the BCC bank was established in 1919, this bank has been refinancing the primary co-operative societies of the district. Since 1919, the activities of the bank are limited to Bijapur district. The objectives of the bank are as follows. To give short-term crop loans to primary Co-operative societies, medium term finance to assist the farming, and loans for processing and marketing of agro-products. Also the bank handles mobilisation of deposits and payment of the same like commercial banks do. It helps establishing non-credit Co-operative societies and gives loan even for marketing produces grown by the farmers.

Of late the bank had a programme for disbursing loans directly to the farmers. Also the bank helps the societies running under loss for wiping out the losses and for rehabilitation. Even though it is a District central bank, it gives loans directly to its nominated members and participatory member institutions and gives loan as consortium along with other Co-operative societies. In the recent years, as per the guideline of NABARD (National Bank for Agriculture and Rural Development) and RBI, bank is providing loans to Primary agricultural credit Co-operative societies at a low rate of interest. NABARD will make good the loss incurred by the bank in this regard.

As at the end of June 1997, this bank has 51 branches all over the district. Since 8 decades of its establishment Bijapur District Central Bank has grown like a big tree and is becoming the tool for betterment of lakh of rural population. The membership, which was 1333 in 1981, has come to 1256 in 1997. However from business point of view, the growth rate has exceeded 12% per annum. The bank is following the liberal policy with regard to branch expansion. The bank opened its second branch in Bagalokot in 1927 and the third branch in Hungund in 1933. Till 1956 the bank followed a policy of restraint in opening the branches. Up to 1956 the bank had fifteen branches. The Bank took up aggressive branch expansion up to 1992. In 1976, the bank opened an all women branch in Bijapur.

The Bijapur Central Co-operative Bank had a share capital of Rs.224.0 lakh in 1981. This increased to Rs.797lakh by the end of 1997. Similarly, the deposits rose from 1538 lakh to Rs.14376 lakh in the same period. The short and long term loans disbursed by the bank to agriculture and various development purposes also increased from Rs.1644 lakh to Rs.9073 lakh in this period. As a result, the bank earned a profit of Rs.210 lakh in 1997. Recently responding to the demands of the traders, bank has been giving a cash credit of Rs.2 lakh and an overdraft of Rs.1lakh. The bank has fully computerized its activities with the help of the financial assistance received from the co-operation development fund. The bank is giving medium term loans for the purchase of tractors and for laying pipeline for the minor irrigation schemes. It has made all the preparations for the development in Co-operation sector in the rural areas under the Co-operative society development plan. It has provided counters and safes in all its branches. The Bijapur Central Co-operative Bank has its own beautiful premises.

Table 6.28 : Five year business details of Bijapur Central Co-operative Bank

Details	Rs. In lakhs				
	1980-81	1985-86	1990-91	1995-96	1996-97
Members	1333	1150	1134	1232	1256
Share capital	224.43	326.96	441.34	655.99	797.38
Government contribution	44.93	44.93	44.93	44.93	94.43
Reserve funds	37.83	54.91	67.39	82.71	82.11
Deposits	1538.93	2860.04	5662.33	10266.48	14376.21
Advances	1644.40	3005.94	107.73	6823.29	9073.54
Working Capital	2333.32	4386.19	6830.46	13430.74	19512.84
Profit	8.86	122.58	115.34	136.99	210.92

The Karnataka State Industrial Co-operative Bank, Bijapur

The Government of Karnataka has founded The Karnataka State Industrial Co-operative Bank. This institution is giving loans for starting and developing industries in Bijapur district under the name The District Industrial Co-operative Bank (Ltd). This is the first ever institution in Bijapur district started to give loans to industries in the Co-operative sector. The District Industrial Co-operative Bank has established taluk rural industrial Co-operative Societies in all the taluks of the district. Bijapur branch was opened in 1977. In the past five years industrial bank has played important role in mobilisation of deposits and providing advances to industries in the district. Rs.55.24

lakh of deposits mobilised in 1992 has increased to Rs.85.10 lakh by 1996-97. Similarly the loans disbursed have also increased from Rs.41 lakh to Rs.63 lakh in the same period. Some details can be had from the following table.

Table 6.29 : The progress of the District Industrial Co-operative Bank in recent years.

(Rs.in lakh)

	1992-93	1993-94	1994-95	1995-96	1996-97
Members	2618	2632	2680	2741	2954
Share capital	3.29	3.32	3.88	4.41	4.94
Deposits	55.24	60.53	55.93	72.10	85.10
Loans /Advances	41.56	46.76	50.93	56.71	63.82
Net Profit/Loss	0.21	1.62	-1.45	0.02	0.34

The Urban Co-operative Banks of Bijapur District

The District Government officeres urban co-operative bank was established in Bijapur in the year 1909. Sri Siddeshwara Urban Co-operative Bank was established in Bijapur in the year 1912. Sri Basveshvara Urban Co-operative Bank was established in Bagalokot in the year 1917. The Bagalkot Urban Co-operative Bank, Bagalkot, was established in 1921. During 1930, in Bijapur, Mahalakshmi Urban Co-operative Bank and in Guledagudda, Lakshmi Co-operative Banks were established. Another urban Co-operative Bank in the name of Deccan Urban Co-operative Bank was established in Bijapur itself in the year 1944. Prior to independence, there were six registered Urban Co-operative Banks. After independence in various places in the district namely Jamkhandi, Mudhol, Talikote, Rabakavi, Chadachana five Urban Co-operative Banks were established in the years 1951, 1951, 1957, 1958, 1959 respectively. In the 1960s decade, urban Co-operative banks were established in Muddebihal, Hungund, Ilakal, Mahalingapur, Sindagi, and Badami. By the end of 1989, twenty-one urban banks were functioning in Bijapur district. As at the end of June 1989, these twenty-one banks had received deposits of Rs.48.77 crore and had disbursed loans amounting to Rs.38.71 crore. On that day loans amounting to Rs.26.97 crore were due. In the year 1989 all the urban banks put together had 82000 members. By March 1994, 22 urban banks through their 27 branches had mobilised deposits up to Rs.99.24 crore and had disbursed loans up to Rs.73.67 crore. Among these 22 banks it is worth mentioning that there were two women urban Co-operative banks including the Chetana Women Urban Co-operative Bank of Bijapur. This was established in the year 1994. Now there are twenty-six urban Co-operative banks are functioning. Of these The Siddeshwara Urban Co-operative Bank, Bijapur and Basaveshvara Urban bank Bagalakot and Jamakhandi Urban Banks are important.

Primary Land Development Banks

The farmers were tottering from the pressure of old loans taken, pledging their lands. There is a saying in India that our farmers will born in debt live in debt and die in debt and transfer the debt to the next generation. To emancipate such farmers and restore their lands to them, the Land Mortgage Banks were established throughout the nation. The Land Mortgage Banks were later converted into Primary Land Development Banks in order to release the farmer from the clutches of the loans and to give them short term and medium term loans for development of land and agriculture. In Bijapur, a Primary Land Development Bank was established in 1957. Afterwards during the next ten years, they were opened in all the taluks of the district. Primary Land Development Banks were opened in 1961 at Basvanabagewadi, in 1962 at Hungund, Indi and Mudhol, in 1963 at Muddebihal, in 1964 at Sindag and Bagalkot, in 1965 at Badami and Jamakhandi, in 1967 at Bilgi. These banks used to give medium and long-term loans to farmers against the security of their land. In the later years, the fact that the loans were given for agriculture machanisation, digging of wells, sprinkler irrigation, purchase of tractors, cultivation of grapes, coconut, silk, cattle rearing, horticulture and even for setting up village industries was significant.

