

CHAPTER 6

BANKING, FINANCE, TRADE AND COMMERCE

Agriculture and industries are considered very important basic sources of production in formulating economic conditions of a particular region. To support them, the institutions like organised banking, finance; agencies for linking of credit with marketing, co-operative institutions organised for the benefits of public, etc., play an important role in the process of economic development.

The organised banking and finance sectors are the essential factors for the development of a region. The growth of supplementary activities like trade, commerce, marketing etc. will influence the socio-economic life of the people of the area. One can experience that during the recent decades, in the changing socio-economic and political conditions, banking activities with new dimensions have ushered in socio-economic transformation at the grass root level. This responsive banking services found all over the state could also be seen in Dharwad, which is a prominent district, in northern Karnataka.

BANKING AND FINANCE

The old records pertaining to the district attest that few decades before the commencement of modern banking activities, in the earlier part of the 20th century, as elsewhere, herein this district also, it was very common that private money lenders, traders, merchants, landlords, the vatandars like Zamindars, Deshpande, Kulkarni, village officers like Patil, and officials etc., had their own practices of money lending. Among the four districts of Bombay Karnataka (Dharwad, Belgaum, Bijapur and Uttar Kannada), Dharwad had the largest number of rich merchants. It is learnt that in 1884, the total number of merchants in all the above four districts with annual income ranging from Rs. 100 to 1,000 was about 42,750, the number with more than Rs. 10,000 annual income was 38. During 1884, in Dharwad district, there were 21,046 traders with an annual income between Rs. 100 and 1,000 where as the number of people with more than Rs. 10,000 annual income was 19. This data indicates the then prevailing economic prosperity of the district. From among the prominent communities of the district which were engaged in the Hundi business (Bills of exchange) and other trading activities were the Lingayats, the Jains, the Brahmins and the Komatis (the Vysyas). They had their own indigenous practices of Hundi business. The important trading centres of the district like Dharwad, Hubli and

Gadag were noted for Hundi business. The British report of 1853 mentions that, the money lenders of Hubli were issuing Bills of exchange on huge amount, on traders of Bombay, Madras and other towns of Deccan Plateau. The traders of this district were issuing Hundi to places like Bombay, Pune, Satara, Vengurle and Chipaluna etc.

Dharwad District Gazetteer of 1884 describes about money lending practices as follows: "Money lending was one of the easy means of earning money. Though, caste Hindus, do all types of business, but the first preference will be for money lending to earn interest without any efforts, and it could be carried out with whatever amount of money they have, there is no problem of keeping accounts. It does not require much skill and always there are customers who need money." The money lending was done through the Company (East India Company) rupee only. On the basis of volume of transaction, the money lenders were classified as Grade I (Rs. 1 to 2 lakh), Grade II (Rs. 5,000 to 1,00,000) and Grade III (Rs. 5,000 to 100). In the year 1884, places like Dharwad, Hubli, Gadag and Savanur of the district had good number of money lenders. The bankers (shroffs) of Belgaum and Shahpur were acting as agents of Hubli banks in 1882. In 1883, Hubli had 700 merchants and of them 300 had their capital between Rs. 5000 to 1,00,000. At Gadag, one Gujarathi merchant by name Venkatdas was dealing in Hundi upto Rs. 10,000.

Rate of Interest

During 1879-80, rate of interest payable on Post Office Savings Bank deposits (S.B. A/c) was raised from $3\frac{3}{4}$ percent to $4\frac{1}{8}$ and the maximum limit of deposit in individual Savings Bank was also raised from Rs. 3,000 to 5,000. Private rich money lenders were charging between 12 and 23 percent on such loans which were granted on personal trust and security, whereas 9 to 24 percent was charged on the security of commodities and gold ornaments. Loans on security of crops were granted on interest rates between 24 and 36 percent. Non-Professional money lenders like village Sahukars were charging between 18 and 37 percent on small loans. Thus money lending was a lucrative business of the rich society.

Investment of Money

The main avenues of investment of savings were immovable property (real estate) and investment in gold etc. Most of the people used to invest half of their savings in gold. A small percentage of people used to employ in Government Banks. They were Government servants and advocates. Of the total annual licence fee collected by the Government 75 percentage of it was contributed by money lenders. It is learnt that nearly 60 percent of the total money lenders were found concentrated in villages and the rest (40%) in big villages (urban areas). The Gazetteer of 1884, further describes that before the enforcement of legal regulatory measures on money lending activities, there used to be usurious practices and exploitation of loanees. The merchants in those days used to charge monthly interest at the rate of 8 to 12 percent on the pledge of gold ornaments. Generally lending rates were higher in rural areas than the urban. So also, in case the borrower who possessed the property, and was found to be honest and trustworthy he was charged lesser interest. The poor and the dishonest were not at all entertained by the money lenders as reported. Loans on the mortgage of the land was chargeable at one percent interest. The village money lenders were generally charging interest on the basis 'duddu'. (i.e., one 'duddu' per rupee per month). One 'Duddu' was equal to four pais. Among the borrowers, the prominent group was vokkaligas, small farmers with small holdings. According to the report, of the farming community nearly 75 percent were indebted in one way or the other.

Economic Survey

Many economic surveys have been carried out pertaining to the economic conditions of the district during the last century. As recorded in the District Gazetteer of 1884, "money used to be accumulated more or less with merchants, big land holders, gold smiths, vakils, officials holding high post i.e. government services, kurubas and samagars (chammars). Among the Inamdars (families holding land granted by the Government) few appear to be well-to-do, but these inamdars do not know the value of money, since they get money without any strenuous work or risk, their family expenditure is in most disorder." Regarding the investment habit of the people, the Gazetteer mentions that lending of money, trading activities, purchase of lands and buildings, purchase of jewelry or ornaments etc. were avenues of investment. Most of the people used to invest half of their savings in gold and jewels. The district is noted for agriculture from the beginning. The conditions of the peasantry is described like this "Half of the produce of the land goes to village money lender to pay his interest for the loan, most of the farmers sell their land in order to clear the old debt and interest, rarely they sell their land on their own accord or to pay land tax to Government."

Next to farmers, the persons to incur debt were Inamdars. Since they were not permitted by law to alienate Inam Land, they used to surrender their holdings to village money lenders. The report indicates that the village craftsmen like carpenter, blacksmith, potter, uppar were free from debt.

The Report adds that since labourers did not possess any property, rarely they used to get loans from money lenders. There is an improvement in the living conditions of labourers. Before the introduction of Railways in this region in 1889, the wages paid to the male labourer was 3 ½ annas, whereas a female labourer used to get two annas. After 1891, men and women used to get daily wages not less than four annas and two and a half annas respectively. In big villages, the daily wages were five to six annas. Generally a family of labourers consisting of husband-wife and children when worked together, they were contented compared to an agriculturist with small holding as reported in the Gazetteer of 1884.

Recent Economic Survey

In another economic survey conducted after nearly 8 decades (1964) one can observe altogether a change in socio-economic and cultural spheres that have taken place in the living conditions in rural areas.

The Bombay Provincial Banking Enquiry Committee conducted economic survey of the district in 1929-30. The survey included the volume of loan, the purpose and the security offered for the loanee. The findings of the survey was that in many cases the loans were used for non-productive purposes like marriage, house hold expenses, repayment of old debt etc. In many cases, loans were obtained on promissory notes by pledging land, house and ornaments etc.

As a part of 1961 Census operations, three different villages of the district representing varied physical features, community life, socio-economic conditions, infrastructure growth etc. were selected for a comprehensive macro level, socio-economic and cultural studies. The survey included the different occupational community groups with low, middle and high income groups. The surveys of this nature generally include the aspects like the debt of the family, resources of loans, purpose of utilisation, rates of interest etc. which are considered as purely one's personal or private affairs. There are possibilities of concealment of facts and figures and hence may not bear realistic facts. Even then,

such surveys are found to be useful for academic studies to mark the socio-economic changes that have taken place in a region, in course of time.

For this socio-economic survey of the district held in (1961), three villages of the district viz., Hulkoti of Gadag taluk, Magadi of Shirahatti taluk and Kaginele of Byadagi taluk were chosen by the Census authorities. The findings of the study are as follows:

All the three villages selected are basically agrarian comprising of different castes, communities and occupational groups. The common and prominent features which came out of the survey, revealed that out of the total loanees and the volume of loan amount availed, the maximum number of families belonged to the category having the maximum monthly income of Rs. 100 per month. The low income group (Rs. 25-50 per month) had availed the least amount in the total volume of loan. In Kaginele village only large holders (more than 10 acres) were able to secure huge amount of loan and it was due to the economic security possessed by them. Another special feature of this village is that 284 families out of 399 being muslims were mainly engaged in agriculture. The number of Hindu families was 113 and of them 44 was Lingayats. Out of 399 families of Kaginele, 178 had taken loans for different purposes. Of the total volume of loans in Kaginele, 65.4 percent was the share of the families of higher income group.

Of the 521 families of Hulkoti, which are economically better placed, only 95 (18 percent) were debtors. Here also, families with higher income group alone had availed 27.10 percent of the total volume of loan. The economic conditions in Hulkoti were satisfactory because it is situated in a close proximity to Gadag (8 Km), Gadag being one of the important commercial centres of the district. From the beginning, Hulkoti has remained a very active centre of economic activities under co-operative movement. The village has imbibed co-operative culture in all its economic activities like agricultural credit, marketing, processing, storage etc. Of the 521 families of Hulkoti, majority being 125 were Kurubas, 120 Raddis and 107 Lingayats.

Magadi was under the administrative control of Sangli state before 1948. Later, it became a village of Shirahatti taluk. The economic conditions here do not differ much than two earlier villages mentioned above. Magadi, had in all, 522 families, majority (240) being Lingayats, followed by Kurubas (66) and Raddis (30). Of the total families, 252 were in debt (48.7 percent). Of the total loans availed, the families of higher income group (Rs. 100 and above) had availed 63.82 percent of the loan, whereas the least income group (Rs. 25 and less) had availed 27.45 percent of the total loans.

Regarding sources of loans, the survey reveals that in Kaginele major portion of the loan (81.7 percent) was from other than the Government and co-operative institutions (i.e. borrowed from commission agents, traders and money lenders). The loans availed through cooperatives constituted only 15.4 percent. In Magadi, it is found that most of the large land holders had availed loans from the local financial institutions like large sized agricultural credit society, Raddi Bank and Sangli Bank. But, loans from other sources like friends and relatives was in no way less in volume. The survey reveals that the co-operative societies charged 8 percent interest on crop loans, whereas Government charged 4 percent on Takavi loans and money lenders charged between 12 and 18 percent.

Purposes of Loans

Among the purposes for which the credit was utilised, the study reveals that in Hulkoti, of the total loans 37.16 percent was used for household cultivation, 22.25 percent for purchase of land, 8.34

percent for house building activities. For non-productive expenses like marriage, the loan utilised was 2.43 percent and for other essentials it was 11.05 percent of the total loan. Due to good monsoon and harvest the rural debt was less in this part.

In Kaginele village 45 percent of the total loans was utilised for non-productive purposes, 28.4 percent to meet day to day agricultural expenses and 18.6 percent on land, cattle and other assets etc.

In Magadi 68.26 percent of the loan amount was spent for meeting day-to-day agricultural expenses, 16.40 percent to meet general household expenses, only 5.03 percent was used for purchase of agricultural lands. The percentage for non-productive expenses like marriage and repair of houses, medicines was 4.62 percent and 4.10 percent respectively. It is observed by the survey, that the barter system of exchange still prevailed in rural areas. Accordingly, the food grain borrowed on loan basis was to be returned with 50 percent extra grains on borrowed quantity, as per the local practices which prevailed in Kaginele.

During the course of last 34 years, in addition to these three representative villages, much economic development had taken place in other villages of the district. Many integrated rural development programmes launched by the Government in successive economic development plans are mainly responsible for this economic prosperity in rural areas. The prominent among them included increased irrigation facilities, better farming, good marketing facilities, increased financial assistance to farmers through the co-operative credit societies, Grameena banks and several poverty alleviation programmes launched by the Government pertaining to rural development like development of rural and agro-based industries and other allied activities like development of poultry, dairy, horticulture, sheep breeding, sericulture, weaving etc. which ushered in a ray of hope of prosperity in the rural economic life.

Regulation of Money Lending

The age old practice of unrestricted and unregulated money lending by the money lenders and pawn brokers made a way for various kinds of exploitation of the uneducated, poor and helpless borrowers (debtors). In order to prevent these malpractices and exploitation, a number of regulatory measures were introduced by the State Government. In the 19th century itself, the Deccan Riots, 1875, i.e., revolt against ruinous rates of interest and exploitation by the Money Lenders, had made the Government to be aware of unbearable burden of interest on peasantry. The main objectives of the earlier and the present regulatory measures of money lending is to prevent and regulate usurious practices and exploitation by Money Lenders and to safeguard the interest of poor borrowers, regulation of interest rates etc. Before the introduction of unified, and comprehensive regulatory measures for money lending as applicable to the state in 1966, Bombay money lenders Act 1946, was made applicable to Dharwad district from 17th November 1947. Subsequently, it was extended to princely areas merged in Dharwad viz., Savanur, Shirahatti, Kundagol, etc. The above Act contemplated issue of licences for money lending, maintenance of accounts in the prescribed form, submission of annual accounts to the Department of Co-operation as well as to debtors and fixation of maximum rate of interest etc. In the beginning, the Revenue department was entrusted with the responsibility of its implementation.

In order to supervise and regulate brisk money lending activities in Hubli-Dharwad cities, there was a separate office of the Assistant Registrar of Co-operative Societies. In 1946, when the Act was implemented, the then prevailing rate of interest was 6 percent for secured loans and 9 percent for

unsecured. By 1952, these rates increased to 9 and 12 percent respectively based on lending rates prevailing in the money market. The administrative report of the Department of Co-operation (1952) indicates that, for the Co-operative years 1949-50, 50-51 and 51-52 the number of licenced money lenders in the district was 228, 245 and 395 respectively. The private money lenders had advanced loans to the tune of Rs. 1.6 crore during the year 1951. According to the 1946 Regulatory Act, the money advanced to merchants by the money lenders was not included under the provisions of the Act. As a result, many of the money lenders were trying to evade the provisions of this Act. The number of unlicenced money lenders exceeded that of licenced.

Various Classes of Money Lenders

The Bombay Provincial Banking Enquiry Committee, in its report (1929-30), has listed as many as eight varieties of money lenders. The number of those who did exclusive money lending was limited and the rest, combined money lending with some other business. In towns, the shroffs, general merchants, dalals, commission agents, people with surplus money etc. used to engage in money lending activities. In rural areas, zamindars, big land holders, etc. were engaged in money lending activities. A few shroffs from Hubli had trade links with their Bombay counterparts. The rates of interest on money lending at present (from 27.7.1992) are 23 percent on loans without any security and 21 percent backed with security as fixed by the State Government.

Growing Number of Private Money Lenders

As per the report of the Deputy Registrar of Co-operative Societies, the number of money lenders in the district during 1982-83, 1987-88 and 1992-93 were 246, 280 and 401 respectively, while the number of pawn brokers was 130, 124 and 451 respectively. Most of these pawn brokers migrated to this district from northern states.

The volume of deposits mobilised and deployment of credit by the pawn brokers in the district for some years was as follows: Year 1988: **Deposits** Rs. 231.33 lakh, **loans** : for agriculture Rs. 3.25 lakh, non agriculture Rs. 952.20 lakh. Year 1990 : **Deposits** Rs. 551.60 lakh, **loans**: for agriculture 0.85 lakh, for non agriculture Rs. 1396.25 lakh. Year 1992 : **Deposits** Rs. 1386.75 lakh, **loans** : for agriculture Rs. 2.50 lakh, for non-agriculture Rs. 1786.81 lakh.

The volume of loan lent by money lenders in the district during 1990, 1991 and 1992 were Rs. 730.16 lakh, Rs. 774.52 lakh and Rs. 814.88 lakh respectively.

The licence fee and security deposits collected from the money lenders of the district during the years 1990-92 were as follows : 1990: Licence fee Rs. 52,645; security deposit Rs. 6.12 lakh. 1991: Licence fee Rs. 66,400; security deposit Rs. 7.21 lakh. 1992: Licence fee Rs. 48,225; security deposit Rs. 9.62 lakh.

In accordance with the provisions of the Chit Fund Act (Central Act) 1982, the licenced Chit Fund organisations in the district had turned out business worth Rs. 10.80 lakh in 1992.