Primary Land Development Banks in district would provide medium and long-term loans to most of the schemes covered under IRDP. The membership of all these land development banks presently exceed 86,000. It seems that there are 8000 members in each bank. In loan disbursal the banks have achieved the target. And the recovery is around 45 - 50%.

Other Matters

According to the report of the Deputy-Registrar of district Co-operative societies, the Co-operative movement is progressing. The important aspects are as follows.

- 1) The only Co-operative yarn factory is in Banahatti and is doing well. This has helped the weaver members.
- 2) In the district three sugar Co-operatives have been registered and one has already started crushing the cane.
- 3) There are six large scale milk producing societies working in the district on the basis of Co-operation. And these are producing various milk products.
- 4) Three wholesale marketing Co-operative societies are serving the consumers in the district.
- 5) There are eleven agriculture produce marketing Co-operative societies are functioning creating a market for the agro-products and has helped the farmers get good price for their products.
- 6) The 404 credit Co-operative societies in the district are providing all the necessary things required for the development of farmers and are instilling a feeling for savings . More than 150 Primary Societies have been brought under Business Development Plan, newly incorporated by the Government of Karnataka.

- 7) To oversee the administration and functioning of Co-operatives and to conduct auditing at the district level, there are the Deputy Registrar of Cooperative societies and Deputy director (accounts). Also there are four subdivisions under them and in each subdivision Assistant registrars and Assistant directors are functioning.

Co-operative education

All the officers who are working in the Co-operative societies need to know the co-operative Rules and Regulations. The honorary office bearers of the society also need to know the principles of Co-operation. Usually the Co-operative movement in the nation is guided and led by the government officials. The Co-operative Unions became necessary to promote the Co-operation education. In the year 1937, Bijapur District Co-operative Union was founded. The activity of this union covers the whole district. In addition, the taluk supervisory unions were also started. The Bagalkot Co-operative Union and Taluk Co-operative Union in Hungund were started in the year 1937. In 1950, taluk unions were started in Muddebihal, Jamakhandi, Mudhol and Bilgi. Now as the taluk unions are not functioning they have been dismantled. The district union however is working successfully. This society is organizing workshops for the office bearers. A competition on Co-operative is being held for the students of high school and college in the district and prizes are being given. Every year in November, co-operation week is organised and lectures on Co-operation are arranged. Training is being imparted to the office bearers of the societies that are being started anew. The district union has its own building worth Rs.10 lakh.

Table 6.30 : The progress of the Co-operative Union

Year	Membership	Income	(Rs.in lakhs)
			Expenditure
1992-93	311	252781	233909
1993-94	314	152595	321441
1994-95	330	279295	378966
1995-96	351	354549	455679
1996-97	360	459903	483455

TRADE AND COMMERCE

The development of trade and commerce in any area will depend on the materials produced in the area, good transport and communication facilities, well-developed market yards, the traders who are devoted mainly to trading etc.

As many of the facilities mentioned above were available in Bijapur district, it was possible that the products of the district were marketed in the nearby areas and distant regions. This aspect can be seen in the history of trade in the district. The major trading centres of the present were trading centres in the past also.

The early history of the Trade in the district

In the past, renowned artistic materials from Bijapur district used to be exported to Greece, Rome, Egypt, Turkstan Arab countries and etc., through west coast ports. In those days silk materials, emerald, pearls, ruby, crystals, pepper and cardamom were being produced and exported by Bijapur district. Gold, silver coins, coral, tin, lead, brass, wine, colours etc., used to be imported to the district. From Arabstan, horses used to find ways to the district. The carpets and sarees produced in some of the towns in the district were getting exported.

During the second half of the seventeenth century, many a times, there were skirmishes between the Portuguese who came for increasing their trade, and the local kings. The kings of Bijapur always hated the Portuguese. Portuguese used to attack the Bijapur ships and take away the pepper and other spices destined to Mecca and other Persian countries. The Dutch and the Portuguese used to fight with regard to the pepper trade of Karnataka. The Dutch established the Netherland Company to improve the relations with Karnataka. The Kings of Bijapur helped the Dutch in trade and thus were subjected to the wrath of Portuguese. In the Talikot war of 1565, the kings of Vijayanagar got defeated completely and as a result the trade in Bijapur was affected. Afterwards the Portuguese influence on Karnatak began to decline, the kings of Bijapur became strong and began to control the supply of pepper and other spices. Modelso who visited Bijapur in 1638 has recorded this in his diary. The main item of export from Bijapur was pepper. From Bijapur, pepper used to reach Middle Eastern countries, Europe and Surat in Gujarat. Pepper, cardamom, rice, wheat etc., were also marketed in Goa and northern Hindustan. Modelso has said that those trading in these items were called *vancharis*. The Pepper of Karnataka was reaching upto Agra. Aihole was an important trading centre in 10th, 11th and 12th centuries. (Source : Karnataka Charitre, Vol. 3, Prasaraṅga, Kannada Vishwavidyalaya, Hampi, 1997).

Bijapur was producing famous carpets. The Baniyas of Gujarat used to pay money in advance for these carpets. The handloom cloths from Bijapur had great demand. Portuguese traders were purchasing cloths in Bijapur. The fiber carpets from Chavadapur of Bagalkot taluk were famous for their artistry. The bangles of Gudur were known as the golden kadagas. Bijapur and Bagalkot were trade centres. In Peshvey's period, Bijapur had the Mint.

In the British Regime

At the beginning (1820) of the British regime trade between Shikaripur of Mysore, Sirsi of

Uttara Kannada District, Sholapur and Goa with that of Nizam state was conducted through Bagalkot. Prior to the British government there was no rail route. Lambanis moved from one place to another, carrying the goods on bulls and sold them. There were no highways or roads. The small footway was the only means of communication. In the mud roads even the bullock carts used to face difficulties. In summer these roads were alright. But in rainy season, it was horrible to move on black soil. Also there was the menace of thieves. In those times a journey of 90 to 100 kilometers meant that visit was to a distant place. About 1820, the military path treaded by the soldiers was itself the road. One such route was from Bijapur to Mysore via Bagalkot, Belgaum and Dharwad etc. Then there were roads reaching Sholapur, Pune and Bellary from Bijapur. During rainy season, to cross the rivers boats were deployed. After 1820 the roads saw improvement. And from 1850s onwards the traffic of bullock carts increased. By 1883 there were three regional highways in the district. The road transport was divided as state highways and local roads. Local roads, kachcha roads were useful only in summer. The main state highways were one from Pune to Harihar, Sholapur, Vengurla, Bijapur to Nizam State. Others being Bagalkot - Hubli, Bijapur - Satara - Ratnagiri, Sholapur-Bellary, Dharwad- Goa, Karwar- Bellary, Dharwad - Kumata etc. The Sholapur-Hubli route running to 113 miles was connecting important towns in the district to Sholapur Railway station. The boats were also used as means of transport in the main rivers of the district. The river Krishna was used for transport. There were nine big boats and thirty-four leather boats on behalf of the government. In 1879, the railway construction began as drought relief measure in Mumbai -Karnataka region. In 1882, the government handed over the railway construction work to private companies. Hutagi-Gadag, Beluri-Marmagoa, and Pune-Londa railway routs were important routs. In the beginning the use of railways was limited. As the merchants began to understand the utility of the railways the transport gradually increased. These were called S.M. Railway. In those times as the railways did not get specified income, the government had to make good the losses. Those using the roads had to pay the toll. There were four toll centres in Sholapur-Hubli road. In 1863, the income from the toll was Rs.11860. To make the rivers more suitable for the transport in the district, more boats were put into use. By 1883, forty-three big boats were kept ready. To cross Krishna river twenty-one boats were there in different places. To cross Malprabha, twelve boats and to cross Ghataprabha, five boats were there. Out of these boats, one was built using Iron, eight were wooden boats and the rest were small boats made using leather covers. The Iron boat measured 29x 11 x 4ft. An amount of Rs2200 was spent for building this boat. The carpenters of the public works department used to build the wooden boats. Small boats belonged to private owners. They had purchased them from Pandarapur. Wooden boats measured 31 to 34ft in length, 9 to 11ft breadth and 4 to 5ft depth. The boat had a capacity of transporting four tons. Building this boat would cost Rs.2000. The capacity of the bowl shaped boat was two tons. The fishermen themselves would build these boats and cover the outer portion from leather. The fare per person per month was approximately fifty paise to seventy-five paise. (eight annas to twelve annas.) The boat runners were getting uniform salary. Boats were run two to three times a day in rainy season. The boats were not necessary in summer. In 1882, the income from the boat transport was Rs.5160. For the benefit of the travelers, bungalows were built in Kaladagi, Bagalkot and Hipparagi. But as there were many free choultries called Dharmashalas, people did not use bungalows.