Hubli-Dharwad Money Lending Business

Hubli - Dharwad twin cities being the hub of trading and commercial activities in the district, accounts for nearly half the number of money lenders, pawn brokers and finance corporations found in the district. As reported by the Assistant Registrar of Co-operative Societies (money lending) Hubli

Circle, there were in all 272 money lending agencies in Hubli-Dharwad cities in 1982-83. Of them 138 were private money lenders, 96 pawn brokers, 14 registered finance corporations and 24 share companies. By 1987-88 the number increased to 462. By 1992-93 (upto August) the number increased to 804, of them 219 were money lenders, 166 pawn brokers, 356 finance corporations and the rest (63) being the share companies. The money deployed by these agencies of this area (circle) during the period 1990-1992 were as follows: 1990 Rs. 409.14 lakh, 1991; Rs. 490.14 lakh and 1992 Rs. 527.34 lakh.

The volume of deposits mobilised and money lent for non-agricultural purposes by the finance corporations and pawn brokers of Hubli-Dharwad area were as given below: The figures in brackets indicate loans and advances:

1988: Deposits Rs. 229.30 lakh (Rs. 932.23 Lakh); 1990: Deposits Rs. 487.67 lakh (Rs. 1308.07 lakh); 1991 : Deposits Rs. 891.82 lakh (1830.70 lakh); 1992 : Deposits Rs. 1376.35 lakh (1667.32 lakh); During the year 1992, the licence fee and security deposit collected from the money lenders was Rs.9,850 and Rs. 4.60 lakh respectively. The corresponding figures for the next year were Rs. 8,850 and Rs. 4.05 lakh respectively.

Finance Corporations

The constituents of unorganised money market like private money lenders, pawn brokers, non banking financial institutions like nidhis, chitfunds, finance corporations etc. play an important role in mobilisation of deposits and deployment of credit. Finance Corporations are mostly situated in important commercial centres. It is very common that many a time finance corporations registered outside the state, have opened their branches in important commercial centres of the district. These non-banking institutions extend financial assistance to local merchants, industries, for purposes like purchase of machinery, vehicles, hire purchase loan, etc. They render hypothecation and mortgage loans. They do the parallel banking business. They also attract huge deposits from the urban middle class by paying little higher interest and also by means of schemes like lottery, prize etc. In the absence of strict regulatory and restrictive measures, many a time, they cheat general public and investors. These institutions are organised either under the provisions of Indian Partnership Act 1932 or Indian Company's Act 1956. Often, the members of one family run the business forming the partnership firm. At the district level, the Deputy Registrar of Co-operative Societies is empowered to exercise control over them under the Karnataka Money Lenders Act 1961. During the period of last one decade 1982-83-1992-93, there is a marked increase in the number of these institutions in the district. There were 17 finance corporations in the district in 1982-83, which increased to 222 by 1987-88 and by 1992-93, the number went up to 405. According to the report of the Department of Co-operation, in 1988, in the district, these institutions had mobilised deposits of Rs.80.37 lakh and had advanced loans to the tune of Rs. 127.83 lakh. In 1990, their deposits and advances amounted to Rs. 127.91 and Rs. 196.45 lakh respectively. For the year 1992, they were able to mobilise deposits of Rs. 207.21 lakh and had deployed credit of Rs. 282.90 lakh, the corresponding figures for the previous year (1991) were Rs. 155.99 lakh and Rs. 429.38 lakh respectively. Most of these finance corporations are situated in commercial centres of the district like Hubli-Dharwad, Gadag, Haveri, Ranibennur, Nargund and Shiggaon. The *modus operandi* of one of these institutions is illustrated in the following paragraph.

Sri Mruthyunjaya Finance Corporation, Dharwad

This financial institution was established in 1987 under the provisions of Indian Partnership Act 1932. Most of the partners of the firm are from local business fraternity. The share capital of the firm is Rs. 90,000 (1994). The institution has attained economic soundness due to the personal influence or reputation of partners and general support from the local business community. The Corporation lends finances to merchants for the promotion of their trade and commerce, to the farmers for seeds, manure etc. It also finances to small scale industrialists and employees of the organised sectors including Government servants on suitable security. In order to promote thrift, along with general deposits, pigmy collection is also undertaken. Consumer loans are also granted to facilitate the purchase of household articles on installment basis. The organisation is not finding any difficulty in lending and recovery of loans, since most of its founders are commission agents (dalals) who have got close business links with farmers. The rate of interest chargeable on loans is 21 percent, while interest rate payable on deposits range between 12 and 16 percent. The volume of deposits mobilised, loans and advances made by the organisation during the last five years is as follows: The figures in brackets indicate loans in terms of lakh of rupees. March 1990: deposits Rs. 11.45 (loan Rs. 13.05), 1991: 14.63 (18.13) 1992: 17.10 (21.97), 1993: 22.67 (26.45) and 1994:34.22 (39.61).

Economic Assistance to Weaker Sections

Before independence and even after independence, the Governments have introduced several legislative measures in order to extend material relief to those who are economically weaker and backward, specially the farmers who were groaning under the heavy pressure of debt of a private money lender. The Bombay Agricultural Debtor's Relief Act 1939 was very important among them. It was enacted with a view to reduce the aggregate indebtedness of genuine agriculturist so as to bring down the debts to a reasonable level within the compass of their capacity to repay. In 1942, this Act was made applicable only to Navalgund taluk. By 1945 it was extended to Gadag and Ron taluks, and Petas (sub-taluk) like Nargund and Mundargi. By 1947 it was made applicable to all taluks including the merged areas. Under the provisions of the Act, the "Debt Adjustment Boards" were constituted. The application of the Act was restricted to debts not exceeding Rs. 15,000 in any individual case. The rate of interest in awarded cases was not more than six percent per year. In 1947 similar cases were transferred to Civil Courts and Debt Adjustment Boards were cancelled. Under the provisions of this Act, during the period from 1942-52, in the district, 52,706 debtors and private money lenders had applied for Debt Adjustment Board and Civil Courts seeking relief, out of which 51,845 applications were disposed of. The total amount involved was Rs. 395 lakh and of this, nearly loans worth Rs. 57.22 lakh was reduced and the peasants who got this reduction were made to get financial assistance from Co-operative societies, Government loan (takavi) and loans from authorised money lenders.

Takavi Loans

These loans were granted by the Government to the farmers under the provisions of Land Development Loans for development of land, under the provisions Agriculturist Loan Act for purchase of bullocks, fodder, agricultural implements etc. The "Grow More Food Campaign" created more demand for such loans. Accordingly, it was liberalized. During the period from 1946-47 to 1949-50, the Takavi loans granted and the loan recovered in the years in the district were as follows: the figures in bracket indicate the recovery position. 1946-47: Rs. 5.40 lakh (Rs. 46,600), 1947-48: 5.22 lakh (Rs. 1.30 lakh), 1948-49: Rs. 9.68 lakh (Rs. 4.16 lakh), 1949-50: Rs. 17.45 lakh (Rs. 3.78 lakh).

In recent years, the Government has launched several schemes and programmes under which the Government sponsored financial organisations/institutions are extending financial assistance to the poor and weaker sections. Public sector banks, Rural (Grameena) banks and other banking institutions are lending under the scheme of Differential Interest Rate (D.I.R.) for selected poor and weaker sections as per norms. The objectives of this scheme is to increase the economic stability of small and marginal farmers (2.5 acres of irrigated land or 7 acres of dry land), rural artisans, released bonded labourers, persons belonging to economically weaker sections, Scheduled Castes and Scheduled Tribes to make them eligible for availment of loans and stabilise themselves. In the beginning, the annual income limit for the beneficiary under this (DIR) loan scheme was Rs. 2000 in rural areas and Rs. 3000 in towns. In course of time, the upper limit of income was increased. At present, the upper limits in urban and semi-urban areas is Rs. 6,400 and in cities it is extended upto Rs. 7,200. The rate of interest payable on loans is only 4 percent under this scheme. As per the report of the Lead Bank, by the end of March 1992, the total loans advanced to the weaker sections was Rs. 12,345.12 lakh, which amounted to 38.5 percent of the priority sector advances. During the same year, loans granted under DIR amounted to Rs. 329 lakh (0.68 percent of the total loans) (as per Reserve Bank of India norms it should have been minimum one percent of the total loans). During the end of 1992, the total advances made by the banking sector in the district for the Scheduled Castes and Scheduled Tribes was reckoned at Rs. 1534.04 lakh as reported. As per the report of the District Credit Plan (1993-94) it was planned to cover 27 Scheduled Caste and Scheduled Tribe beneficiaries by granting credit of Rs. 88000/-.

Bonded Labour

As found in other districts of the state, here also, agriculture being main occupation, there are evidences which attest to the fact of the existence of the practice of bonded labour from the beginning. Economic distress appears to be the main reason which has helped for continual practice of bonded labour. The Gazetteer of 1884 illustrates in detail about the various aspects of living conditions of bonded labourers, like, types of bonded labourers, daily wagers, other facilities provided to them etc. Generally in those days a labour who had availed or bonded himself for a debt of one hundred rupees to the master, had to serve him nearly for 5 years and the master used to provide him food, clothings, blanket and foot wears etc. according to the customs. In case, in the absence of condition to provide food and clothing etc, the labourer had to work upon three years, this is known as *Ona Jeeta*. In case of death of a person who had advanced loan for bonded labourer, the successors used to avail the services of the bonded labourer. But in case of death of bonded labourer within the stipulated period, it was not binding on the part of the family members of the bonded labourer to continue the work. In case, the bonded labour discontinued to work, the masters used to recover the money by filing a case against the labourer. But the civil courts did not entertain this type of disputes. Generally, agriculturists used to employ men of their own caste as bonded labourers. Rarely, there might have been chances for the bonded labour to become a son-in-law of the family by marrying the daughter of the master in case there was no male issue to the masters. As reported in 1884 Gazetteer, since the agricultural labourers used to get good wages, the practice of bonded labour system gradually began to decline. Other than the physical bonded labourers, the ministerial staff (clerical) in business establishments of big traders and commission agents used to work as a type of bonded labourers.

Abolition of Bonded Labour

For the first time in 1843, the British Government made an effort to abolish the practice of bonded labour system by introducing legal ban on such slavery. However, the slavery is continued in

many disguised forms including the practice of bonded labour. The Breach of Agreement Act of 1860 helped for this practice to continue to a certain extent.

After independence, for the first time, in 1976 the Central Government enacted a legislation which contemplates the abolition of the age old practice of bonded labour. According to the provisions of the Act, all bonded labourers were not only released but also were made debt free totally including the interest on loan amount. Both the Central and State governments have launched several economically rehabilitative measures for the welfare of released bonded labourers. Nationalised banks are extending financial assistance to these labourers upto Rs. 6,250 so as to enable them to possess necessary things to undertake self employment by providing them milch animals, poultry animals, oxen, bullock cart etc. Half of the expenditure made by the State Government under this scheme is shared by the Central Government since 1979-80. The identification of bonded labourers as per the norms is entrusted to Village Panchayats, Taluk Panchayats under the guidance of Zilla Panchayats. The practicing of bonded labour and making advances with an intention to make person as bonded labour is declared as cognisable offence resulting in a fine of Rs. 2,000 and imprisonment for three years. As reported by the district authorities, no cases of bonded labour is reported in recent years in this district.

Karnataka Debt Relief Act, 1976

This Act mainly contemplates the material relief to those debtors, who were groaning under the heavy pressure of debt and from the clutches of money lenders. It covers small agricultural holders, landless agricultural labourers, economically backward classes etc. whose annual income does not exceed Rs. 2400 (since 15th November 1979 raised to Rs. 4800). Karnataka was the first state in the country to enact such a progressive, welfare measure for the poor. According to the provision of the Act, the debt including the interest outstanding in respect of above categories of debtors are not be recovered and all court decrees obtained by the creditors are declared as annulled and goods pledged as security for loan are to be returned, as per Section 5 of the Act, failing which the creditor was liable for a fine ranging from Rs. 1000 to 5000 and imprisonment ranging from three months to one year. However, the debts of Government, Co-operatives and Companies are exempted from the purview of this Act. This act was in force upto the end of December 1981. As reported by the district authorities, during the period of the existence of this relief act, the number of applications filed seeking relief was 952. The amount of relief involved was Rs. nine lakh. Of the total applications received, 509 were disposed of with a relief of Rs. 5.27 lakh. The number of applications rejected was 433 amounting to Rs. 3.73 lakh. The number of applications filed by the Scheduled Castes and Scheduled Tribes were 50 and all of them together got relief to the tune of Rs. 34,389/-.

COMMERCIAL BANKS

Before the commencement of lending through the organised financial institutions, during the rule of the Peshwas in the 17th and 18th centuries, the rate of interest chargeable on loans ranged between one and five percent per month. Private money lenders or Sahukars were capable of extending financial assistance to the Government. In turn the Government used to bestow the right of lease for collection of land revenue of assigned villages. Money transaction was mainly through *Hundis* (Bills of exchange). The Government Hundi were called as *varath*. The Sahukars (Rich merchants) of Hubli were capable of dealing in Hundis with far off places like Bangalore and Pune. Among the Brahmins, the title (Surname) 'Nayak' often suggests the profession of money lending (Sahukar). It appears that the term Nayak might indicate the economic ownership of villages assigned to collect land revenue

for the loans that they granted to the Government. There were Sahukars in other communities too. The records of Mooru Savira Math of Hubli reveal that it had loaned to the merchants of the far off places like Mumbai etc. The inscriptions of the district indicate that the institutions like the mathas of all other communities, temples, guilds of traders, merchants and artisans etc., were also engaged in money lending activities by accepting deposits. The interest accrued on cash endowments kept in temples were utilised for various temple services.

The modern banking history of Karnataka is nearly 130 years old. Like Dakshina Kannada, Dharwad district also occupies a unique place in tracing out the different phases of history of modern banking. For the first time, in 1868, two private sector banks were started in Bangalore. In Northern Karnataka area, for the first time, public sector banking activities were started in Dharwad in 1863, by opening of a branch of the Bombay Presidency Bank founded in 1840. This made the beginning of organised modern banking industry in the district under the public sector. The second branch of the same bank was opened in 1870, at Hubli being the hub of commercial activities in the district. In those days in Bombay Karnataka area, except Hubli no other city was a centre of brisk banking activities. Hence, it was called 'Chota Mumbai' (small Bombay). It was a central place of cotton trading activities. The main reason for opening of a branch herein Hubli-Dharwad was mainly to facilitate discount of Hundi (Bills of Exchange) drawn by Bombay traders on Hubli traders and to provide cheap remittance facilities in addition to promote economic activities in the area by providing cheaper credit facilities.

In the beginning, the cotton grown in this area was transported to Bombay through the ports like Karwar and Kumta. There was much demand in foreign countries for the cotton grown in this area (American cotton). Cotton being exported from here was known as 'Kumati Cotton' (Cotton from Kumata). The old records indicate that from Dharwad district during 1873-83, on an average, yearly, cotton worth Rs. 45 lakh (9,500 tonnes) used to be exported. For the Bombay market (export) the district shared nearly 68 percent of the total export of cotton. The modern banking activities are much diversified. But the banking activities in those days were restricted and confined only to selected class of people. Among the depositors of the bank, the European trading companies engaged in cotton trade were prominent. They had a business turnover of Rs. 30 to 40 lakh annually. The local traders like the Lingayats, the Brahmins, the Jains and the Komatis used to have a turnover of Rs. 15 to 20 lakh. Nearly 8-10 Bombay based companies were housed in Hubli. It is found that in those days the wide fluctuations in cotton trade used to cause great impact and influence on the socio-economic life of the people of the district (see chapter 2) as evidenced by old records.

The American Civil War 1863-65 which caused 'Cotton Boom' in the district as elsewhere, had a great impact on the banking industry including social and economic life of the people. During that period of boom or prosperity, it is described that there was a flow of money in the district as a result of which rich farmers were able to adorn the horns of their oxen with gold rings, perhaps, it may be an exaggeration, but the growing demand and rising prices for cotton might have caused inflationary tendencies, as a result of which, the value of real estates like land and house property increased much, which caused increase in the number of disputes and other social evils etc. Perhaps, by the ill effects of hyper inflation due to rise in cotton price, the maxim '*hatti bitti raita halaada*' i.e., cotton ruined the farmer, might have come into usage in this area. Due to the recession or setback in cotton trade in the subsequent years, Dharwad branch of the Bombay Presidency bank was closed after serving for 15 years in 1878, and business was transferred to Hubli branch. The Hubli branch also suffered heavily during the great famine of 1876-78.

Joint Stock Companies of Early Period

The introduction of the provisions of 'limited liability' principle made applicable to joint stock companies after 1860, made a way for incorporation of more and more number of joint stock companies both in the private and public sectors. Except a few companies doing exclusively banking business, the rest of the companies combined banking with production, distribution, insurance and other allied activities. In those days there was no investment made by the public in Government securities. The Government servants alone used to invest in post office savings bank accounts. A joint stock company by name "Dharwad Vyapara Uttejaka Co." made its beginning in April 1876 with a share capital of Rs. 40,000. It was engaged in import-export business of cloth. In 1883, the company had 143 share holders, of them, majority (85) were Brahmins who were Government servants. The company opened its branch at Hubli in 1877. During the next year i.e. in 1878 in Hubli a separate independent company known as "Hubli Cloth Company" with a capital of Rs. 22,000 was promoted. In 1881 the Southern Maratha Spinning and Weaving Company was started at Hubli with a capital of Rs. 6 lakh (for many years the mill was known as Bharath Mill). By 1882-83, two big companies M/s. Robertson & Brothers and Cristal and Company were engaged in trading at Hubli and Gadag respectively. In those days, the dividend paid by these companies to share holders ranged between 12 and 15 percent. Hence, there was more investment in these companies than in commercial banks. The Hubli branch of Bombay Presidency Bank was closed in 1881 but again reopened in 1882. However, it was finally, closed in 1884. This situation made the way for promotion of local banks, and opening of branches from the banking company originated outside the district in order to cater to the growing needs of trade and commerce. By 1951, excluding the banking and insurance companies, there were 37 public companies in the district. Upto 1900, six more companies were incorporated. From 1900 to 1940, three more companies and from 1940 to 1950, 24 new companies were registered.

Local Commercial Banks

As a result of launching of very active, wide spread and competitive co-operative movement in the district, from the beginning, many urban centres in the district had non-agricultural credit co-operatives started a decade or two earlier to the establishment of commercial banks by the local public. However, enterprising merchants of the town and prominent persons influenced by the 'Swadeshi' movement promoted banking companies by the beginning of this century. The Indian Companies Administration Report for 1924-25 reveals that among the earliest banking companies of the district 'M/s. Waikar and Company, Hubli' founded in March 1922 and M/s. Ankalagi Bank, Dharwad founded in June 1923 were the prominent. These banks had a share capital of Rs. 30,000 and Rs. 7,200 respectively. (In those days there was no legal restriction to suffix the word Bank, Banker, Banking, with the names of the companies, individuals who were engaged in money lending). Much is not known about the future of these banks, probably in the economic depression of 1929-30, they might have been liquidated. According to old records the Poona Bank Ltd. (1898) originated from Pune had opened a branch here in Dharwad prior to 26.08.1924, and was liquidated in the same year. In the year 1924, the bank by name "Madhva Bank" was registered in Dharwad with an authorised capital of Rs. one lakh. However, it appears to have gone on defunct. The Ankalagi Bank of Dharwad had made the beginning of collection of pigmy deposits (minimum one anna) in this area. From among the commercial banks established after 1924, in the district, the Sri Lakshmi Bank founded in the historic town of Hangal in 1929 was prominent. The Sri Lakshmi Bank of Hangal was liquidated in 1956, and continued as Finance Corporation due to non renewal of licence by the Reserve Bank of

India. During the next year i.e. in 1930, Hubli City Bank was founded at Hubli and after serving for 36 years it merged with the Vijaya Bank in 1966. At the time of its merger it had a pay office at Konnur. The Bank of Karnataka was founded in Hubli in the year 1946 after the end of the Second World War. After serving for two decades it merged with the present Karnataka Bank Ltd. At the time of merger, Bank of Karnataka had in all 14 branches and of them six were in Dharwad district.

Banks from Other Areas

In order to cater to the growing credit needs of trade and commerce of the district, specially from the centres like Hubli, Dharwad, Gadag, Haveri, Byadagi, Nargund, Ranibennur etc., the Banking companies originated outside the district specially from Dakshina Kannada and from the places which had trade contacts with the district viz., Mumbai, Belgaum, Karwar, Sangli, Miraj, Satara, Poona and Ramdurg originated banks, entered into the banking business of the district.

More than a decade prior to independence one of the prominent banks from South Canara i.e. Syndicate Bank entered into the banking business of the district by opening its branches at Hubli (1932), at Gadag and Byadagi in 1936. Canara Bank opened its branches at Hubli in 1935 and Dharwad in 1936. Corporation Bank opened its branches at Dharwad in 1944 and at Haveri in 1946. The Central Bank of India originated from Bombay opened two branches at Gadag and Hubli in 1940 and 1942 respectively. In Sixties the State Bank of Mysore and Vijaya Bank entered the banking business in the district. The bank called Bharat Bank had a branch here in Hubli, which later merged with the Punjab National Bank. In 1951, 16 different banking companies were operating 40 branches in the district in 15 different centres of the district and of them 14 banks were from outside the district. The 15 banking centres including pay office, sub pay office, treasury pay office were as follows: the figures in bracket indicate the number of total bank branches at a particular place as in 1951. Alnavar (1), Annigeri (1), Byadagi (2), Dharwad (6), Gadag-Betageri(6), Haveri (3), Hubli (12), Konnur (1), Kundagol (1), Lakshmeshwar (1), Masur (1), Nargund (1), Ranibennur (1), Savanur (2), Shirahatti (1). The list of banking companies operating in the district as in 1951 were as follows: Bank of Citizen (Belgaum - 1937), Central Bank of India (Bombay - 1911), Corporation Bank (Udupi - 1906), Syndicate Bank (Udupi - 1925), Agricultural and Industrial Bank (Kundapur - 1934) [its branches were at Dharwad, Haveri, Hubli and Gadag], Bank of Rural India (Karwar, 1940), Canara Bank (Mangalore - 1906), Imperial Bank of India (Bombay - 1921), Punjab National Bank (Delhi - 1894), Bank of Karnataka (Hubli - 1946), Bank of Maharashtra (Pune - 1935), Hubli City Bank (Hubli - 1930), Miraj State Bank (Miraj - 1929), Sathara Swadeshi Commercial Bank (Sathara - 1907), Belgaum Bank (Belgaum - 1930) and Sangali Bank (Sangali - 1916).

During the post independence decades due to the inflation caused after the second world war coupled with activities like economic development plans launched since 1951, national development and extension service projects, changed industrial policy programme, promotion of trade and commerce on large scale, growing urbanisation and marketing etc. resulted in much demand for the increased banking services both in urban and semi-urban areas of the district. This has resulted in a gradual increase in the number of branches of commercial banks in the district.

There were about 40 bank branches of commercial banks in the district in 1951, which increased to 54 in 1966, and to 59 as in June 1969. Before the Nationalisation (1969), there was no conspicuous increase in the number of branches in the district, with banking activities confined only to few commercial and industrial centres. At the time of Nationalisation (19th July 1969), there were 59

commercial bank branches in the district, of them, only six were in rural areas, 24 in semi urban and 29 in urban centres. By the end of 1966, the total deposits mobilised and the credit granted by them was reckoned at Rs. 12.64 crore and Rs. 3.97 crore respectively. In the year 1967 and 1968, if the amount of deposits mobilised accounted to Rs. 13.23 crore, and Rs. 14.56 crore respectively the loans and advances made were Rs. 4.14 crore and Rs. 4.49 crore respectively.

After Nationalisation

For the first time, on 19th July 1969, 14 major commercial banks of India were nationalised. This event marked the beginning of a new chapter in the annals of banking history of India. The nationalisation enabled the Government, to make use of these financial institutions to supplement or adhere to the policies and programmes of National development and to extend social and economic justice to the weaker sections of the society. The Government ownership of these banks, further enabled the weaker sections, neglected till then, to get easy loans on priority for various economic activities. The neglected section of the society was made able to join the main stream of developments. Nationalisation helped hitherto partly or fully neglected rural areas, rural poor, economically weaker sections, unorganised Scheduled Caste and Scheduled Tribe communities to avail banking services. The concept of 'class' banking changed into 'mass' banking. The Government banks launched many a liberal loan schemes in order to bring social and economic transformation at the grass root level. The Government also made these loan schemes target oriented. Many a time, these liberal credit policy measures of nationalised banks were much abused.

Many innovative banking services were ushered in during the post nationalisation decades. There were several changes in the *modus operandi* of banks. The changes included were Lead Bank Scheme (1969), Priority Sector advances, Differential Interest Rates, establishment of Grameena Banks (1976), the schemes like Social Banking, Anthyodaya, Integrated Rural Development Programme, etc. Added to this, the second nationalisation of commercial banks in 1980, made the way for rapid expansion of banking services.

As expected, the first decade of nationalisation achieved a good progress in banking in the district. The number of bank branches 63 in 1969 increased to 124 by 1975. So also, deposits rose from Rs. 1585 lakh to Rs. 3978 lakh (185 percent increase), correspondingly loans also increased from Rs. 641 lakh to 2276 lakh (218 percent increase). The Credit Deposit ratio increased to 57 percent, which was 91 percent State and 60 percent at the National level. The share of the priority sector advance was 50 percent in the total advances. Prior to nationalisation, on an average, the population ratio served per branch in the district was 40,000, the national average was 69,000. Though, much emphasis was laid for opening more number of branches in rural areas during the first decade of nationalisation, the imbalance in the rural and urban services was not reduced. In 1975, in rural areas, the population served per branch was 40,000 as against 8000 in urban areas. By the establishment of the Malaprabha Grameena Bank in 1976, this unequal service gap between rural and urban areas considerably reduced. By 1975-76, in the district, the population served per branch was reduced to 17,000, the corresponding ratio of population for the State and India were 20,000 and 29,000 respectively. This indicates that the district had better banking services compared to State and National level. In 1975, the State Bank of India had the largest number (19) of branches in the district followed by Syndicate Bank with 18, the then lead bank for the district.

Table 6.1 : The following table indicates the comparative analysis of the banking statistics of the District, Karnataka State and the Country as a whole as in June 1975

	Dharwad	Karnataka *	India **
Deposits (Rs.lakh)	3,977	52,887	11,44,000
Advances (Rs.lakh)	2,276	47,952	7,91,400
Credit Deposit Ratio (percentage)	57	91	69
Bank Branches (No.)	123	1,620	18,180
Average population served per branch (000)	19	18	30
Per Branch deposits (Rs.lakh)	32	33	63
Per Branch advances (Rs.lakh)	19	30	44
Per capita deposits (Rs.)	166	181	209
Per capita advances (Rs.)	95	164	144
No.of Banks	20	32	83

* As in June 1974; ** As in December 1974.

By the end of December, 1975, the number of bank branches in the district increased to 135. Of them, 40 were rural, 48 semi-urban and 47 urban branches. The banking services were concentrated in three taluks viz., Hubli, Dharwad and Gadag (60 percent of the total banking business). In the subsequent years, as per the Lead Bank Survey Report, new branches were opened in the identified growth centres. In 1975, 13 public sector banks and seven private sector banks were working in the district. After seven years, by 1982, the number of bank branches including the branches of the Grameena Bank rose to 322 and during the above period of seven years (1975 - 1982) several banking companies which originated outside the state had entered into the arena of banking business of the district. During the decade 1970-1980, Bank of India (Madras), Union Bank of India (Bombay), Bank of Baroda (Gujarat), Indian Bank (Madras), Andhra Bank (Secunderabad) etc, had joined in the banking business of the district. Many banks had introduced decentralisation in their administration by opening their Regional Branches. The Zonal Office of State Bank of Mysore covering 10 districts of Northern Karnataka in addition to some districts of Maharashtra, Goa and Karnul district of Andhra, is functioning at Hubli. By the end of 1982, there were 25 banking companies operating in the district including the seven companies originated from Karnataka. The Malaprabha Grameena Bank had the largest number of branches (66), followed by Vijaya Bank (23), Syndicate Bank (21), State Bank of India (20) and Canara Bank (20). During the years of first decade of nationalisation and in the subsequent years, there was a rapid increase in the number of branches in the district, that too in rural areas. The number of rural branches as in July 1969 i.e. 60 rose to 188 by 1979. By 1981 the number further increased to 203. This marked an improvement in banking services in the district. In 1981, the population ratio served per branch in the district was 14000 (13000) as against 26000 (23000) in 1972. The figures in the bracket indicate state average.

Table 6.2 : The following table indicates Banking particulars of the district as in 1981 and 1982

Rs.in lakh

Important particulars	As in December		Percentage increase
	1982	1981	
Total deposits of all banks	15371.00	13182.00	+ 17.32
Total advances of all banks	9188.00	8263.00	+ 11.19
Credit-deposit Ratio (percent)	59.78	63.06	- 5.20
Total priority sector advances	5545.00	5074.00	+ 9.28
Percentage of priority sector advances to total advances (percent)	60.35	61.40	- 1.71
Percentage of D.I.R.advances to total advances (percent)	2.27	2.21	+ 2.71
Advances to Scheduled Castes and Scheduled Tribes	68.00	67.00	+ 1.49
Bank Branches (No.)	222	208	+ 6.73

By the end of March 1992, there were 431 branches of different Banks functioning in the district, their geographical distribution was: Rural : 218, Semi-Urban : 93, Urban : 120. Of these branches, 202 were the branches of commercial banks, 122 grameena banks and 107 were the branches of co-operative banks. By the end of 1993, the number of commercial bank branches increased to 328 and of them 206 were commercial banks and 122 were of grameena banks. The number of banking companies operating in the district was 27 including seven from Karnataka. Of the 27 banks, 20 were from public sector and the remaining seven from private sector. The State Bank of India had 27 branches including five separate agriculture development branches. (ADB's situated at Haveri, Ranibennur, Nargund, Navalgund and Shirahatti). The branches of the State Bank of India working at Hanagal, Dharwad and Hirekerur had separate wings for agriculture. For the development of industries, the State Bank of India had opened special branches at Hubli (Gokul Industrial Estate) and Hubli, Dharwad and Gadag to help small scale industries. In respect of volume of banking business transaction (deposits and loans) the State Bank of India Hubli branch was considered as the highest. The State Bank of India is constructing a staff training college at Dharwad to facilitate the training of their employees, from all over Karnataka. There is a separate service branch of Canara Bank at Hubli. The Canara Bank, Dharwad has opened rural development and self-employment training centre at Vidyagiri (J.S.S. College).

The Table 6.3 shows the performance of Banking Industry (including Co-operative Banks) in Dharwad district as at the end of 1993.

Lead Bank and Credit Plan

As per the Reserve Bank of India report, Lead Bank scheme was introduced at the end of 1969. The scheme mainly aims at formulation of development schemes to suit the local areas and their implementation by the joint efforts of the financial institutions working in the district and to co-ordinate the lending activities under the leadership of Lead Bank. It is observed that after the implementation of the scheme the wide disparity that existed in banking services in rural areas has been reduced. To make the scheme more effective, a branch of a bank is assigned to cluster of selected

1	2	3	4	5	6	7	8	9	10	11	12	13
16	Ratnakar Bank	2	360.18	102.16	28.36	22.39	0.11	13.37	0.02	-	0.02	1.31
17	Sangli Bank	3	864.48	316.83	36.64	57.29	16.01	20.78	1.96	0.80	0.64	3.80
18	State Bank of India	27	14481.46	9316.77	64.33	5666.64	2734.54	2153.54	1932.99	62.12	19.91	10.12
19	State Bank of Hyderabad	1	157.24	56.88	36.17	25.15	0.82	18.50	0.30	-	-	-
20	State Bank of Mysore	14	3370.17	2315.89	68.71	1449.90	252.22	250.38	196.07	36.37	8.90	96.30
21	Syndicate Bank	26	9495.24	4044.19	42.59	2041.64	1200.87	432.10	389.31	130.35	22.45	891.06
22	UCO Bank	3	662.73	509.11	76.82	362.77	239.74	97.56	151.65	15.83	1.23	216.20
23	Union Bank of India	11	2516.35	1348.61	53.59	981.27	490.28	352.75	173.73	39.46	4.36	261.71
24	United Bank of India	1	64.03	6.81	10.63	2.28	0.13	0.40	0.37	-	-	-
25	United Western Bank	1	219.27	198.80	90.66	36.39	1.99	23.65	-	-	-	-
26	Vijaya Bank	31	5941.24	3284.63	55.28	2201.47	1415.96	337.74	969.60	198.53	39.20	1008.36
27	Vysya Bank	7	3484.00	772.00	22.15	304.26	103.89	88.27	31.82	9.81	1.26	48.06
28	All Commercial Banks	206	68211.40	33806.62	49.56	18603.94	9015.78	5033.86	5011.68	715.49	183.03	4055.51
28	Malaprabha											
	Grameena Bank	122	6055.93	8707.09	143.77	7654.72	5938.72	284.69	6229.29	906.64	5.88	3890.51
29	KSFC	3	88.57	6043.88	-	6043.88	-	5263.49	-	-	-	-
30	KCC Bank	84	7926.44	7963.65	100.47	7963.65	7231.64	196.69	159.27	-	-	175.20
31	Karnataka State Agril.and Rural Dev. Bank (Branches)	17	-	4185.30	-	4185.30	4061.75	102.78	1304.10	258.82	-	944.29
32	Karnataka Industrial Cooperative Bank	1	-	-	-	-	-	-	-	-	-	-
	All Cooperative Banks	105	8015.01	18192.83	-	18192.83	11293.39	5562.96	1463.37	258.82	-	1119.49
	Grand Total	433	82282.34	60706.54	73.78	44451.49	26247.89	10881.51	12704.34	1880.95	188.91	9065.51

Source : Margadarsi Bank report.

villages for the integrated development which is known as service area. Efforts are being made to prepare branchwise credit plans and action plans for implementation. From the beginning of the scheme, till 1986, Syndicate Bank served as Lead Bank for the district. Subsequently, the Vijaya Bank was entrusted with this responsibility.