Post offices: Bijapur was coming under Mumbai Karnataka postal region. There were three types of post offices in the district. One type was to reach the other district offices from the district head quarters, another type was to reach the taluk head quarters, and the third one was from taluk offices to villages. Two main post offices of the district were in Bijapur and Kaladagi. Fifteen sub offices and thirteen rural offices were established in the district. The doc used to be carried from Sholapur in train to Bijapur and from there the Runners would carry them to the destinations. In this period a telegraph office was opened in Bijapur.

Trade

In those times the largest place for exchange of goods was the local weekly market or the 'santhe'. (Shandy) These would assemble in taluk places and other big towns. Textiles, rice, groceries, coconut and such other goods would come from outside places. Jowar, millet, wheat, gramdal, linseed and cotton were sold to outsiders. Apart from Bijapur, Bagalkot was the only other important trading place. About 225 big merchants with capital ranging from Rs.5000 to Rs.5 lakh were there in the district.

The main merchants of the district were lingayats, brahmins, gujarathi's vaniks, komati's hatkars, sindhi's panchals, koshthi's, nilagara's, muslims and some christians. One thousand and four hundred small merchants were doing retail trade with a small capital. Some people had invested their own money and some others used to borrow from marwari merchants in Mumbai, Sholapur and Pune. According to the 1880 report of Silkak, the trade was a little better than the one prevailed in the famine times of 1876-77. As the main occupation in the district was producing food grains, there was not much scope for large-scale trade. In famine times even the groceries had to come from neighbouring districts. Monetary transactions were limited. Hence exports and imports of the district were meagre. If in the district the food grains were produced on a large-scale then it was possible to export them to other districts and the necessary items could be imported into the district. But in the district there used to be often drought and famines making it impossible to export groceries. Even import of cloth was difficult at times. In good times the fair quantity of food grains would be produced and landlords would get reasonable income. But due to lack of communication tools and the fact that the railway stations were at a large distance, the rates for the food grains in the district were at low level. Thus merchants did not have much business. Agricultural labourers would manage their daily needs and were leading a content life. But whenever there was a drought or famine life of ordinary people and daily wage earners life would become miserable. As the holdings of many farmers were very small, they were cultivating the land of the rich landlords and making their living.

Business centres

Business centres were established in Bijapur district even before independence. Three centres in Indi taluk, five in Sindagi taluk, one in Bijapur taluk, three in Muddebihal taluk, one in Bagalkot taluk, four in Badami taluk and two in Hungund taluk aggregating to 19 trade centres existed in Bijapur district. The merchants in these centres were mostly rich and socially influential. They were conducting business by themselves without allowing any intermediaries or dalals. The

cloths were imported by all taluks of the districts from Athani, Hubli, Shahapur and Sholapur. Rice, pulsus, etc. were imported from Athani, Pandarapur and Sholapur. Bajra, Jvari, wheat and pulses were exported to Athani, Pandarapur and Sholapur. Bijapur was important business centre in the district. Some merchants were members in the local committees. And some were the presidents of the town municipalities. Bijapur used to get Manchester cloth, Iron instruments like Iron, shovels, pickaxes, and readymade goods like glass vessels, iron articles, writing paper, Ink, etc., from Mumbai. Another equally important business centre in the district was Bagalkot. To the business centres in the district, more goods were brought from Mumbai than Bangalore. The Bijapur district merchants were not influenced by anybody most of the time. Among the goods imported to Bijapur district, textiles would come from Mumbai. Handloom cloths would come from Dharawad. The items from Bijapur district namely groceries, cotton etc., would be brought to Sholapur by carts and would send them to Mumbai through the railways. Some time the goods used to be sent to Mumbai via Kumata in ships.

Weekly Fairs (Shandy)

Local bazaars would assemble once a week in fifty villages and towns. In small places, around 150-2000 people would gather for the bazaar. In bigger places around 500-5000 people would assemble and would sell and purchase goods. In these bazaar, every thing from rice, wheat and Jowar, readymade cloths, glass items, coir rope, agricultural equipments and many other products of daily use were sold. In a few bazaars cattle were also sold. Apart from this there would be fair every year. The fair would run for eight to ten days. Around fifty thousand people would participate in fairs.

Professions

In Bagalkot, Bijapur, Ilkal and other twelve places colouring the cotton yarn was a profession. In these places around four hundred families were practicing this trade. From the coloured cotton and silk variety of products were produced. There were around three thousand handlooms in the district. From these looms they used to manufacture rough and sophisticated cloths. Except rainy season, the cloths were in demand. Hindu weavers used to enjoy holiday on their festivals and Muslims on their festival days and declare holiday for the workers. Women also used to participate in weaving the cloths along with men. The daily wage for the rough cloths was four annas per day and for the overcoat and frocks it was eight annas per day. The demand from Mumbai started getting reduced because of the cloths manufactured there and the import from Manchester. In the famine of 1876, some weavers sold their looms for the living. Some others started working as coolies on daily wages in relief works. In Bagalkot and Bijapur around 150 weavers were producing high quality long shirts with a silk border and dhothies. There was local demand for these products. Ready-made silk materials were sent to other districts for sales. But it is learnt that the locally made long shirts and dhotis were not as good as those made in Nagpur and Sholapur.

One muslim family each at Badami and Guledgud were weaving silk peetambars. Some places in the district namely Bagalkot, Badami, Guledgudd, Hungund and Ilkal, there were one thousand families manufacturing 20'x2-3' blouse pieces. For this cloth there was demand in

Ahmednagar, Pune, Satara and Sholapur. In Bagalkot, some families used to manufacture copper and brass vessels. They used to import copper and Brass sheets from Mumbai. This home industry was engaged throughout the year in manufacturing vessels necessary for the daily use of families. They used to manufacture water containers, small drums, kitchen utensils and other utility vessels. Every year the Bogar family would manufacture vessels worth Rs.3000 and earn a profit of Rs.200-300.

In the villages around Bijapur, about 1200 pottery families were making pots and other small earthenware. Every family was earning an annual income of Rs.50-60 by selling the earthenware. There were cobblers all around the district. But they were mainly concentrated in Muddebihal, Nalathwada, Talikote, Bagalkot and Bijapur. They were buying leather on their own and make chappals and shoes. In Muddebihal, 3000 pairs of shoes and in Bijapur, 40000 pairs of shoes used to be produced. There were some people engaged in manufacturing paper from torn cloths and jute bags. This paper was called as Bagalkot Paper. This paper was used for manufacturing books for writing accounts. In government offices, this paper was used for making covers. As the import of paper from Europe was started, the production of paper began to decline. In 41 villages Bijapur taluk, 38 villages of Sindagi taluk, 12 villages of Muddebihal and 9 villages in Bagewadi, totally 225 families were permitted by the government to make explosives. The stone plate used to obtain the sandal paste by rubbing sandalwood against the stone was being manufactured at Balvalkof and Narasapur of Badami taluk. People brought stones from the Badami hills and cut it as per the requirements and sold them. The merchants of Belgaum, Dharwad and Pandarapur used to purchase.

The following table will show the different items exported from and imported to Bijapur district.

Taluks	Imported items	Exported Items
Bijapur	Textiles, groceries, rice and coconut.	Jowar, millet, wheat, bengal gram, linseed and cotton.
Sindagi	Textiles, groceries, rice and coconut.	Blouse piece, turban, yarn, silk, chilly, groceries, iron and food grains.
Muddebihal	Foreign and indigenous cloths, rice, jaggery, sugar, groceries and salt	Food grains and cotton
Hunagund	Foreign and indigenous cloths, yarn, indigo, rice, jaggery, salt, chilly, groceries, coconut and oil.	
Bagalkot	Silk yarn, Foreign cloths, gold, silver, indigo, kusumbi, kirmanji and groceries	Food grains and cotton
Badami	Silk yarn, cloths, indigo, rice, jaggery, salt, coconut, oil, betelnuts and groceries.	Blouse piece, khaddar sarees, groceries and cotton.
Bagewadi	cloths, rice, jaggery and groceries	groceries and cotton

The details of Businessmen

Indi, Thamba and other places had more than 300 businessmen engaged in import and export with a capital ranging from Rs.5000 to Rs. two lakh. In Sindagi taluk, 50 businessmen engaged in business with a capital ranging from Rs.50 to Rs.5000. In Bijapur, 250 businessmen with a capital ranging from Rs.1000 to Rs. three lakh were importing goods from Mumbai and exporting foodgrains and cotton. In the important business centres like Muddebihal, Nalathwada and Talikote 60 businessmen with a capital ranging from Rs.5000 to Rs. two lakh were doing import and export business. Bagalkot was the only chief business centre. Here 225 businessmen with a capital ranging from Rs.5000 to Rs.two lakh were doing import and export business. In Badami taluk 225 businessmen with a capital ranging from Rs.5000 to Rs.two lakh were doing import and export business. In Hungund and Bagewadi taluks, 500 and 225 businessmen were engaged in business respectively. The 1881 Mumbai gazetteer records that there were 1820 people were involved in import and export business in the district.

After Independence

Bijapur district is a drought prone district and hence the possibility of significant business is less. But when the rains are satisfactory, good harvest results. The main crops raised in the district are cotton, jowar, wheat, gram, etc. These food grains and cotton were sold in other districts and readymade goods, cloths, dhotra, sarees, sugar, jaggery, betel nut and groceries were imported.

The important wholesale centres of the district are Mahalingapura, Mudhola, Badami, Kerur, Guledgudda, Bagalkot, Kaladagi, Bilgi, Galagali, Bijapur, Basavanabagewadi, Jamakhandi, Teradal, Savanagi, Hungunda, Ilakal, Aminagad, Talikot, Muddebihal, Sindagi, Indi, Chadachana, Devarahipparagi, Moratagi etc. Among these centres, most of the business is done in Bijapur, Bagalkot, Jamakhandi, Mahalingapur and Talikot. Among these centres, most important centres are Bijapur, Bagalkot, and Mahalingapur. Apart from these, the important retail sales centres were at Kateri, Belur, Kakanur, Cholachagudd, Shirur, Girisagar, Golasangi, Huvina Hipparagi, Thidagundi, Rabakavi, Banahatti, Bidari, Thungala, Konnur, Kalageri, Halasingi, Lachyana etc.

The goods arriving at the main trade centres of the district

Bijapur	:	Tur dhal, bengal gram, groundnut, sunflower, cotton yarn, cotton, jute, jaggery, onion, vegetables etc
Bagalkot	:	Tur dhal,groundnut, sunflower, gingelly, cotton yarn, linseed, chilly, cotton, jute, jaggery, coconut, jowar and wheat
Talikote	:	Groundnut, sunflower, yarn and jute
Mahalingapura	:	Groundnut, cotton, cotton and jute yarn
Hungunda	:	Groundnut
Jamkhandi	:	Groundnut, cotton, yarn and jute
Badami	:	Sunflower, gingely, Maize, Turdhal, millet, jowar, and jaggery

Recent exports and imports

The economic activities in the district have improved after independence. As the agriculture is provided with irrigation, the production of agro-products has increased considerably. Bijapur is mainly an agriculture-based district. There is a cement factory and cotton mill in Bagalkot. In Bijapur also there is a cotton mill. There is a sugar factory in Sameerwadi of Mudhol taluk. Industrial estates have been developed in Bijapur and Jamakhandi for development of small industries. There is very little scope for setting up large industries in the district. As there are facilities for agricultural production, the industries that help producing new products, using this as raw material may be set up.

Imports

From the beginning, the merchants in the district are importing readymade goods, cotton cloth, machinery, motors, tractors, iron and steel items, coconut, coconut oil, groceries, jaggery, food articles, house construction items, betelnut, black pepper, copper, brass sheets, medicine, gold and silver ornaments. They import cotton cloth from Mumbai and Gujarat, tur dhal from Punjab, toys from Bangalore and ornaments from Mumbai.

Exports

The main exported items from the district are cotton, jowar, wheat, bengal gram, green gram, oilseeds, vegetables and onion etc. Cotton is exported to Mumbai, Ahmedabad and Sholapur. Sunflower and groundnuts are exported to Mumbai, Sholapur, Adavani, Karnul and Davanagere. Wheat is exported to Belgaum, Satara and Pune.

Business activities

In addition to agriculture, trade and commerce activities have been in vogue in the district since a long time. If before independence the commercial and business activities were limited, in the post independence period it is gathering momentum. In Bagalkot and Muddebihal taluks, limestone is being quarried and in Hungund, iron ore is being quarried. As excellent quality clay-soil is available, tiles, insulators and stoneware pipes industries are established and are developing. This indirectly has helped to increase the trade and commerce of the district. As per the census of 1971, the number of people engaged in business was limited. In 1981, all those who were involved in fisheries, forestry and construction works were all added in the business sector.

Table 6.31 : Details of people engaged in trade and business according to 1981 census

	Men	Women	Total
Rural area	20129	3849	23978
Urban area	36988	2875	39863
Total	57117	6724	63841

Source : Handbook of Census of India 1991

Regulated Markets

For the several factors for development of agriculture, well-managed marketing system will play an important role. Prior to APMC scheme came into practice, the marketing of agricultural items were carried out by private merchants based on demand and supply position. Farmers used to bring in food grains in big volumes in the harvest season. At that time the rates would be very low. The merchants using this situation were exploiting the farmers. The farmers had to sell the products for price suggested by the traders. Neither the consumer nor the farmers were benefited from this. To stabilize the price of cotton the Mumbai government brought some rules into force in 1927. As the Bijapur district was in Mumbai province, to enforce this rules, a market was established in 1938. In 1939, the Mumbai government to regulate the process of marketing of agricultural produce, framed the APMC rules. But as the Second World War was started, Government brought in ration system. At that time, no merchant could neither buy nor sell anything in open. In 1946, Government established a market at Bagalkot. In the year 1947-48 the regulation laws were brought into practice. As per the laws of 1939, a committee of fifteen members was formed. Six representatives of the farmers, five permitted by the merchants, and two representatives of local organisations and two members nominated by the government were in the committee. This committee could fix the prices for the agricultural commodities.