As per the report of the Lead Bank, 1332 villages of the district were assigned to 16 different banks for their development. Of them, the Malaprabha Grameena Bank had adopted 684 villages in 1992, with the network of 122 branches. The commercial banks like the Vijaya Bank had adopted 285 villages, followed by the State Bank of India 236, Canara Bank 222, and Syndicate Bank 187 villages, and the rest of the villages of the district were assigned to the remaining 12 banks. The Lead Bank report mentions that by the end of March 1992, the total bank deposits mobilised, loans and advances made by all the banks together in the district accounted to Rs. 64202 and Rs. 48085 lakh respectively. The Credit Deposit ratio was 78.90 percent. Of this, the share of the commercial banks was 58.43 percent. The volume of priority sector advances of the total loans accounted to Rs. 32032 lakh (66.6 percent), which was more than the assigned target of 40 percent. In the priority sector loans, Rs. 12345 lakh was for the weaker sections (38.54 percent). Likewise loans to agricultural sector was Rs. 20267 lakh (42.14 percent). In this sector also, more than the assigned target i.e. 18 percent was achieved. Loans granted under Differential Interest Rate Scheme (DIR) and loans to Scheduled Castes and Scheduled Tribes were accounted to Rs. 329.61 lakh and 1534.04 lakh respectively. The loans granted for the development of small scale industries and for 20 point economic programmes from different banks together accounted to Rs. 6911.33 lakh and Rs. 9422.97 lakh respectively.

District Credit Plan

As per the action plan of the Lead Bank Report, during 1993-94, it was planned to deploy credit of Rs. 14591 lakh for 15 different projects but the actual credit granted was Rs. 16488 lakh. The target achieved was 112 percent. The major portion of this loan was for priority sector (achievement 113 percent). In the next year (1994-95), it was planned to advance loans to the tune of Rs. 17999 lakh.

Table 6.4 : The following table gives comparative figures of District Credit Plans (DCPs) for the years 1993-94 and 1994-95

Sector	Rs. in lakh		
	DCP 93-94	DCP 94-95	Percentage difference.
Minor Irrigation	794	859	+ 8.00
Land Improvement	127	44	- 65.36
Farm Mechanisation	983	1357	+ 38.00
Plantation and Horticulture	105	147	+ 40.00
Dairy Development	513	446	- 13.07
Poultry	73	176	+ 141.00
Animal Husbandry (others)	64	75	+ 17.18
Forest Development/Dry Land Development	7	2	- 71.43
Other related activities	160	162	+ 1.25
Non agricultural	2096	3257	+ 55.39
Other priority sector advances	2296	2907	+ 26.61

Sector	DCP 93-94	DCP 94-95	Percentage difference.
Crop loans	4431	4777	+ 7.80
Total Priority sector advances (A)	11653	14209	+ 21.93
Total non-priority sector advances (B)	2938	3790	+ 29.00
Total of A+ B	14591	17999	+ 23.35

Grameena Banks

In accordance with the provisions of Regional Rural Banks Act, 1976, these new breed of Banking Institutions were promoted with the financial participation by three agencies ie. Government of India, State Government and the promoter banks. These were started on an experimental basis in 1975-76. Among other things, these banks are mainly aimed at providing financial assistance on priority for the schemes of economic improvement of rural areas. In the name of the live river of the district (i.e. Jeevanadi) the Malaprabha (Malapahari), a Grameena Bank was opened on 31st August 1976. This was the second Regional Rural Bank started in Karnataka. It was promoted by the Syndicate Bank, the then Lead Bank. The area of operation of the Bank is extended to Dharwad and Belgaum districts from the inception. Among the various loan schemes of the bank, the priority are encouragement to irrigation, agricultural production, development of horticulture, animal husbandry, dairy development, mechanisation of agriculture, protection of environment, biogas scheme, rural industries, antipoverty programmes, integrated rural development programmes (IRDPA), agricultural extension services etc.

Based on the volume of the loan, the rate of interest varied from 11.5percent minimum to 16.5percent maximum. First two branches of the Grameena bank in Dharwad district were opened at Dundasi (Shiggaon tq) and Haliyal (Hubli tq.) on 31.08.1976. In 1994, the bank had in all 122 branches in the district. Among the 13 Regional Rural Banks of the State, this bank has the credit of having the largest number of branches. (Including Belgaum district the total number of branches it has is 208). Among the several achievements of the bank, the prominent schemes included are: under the state Government scheme of 100 wells, 1893 beneficiaries were given financial assistance of Rs. 343.35 lakh enabling them to irrigate about 8000 acres. Under the National programme of Biogas, 951 beneficiaries were given financial assistance to the tune of Rs. 81.88 lakh for installation of Gobar gas plants. Under the scheme of smoke less villages, the bank has supplied 403 *Asthra Ovens* on experimental basis for two villages i.e., Bammigatti and Tavargeri in Kalghatagi taluk. In order to improve rural transport system, 150 unemployed youths were given financial help. The percentage of recovery of loans was 22percent in 1990, 54 percent in 1991 and 38 percent in 1992 as reported. The Central Office of the bank is located in Dharwad.

Table 6.5 : The following table shows the performance of the Grameena Bank during the year 1990,1991 and 1992

Particulars	March		
	1990	1991	1992
1	2	3	4
1. Grameena Bank Branches (No.)	122	122	122
2. No.of Villages adopted under service area plan	771	684	684

1	2	3	4
3. No.of employees	929	920	914
4. Deposits (Rs.in lakh)	3210	3583	4843
5. Advances (Rs.in lakh)			
a. Loans disbursed	1798	1204	1807
of which priority sector	1236	585	1193
b. Loans Outstanding	6293	5068	5839
of which priority sector	5699	4345	5123
6. Credit-Deposit Ratio (percent)	196.04	141.45	120.57
7. Loans under Government sponsored schemes			
a. IRDP			
(i) Beneficiaries	3813	3211	2943
(ii) Loans disbursed (Rs.lakh)	166.38	131.43	128.54
b. 100 well scheme ;			
(i) Beneficiaries	44	27	39
(ii) Loans disbursed (Rs.lakh)	9.15	8.26	7.77
c. Anthyodaya			
(i) Beneficiaries	36	12	21
(ii) Loans disbursed (Rs.lakh)	1.58	0.52	0.60
d. Scheduled Castes/Scheduled Tribes Margin Money Scheme ;			
(i) Beneficiaries	363	229	159
(ii) Loans disbursed (Rs.lakh)	13.50	12.19	6.44
e. Differential Interest Rate Loans :			
(i) Beneficiaries	32	38	131
(ii) Loans disbursed (Rs.lakh)	1.03	1.21	3.93

Ashakirana

This is one of the social security oriented welfare measure which the State Government introduced in 1982. Perhaps, Karnataka was the first state in the country to introduce this scheme by the name 'Ashakirana' (Ray of Hope). It covers the group personal accident insurance for the benefit of unorganised labourers within the age group of 18 to 60 with an annual income not more than Rs. 7,200. In the beginning, it covered as many as 30 distinct categories of unorganised labourers covering both rural and urban. The categories of labourers covered under insurance include agricultural labourers, fishermen, beedi and cigar workers, toddy tappers, bakers, tailors, rickshaw pullers, hand cart pullers, rural craftsmen, dhobis, mochis, carpenters, goldsmiths, barbers, construction workers, stone crushers, village blacksmiths, metal workers and others.

The accidents covered under the scheme are rail or road, those caused by snake bite, fire, drowning, attack by wild animals, fall from tree, electrocution and radiation etc. The compensation is not payable in case of death arising or resulting from breach of any law, with criminal intent and also for those who are entitled to receive compensation or relief from other agencies etc. The maximum relief given under the scheme will be Rs. 5000 in case of death, Rs. 4000 in case of loss of two limbs/ two eyes or one limb and one eye, and Rs. 2500 for loss of one limb or one eye. Since 1985 the Central Scheme called Personal Accident Insurance and Social Security Scheme (PAISSS) has been introduced. According to this scheme, a sum of Rs. 3000 will be paid to the dependents of the deceased who die

as a result of accident. Since the introduction of this central scheme in the State, the compensation payable by the State Government (Rs. 5000) will include the Central Government Compensation of Rs. 3000. No person or beneficiary covered under the scheme is expected to pay insurance premium. Since the inception of the scheme, till the end of March 1993, in the district, in 662 cases the compensation paid was Rs. 19.86 lakh. Of this, during 1992-93, for 86 cases the compensation given was Rs. 2.58 lakh as reported.

Group Insurance for Beedi Workers

This insurance scheme of Central Government, has come into force from April 1992. It is applicable exclusively for Beedi workers within the age group of 18 to 60. The premium under the scheme is jointly paid by the Labour Welfare Department and Life Insurance Corporation of India. In case of natural death of insured, Rs. 3000 and in case of death due to accident Rs. 6000 compensation is payable to the dependents of the deceased.

Hut Insurance

This scheme of insurance exclusively meant for rural poor was introduced from 1st May 1988 by the Karnataka State Government. It is made applicable only to those agricultural labourers, artisans etc. with an annual income not exceeding Rs. 4800. The compensation payable in case of loss or damage of huts due to fire is Rs. 1000 and for the loss of goods destroyed in fire is Rs. 500 excluding those of animals like sheep, goat, poultry animals etc. This benefit is not extended for such damages caused by war, attack by enemies, rioting, fire with bad intention and demolition of huts by Government. Under this scheme, in the district, till the end of March 1993, Rs. 5.07 lakh compensation was paid in 392 cases. During 1992-93, 110 persons were compensated with Rs. 1.52 lakh.

Accident Insurance Scheme

This is another scheme of security oriented insurance exclusively meant for the *Hamals* and weighmen in the Regulated markets of the state numbering about 1600. It was introduced in 1994 by the State Government. Under this scheme, annual insurance premium of Rs. 16 per employee is payable by the Karnataka State Agricultural Marketing Board with an annual expenditure of Rs. 2.40 lakh. The insured under the scheme is eligible for a compensation of Rs. 12,500 in case of partial disability due to accident and Rs. 25,000 in case of death.

Solatium Fund

This scheme was introduced by the Central Government from 1.7.1989. The main objective of the scheme is to give some kind of financial assistance, only in cases of Road Accidents like 'hit and run' when it is not at all possible to trace out the particulars of vehicle causing such accidents. The compensation payable under the scheme is Rs. 8,500 in case of death and Rs. 2000 in cases of injuries. Since inception of the scheme, till the end of March 1993, the number of cases reported in the district was 33 and compensation given was Rs. 2.42 lakh. During 1992-93, the compensation given in 10 cases was Rs. 72,000.

INSURANCE BUSINESS

Karnataka Government Insurance Scheme

Karnataka Government Insurance Department being more than a century old, was first founded by the erstwhile princely Mysore State in 1891. The department has undergone many organisational and administrative changes in the course of these years. The department is doing Life Insurance Business exclusively for State Government employees and motor vehicle insurance business in respect of vehicles owned by the State Government, Corporations and Boards etc. and vehicles of the State Government employees. In order to streamline the administration, the department was decentralised in 1976. Accordingly, District Insurance Office was opened at Dharwad on 3rd July 1976. Later, in 1981, the Divisional Office was opened. In 1989, additional District Insurance Office was opened at Hubli. For administrative convenience, the district is divided into two regions. North (Dharwad) and South (Hubli) comprising eight and nine taluks respectively.

The total number of State Government employees coming under the purview of Karnataka Government Insurance Department in Dharwad district in 1992-93 was 16,259 in Dharwad region, and 12,846 in Hubli region. The total number of life policies in force in the district (1992-93) was 74,433. The District Insurance Officer is authorised to deal upto Rs. 40,000 (issue of policies, acceptance of claims etc). Since 1977, the department also deals with the family welfare funds of the employees of Municipalities and Local Self Governing Bodies, Aided educational institutions. The table given below indicates the number of policies issued, sum assured and annum premium income for the district for some recent years.

Table 6.6

Year	No.of policies	Rs.in lakh	
		Sum assured (Rs.)	Annual premium income (Rs.)
1974-75	5474	149.50	6.33
1975-76	4898	141.01	5.90
1976-77	10146	318.74	12.65
1987-88	17393	1905.52	157.57
1988-89	2089	530.81	275.40
1989-90	3571	582.34	302.57
1990-91	1372	352.60	289.03
1991-92	2020	476.69	300.66

During 1992-93, the number of vehicles insured and policies renewed in the district was 319 and the premium income received was Rs. 3.52 lakh.

Postal Insurance

The postal departmental assurance scheme is more than a century old having begun in 1884. In the beginning, it was confined only for the employees of Post and Telegraph department, now extended also to the employees of the State and Central Government, Public Sector undertakings and the

employees of Regional Rural Banks (Grameena Banks) etc. There are no separate district figures available in respect of Postal Insurance Business.

Life Insurance Corporation

A few decades before the incorporation of the Life Insurance Corporation of India, in September 1956, the Life and General Insurance Business of this district was transacted by two insurance companies promoted in this district viz., United Karnataka Insurance Company (1929), and Swaraj Banking and Insurance Company (1933). These companies were registered at Dharwad proper. (It is reported that there was another company called Social Service Company). The Swaraj Banking and Insurance Company was promoted by Sriyuths Siddappa Hosamani, an advocate of repute of Haveri, M.S. Kesari of Dharwad, a legal expert, and V.D. Kalakoti of Koradur (village of Haveri taluk). Having been started as a private company, this was converted into Public company in 1937. By 1940, the company was of about to close, but was rejuvenated by Veerabhadrapa Halabhavi (1877-1959) a famous advocate of Dharwad. In 1951, the share capital owned by United Karnataka company was Rs. 1.39 lakh and that of Swaraj Company was Rs. 1.16 lakh, with a liability of Rs. 7.41 lakh and Rs. 8.74 lakh respectively. In 1956 these companies were merged with Life Insurance Corporation of India.

Before the opening of the Divisional Office at Dharwad, the Udupi Divisional Office had control over the business of this district. In order to expand the business and to have effective administration, a separate divisional office was opened at Dharwad in 1970 comprising of Dharwad, Belgaum, Uttara Kannada, Bijapur and Gulbarga districts. After opening of Raichur Divisional Office in 1985, Bijapur and Gulbarga districts were separated. In 1993, Belgaum Divisional Office was opened and eight Life Insurance Corporation of India branches of Belgaum district were transferred to new division. Now, the Dharwad divisional area covers only Dharwad and Uttara Kannada districts. There are nine branches of Life Insurance Corporation of India in Dharwad district viz., Dharwad Main Office (1956), Hubli I (1960), Haveri (1962), Dharwad (CAB) (1979), Hubli II (1979), Gadag (1980), Ranibennur (1984), Hubli III (1990) and Navalgund (1991). The total staff of Life Insurance Corporation of India in Dharwad District is reported to be 1,020, including the Divisional Office staff of 234. The office building of the Divisional Office at Dharwad was constructed in 1975 at a cost of Rs.56 lakh.

Table 6.7 : The following table shows the progress achieved under insurance business during the recent five years.

Particulars	Years				
	1989-90	1990-91	1991-92	1992-93	1993-94
Policies in force (No.)	2,42,188	2,66,162	3,05,618	3,46,864	3,87,701
Sum-assured (Rs.in lakh)	56,129.00	54,360.00	67,860.00	85,849.00	1,07,557.00
Premium income (Rs.in lakh)	2,369.72	2,800.25	3,303.10	4,238.24	4,662.98
Insurance Agents (No.)	1,992	2,338	2,601	2,882	3,070
Development Officers (No.)	70	79	82	86	83

National Savings Scheme

In order to mobilise small savings from individuals and institutions and to inculcate and develop the habit of thrift in the general public, both the State and the Central Governments have launched

several savings schemes, so that the domestic savings could be utilised for various national development projects. The National Savings Organisation was established by Central Government in 1948. Thereafter the divisional and district level offices were opened. Before independence, specially during the war period the Government mobilised domestic savings through National Savings Organisation. In order to promote small savings during the world war I (1914 - 18) the Government had introduced Post Office Cash Certificates of five year duration which were sold on discount in the denominations of Rs. 10 to 1000. During the second World War (1939-45) Defence Savings Certificates of 10 year duration were introduced. In 1944 National Savings Certificates of 12 year duration in the denominations of Rs. 5 to 5000 were introduced. In 1951, the rate of interest on National Savings Certificates of 12 year complete duration was reckoned at 4 1/6 percent at simple interest. The Government had imposed restriction on maximum amount to be invested by an individual in National Savings Certificates and interest accrued was exempted from Income Tax. In 1951, Government had introduced 10 year Treasury Savings Deposit Certificates in order to meet current expenses of the Government and also to mobilise partly the loans on behalf of the Government of India. These certificates carried 3 1/2 percent interest payable every year. By the end of March 1950, in the district, the total money accumulated in Post Office Savings Bank accounts amounted to Rs. 48.71 lakh and the money invested in National Savings certificates was Rs. 6.66 lakh. In 1948, these figures stood at Rs. 39.96 lakh and Rs. 6.62 lakh respectively as reported.