Before the reorganization of the states, the directors of the co-operative societies themselves were the directors of the regulated market. The District Commissioner of Bijapur was conducting the business of the regulated market, as per the Mumbai APMC rules 1939.

The Karnataka Agricultural Produce Marketing (Regulation) Act, 1966:

After a decade of reorganization, Karnataka government made applicable, the Karnataka Agricultural Produce Marketing (Regulation) Act, 1966 throughout the state. Assistant Director was appointed to look after the business of the regulated market. The Assistant Director, was made responsible for implementation of Karnataka Agricultural Produce Marketing (regulation) Act 1966 and Karnataka Warehouse Act 1961 and the Agricultural Produce (Grading & Marketing) Act 1937 brought in by the Central Government. According to the APMC rules of the Karnataka government, to oversee the regulated market, a representative committee comprising of the farmers, traders, and representatives of local bodies and nominees of the government was to be formed. And all the arrangements for the business in the regulated market yard were to be arranged. To do all these things money has to be spent. Hence there is scope to charge a market fee as per law.

Regulated commodities

Bijapur : cotton, wheat, maize, jowar, millet, ground nut and groundnut seeds, safflower, sunflower, linseed, gingelly, bajra, toor dhal, cow peas, bengal gram, dry chilly, onion, tomato, vegetables, lime fruits, Banana, grapes, sweet potato, cattle, sheep and fruits.

Bagalkot : white jowar, millet, maize, groundnut, gingelly, bengal gram, toor dhal, green gram, cotton, groundnut seeds and sunflower.

Jamakhandi: Cotton, jaggery, maize, jowar, groundnut, millet, wheat, sunflower, bengal gram, tur gram, tur dhal, groundnut seeds, safflower, onion, cattle, sheep and goats.

Badami: ground nut, groundnut seeds, cotton, jowar, millet, wheat, safflower, linseed, sesamum, gram, horse gram, cow pea, green gram, jaggery, maize, dry chilly, Sunflower, cattle and sheep.

Mahalingapura: Jaggery, groundnut, groundnut seeds, safflower, bengal gram, cotton, jowar, maize, wheat, bajra, sunflower, onion, tur dhal, dry chilly, sp. wheat, turmeric, cattle and sheep and goats.

Sindagi: Cotton, Wheat, maize, jowar, millet, groundnut and groundnut seeds, safflower, sunflower, sesamum, castor seeds, linseed, millet, toor dhal, cow peas, bengal gram, green gram, dry chilly, green chilly, jaggery, onion, tomato, vegetables, lime fruits, banana, grapes, sweet potato, cattle, sheep and goats.

Hunagund: jowar, wheat, millet, gram, bengal gram, green gram, Horse gram, cowpeas, Pots, sesamum, groundnut, safflower, Sunflower, linseed, cotton, cattle, oxen, bulls, buffalo, sheep, goats and rams.

Agricultural produce markets

There were eight main markets and 27 sub-markets, in all 35 markets functioning in the district. Their year of establishment and jurisdiction are given here under.

Table 6.32 : Details of Main markets and Sub-markets in the district

Main Markets	Year of Establishment	Sub-Markets	Year of Establishment
1	2	3	4
Bijapur	25.09.1938	Basavana Bagevadi	17.01.1976
		Huvina Hipparagi	26.06.1990
		Golsangi	26.06.1990
		Tikota	20.09.1996
		Babaleshvar	20.09.1996
		Tidagundi	20.09.1996
Bagalkot	10.01.1945	Kaladagi	15.03.1978
		Galagali	12.04.1978
		Bilagi	26.02.1979

Contd...

1	2	3	4
Jamkhandi	1952	Teradal	—
		Savajagi	—
Talikote	21.05.1964	Muddebihala	—
		Nalathawada	—
Badami	27.07.1977	Keruru	26.07.1996
		Kulageri cross	26.07.1996
		Nandikeshvara	06.03.1984
		Jalihala	04.10.1985
		Guledagudda	11.04.1991
Mahalingapura	09.09.1987	Mudhol	
		Lokapur	—
Sindagi	25.03.1996	Indi	—
		Chadachana	—
		Alamela	—
		Devara hipparagi	—
Hunagunda	26.07.1977	Ilkal	—
		Aminagada	—
		Gudur	—

Table 6.33 : Recent income and expenditure of APMC

(Rs.in lakhs)

	1985-86		1989-90		1993-94		1996-97	
	Income	Expendi- ture	Income	Expendi- ture	Income	Expendi- ture	Income	Expendi- ture
Bijapur	53.70	41.48	59.78	31.80	93.44	47.90	151.84	88.51
Bagalkot	20.32	19.98	29.45	13.38	46.45	17.25	63.25	26.31
Jamakhandi	15.93	7.44	9.18	6.35	19.07	10.99	22.02	12.39
Talikot	6.71	4.47	13.80	8.94	24.30	8.80	28.02	14.53
Badami	2.40	1.91	3.80	3.75	8.59	4.68	7.84	4.36
Mahalingapur	—	—	24.31	10.10	45.43	16.07	57.34	25.26
Sindagi	—	—	—	—	—	—	9.02	4.34
Hunagund	1.08	00.88	3.32	1.73	5.20	2.55	6.51	3.81

The Progress of the Markets

Main markets and sub-markets both put together in all there were 15 markets in 1971. This increased to 18 by 1975-76. Further they increased to 22 by 1979-80, to 24 by 1980-81. In 1975-76 the total transaction of the markets (18 markets) was Rs.48.96 crore and in 1980-81 Rs.46.43 crore (24 markets), in 1981-82 Rs.46.37 crore (24 markets), in 1988-89 Rs.76.00 crore (26 markets). In 1992, there were seven main markets and 25 sub markets in all 32 markets transaction amounted Rs. 164 crore. In 1994-95, seven main markets and 26 sub markets were there and the transaction was Rs.287 crore. In 1997 eight main markets and 27 sub markets were there and the transaction of these markets was Rs.325 crore. The farmers are getting a better price for their products because of these markets. It has been realised by the farmers also that if they sell their products only through these markets they will get a better price. Now there is no pressure on them from local market forces.

In markets, dalals, buyers, retail merchants, weighingmen, hamals, importers and exporters, transporters, warehousemen, cartmen, processors. They get remuneration as per their quality of work and responsibility. The following table will provide details of workers who have permits. The markets have provided many facilities to the workers. There will be a marketing committee in main and sub-markets. Marketing committee will charge fees on all the products sold in the market. The agricultural produce marketing rules provides for establishing market fund. All the expenses of the market shall be met by this fund. The following table will provide details of market functionaries in the markets.

Table 6.34 : Details of Market functionaries of the market committee

Market functionaries	Bijapur	Bagal-kot	Jamak handi	Mahalin-gapur	Badami	Hunagund	Talikot	Sindagi
Dalals	190	62	24	86	31	40	163	4
Traders	438	183	109	95	52	84	145	106
Retail traders	—	519	238	7	189	237	31	467
Weighmen	48	17	4	23	1	1	4	5
Hamals	620	249	87	133	155	117	50	119
Exporters	177	60	68	83	45	51	129	76
Importers	220	85	40	13	51	35	72	63
Transporters	17	—	10	3	12	14	5	15
Cartmen	104	13	23	39	51	—	—	—
Stockists	297	104	60	131	88	42	210	86
Processors	18	35	7	5	25	8	6	—

Agricultural Produce Market Committee, Bijapur

The Bijapur Market Committee was established in 1938, as per the Mumbai Cotton Market act 1927. Initially, only the cotton was regulated. Afterwards, groundnut, kusubi and sesamum were also included under regulation. In the beginning, the scope of the Bijapur APMC was extended to the products produced in Bijapur, Basavanabagewadi, Sindagi and Indi taluks. From 21.04.96, Indi and Sindagi were taken out of Bijapur marketing committee and were provided separate markets. Now the Bijapur market committee is limited to Bijapur and Basavanabagewadi taluks only.

The materials regulated in this market are cotton, wheat, maize, jowar, millet, groundnut and groundnut seeds, kusubi, sunflower, linseed, sesamum, bajra, toor dhal, cow peas, bengal gram, green gram, castor seeds, jaggery, dry chilly, onion, tomato, vegetables, lemon, banana, grapes, pomegranates, sweet potato, cattle, sheep and other fruits. Animals include cattle, sheep and goat.

There are six sub markets under the Bijapur Market. They are Basavanabagewadi, Huvina Hipparagi, Golasangi, Tikota, Babaleshvar and Thidagundi. In the market committee totally fifteen members, eleven representing agriculture, two members representing each government and traders will be there. In the premises of the main market and sub market, auction platforms, drying yard, marketing stalls, raitha bhavan (farmers rest house), samudaya bhavana (community hall), Bank and post office have been established. In addition, there is a police station and workers quarters. There are good roads in the premises. Street lights have also been provided. For these development works Rs.5.34 crore have been spent till now. 29 rural market godowns have been built in Bijapur and Basavanabagewadi taluks.

The important products like cotton, groundnut, kusabi, jowar and jaggery are marketed through tenders where as vegetables and fruits are marketed through auction. Grading facilities have also been provided at the Market yard. Free classification, transports with concessional rates, fire station, market news, lodging facility for the farmers, and free weighing facility have been provided in the market.

For the development of regulated market, in 1994-95, 75 civil works were taken up at a cost of Rs.135.25 lakh. Of these 61 works have been completed and the remaining are under progress. In 1995-96, 26 civil works have been taken up at a cost of Rs.62.44 lakh. In the budget proposals of 1996-97, 28 civil works have been approved.

To develop rural market coming under the purview of Bijapur market, 29 rural market godowns have been built by spending Rs.73.44 lakh from the market fund. The committee has taken up the road development work in the seven Assembly constituencies totaling 62.5 km, out of its own funds. Out of these five civil works are completed and the remaining works are in progress. Bijapur market committee has arranged insurance scheme for hamals. Insurance scheme is implemented for 419 hamals and 28 weighmen working in the yard.

Table 6.35 : Income and expenditure of The Bijapur APMC for the last four years

Year	Income (Rs.)	Expenditure (Rs.)	Savings (Rs.)
1993-94	93,43,916	47,90,236	45,53,680
1994-95	1,78,08,074	96,81,565	81,26,509
1995-96	1,39,78,612	71,51,565	61,26,724
1996-97	1,51,84,451	88,51,565	63,32,886

Table 6.36 : Income earned by the Bijapur market committee from license and market fees

Year	License fee (Rs.)	Market fees (Rs.)	Total (Rs.)
1993-94	2,52,680	76,48,972	79,01,652
1994-95	3,41,210	1,64,86,641	1,68,27,951
1995-96	3,14,915	1,22,86,346	1,26,01,261
1996-97	3,32,875	1,25,62,233	1,27,95,108

Table 6.37 : Important market functionaries at Bijapur APMC

Year	Hamals	Traders	Others	Total
1993-94	170	481	2766	3417
1994-95	195	542	3257	3994
1995-96	200	591	2967	3758
1996-97	200	550	3000	3750

It may be seen that the Bijapur APMC is providing good service.

Table 6.38 : Details of important goods sold through Bijapur APMC during 1996-97

Products	Incoming (In lakh quintals)	Outgoing (In lakh quintals)	Value (Rs.in lakh)
Cotton	4.33	4.44	894.00
Groundnut	0.80	1.01	993.00
Jowar	0.59	0.59	350.67
Wheat	0.19	0.17	154.81
Bajra	0.40	0.43	127.41
Green gram	0.14	0.14	180.37
Bengal gram	0.09	0.10	107.06
Sunflower	0.50	0.53	593.71
Jaggery	0.31	0.33	235.88
Onion	0.77	0.77	181.99

Along with the above mentioned goods many other fruits, vegetables and groceries are marketed.

Shandy /Bazaars

There is a system of exchange of goods in a particular place on a particular week-day all the producers bringing their goods therein for transactions with the merchants and customers alike, since a long time. This is called shandy or santhe. The shandy is very useful medium for purchasing the weekly requirements for the people residing in an area within ten kilometers from the place of shandy. Farmers will bring pulses, fruits, betel leaves, betel nuts, butter, coconuts, copra, jaggery etc., produced by them to the shandy. They will sell whatever they have brought and purchase the required items. Some businessmen have made it a practice to sell goods at shandy. These people shall open grocery shop itself in shandy.

The details about the shandy are available in the economic history. They are recorded in many inscriptions. Previously shandy would be on a Sunday. But now in different days of the week in different places, shandis are held. There will be a big vacant place for shandy. This is called shandy field. It will be decided to place specific items at specific places only through a predefined arrangement. The local bodies, village panchayats or the town municipality shall supervise the shandy. People coming to sell their products have to pay fee based on the value of goods brought by them. Not only that, they have to pay fees for the place also.

There is a practice of arranging shandy on a week day when the village deity is worshiped. The shandy provides a market to home industry products in addition to agricultural produce. In shandy merchants shall also, buy items like jaggery and some raw materials from the small farmers through their representatives. Ready made garments (sewn at home), cooking vessels, glass tumblers, plates, soap and items of daily use all find their way to the shandy. This is advantageous to the villagers as they are sold at a reduced rate than the one prevailing in the regular bazaars. In addition to shandies, once a year there will be a fair on the occasion of yearly worship of the village deity. The products sold in fair will be different from the ones sold in a shandy. If products of daily use are sold in shandy, products of long life shall be sold in fairs. For example, brass and steel utensils, garments, footwear, shoes, umbrellas, cosmetic goods, glass bangles and other glass items, toys, materials used for religious purposes, condiments etc., can be found in fairs.

According to the old Mumbai gazetteer shandy used to take place in fifty villages and towns of Bijapur district. Four in Indi taluk, eight in Sindagi taluk, five in Bijapur taluk, six in Muddebihal taluk, three in Bagalkot taluk, nine in Badami taluk, seven in Hungund taluk and in nine other places shandy used to assemble. Here between 150 to 2000 people used to sell their products. In some shandy places, people up to eight thousand would participate. Wheat, grains,

rice, cloths, silk, bed sheets, sugar, vegetables, cardamom, tobacco, metal and clay utensils, glass bangles and tumblers, porcelain glasses, cups, plates, pulses, fruits, betel leaves, betel nuts, butter, coconuts, copra, jaggery, coir ropes, mats, cattle, etc., were sold in shandis. There are merchants who will carry their products in a cart and move from one shandy to another as a routine.

As per recent information, shandy is being held in 68 places of the district, the details are as mentioned here under.