After the reorganisation of the State, the Government has opened Small Savings Organisation at the State level in order to inculcate the habit of thrift in general public. The State Organisation has opened the offices of the Assistant Directors of Small Savings at the district level. In order to widen and popularise savings schemes, there are incentives like lottery and prizes open to the public. The office of Assistant Director of Small Savings was opened at Dharwad in 1981. The prominent savings schemes covered under National Savings are: Post Office Savings Bank Account, Recurring Deposit Accounts, Kisan Vikas Patra, Indira Vikas Patra, National Savings Certificates of six year duration. Post Office monthly income scheme, 15 year Provident Fund Scheme, National Savings Scheme 1992, Post Office Fixed Deposit Accounts etc.

In order to popularise small savings scheme in rural areas, two taluks of the district namely Kundagol and Byadagi were selected in 1992-93. In these two taluks, 35,264 families were able to mobilise Rs. 101.77 lakh on their own accord. These two taluks were declared as 'Bachat' taluks in addition to 236 Bachat villages.

Table 6.8 : The following table indicates the target and achievement made under Small Savings during the recent five years

Rs.in Crore

Year	Target		Achievement	
	Total	Net	Total	Net
1988-89	40.00	20.00	48.85	26.93
1989-90	40.00	20.00	54.56	24.49
1990-91	40.00	20.00	55.27	23.23
1991-92	44.00	22.00	51.53	23.34
1992-93	44.00	22.00	61.20	24.81

State Lottery

The State Lottery scheme started by the Government in 1970, is being continued. The main objectives of the scheme are to induce general public to make investment in small savings out of the money earned under the lottery scheme, so that the state could invest in development projects. Like other places in the state, here also, there is a good response for the lottery in urban centres. The value of lottery tickets sold in the district during the last five years are as follows: (the amount in lakh of Rupees) 1989-90 : Rs. 82.04, 1990-91 : 86.01, 1991-92 : 95 .08, 1992-93 : 441.60 and 1993-94: 104.87. (The sharp increase in the value during 1992-93 is mainly due to introduction of single digit lottery). In 1993-94 the district had six whole-sale lottery agents, and there were 278 sub-agents. The single digit lottery ie. "Mysore Lakshmi Daily" introduced in 1992 not only became very popular but also resulted into O.C. (opening and closing rates of New York Cotton Market) or mataka type of gambling. Hence it was withdrawn from November 1992. However, single digit lottery tickets and other tickets of other states are being sold in the district. As per the lottery rules, the prize winners of Rs. One lakh and above have to invest 25 percent of the prize money, and the prize money between Rs. 5000 to 1,00,000 have to invest 10 percent in small savings in addition to paying 40 percent income tax at source. In the district, Hubli, Dharwad, Gadag and Ranibennur are the important sales centres of lottery tickets. It is reported that sale of lottery tickets of Karnataka in the district is declining because of the mataka and sale of single digit lottery tickets of other states.

COINAGE AND CURRENCY

In order to promote free trade in the region, among other things, the standard coins and currency and their unrestricted circulation also play an important role. In the evolution of commerce the stage like barter economy, metallic money, paper currency, etc. can be noticed.

Through the centuries, many changes have been noticed in the currency and coinage system along with the rise and fall of dynasties those who ruled over the region. There appears to be conspicuously vast variations in contents, designs, size, weight, sharpness etc. in the numismatics which were in vogue in the district. Akki Alur of Hangal taluk of the district is one of the few places in the state where Roman coins were found. At Akki Alur as many as 46 Roman Gold coins were found in a village field. These numismatics belong to the Roman Emperors like Augustus, Tiberius followed by Antonious Pias (138 - 161 AD) and Theodosius (408-450 AD) etc. Most of the coins unearthed at Akki Alur, 40 in number belongs to earlier Byzantine Roman rulers. These coins contain on one side bust figure of the kings with name and on the other side the name of mint is inscribed. In the recent excavations at Vadagaon Madhavapur near Belguam, the antiquities of nearly 5 to 7 century B.C. were found including the punch marked coins. The Kadambas of Banavasi are considered as originators of the coins known as *Padmatanka*. The inscriptions of Vikramaditya found at Aihole and Pattadakal mention that the gold coins known as *Varaha* or *gadyana* which were in vogue for many centuries were first introduced by the Chalukyas of Badami. The royal emblem of Chalukyas was *Varaha*. The coin by name *Varaha* was very popular and appears to be in circulation beginning with the Chalukya rule up to the end of the Keladi rulers in 17th century known as Ikkeri *varaha*, perhaps, *varaha* appears to be a common name for 'standard' coin. Old records attest that all the above varieties of coins were in circulation in the district.

In ancient period, minting of coins was not fully vested with the Government. Private persons, Sharoffs, Goldsmiths, were also authorised to undertake minting. However, the Government had

control over them. The mints were known as *Kammata*, *Achchina tanka Saale*. Inscriptions also mention coins as *Achchu*. The officers of both the state and local governments were empowered to release the coins. The coins of gold, silver and copper were minted at *Kammata*. The authority or person who minted these coins had to pay suitable tax to Government. The income sources of the state were paid in the form of *gadyana*. According to inscriptions, the income of the temple in the form of gold is mentioned as of *Suvarna gadyana* or *Varaha* and small coins in terms of *Vise*. Places like Lakkundi, Sudi, Lakshmeshwar, Savanur, Nargund, Hangal and Dharwad of the district had mints during the rule of different dynasties. An inscription of the period of Taila III, found in the Shankarlinga temple at Nargund mentions about one Kuppate Eichi Shetty who was an officer incharge of the mint, belonged to the Vysya community and was resident of Hemangeri, a part of Nargund. Inscriptions of the district prominently make a mention of coins like *visa*, *arevisa*, *pana* and *suvarna*, *gadyana*, *lokkigadyana*, *dramma*, *bele* etc.

During the Hoysala period gold coins were called as *gadyana* and they weighed 62 grains. During the Vijayanagar rule, there were standard coins of different denominations minted out of gold and copper. *Varaha* or *gadyana* (of 52 grains) were also called as *Pagoda* or *Ponnu*. During the period of the Vijayanagar, the coin called *Hana* (*Pana*) was in circulation which was 1/10 *gadyana* in value. The other coins like *haga*, *bele*, *visa* and *Kasu* were 1/4, 1/8, 1/16, 1/64 of *hana* respectively. The other coins in circulation during the Vijayanagar period were *Pratap* (*Kati*), *Pana* (1/10 of *gadyana*), *haga*, *tara*, *jaital*, and *kasu* etc. Recently in 1977, in a village called Gangapura of Hirekerur taluk, 11 gold coins were unearthed and of them eight pertained to the rule of Krishnadevaraya (1509-1529) and the remaining to the rule of *Tipu Hijira* (1216-1218) (AD 1772-1778) as marked on the coins. During the Bahmani period, the coins issued by the Delhi Sultans i.e., *tanka* (170 grains) and *dinar* (197 grains) both in gold were in circulation along with silver and copper coins. The Adilshahi's gold coin was called *hon* (52 grains) and half of the *hon* was *dharana* or *pratap*. The coin known as *Dharwadi hon* was minted by the Adilshahis of Bijapur. The word 'julus' is often found on the coins of Bahmani and Mughals which indicates the year of coronation of the King. During the time of coronation of Shivaji, gold coin called *hon* and '*Shivara*' coin in copper were put into circulation. During the rule of Hyder and Tipu the earlier coins introduced by the Mysore rulers continued in addition to introduction of coins issued by Hyder and Tipu on their own.

In this region, in the Southern part of the Malaprabha river, after 20 years of commencement of British rule i.e. in 1836 when the rupee coin was issued by the Company (East India Company), there were as many as 18 different varieties of *varahas* (gold) (*hon*) were in circulation. They were: *Gajapati* (Rs. 4 ½), *Bahadhuri*, *Hosa Ikkeri*, (Rs. 4 ½), *Hale Ikkeri* (old), *Sulthani* (Rs. 4), *Durgi*, *Gutti*, *Jaya Keshi* and *Magadi* (Rs. 3 ¾), *Dharwadi*, *Navalgundi*, *Banavasi*, *Shemsheri*, *Ashvapati*, *Venkatapati*, (Rs. 2 ½), *Achyuta Raya*, *Devaraya*, *Ramachandra Raya*, *Sathari*, *Alamgiri*, *Kanti Rai*, *Pune*, *Chandwadi* (Arcot), *Neelakanti*, *Pulcheri* (Pondicheri) and *Savanoori* etc. During the time of the Peshwas, payment of land revenue was accepted in any one of these coins i.e. Arcot-*Pulcheri*, Pune-*Dharwadhi* and *Ikkeri-Dharwadhi* (some coins were called by the two names of the place where they were minted). Peshwa coins were minted in the medias of gold, silver and copper. Common men and villagers generally used copper coins. There was a standard coin called *Takka* minted with copper in the denominations of 1/8, 1/16 and 1/48. One *hon* was equal to 10 *takkas* and one *takka* was equal to six *annas*. In order to meet the war situations, the peshwas started many mints in Karnataka. Some dishonest chiefs, feudatories, Jahgirdhars, began to mint counterfeit coins in their areas which resulted in heavy loss to the Government. Hence, Nanasaheb Peshwa (Balaji Bhajirao) ordered for the closure of the mints

in Dharwad Subha (namely Munoli, Lakshmeshwar, Torgal, Athani, Gokak, Murgod, Navalgund, Ramdurg, Jamkhandi and Bagalkot). It was also ordered for melting of counterfeit coins. The mint that existed in Dharwad town alone was continued, where *hon*, *mohar* and *rupee* were minted. The coins of this mint were in circulation between the regions of the Krishna and the Tunga Bhadra.

The coins minted at Dharwad new mint i.e., *hon* weighed 3 1/2 *masi* gold, the *mohar* was one tola (11.6 grms). The Peshwa *daftars* (records) reveal that by 1768, two Shroffs (goldsmith) were permitted to run a mint at Dharwad and during this period *hon* weighed 50.52 grains. In order to check the quality of the metals used for minting coins the officers called "*Saraff*" "*Choukasi*" were appointed. In 1830, it was officially decided that the value of one *hon* was equal to Rs. 3 1/2 company rupees, but, in the market the unofficial value was Rs. 4. In terms of company rupees, the salary of the then Dharwad Collector in 1830 was Rs. 350 (100 *hons*). Before the advent of British rule, the principal gold coins which were in circulation in the district were *Ramatenki mohar* (value Rs. 80), *Hanuma tenki* (Rs. 18), *Padma tenki* (Rs. 18), *Akbari mohar* (Rs. 16) etc. Rama tenki coin weighed nearly 4 tolas, the half of Ramatenki was called *Pratap*, and one fourth as *Dharana*, but these coins were in rare circulation. Generally, *varaha*, *honnu* were in large circulation.

The Peshwas encouraged much for the development of markets by bestowing land grants for opening markets and providing mints in market centres. The mint at Dharwad opened by Balaji Baji Rao Peshwa in 1753 continued at Dharwad till 1817. For exchange of coins with other states, the prescribed fee or commission was payable to Government.

British Coins and Currencies

The colonial powers like the British, the Dutch, the French and the Portuguese, after establishing their powers firmly here in India, had introduced their own company coins with the consent of local Nawabs and Kings. Their coins were in Parsi language. The East India Company for the first time, established the mints in Bombay (1818), Madras (1825) and Calcutta in 1830.

Origin of Rupee

Even today, the "Rupee" is considered as legal tender money and unit of account in most of the Asian countries. It is said that it was first introduced in India in 1325 A.D. by Mohmed - Bin - Tuglaq and it was a silver coin weighing less than one tola. Later, in 1542 A.D. during the period of Shershah Suri, it is said that a well designed and shaped standard rupee coin in silver was introduced. It weighed one tola (178 grains). During the period from 1835 - 1854 A.D. the silver coins of Queen Victoria were introduced. Many years before the company rupee was put into circulation on a large scale in the district, there were as many as 13 different varieties of silver rupees minted in different mints which were in circulation along with the company rupee. The exchange value of company rupee in respect of other rupees varied. The company rupees of 102 were exchanged for 104 rupees of Bombay and Surat mints, Rs. 96 poona, rupees 99 of Bagalkot, 92 rupees of Shahpur, rupees 91 of Kittur, 90 rupees of Dharwad, 88 rupees of Hyderabad, 65 rupees of Pannali and Kolhapuri. Generally the local mint rupees were more valued than that of company rupee.

By about 1818 AD. Belgaum became an army headquarters for the Southern Maratha region. In that period, the general money transactions here were carried on in terms of Shahapuri rupees minted at Savantwadi. This was minted out of silver and other alloys. In 1822, after Belgaum becoming

the centre for pay office of the Government, it also became the centre for exchange of rupees of Madras, Bagalkot and Nasik mints. By about 1822, of the copper coins in circulation in this area, 'Shahu paisa' minted at Satara was in wide circulation and it was also called by name 'duddu'. There were other coins also called 'duddu', which was also called *shahi duddu* or *Kari* (Black) *duddu*, *Gatti duddu*. The lower denomination coins which were introduced by the British Government were one *anna*, *chavali* (two annas), *pavali* (four annas), *ardharupai* (8 annas) etc. They were minted in copper, nickle and silver. The rupee was divided into 16 annas, one anna was divided into four *duddus* (1/4 annas) and one *duddu* was equal to three *pais*. *Duddu* was also called *billi* or *bille*. The *billi* with a small hole in the middle was called *tutina billi*. *Pai* was also called *damadi*. The paper currency introduced by the British in 1862 were put into circulation in this district also. After independence all the coins, currencies contain the new national emblem replacing the marking of the emperor George VI. The decimal system of coinage was introduced from 1957 in the district.

CO-OPERATIVE MOVEMENT

In the Co-operative Map of India, Dharwad district has a unique place. Karnataka is proud because the first cradle of co-operative movement in India began to swing here, that too, in Dharwad district.

In the beginning, though the movement was Government sponsored economic movement, in course of time, its growth was much deeper and wider. The available records elicit that the first primary agricultural credit co-operative society (PACS) to be started in India was in this district. Gadag taluk of the district is in the forefront in Co-operative movement since the inception of the movement. The Indian Co-operative Act of 1904 made the way for establishment of primary agricultural credit societies all over the country within the legal frame.

After the passing of the Co-operative Societies Act in 1904, in the former Bombay State, the first Primary Agricultural Credit Co-operative Society to be registered was at Kanaginahal (18 km from Gadag) on 8.5. 1905 is said to be the earliest and the first co-operative credit society in India. During the same month, many more similar societies were registered in the same taluk i.e. Hulkoti multipurpose co-operative society (on 24. 5.1905). During the same month, the third society was registered at Chikkahandigol (Gadag tq.). On 8.6.1905, the 4th Society in the taluk was registered at Malasamudra and the 5th Society at Timmapur on 12.02.1906. During the next year, in 1907, a similar society was opened at Mulgund. As per records, it appears that these were the earliest Primary Agricultural Credit Societies of the district. These above mentioned societies still exist and continue to work after undergoing structural and functional changes. In the beginning, these societies were registered on the principle of unlimited liability of members from the point of view of security and stability. The Kanaginahal society was promoted by 12 persons with a share capital of Rs. 2000.

For extending credit in the urban areas for non-agricultural purposes, the society founded on 18.10.1905 at Betageri (now part of Gadag) known as 'Betageri Credit Society' (later Urban Bank) was the first non-agricultural credit society founded in the State. This society was founded mainly to render financial assistance to local weaving communities of Betageri by a German Missionary Reverend Cannon C.N. Rivington (now this society is liquidated). By 1906, non-agricultural credit societies were organised at urban centres like Hubli, Dharwad, Gadag etc. Most of these societies were converted into urban banks in course of time. The list given below indicates the talukwise names of the primary agricultural credit/multipurpose / large sized / service societies in the district registered prior to 1915.