Agarkhed(Wednesday),Alamela(Friday),Almatti(Sunday),Aminagada(Saturday), Arjunagi (Sunday), Atharga(Thursday),Babaleshvara(Friday),Badami (Monday), Bagalkot(Saturday),Ballolli (Sunday), Barasagoda(Monday), Basavanabagewadi (Monday), Belagali(Saturday), Beluru (Saturday), Bijapur(Sunday), Bijjaragi(Saturday), Bilagi(Saturday), Chalachagudda(Tuesday), Devara hipparagi(Monday), Dhannuru(Monday), Dhavalagi(Wednesday), Galagali(Sunday), Girisagara(Monday), Golageri(Saturday), Golasangi(Thursday), Gudur(Friday), Guledagudda (Wednesday-Thursday), Halasangi(Thursday), Hiremurala(Tuesday), Honavada(Wednesday), Horthi(Monday), Hunagund(Saturday), Hunakunte(Saturday), Huvina hipparagi(Sunday), Ilakal (Thursday), Indi(Tuesday), Ingaleshvara(Saturday), Jainapura(Friday), Jamakhandi(Thursday), K.Salavadagi(Friday), Kakanuru(Thursday), Kakhandaki(Monday), Kaladagi(Thursday), Kalakeri (Thursday), Kamathagi(Friday), Kanamadi(Friday), Kandagala(Monday), Kannur(Saturday), Karadi(Tuesday), Katageri(Friday), Kerur(Tuesday), Kodihal(Wednesday), Kolhara(Wednesday), Kudagi(Saturday), Lachyana(Monday), Lokapur(Tuesday), Loni-B K(Monday), Mahalingapura (Tuesday), Mamadapur(Thursday), Managuli(Saturday), Maratagi(Tuesday), Masuthi(Friday), Minajigi(Monday), Mudhola(Friday), Mulavada(Wednesday), Muttagi(Wednesday), Nagathana (Monday), Nandavadagi(Sunday), Nidagundi(Saturday), Nidoni(Tuesday), Sangama(Monday), Sarawada(Saturday), Sasanuru(Monday), Savalagi(Saturday), Shirur(Monday), Shivanagi (Tuesday), Sindagi(Sunday), Sithemani(Sunday), Telagi(Tuesday), Thamba(Wednesday), Tangadagi(Wednesday), Tikota(Thursday), Ukkali(Thursday), Vandala(Friday).

Cattle shandy

As shandy assembles for the marketing of agro-products in primarily agriculture predominant Bijapur district, in some places cattle shandy also held. Generally, the cattle shandy assembles specially for the marketing of cattle and other animals, either on the day of the shandy or the next day. In these shandis, Agricultural Produce Market Committee regulates the sale of cattle. Every animal is charged a fee of Rs. five. There is no fee for other animals such as sheep, goat, etc. At the time of fairs and special occasions like Sankranti, Basavajayanthi and Dasara, both cattle - show and marketing of cattle are held. In these occasions, the cattle shandy will be there for two weeks. Usually this will be done after the harvest and before the rainy season.

Table 6.39 : Places where the cattle shandy is held

Place of shandy	Shandy day for sale (approximate)	Number of cattle brought
Mahalingapura	Tuesday	400-500
Mudhol (Market yard)	Friday	500-600(sheep, goats, etc.)
Kerur (Sub market yard)	Tuesday, Wednesday	600-800
Jalihala (Sub market yard)	Wednesday	500-600
Bagalkot (Market yard)	Saturday	Cattle assemble in small quantity
Kaladgi	Thursday	Cattle assemble in small quantity
Rampura	Sunday	Cattle assemble in small quantity
Bijapur (Market yard)	Sunday	Not known
Basavanabagewadi	Monday	Not known
Kolhara	Sunday	Not known
Jamakhandi (Market yard)	Thursday	200 buffalos,100 oxen, 100 sheep, goat
Tadalabagi	Monday	Goat, sheep 200
Aminagad	Saturday	Ox, cow, bull, buffalo-500, goat, ram, sheep- 400 to5000

Fairs

Fairs take place once in a year, on special occasions like the car festival of the village deity, for about a week to ten days. According to the old gazetteer of the Mumbai province, in Bijapur district, small and large fairs put together about forty fairs took place every year. In these one thousand to five thousand people participated. Upto Rs. 100,000 worth transactions took place. It is said that the fairs at Nimbaragi, Hipparagi, Cholachagudda, Gajendragada, Sangama and Ilkal villages were special. Assembly of fifty thousand people in Ilkal and sixty thousand people in Sangama fairs were very special happenings.

In this district, the Bijapur Siddeshvara fair is said to be very important. This fair begins on makara sankranthi each year will be there for a week and the assemblage of people would be huge. In this fair, upto one lakh cattle are brought in. In all the fairs, cattle are sold. This fair attracts cattle from other places of the state and the neighboring state of Maharashtra. The fair committee will arrange for the shelter, drinking water and protection of health for people and cattle visiting the fair. In this fair the fee for cattle is compulsory. And a show of cattle is also held in the fair. The owners of the cattle declared the best would be honoured and rewarded with a golden medal. Thousands of people from other districts will come to visit this famous cattle fair of

the district. It is said that people upto one lakh will visit this fair. The merchants of the district and those coming from neighbouring districts of Maharashtra state will participate in trade in the fair.

Warehousing

In the harvest season, after the harvest, farmers usually store their produce in their houses in boxes, barns, etc. Some portion of harvest will be sold at that time itself. Even though, it is difficult to get good price at that time. But the farmers will sell as they do not have any alternative. They have to repay their loans raised for the cultivation. They have to bear the responsibility of the family needs. Usually they will sell 70% of their harvest and the remaining 30% is kept for their consumption and use for next seedlings. As farmers store the harvest in conventional storage media, the products may get affected. The barns made beneath the ground will be defective. To improve this position, the Government formulated a plan for construction of godowns. To educate the farmers is one aspect, and for the government to construct the godowns by itself and protect the produce of farmers is another. Both the central and state governments accepted the godown scheme during the first and the second plan periods. At the national level, Central Warehousing Corporation and at the state level, the State Warehousing Corporations were established. The central government has not provided any warehousing facility in Bijapur district. But, state government has established its Warehousing Corporation. The Corporation has eight warehouses in the district. The farmers can dump their produce in these warehouses, get proper receipts and can raise loans against them with the banks to meet their financial requirements. This is helpful to sell the produce when the prices become advantageous, to repay the loan and realise increased income.

Karnataka State Warehousing Corporation has set up eight warehouses of different sizes in Bijapur district. It started functioning and providing warehouse facilities at Bijapur and Jamakhandi in 1959, at Bagalakot in 1960, at Indi in 1961, and at Mudhol in 1980 and at Badami, Sindagi, Talikote in 1985.

Table 6.40 : Storage capacity of the Warehouses(in M.tons)

Warehouse centre	Own godowns	Rented godowns	Total
Bijapur I	4800	—	4800
Bijapur II	6000	—	6000
Badami	1000	222	1222
Mudhola	1000	800	1800
Jamakhandi	2500	—	2500
Bagalkot	2000	1124	3125
Indi	2000	—	2000
Sindagi	—	913	913

The office of the Warehousing Corporation at Bijapur comes under the jurisdiction of the Raichur Regional Office. In these Warehouses, the fertilizers and the produce of farmers and merchants are stacked scientifically. In addition, the rice and wheat to be disbursed to the public as ration are also stored in these warehouses on behalf of the Food Corporation of India. A discount of ten percent is allowed in the fee to be collected from the farmers to store their products. To protect the products scientifically, training programmes are arranged for the farmers by the Corporation.