Kalghatgi taluk: Kalagatagi (1911), **Kundagol taluk:** Yaraguppi (1913), **Gadag taluk :** Kanaginahal (1905), Hulkoti (1905), Malasamudra (1905), Timmapur (1906), Mulagund (1907), Kurtakoti (1909), Sambhapura (1911), Narayanapur (1912), Kotumachagi (1912), Soratur (1913), Anthur (1914), Balaganur (1914) and Harti (1914). **Dharwad taluk :** Alnavar (1913) and Marewad (1914). **Navalgund taluk :** Navalgund (1909), Yamanur (1911), Shalavadi (1913), Sydapur (1913), and Arekurahatti (1913). **Mundargi taluk :** Mundargi (1908), Hallikeri (1912) and Kalakeri (1913) **Ron taluk :** Hullur (1913), Hiremannur (1913), Hadagali (1913), Halakeri (1913), Naregal (1913), Yavagal (1913) and Mudalgeri (1915). **Ranibennur taluk:** Asundi (1915), **Shirahatti taluk:** Shirahatti (1914) and Konchigeri (1915). **Hubli Taluk :** Koliwad (1913), Aralikatti (1914), Byahatti (1915), and Hubli (1915), **Haveri taluk :** Handiganur (1911), Agadi (1914), Kanavalli (1914), Kittur (1914), Yelagachchi (1915), Hosaritti (1915) and Sharmapur (1915). **Savanur taluk :** Yelavagi (1913), **Shiggaon taluk :** Sisuvinalhal (1913), **Nargund taluk:** Nargund Kasba (1910), Kurlageri (1911), Dandapur (1912) and Munganur (1913) and **Byadagi taluk :** Gundenahalli (1915).

The history of the Co-operative movement of this district could be analytically reviewed in the following paragraphs.

In the beginning stage i.e., 1904-05 to 1911-12, as found in other parts of the State, here also, much stress was laid by the Government for establishing agricultural credit societies with unlimited liability. At the same time, efforts were also made to open non-agricultural credit societies in urban centres. Of them, Hubli Urban co-operative Bank (1906), Dharwad Urban Co-operative Bank, Dharwad (1906) and Southern Maratha Urban Co-operative Bank, Dharwad (1912), (later the name changed as Mahalakshmi Bank) were prominent. But the number of rural credit societies was more than urban societies.

During the second stage i.e. 1912-13 to 1918-19, along with agricultural credit much emphasis was laid for establishing non agricultural and non credit- societies like purchase and marketing, consumer co-operatives, producers co-operatives, artisans societies, weavers societies, employees credit societies etc.

The Co-operative Act of 1904 was comprehensively amended in 1912 to facilitate the establishment of non-agricultural and non-credit societies, thereby, the orbit of the movement went on widening. During this period, the Central Co-operative banks for each district and the Apex Co-operative bank at the state level were started. Since the Apex Co-operative bank i.e., Bombay Provincial Co-operative Bank was far away from Dharwad, the Karnataka Central Co-operative Bank (the present KCC Bank) started in 1916 began to function as Central Co-operative Bank for the district. Earlier to this, the co-operative bank known as Dharwad Central Banking Union started in 1913-14, was closed and that responsibility was entrusted to Karnataka Central Co-operative Bank.

In 1919, there was a remarkable change in the scope of co-operative movement, since the subject matter of co-operation was transferred from Union Government to State Governments and separate minister was appointed to administer, the work of co-operation received greater attention and became a popular movement by the active involvement of the people. In order to cater to the local needs of public, new categories of Co-operative organisations came into being. As revealed by the Administrative report of the Department of Co-operation by the end of March 1913, there were 59 Co-operative societies in the district and of them 49 were agricultural credit societies with unlimited liability and the remaining 10 were non-agricultural credited societies. The membership of 49 agricultural credit

societies was 4,683, and that of non-agricultural (10) societies had a membership strength of 3,661. The working capital of agricultural and non agricultural societies was Rs. 2.70 lakh and Rs. 5.09 lakh respectively. The report adds that Sham Rao Vittal Co-operative Bank, Bombay (1905) had opened branches at Hubli and Dharwad by 1913 and was rendering good banking service for Saraswat Samaj.

The prominent non-agricultural credit societies which came into being in the district during 1905-1912-13 were Better farming society at Garag of Dharwad taluk (in 1914), Agricultural Utility Society at Devihosur of Haveri Taluk (1917). High Breed Animal Husbandry Society at AkkiAlur of Hangal Taluk (1919), Cattle Co-operative society at Sidenur, Ranibennur taluk (1920), Milk Producers co-operative Society at Mundewad, Mundargi Taluk (1912) etc. In order to promote marketing of agricultural produces in the Co-operative fold, Taluk Agricultural Produce Co-operative Marketing Societies (T.A.P.C.M.S) were founded in 1915 at Hubli and Navalgund and Cotton Sales Society at Gadag in 1917. During the same period, Urban Credit Societies (banks) came into being in large numbers. In the initial stage, most of these urban credit societies or banks promoted were associated with, groups on linguistic basis or communal basis and were patronised by the members of their own community, or group of organised workers or the Government servants. These Co-operatives, naturally, in-turn, helped for the economic development of such groups of people. As said earlier, the urban bank founded at Dharwad in 1912 was known as Southern Maratha Bank associated with Marathi speaking MSM Rly Co employees of Dharwad. Likewise, to compete with that organisation, in 1917, the local kannada speaking Lingayats promoted an urban bank at Dharwad known as K.C.C. Bank. In those days, societies with more than Rs. 50,000 working capital were classified as Urban banks. Accordingly, in Hubli, Mill Employees Co-operative Society (1914), Indian Christian Credit Co-operative Society Hubli (1912), Reddy Co-operative Bank, Dharwad (1914), Bhavasar Kshatriya Credit Co-operative Society Dharwad (1918), Betageri Basel Mission Christian Co-operative Society (1918), Arya Vaishya Co-operative Bank, Hubli (1919), Hubli City Municipal Primary School Teachers Co-operative Society (1919), and at Hebsur Gudar (cotton tarpaulin) weavers society (1921), Sarvodaya Khadi Gramodyoga Sangha at Hosaritti (1921), Co-operative Education Society at Hulkoti (1921) were established as prominent co-operatives. The rural centres like Gajendraghad (1913), Byadagi (1918), Guttal (1919) got the benefit urban co-operative banks. It appears that due to widespread network of urban banks functioning in the district both in urban and semi-urban areas, the commercial banks did not make an effort to enter into banking business of the district till 1930. During the 3rd stage ie., 1925-26 to 1935-36, conspicuous changes are observed in the spectrum of development of co-operative movement in the district. The land mark was the introduction of separate co-operative legislation for the state known as Bombay Co-operative Societies Act 1925. According to provisions of the Act, the co-operatives were categorised in three groups according to their aims and objectives viz., 1) Resource Co-operatives (2) Consumer Co-operatives and (3) Producers' Co-operatives. The Act had also made a provision for simplified liquidation procedures and provision was made for establishment and *modus operandi* of co-operative Tribunals to facilitate recovery of Co-operative dues. Provision was also made to recover co-operative dues as arrears of land revenue. The provision of 'one member one vote' was also incorporated in the Act, in addition to a provision for imposing fine for certain marked offences.

The Administration report of 1922 reveals that out of 3411 co-operatives in Bombay state, 503 co-operatives were in Dharwad district and their distribution was as follows: Agricultural Credit Societies (385), Unions (23), Cattle Breeding Societies (10) Agricultural Implements and Seeds Co-operatives (17), Urban Banks (35), Agricultural Produce Marketing (7), House Building (3), Co-operative Consumer Stores (9), Weavers Co-operatives (14) and District Bank (1). The same report mentions that on behalf

of Hulkoti Union Co-operative Education Society, Anglo Vernacular (A.V) School was started at Hulkoti in 1919.

The progress of co-operative movement was far ahead in Bombay state, compared to other states. The report of 1926 indicates that by the end of the year (1926), when compared to other districts of Bombay State, Dharwad district was in first place and nearly 48.2 percent of the villages were covered by the movement. The district had 623 co-operatives, and of them 462 were agricultural credit societies and the rest non-agricultural credit societies. The membership of agricultural credit societies was 40,242. As elsewhere, here also, there was a setback in the movement during 1929-30 due to world economic depression which resulted in falling prices of agricultural commodities and mounting arrears by the debtor members and difficulties in getting refinance facilities etc.

Taluk Development Association

With the twin objectives of promoting agriculture and co-operation with equal interest, for every taluk these co-operatives were registered during 1922-23. These societies were granted financial aid by the Government. These institutions were entrusted with the work of providing education on the importance of co-operation, spread of information and supervision of co-operatives. Regarding agriculture, they were entrusted with the work of understanding and solving the problems of agriculturist by means of use of improved agricultural tools, arranging agricultural demonstrations etc. During 1926-27, the district had 24 unions and 159 co-operatives were affiliated to them. The unions used to organise co-operative conferences at the taluk headquarters or in important places. This information is made known through old issues of 'Karnataka Sahakari Mitra' monthly magazine (1922-26). Taluk level conferences were held at Gadag in 1925, Mulgund (1924), Hamsabhavi (1924) etc. The report of 1925 reveals that in the entire Bombay State, there were 451 societies categorised as 'A' Class and of them 109 were in Dharwad district alone. There was a drama troop specially organised to propagate ideals of Co-operation. It is known that by about 1924, there were fencing societies organised to protect crops from wild animals and there were the cattle insurance societies. These fencing societies used to reward those hunters killing wild animals and also those who used to catch hold of stray cattles outside the forest boundary etc. (the reward for cattle was Rs. five and for a calf rupees two). This rewarding practice was found in Gadag Taluk Development Association (the reward for wild pig was 8 annas when the pig was killed and its tail was to be produced as an evidence in a taluka office). Likewise water supply (irrigation) societies were also set up and Government used to lend Takavi loans to these societies. In order to cater to the long term needs of the agriculturists, for the first time, Land Mortgage Banks were started in Bombay state, in the districts of Dharwad and Badoch. The first land mortgage bank in the district was started at Dharwad in 1929, followed by Hubli (1935), Gadag and Haveri in 1939.

Co-operative Unions

These Co-operative unions were started in order to facilitate the formation and guidance of new societies, in such aspects as auditing, inspection and supervision etc. These were also entrusted with the work of prevention of decadence of good societies and improvement of unsound societies. These supervising unions were started one for each taluk. Before the formation of these supervisory unions, it is known that there were Guaranteeing Unions in order to help the rural societies to sustain themselves. They were working under the control of an Inspector appointed by the District Co-operative bank. Each union used to comprise of 20-30 societies. The District Central Co-operative Bank

used to render financial assistance to unions and these unions used to undertake the work of transfer of surplus funds from profit making societies to those who were in need of funds.

Presently "Co-operative Week" is being celebrated every year all over India for one week from 14th November. In those days, co-operative week was celebrated on first Saturday of July every year. Among the Taluk Supervising Unions of the district, the union of Gadag (1919), Ron (1926), Kalaghatagi(1927), Dharwad (1928) were the earliest. In 1937, Dharwad District Co-operative Union was started. Now, there are no taluk unions (since they were liquidated).

The branch of the Bombay Central Co-operative Institute (1918) was opened at Dharwad in 1921. This facilitated the spread of co-operative education, organisation, exchange of thoughts on co-operation etc. Sub branches of this district institute were also opened in many taluks in the names of Taluk Development Institutions. By 1920, this institutes was publishing an independent monthly magazine in kannada known as 'Karnataka Sahakari Mitra'.

Interest Rates of Co-operatives

According to one report, in 1924, co-operative institutions in the district were offering the following rates of interest on deposits like Savings Bank Account : 4 percent , Fixed deposits; one year and above 6.25 percent, three years and above 6.50 percent, five years and above : 7 percent, ten years and above 7.50 percent. In 1924, interest on Takavi loans was lowered to 6 percent.

When the changes that have taken place in the development of co-operative movement in the district during the period (1935-36 to 1944-45) are reviewed, it is observed that, the tendency of rising prices of agricultural commodities during and after the war, enabled many agricultural credit societies to recover the old dues from the members, which was helpful both to the members as well as co-operatives. This phenomenon was also helpful to non-agricultural credit co-operatives. Another special feature found during the above period in the co-operatives of the district was that, many of the credit societies undertook a variety of non-banking functions like distribution of essential commodities, controlled articles i.e, kerosene oil, cotton yarn etc. Thereby their income also increased in addition to service to members. During this period multipurpose Co-operative societies were set up. During the decade 1935-36 to 1945-46, and after independence many non agricultural and non credit co-operatives like production, marketing, processing, farming, irrigation, house building societies etc. were set up so as to cater to the local needs. The prominent among them were the weavers societies. Among the weavers co-operatives, Gajendragad (1944), Hebballi (1945), Uppinabetageri (1945), Gadag Betageri (1945), Agadi (1945), Tummina katti (1945), Halageri (1947) were prominent.

In order to develop weaving industries, which being prominent home industry in the district, as early as in 1935, as per the Central Government Plan, Dharwad district Industrial Development Co-operative Society was set up at Hubli, with the main objectives of providing technical knowhow about the utility of improved automatic looms, adoption of latest designs in weaving technology, providing raw material, and marketing facilities for the finished good etc. This plan of Central Government made a way for establishment of many more weavers co-operatives in different parts of the district.

By 1940-41, there were 461 Primary Agricultural Credit Societies in the district and of them 450 were working on unlimited liability and had a membership of 26,135 with a share capital of Rs. 4.32 lakh. The district had 73 non - agricultural societies and of them 55 were meant for lending for non-agricultural purposes.

During the decades followed by independence efforts were made to organise Cottage Industries other than Weaving in the co-operative fold. In order to facilitate the manufacture of copper and brass utensils, the copper, brass and other metals producers co-operative society was organised at Hubli in 1947. Earlier to this, in 1944, the Myadars (Bamboo workers) Industrial Co-operative Society was started at Dharwad. At Gadag, carpentry and industrial co-operatives were started in 1949. In order to promote many more industries in the co-operative sector, some of the selected industries working in the co-operative sector had set up industrial training centres pertaining to that craft i.e., woollen weaving centre at Gadag, coir weaving centre at Havanur, dye-making and printing at Gadag-Betageri, cotton weaving at Gopankoppa, Hubli, pottery and carpentry at Ron, sericulture training at Hirekerur and Kallapur of Hangal taluk and agriculture college, Dharwad.

Consumer Co-operatives

In order to arrest the rising tendency of prices during and after the war period, these societies were setup. The societies founded at Kalaghatagi and Byadgi in 1944, i.e., Primary School teachers consumer society at Kalaghatgi and Labourers consumers society at Byadagi are the earliest such societies. In 1949, at Hubli, Railway employees consumers co-operative society was registered.

Housing Co-operatives

House building activities in the co-operative fold in the district were streamlined during 1950-1960. Some of the earliest prominent House Building Co-operatives of the district included Someshwar House Building Co-operative Society, Dharwad 1946, Nehrunagar House Building Co-operative Society, Byadagi 1947, Vijayanagar House Building Co-operative Society, Hubli - 1948, Chikkerur House Building Co-operative Society, 1948, Akki Alur Backward class House Building Co-operative Society, 1949, Anandavan House Building Co-operative Society, 1949, Ranibennur House Building Co-operative Society, 1949. In recent years, these societies are set up in large numbers in the industrial areas of towns and cities.

In order to support the grow-more-food campaign, in 1949, the Government encouraged the lift irrigation co-operatives by extending loan on concessional interest rate and subsidy for installation of machinery etc. During the first five year plan period of 1951-1956, three lift irrigation societies were set up in the district. The lift irrigation Co-operatives started at Kodiyal, Chickmaganur (Ranibennur taluk), Are Lakmapur (Hanagal taluk) are the earliest. A society with a new emphasis laid on agriculture was founded at Tamboor of Kalaghatagi taluk in 1947. Among the labour co-operatives, Nagendramatti Bhovi Society of Haveri taluk is the earliest, founded in 1946.

The administrative report of 1947-48 mentions that there were 594 Primary agricultural co-operatives in the district, and of them except 20, all other societies were registered on unlimited liability. The total membership of these societies was 38,041, with a share capital of Rs. 7.64 lakh, and working capital of Rs. 47 lakh. The deposits mobilised and advances made by these co-operatives was Rs. 1.87 lakh and Rs. 17 lakh respectively. In the year of report (1947-48), there were 13 Urban co-operative banks working in the district. The Taluka Development Societies were actively assisting the campaign of Grow more food. During this year, there were 145 non - agricultural societies in the district, with a membership of 33,000 and share capital of Rs. 14.75 lakh.

Note: It is to be noted that the numerical data given above does not include the information of the areas of merged princely states (like Savanur, Miraj, Sangali).

According to previous District Gazetteer, by 1950-51, the number of Primary agricultural co-operatives in the district increased to 652, with a membership of 50,957, share capital of Rs. 13.82 lakh and working capital of Rs. 79.51 lakh. This information includes the data pertaining to merged princely areas in this district in 1949. In 1951, there were four land mortgage banks in the district at Hubli, Gadag, Haveri and Dharwad.

During the first decade of post independence period, under the scheme of unified rural finances, credit through primary co-operatives began to spread in large measures. During the period of 7 years from 1946-47, the target of extension agricultural credit through co-operatives was achieved. At the end of June 1946, the movement here in the district had covered 635 villages through 511 Primary agricultural co-operative societies. The movement covered a total membership of 30,174, involving about 12.2 percent of rural population. By the end of June 1952, the movement had covered 1613 villages through 831 co-operatives. It had a membership of 84,484, and had covered 39.1 percent of rural population. In the subsequent decades, along with agricultural credit societies, the number of non-agricultural and non-credit societies also increased. The activities like linking credit with marketing, better farming, animal husbandry, poultry farming, food processing, horticulture, development of rural and cottage industries in the co-operative fold increased and the network of co-operative movement was widened and strengthened.

The list of 33 different categories of Co-operatives in the district as in 1952-53 was as follows: Primary agricultural credit societies 619, Multi-purpose societies-115, Industrial co-operatives 44, Employees consumer societies-36, Urban societies-31, House building societies 28, Weavers co-operatives 26, General consumers co-operatives - 21, Animal husbandry co-operatives 19, Taluka supervising co-operatives 18, Marketing 14, Urban banks 14, Taluk development societies 12, Better farming - 10, Fencing 10, Tenant framing - 8, Seeds and agricultural implements - 7, Lift irrigation - 5, Land mortgage banks - 4, Women's co-operatives -4, Milk societies-3, District industrial co-operative society -2, Supply of agricultural implements societies - 3, Co-operative collective farming 2, Co-operative transport -2, Co-operative education -2, Better Living society -2, District Central Bank -1, District Co-operative supply and marketing federation-1, District co-operative purchase and sales society-1, District co-operative union-1, Cotton ginning and pressing society-1, Co-operative improvement society -1. In 1951-52, the 17 different categories of industrial co-operatives in the district, comprising in all 78 societies had a total membership of 6,831 and share capital of Rs. 8.25 lakh and they had a business turnover of Rs. 48.46 lakh.

Before the reorganisation of the state, the district administration of the department was under the control of Assistant Registrar of Co-operative Societies, Dharwad, who worked under the control of Divisional Deputy Registrar of Co-operative Societies whose office was located at Belgaum. The Dharwad Division comprised of four districts of former Bombay Karnataka and Kolhapur. The administration of small scale and cottage industries was also entrusted to the department of co-operation. After the re-organisation of the State in 1959, a more extensive, comprehensive co-operative Act, applicable to the entire state, known as the Karnataka State Co-operative Societies Act, 1959, was enacted and till then the co-operatives of the district functioned in accordance with the provisions of Bombay Co-operative Act, 1935.

During the period of last four decades that followed the State reorganisation (1956), many medium and large scale industries have come up in the co-operative fold in addition to other co-operatives. Capital investment was made by the State Government, National Co-operative Development

Corporation (NCDC), Co-operative and commercial banks in the medium and large scale industries established in Co-operative fold. As a result, there is increased financial participation by the State and the Centre.

During 1976-77, as per the Government policy, in order to strengthen the co-operative institutions, to be financially viable, weaker primary societies were made to merge with the other co-operatives and many administrative changes were introduced. Major industries of the district in the co-operative sector are Gadag Co-operative Oil Mill (1959), Binkadkatti Co-operative Oil Mill (1973), Malaprabha Oil Mill, Nargund (1987), and the Haveri Co-operative Sugar Factory . During 1981-82, five textile mills were started in the district in the co-operative sector. Now, their number has increased to 9. The first co-operative Sugar Factory (Karnataka Sahakari Sakkare Kharkhane) in the district was started at Haveri. In order to provide health services in rural areas, in 1973, at Hulkoti, a Co-operative health services centre was opened. In order to extend the services like repair of tractors and other agricultural machineries in the rural areas, agro service centres were opened in co-operative fold at the taluka centres like Hubli, Navalgund and Nargund during the period 1974-81.

By the end of June 1992, the district had the following categories and number of societies. District Central Co-operative Bank (1), Primary Agricultural Credit Societies (393), Primary Agricultural and Rural Development Banks (17), Grain Banks (2), Non-agricultural Credit Societies (220) [38 Urban Banks, 51 Other Credit Societies, 131 Employees Credit Societies], Industrial Co-operative Bank (1), Marketing Co-operatives (81) [(21 General Agricultural Marketing, 60 Special Marketing Societies)], Processing (8), House Building Co-operatives (241), Non-agricultural Co-operatives (161) [2 Transport, 31 Labour, 24 Women, 35 Primary consumers, 9 Students Consumer, 10 Central Co-operative Wholesale stores], Non - Agricultural and Non-credit (716) [446 Milk Producers Co-operatives, 10 Animal Husbandry, 39 Farming and 221 Irrigation] and there were 139 Industrial Co-operatives [102 Weavers, 8 Textile mills, one Sugar Factory, 28 Fisheries Co-operatives] The district had 186 other societies.

Table 6.9 : The following table shows the progress of Co-operatives in Dharwad district during recent decade

Rs.in lakh

Particulars	Year		
	1982-83	1987-88	1992-93
1	2	3	4
Total no. of co-operative societies	2,097	2,414	2,691
Total membership (in 000's)	1,244	1,295	1,361
Total share capital	2,227.82	6,217.59	9,257.69
of which government	861.05	1,884.32	5,488.50
Reserve and other funds	1,140.97	1,598.53	5,357.96
Deposits	1,909.87	8,870.46	10,821.00
Working capital	10,320.04	43,974.51	44,244.72
Co-operative societies under profit : (No.)	972	1,298	1,105
Profit	300.25	616.07	950.66
Co-operative societies under loss : (No.)	570	564	649
Loss	242.12	357.49	1,485.85

1	2	3	4
Purchases	265.11	3,308.15	9,944.43
Sales	1,167.02	6,992.97	13,532.92
Loans from other sources	4,437.09	12,213.53	17,782.66

Source: Dy.Registrar of Co-op.Societies, Dharwad.

Co-operative Loans

The major portion of agricultural loan i.e. short term, and crop loan is channelised through Primary Agricultural Co-operative Societies, which in turn, get financial assistance from District Central Co-operative Banks. Medium and long term credit requirements are met through primary agricultural and rural development banks. By the end of June 1992, there were in all 2,165 co-operatives in the district and of them 633 were agricultural credit societies which included one District Central Co-operative Bank, 393 Primary Agricultural credit Societies, 17 Primary Agricultural and Rural Development Banks, 2 Grain Banks. The total number of agricultural families who were the members of Primary Agricultural Credit Societies in the district was 2,72,980 and of them 94,144 were the families of small and marginal farmers, 40,508 were the families of agricultural labourers, 1,08,565 were the other families and the number of Scheduled Caste and Scheduled Tribe families was 29,763. By the end of March 1992, the District Central Co-operative Bank, through its 87 branches had mobilised deposits of Rs. 6,150.98 lakh and had deployed credit for various purposes to the tune of Rs. 5,677.31 lakh (92 percent). The portion of the priority sector advances made in total lending was Rs. 5,673.31 lakh operated through 2.04 lakh accounts. The primary agricultural and rural development banks (17), together had advanced Rs. 3,085.81 lakh as long term credit and Rs. 37.90 lakh for small industries. By the end of the year 1993, the District Central Co-operative Bank had distributed credit amounting to Rs. 7,963.65 lakh, Agricultural and Rural Development banks had advanced Rs. 4185.80 lakh. According to the District Credit Plan for the year 1994-95, all financial institutions together, had a target to advance Rs. 179.99 crore, and of this the share of credit fixed for co-operative sector, was Rs. 29.48 crore. Of this the share allotted to District Central Co-operative Bank was 19.52 crore and that of 17 Agricultural and Rural Development Banks together was Rs. 9.96 crore.

Recovery of Loans

By the end of June 1992, the total amount of long term loans (demand) due to all co-operatives in the district was Rs. 1364.32 lakh and of this the amount recovered was Rs. 635.28 lakh (46.56 percent) leaving a balance of Rs. 729.04 lakh. Long term loans are granted by Agricultural and Rural Development Banks. The total loans of all types due to District Central Co-operative Bank was Rs. 3,624.01 lakh and of this, loans recovered was Rs. 1668.01 lakh (46.03 percent). It is reported that in the outstanding loan amount, the major portion consisted of short term and medium term, converted loans.

Karnataka Rural Debt Relief Scheme - 1990

This scheme of providing of debt relief to agriculturist by the Central Government was also adopted by the State Government. According to this scheme, the eligible loans taken by the farmers, weavers and artisans from the Co-operative banks and societies upto Rs. 10,000 were waived off. This scheme was closed by the end of March 1991. Under the provisions of this scheme, loan of Rs. 1979.33

lakh pertaining to Primary Agricultural Credit Societies, covering 66,245 beneficiaries was waived off and long term loan of Rs. 295.84 lakh covering 11,733 beneficiaries loaned by Karnataka State Agricultural and Rural Development Bank (K.S.C.A.R.D.) was also waived.

Liquidated Co-operatives

Co-operatives which could not be rejuvenated due to one or the other reasons, are to be liquidated. As reported in the Administration report of the department of Co-operation for 1992-93, the number of co-operatives liquidated in the district was 394, and the total assets to be realised was Rs. 371.36 lakh and the liability to be discharged amounted to Rs. 489.08 lakh. During the same period, the registration of 18 societies was cancelled. Among the co-operatives liquidated, a majority of them were Primary Agricultural co-operative Societies.

Misappropriation

The Administration report of the department reveals that in 1992, there were 343 cases reported which were criminal in nature, involving the misappropriation or misuse of money. The details are as follows. The figures in the brackets denote the amount misappropriated. Employees of the department 9 (Rs. 5.13 lakh), Employees of the Societies 317 (Rs. 149.45 lakh), Non-officials 17 (Rs. 2.12 lakh). In the beginning of the year, there were 28 criminal cases involving an amount of Rs. 3.23 lakh and the number of civil cases reported in the above period were 492 involving an amount of Rs. 183.39 lakh. At beginning of the year, there were 70 cases pending, and the volume of money misappropriated was Rs. 14.70 lakh.

Some of the details of certain selected district level Co-operatives as well as other important categories of Co-operatives of the district are briefly explained below.

Karnataka Central Co-operative Bank, Dharwad

This Bank made its beginning at Dharwad on 23.11.1916, incorporated as per the provisions of Central Co-operative Act, 1912. It was named as Karnataka Central Co-operative Bank and is functioning as a District Central Co-operative Bank in the district. Among others, the prominent founder members who strove much for its growth and development in the initial years, a mention must be made of the late Rao Bahadur Aratal Rudragowda and Shantaveerappa Menasinakai. From the beginning, upto 1918, the area of operation of the bank covered Dharwad and Belgaum districts. The main objectives of the bank are to provide short term and crop loans to primary agricultural credit societies and to provide medium term loans for the development of agriculture and loans for promotion of co-operative marketing activities. At present, District central cooperative Banks are expected to render all other functions and banking services as offered by commercial banks. In order to strengthen the financial base of the bank and also to deploy surplus funds in a profitable manner, individual members are also admitted and for non-agricultural purposes loans are being extended. In recent years, as per the directions of the NABARD (National Bank for Agricultural And Rural Development) and the Reserve Bank of India loans are being granted by the District Central Co-operative Banks to individuals and some selected small scale industries as per the norms in order to compensate the loss due to lower rate of interest charged on agricultural loans extended to primary agricultural credit societies. The Bank with Rs. 48,000 share capital, and Rs. 50,000 deposits in the beginning (i.e. 1916-17), has now grown as a gigantic Co-operative *Vriksha* (tree) overcoming all types of hindrances in the course of

these eight decades of service. In the beginning, it had a membership strength of 41 individuals, and 71 co-operative institutions. By the end of March 1993, the membership of the bank including the Government was 8,325. Of this 1,432 were Co-operatives and 6,887 were individuals. The paid-up share capital of the bank was Rs. 648.66 lakh including the Government share of Rs. 95 lakh and the rest i.e., Rs. 546.77 lakh owned by Co-operative institutions and Rs. 6.89 lakh by individual members. The working capital of the bank was Rs. 10,651 lakh. At present, it has 84 branches in the district, the first two branches of the bank were opened at Gadag and Haveri in August 1920, and the 3rd branch at Hubli in 1924. The deposits held by the bank by the end of June 1993, amounted to Rs. 6,915.23 lakh, the corresponding figures during the previous three years amounted to Rs. 6150.09 lakh, Rs. 5841.69 lakh and Rs. 4864.61 lakh respectively. As in March 1993, the loans availed by the bank from the Central Financial Institutions was Rs. 2230.58 lakh. Of this Rs. 1248.46 lakh was the short term crop loan.

In 1992-93, the short term crop loan deployed by the bank was Rs. 2215.92 lakh and the number of families which availed this loan were 54,965 and of them 9,412 were the small and marginal farmers, who had availed loan of Rs. 372.71 lakh, and 213 families of scheduled caste/scheduled tribe had availed loan of Rs. 7.34 lakh. In order to augment the income of farmers, 202 farmers were given loans of Rs. 30.38 lakh for purposes like small scale irrigation and animal husbandry. In addition to direct loans for agriculture, loans are also granted for agro based processing works like textile mills, sugar factories, oil mills, Taluka Agricultural produce marketing societies for linking of credit with marketing and other term loans are also granted. The average percentage of recovery of loans during 1991-93 was reported as 43 percent. By the end of March 1993, co-operative dues from primary agricultural credit societies to the Bank accounted for Rs. 1,114.98 lakh.

In 1986, the bank was declared as a weak bank by the Government and since then efforts are being made to strengthen it by adopting several rejuvenative packages and action plans. The bank has a Government share capital of Rs. 95 lakh in addition to a contribution for sinking bad debts fund of Rs. 3.07 lakh. The short-term loans granted by NABARD to this bank are guaranteed by the State Government. During the five years period from 1988-89 to 1992-93, except the year 1990-91, the bank was under loss due to one or the other reasons, and efforts are on to minimise the accumulated losses. The loss of Rs. 366.93 lakh in 1989-90 was reduced to Rs. 206.04 lakh by 1992-93. The value of assets and liabilities of the bank as on 31st March 1993 were Rs.10,650.89 lakh and Rs. 9,826.70 lakh (excluding own funds) respectively. The present Head Office building of the bank was inaugurated in 1956 on the occasion of its golden jubilee. In 1976, diamond jubilee of the bank was celebrated. As against the sanctioned staff strength of 695, the present working staff is 501 as reported.

The progress of the bank since its inception, upto the recent years is given in table 6.10.

Large Sized Primary Agricultural credit society, Kanaginahal

Soon after the enactment of the first Co-operative Act in India, in 1904, the first primary agricultural credit society to be registered in the Bombay state was Kanaginahal Co-operative Society on 8.5.1905 and it is said to be the first such society in India. The founder member of this society was Siddanagowda Sanna Ramanagowda Patil (1843-1933) a member from the backward community of Kurubas. He was a landlord. It is also learnt that during the same time, the work of drinking water well and laying foundation stone for Kanaginahal Railway Station were inaugurated by the Dharwad Collector Mechyani. In the beginning itself, the society had admitted women members. Since the

Table 6.10 : The following table shows the progress of Karnataka Central Co-operative Bank, Dharwad since its inception, upto recent years

Particulars	Year										Rs. in lakh
	1916-17	1937-38	1957-58	1974-75	1984-85	1989-90	1990-91	1991-92 (31.3.92)	1992-93 (31.3.93)		
1. Paidup share capital	0.48	5.75	25.78	95.07	308.67	613.16	617.83	628.53	648.21	648.21	
2. Reserve fund	-	1.63	7.42	31.08	40.88	57.33	58.24	58.58	86.38	86.38	
3. Other funds	-	2.04	5.96	33.26	60.29	65.32	66.11	66.96	89.59	89.59	
4. Total deposits	0.50	34.38	230.03	850.05	3448.66	4864.61	5841.69	6150.09	7291.17	7291.17	
5. Working capital	1.63	43.53	334.94	1384.87	5294.02	8020.73	7835.04	8149.49	10650.79	10650.79	
6. Loans due from societies	1.59	19.79	169.15	953.62	4038.00	6096.66	4519.61	5016.63	6467.19	6467.19	
7. Loans due from members	-	10.81	16.62	97.42	302.99	527.98	670.25	7056.00	1371.20	1371.20	
8. Investments (securities & shares)	-	4.46	57.00	104.69	100.49	170.71	274.71	328.70	249.46	249.46	
9. Administrative expenses	0.01	0.80	5.86	36.86	158.60	211.25	233.63	215.22	243.29	243.29	
10. Net profit	0.02	1.33	3.23	15.20	23.02	-	172.58	-	116.74	116.74	
11. Loss	-	-	-	-	-	366.93	-	80.68	-	-	

Source : Bank's Administration report.

liability of members of rural society was unlimited, in the beginning, in respect of women members two names of such members (one of parents house and another name kept in the in-law's house) are also recorded in the proceedings. In 1958 the society was reconstituted as Large Sized Primary Agricultural Credit Society.