Table 6.41 : Business of some of the warehouses

Warehouses	Year	Income (in Rs.)	Expenditure (in Rs.)	Profit (in Rs.)	Loss (in Rs.)
1	2	3	4	5	6
Indi	1985-86	96743	64485	32258	—
	1990-91	81384	68674	12710	—
	1993-94	173091	94446	78645	—
	1996-97	229749	130519	99230	—
Mudhol	1985-86	13214	51218	—	38094
	1990-91	109501	116965	—	7464
	1993-94	193515	110590	83025	—
	1996-97	281536	180121	101415	—
Badami	1985-86	4800	37576	—	32776
	1990-91	50749	51388	—	639
	1993-94	41156	82964	—	41808
	1996-97	147559	132786	14773	—
Sindagi	1985-86	7703	34032	—	26329
	1990-91	82754	43384	39370	—
	1993-94	197922	105155	96767	—
	1996-97	99683	115947	—	16264
Bijapur	1985-86	102392	136035	—	32643
	1990-91	987589	377262	610327	—
	1993-94	1719904	531510	1188394	—
	1996-97	1997507	673916	1323591	—

Contd...

1	2	3	4	5	6
Bagalakot	1985-86	28217	73532	—	45315
	1990-91	130954	149246	—	18292
	1993-94	291726	157020	134706	—
	1996-97	332209	267392	64814	—
Jamakhandi	1985-86	23879	80541	—	56662
	1990-91	310665	136908	173757	—
	1993-94	354684	152134	202550	—
	1996-97	425738	202457	223281	—

From the above it can be seen that initially some centres incurred losses. However now all the centres are making profits. The overall position of the warehousing in the district is satisfactory.

WEIGHTS AND MEASURES

The standardized weights and measures are integral part of a good economic system. There were several kinds of weights in different places of the district. In Mumbai Karnataka, the weights were not the same. Different weights were in use in different parts of the district. The Mumbai Gazetteer of 1893 says that there were same names for weights but each weighed differently and because of this there were a chances of the users being cheated.

History

Even though there was variety in weights and measures, as the government accepted the weight of a silver rupee only, there was not much scope for cheating. The government rupee used to weigh 180 grains and on the basis of this, the prices used to be decided. In Bijapur, it was considered that the weight of one '*Ane duddu*' was one tola. '*Ane duddu*' used to weigh five gunji's more than the government rupee. Except for Bijapur, in all other places, the business used to be based on the government rupee. In Biajpur district, it was Rs.18 for a tola of gold in 1860-70s. Twenty tolas were specified to be equal to one seer. In shops the weight of the rupee was the basis. Hence the weight of all the goods and items were uniform in the district. Twenty rupee weight was equal to one seer. It was one *dhadiya* for 12 seers, One *mana* for four *dhadiyas*, and one *khanduga* for 20 manas and thus ran the table of measures. However it was found that in different places the quantum of one *dhadiya* varied from 10 *seers* to 14 *seers*. In addition, even in the same place, the table of measures of different items would be different. For example, for one *dhadiya* of copper and brass it was 14 *seers*, for Iron and Steel it was 12 *seers*, for cotton, tobacco and ghee it was 13 *seers*, for jaggery, sugar and food products it was 12 1/2 *seers* and for cottonseeds and oil cake, it was 10 *seers*.

Food grain Measuring Units

To the north of Krishna River, it was fixed that a seer was a utensil holding water weighing 80 rupees. To the south, one seer was equal to the measure of *navadhanya's* weighing 80 rupees. Navadhanya means rice, jowar, millet, wheat gram, tur, horse gram, green gram and *madaki*. In several other places, a seer was worth 136 to 160 rupees weight of water. And thus there were different unit of measures even in the same taluk itself.

Milk was measured in brass utensil. One *seer* was weighing 80 rupees. A *seer* of oil was weighing 20 rupees. The utensil used to measure oil was called a *magi*. One *magi* used to hold six *seers*. One *mana* was equal to eight *magi*. But ghee, honey and other liquids were weighed and sold.

Land measures

For measuring land there were measures like *maru* and *Bighe*. Vithal Panth in Bahamani kingdom of Gulbarga measured the land in his own *maru* and fixed the revenue in Bahamani varaha's. This *Maru* was called Vithalpanthi *maru*. This was approximately equal to 32 acres. During the Vijayanagar Kingdom, the lands were measured again and different *maru's* were specified. This *maru* was called The Raya's *maru*. This was equal to about sixteen acres. During the Peshve's period the *Bighe* came into vogue and the revenue was fixed accordingly. The table of measure was as mentioned hereunder. 4 sq. inches = One *mushti*; 3 *mushtri* = One *genu*; 2 *genu* = 1 *mola*; 5 *mola* = 1 *kathi*; 20 *kathi* = One pound; 20 pound = 1 *bighe*; 120 *bighe* = 1 *chahuru*. One *bighe* is about one and half to one and three quarter's acres. In 1840 new type land measure came into vogue and then onwards land is being measured in *ani*, *gunte* and *acres*. One acre means 43560 square feet of land. There was *kurige* meaning land that could be ploughed through a day by a farmer that was approximately four to eight acres of land. To measure length, British methods came into force since 1889. As a result, inch, foot, yard, furlong, mile etc., came into practice.

The recent weights and measures rules

Before Bijapur was amalgamated in Karnataka, the Mumbai Karnataka Act of 1929 was in force. For stamps and notary works, testers were appointed before 1931, that is before reorganisation of states. These testers were conducting their work in the municipality jurisdiction as per the directions of department of Industry and Commerce. Testers were given uniforms. These testers were also working in the office of the District Superintendent of Police as station operators and used to send the reports to the District Magistrate. In 1936-37, for the first time, weights and measures testers were appointed. These testers used to check the weights and measures and were instituting cases and levy fines on the culprits cheating the public. In 1941, this branch was brought under complete control of District Industries and Commerce Department. In 1949, the department was bifurcated and transferred to marketing department, which exercised the

complete controle. The 'Registrar of Co-operative Societies', was working as chief officer of the marketing department. On reorganisation of states, when Bijapur joined Karnataka, the Mumbai state laws were in practice. The Karnataka weights and measures laws were applied to Bijapur district from 14.01.1959. On 01.04.1962 the office of the Assistant Controller of weights and measures was established in Bijapur to look after Bijapur district in this regard. Inspectors of weights and measures were first appointed for Bijapur, Bagalkot, and Jamakhandi. In 1988 new offices were opened in Muddebihal and Hunagund. On the same lines, the Auto and Taxi units under Inspector of weights and measures was established in 1996.

In Bijapur the following sectors would come under the weights and measures testing as on 1996-97. Industrial units - 386, State Government organisations - 14, Petrol Pumps - 134, Auto and taximetres - 694, Merchants- 16663

Table 6.42 : Weights and measures and related instruments subjected to inspection in recent years in Bijapur District.

Weighing instruments	1992-93	1994-95	1996-97
Weights	175266	163676	182113
Measures	93177	81574	83602
Weighing instruments, balances	38535	38854	42278
Measuring instruments	121	123	129

It is significant that the income of the department due to conducting of inspections is increasing year after year. Stamp fees collected was Rs.11.46 lakh in 1994-95, Rs.12.44 lakh in 1996-97. The cases instituted against those who violated the rules were 1829 and 1487 in 1994-95 and 1996-97 respectively. The cases settled at the department level were 1553 in 1994-95 and 1499 in 1996-97. The penalty collected from these cases was Rs.1.87 lakh in 1994-95 and Rs.1.76 lakh in 1996-97. The amount of penalty as per the court judgment in those years was Rs.28275 and Rs.18000 respectively.