Agricultural and Rural Development Bank, Kundagol

In order to cater to the long term credit needs of the agriculturists of the taluk the bank was started in 1962. In 1983, the bank was renamed as Agricultural and Rural Development Bank in order to help enable it to extend financial assistance, for schemes of Integrated Rural Development Programme including lending for non-agricultural activities also. The main functional activities of the bank are to extend medium and long term finances to the members, on the security of their land. Loan is channelised through these banks, sanctioned by the State level Apex bank. Now, the lending activities of the bank are diversified, as such, credit is granted for the activities like mechanisation in agriculture, irrigation wells, pumpsets, tractors, tillers, sprinkler irrigation etc. Special loans are also given for the cultivation of grape, coconut, sericulture, animal husbandry, dairy development, horticulture, bee-keeping, in addition to non-agricultural activities like house building, rural and cottage industries, priority sector advances, integrated rural development programme schemes etc. Bank also renders financial assistance on getting confirmation of tenancy rights by the land Tribunals.

During the decade 1972-82, the membership of the bank was 3,610 as against 998 in the previous decade. By the end of March 1993, the membership of the bank (A class) was 5,569 with a share capital of Rs. 14.12 lakh, of which share of the members was Rs. 13.61 lakh and that of Government was of Rs. 50,000. The loans and advances made by the bank during 1972-73 to 1981-82 accounted to Rs. 73.79 lakh and money advanced in the recent decade i.e., 1982-83-1992-93 accounted to Rs. 267.28 lakh. The total credit granted during the last five years i.e., 1988-89 to 1992-93, was Rs. 155.03 lakh. The loan recovery percentage during 1990-91 which fell to 47.23 due to acute shortage of rains, rose subsequently during the next year, upto 75.20 percent due to a combination of various factors such as good harvest, incentive by the State Government on prompt repayment of loans at 5 percent and intensive efforts by the bank staff. Again, the recovery percentage came down to 63.70 percent due to loss of crop by cyclonic effects. The profit earned by the society for 1992-93 and 1991-92 accounted to Rs. 4,121 and Rs. 1,15,000 respectively. The loss incurred in the previous year was Rs. 5.34 lakh. As per the audit report of 1991-92, the assets and liabilities of the bank accounted to Rs. 160.02 lakh and Rs. 167.15 lakh respectively. The excess of liability over assets is mainly due to accumulated loss of Rs. 7.12 lakh. The loans granted for various purposes during the last three decades i.e., 1962-63 to 1992-93 was as follows: the figures in the brackets indicate the amount of loans distributed in terms of lakh of rupees. Repayment of old debts (Rs. 1.42), land improvement and construction of cattle sheds (67.02), wells and borewells (17.85), deepening of old wells (1.18), installation of pumpset/diesel engine and submersible set (14.58), small scale irrigation (1.51), to get ownership of land (17.87), tractor loans (197.57), oxen and cart (26.40), sheep rearing (2.69), dairy development (4.96), gobar gas (1.46), coconut development (0.61), development of forest (1.20), non-agricultural activities (5.41), rural transport (mini vans) (4.00), and rural housing (2.42). The amount of loan distributed by the bank for some recent years is as follows: (amount in lakh of rupees). 1983-84 : Rs. 23.68, 1985-86 : 20.11, 1987-88 : 20.82, 1989-90 : 23.04, 1991-92 : 34.23, and 1992-93 : 41.41.

The Bank has the credit of achieving the highest percentage of recovery, being the first at the district level, during the last 12 years upto 1992-93, except for the year 1988-89. In 1991-92, the bank

held the sixth place at the state level in recovery of loans and also had achieved cent percent result in the distribution of loans.

Co-operative Textile Mills

At present, the district has in all nine textile mills working in the co-operative sector. The oldest textile mill in the district was the Southern Maratha Spinning and Weaving Mill, founded in 1881, and later the name of the mill was changed as and when ownership went on changing, as Bharath Mill, Karnataka Co-operative Spinning Mill, Mahadeva Textile Mill etc. Now, it is under the control of the State Government. The other Co-operative textile mills of the district are : Gadag Co-operative Textile Mill, Hulkoti (1972), Farmers Co-operative Textile Mill, Hulkoti (1979), Tungabhadra Co-operative Textile Mill, Ranibennur, Kamdod (1981), and Someshwara Co-operative Textile Mill, Lakshmeshwar (1981). All these four mills are presently engaged in production. The mills which are already incorporated and yet to start production are Sri Venkateshwara Textile Mill, Annigeri (1981), Farmers Textile Mill, Ranibennur (1981), Sanjaya Textile Mill, Hubli (1982), and Farmers Textile Mill, Mulgund. By the end of March 1993, all these mills together, had a total membership of 16,814 with a share capital of Rs. 4,321.27 lakh from all sources, and of it the share of the Government was Rs. 3,953.08 lakh, and that of members was Rs. 177.55 lakh. The total volume of loans mobilised by these mills amounted to Rs. 4,525.26 lakh, the breakup being Rs. 1,184.49 lakh from Government, Rs. 549.89 lakh from financial institutions and Rs. 2790.88 lakh from other sources. The total working capital of all these mills was Rs. 10,971.32 lakh.

Co-operative Textile Mill, Hulkoti

The black alluvial cotton soil found in Gadag and neighbouring taluks is most suited for the cultivation of cotton. This mill was established on 8.7.1973, with the objective of providing better prices to the agricultural produces, specially for cotton, by means of processing (i.e., making yarn) and also to provide employment opportunities in agro based industries. The area of operation of the mill is confined to the entire revenue district of Dharwad. The spindle capacity of the mill is 25,000 (since inception up till now). The cotton required for the mill is purchased from the hinter land co-operative sales centres like Gadag, Annigeri, Navalgund, Hirekerur and Soundatti. The mill has adopted special programme since its inception, known as 'Jobwork'. Accordingly the farmer who is a member of the mill will get the cotton purchased from him converted into yarn and sold on behalf of him, and the profit earned thereby will be given to the member-farmer. By this job work scheme, the member who gives cotton to the mill will get an additional benefit of Rs. 100 per quintal of cotton. Each farmer member can sell one quintal cotton per share held by him to society. The face value of a share is Rs. 100. The members who supply cotton to the mill are supplied quality seeds and fertilizers at concessional rates through the Gadag Cotton Sales Society.

The mill has the credit of having started production within nine months of its incorporation. In 1994, the total number of workers in the mill was 1,200. In 1973-74, the mill had a membership strength of 2,397 with a share capital of Rs. 120 lakh. The membership comprised of 2395 categorised as 'A' individuals and co-operative institutions, 'B' Karnataka Agro Industries Corporation and 'C' State Government. The share capital held by these three agencies accounted to Rs. 25 lakh, 15 lakh and 80 lakh respectively. During the next decade (1983-84), the membership increased to 2,526 and share capital Rs. 91.18 lakh. In the recent year i.e, 1993-94, the membership including 7 employees of the mill was 2,430, of this 2,421 were in category A. Of the total share capital of Rs. 204 lakh, Rs. 58.98

lakh was from A group, Rs. 15 lakh from Agro Industries Corporation, and Rs. 130.18 lakh was the State Government's contribution. The mill was modernised in 1991-92 at a cost of Rs. 429 lakh in order to increase production and to improve the efficiency, with Rs. 193 lakh contributed from its own funds and Rs. 236 lakh raised as loans from financial institutions. The yarn produced by the mill included 10,14,20,,37,40,60 and 80 counts. Major portion of the yarn is supplied to State Handloom Development Corporation and the balance to Coimbatore (Tamilnadu), Sholapur, Malegaon (Maharashtra), Cotton textile mills. Earlier, the yarn manufactured here was exported to Bangladesh and other countries.

During 1993-94, the mill produced yarn weighing 29.64 lakh Kilogram valued at Rs. 1810.03 lakh and the profit earned during the year was Rs. 122.11 lakh. The assets like land, building, machinery and fixed assets held by the mill as at the end of March 1994, valued at Rs. 730.46 lakh. The mill also manages the Rural Medical Service Centre (K.H. Patil Hospital and Research Centre) which provides free medical services to the members of the mill. The mill also manages a P.U. College, Krishna Agriculture Centre, a residential school (Rajeshwari Vidyaniketana) and a Rural Technical Institute.

Table 6.11 : The table given below indicates the progress of the spinning mill for some recent years

Particulars	Year				
	1974-75	1980-81	1984-85	1990-91	1992-93
No.of working days	306	353	353	356	354
Spindle utilisation (percentage)	61.56	85.44	85.27	85.85	81.78
Production of 40 counts yarn (gms)	61.73	72.20	76.46	81.34	85.81
Total yarn production (Kg)	855413	2384369	2401299	2505839	2755527
Net profit (+)\Loss(-) (Rs.in lakh)	(-) 38.10	(+) 11.85	(+) 26.44	(+) 99.12	(+) 14.43

Malaprabha Co-operative Mill, Nargund

This oil mill was started with the multiple objectives like providing better and remunerative price to the commercial crops like cotton, sunflower grown in the areas of Malaprabha basin comprising of the taluks like Nargund, Navalgund and Ron of Dharwad district, Soundatti and Ramdurg of Belgaum district, and Badami of Bijapur district, starting of cotton ginning and pressing mills, undertake research and to encourage the production and processing of oil seeds and to provide employment opportunities in rural areas by promoting agro based industries etc. It was registered on 10.2.1987. As said earlier, the area of operation of the mill comprises the areas of three districts of the Malaprabha basin.

This major industry in co-operative sectore received financial assistance from the National Co-operative Development Corporation (NCDC) under the World Bank assistance scheme for agriculture and industries. The mill has a capacity to process about 120 metric tons of cotton seeds and about 100 metric tons of sunflower seeds daily. The revised estimated cost of this project (1993) was Rs. 1890 lakh, comprising of NCDC loans (through State Co-operative Apex Bank) of Rs. 1134 lakh (60 percent), State Government's contribution from plan fund Rs. 283.50 lakh and members contribution of Rs. 94.50 lakh. The members share in the capital structure is only five percent. Till the end of September 1992, the society spent about Rs. 1,740 lakh for primary works like purchase of land, civil works,

purchase of machinery and installation, working capital etc. The society has installed most modern machineries and adopted latest technology in its production. The commercial production of the mill started in Feb. 1993. During 1993-94, the membership of the mill was 3,914 and the paid up share capital from the members was Rs. 66 lakh and the Government had released Rs. 661.50 lakh. During 1992-93, the business turnover was Rs. 335.26 lakh. The society employed 72 permanent staff and about 150 on daily wages. For the purpose of storage of oil, oil seeds and cake etc. it possesses godown with storage capacity of 20,000 metric tons. The State Government extended the concession of exemption of sales tax to this Society for a period of four years from the date of commencement of commercial production.

Farmers Co-operative Oil Mill, Binkadakatti

The first oil mill in the co-operative sector in the district was started in 1959 at Gadag and the second mill to be started was the Farmers Co-operative Oilseeds Processing Society at Binkadakatti about five km. from Gadag in 1973. Later in 1987, the name of the mill was changed as Farmers Co-operative Oils Limited. The area of operation of the society extends to 39 selected villages of Gadag taluk only. The oil produced by this mill are famous by the brand name 'Adarsha' and 'Murali'.

Table 6.12 : The following table indicates the progress achieved by the Oil Mill during the last two decades

Particulars	Year		
	1973-74	1984-85	1993-94
1. No.of Members	465	636	631
2. Share capital (Rs.lakh)	11.00	66.51	71.62
3. Working capital (Rs.lakh)	11.00	256.92	598.46
4. Loans and advances (Rs. lakh)	-	98.65	186.43
5. Total Purchases (Rs. lakh)	-	126.76	1484.00
6. Total sales (Rs. lakh)	-	0.85	22.96
7. Net loss (Rs. lakh)	0.27	-	-

Karnataka Co-operative Sugar Factory

This is the first sugar factory to be registered under the Co-operative sector in the district of Dharwad at Sangoor near Haveri. The area of operation of the factory is very vast, covering the entire Dharwad district (except Dharwad taluk), Sorab taluk of Shimoga district and 19 sugar cane growing villages of eastern parts of Sirsi and Mundgod taluks of Uttar Kannada district, and part of Haliyal taluk, where sugar cane is grown. The area also includes 25 villages of Hadagali taluk and three villages of Harapanahalli taluk of Bellary district. The factory started production in 1983-84. The membership of the factory comprises of four categories, including that of the government. By the end of September 1992, the total membership was 8,540 and of them, a majority (7,258) were sugar cane growers. The total share capital was Rs. 340.95 lakh including the government share of Rs. 243.20 lakh. It is reported that till the end of June 1992, the total loans availed from different sources for the establishment and functioning of the factory was Rs. 306.4 lakh, which is fully repaid. In 1992, the only loans due were to NCDC and State Government loan of a total of Rs. 218 lakh. In 1990-91, the factory had availed loan

of Rs. 350 lakh by the pledging of sugar. The loan availed from National Co-operative Development Corporation (NCDC) was utilised to enlarge the limited area under cultivation of sugar cane. In 1990-91, the area under cultivation of sugar cane, within the area of operation of the factory was 10,500 acres. As per the estimation of the factory, on an average, at the rate of 25 metric tons of sugarcane yield per acre, the mill was expected to crush about two lakh metric tons of sugarcane during 1992-93. During the decade 1983-84 to 91-92 the yield of sugar rose from what it was 8.31 percent (83-84) (minimum) to 10.82 percent (91-92) (maximum).

In 1992-93, the factory had extended crop loans to members amounting to Rs. 50 lakh at the rate of Rs. 2,500 per acre upto a maximum of three acres only. By the end of September 1992, the total loans due to the factory from members amounted to Rs. 34.89 lakh under different heads like cane seeds loan, fertilizer, small scale irrigation and short term loan. The major segment of loans were small scale irrigation and seed loans. The factory possesses a warehouse of 7,500 metric ton capacity for proper storage of sugar.

The daily crushing capacity of the mill is 1,250 metric tons, and 90 percent of the capacity was utilised in 1991-92. The total staff strength of the mill was 612 including 219 permanent staff. The total assets owned by the factory, as at the end of March 1992 were the following: immovable property Rs. 191.66, lakh, liquid assets Rs. 10.56 lakh and other assets of Rs. 71.88 lakh. Though the factory is earning profits from the last four years, the accumulated loss for previous years accounted to Rs. 449 lakh as reported.

Table 6.13 : The table given below indicates the quantity of sugarcane crushed and quantity of sugar produced by the factory during some recent years

Year	Sugarcane crushed (M.Tons)	Sugar produced (Quintals)	Yield (percent)
1983-84	12019	9513	8.31
1985-86	36947	39655	10.73
1987-88	153028	161376	10.50
1989-90	75277	81175	10.80
1990-91	130927	141057	10.78
1991-92	196616	212640	10.82

Non-Agricultural Credit Societies:

The district has wide coverage of non - agricultural credit societies in order to finance non-agricultural activities and functionaries. There are, in all, 220 co-operatives in this category comprising of urban co-operative banks, and of organised employees credit societies, and other credit societies. In Karnataka, next only to Bangalore Urban and Belgaum districts, Dharwad tops in having a large number of urban co-operative banks. The non-agricultural co-operative credit sector of the district, includes 38 urban banks, 131 employees credit societies and 51 other credit societies. Like in other parts of the State, in this district also, many of these urban co-operatives in the beginning were promoted on the consideration of linguistic spirit, religious and communal affinity and also by the reputation of the personalities associated with these institutions. The competitive spirit which they

had in the initial years, have made some of them to grow both vertically and horizontally. By the end of June 1993, the district had 34 urban co-operative banks, with 156 branches. They had a membership strength of 1.55 lakh and a share capital of Rs. 649 lakh. The total deposits mobilised and advances made by these banks accounted to Rs. 9,121.35 lakh and Rs. 7,046.89 lakh respectively. The profit earned by 31 banks together, was Rs. 305.07 lakh and their staff strength was 444. Among the Urban co-operative banks of the district, the Reddy Bank, Dharwad (1914), has the largest number of branches i.e. 22, and of them eight are in Dharwad district.

Sri Guru Siddeshwara Co-operative Bank, Hubli

It is one of the prominent urban co-operative banks in the district, which has attained remarkable progress within a short span of time. The spirit of inspiration behind the promotion of this bank is the pontiff (Swamyji) of local Mooru Savir Math. The bank started functioning on 25.10.1979, and during the last 15 years, it has attained remarkable growth. All commercial banking services are provided by the bank. It made its beginning with 774 members and Rs. 3.45 lakh as share capital, and now, (by the end of March 1994) it has 10,330 members and share capital of Rs. 84.17 lakh. The total deposits mobilised accounted to around Rs. 12 crore, while the advances made accounted to Rs. 1005.82 lakh, and of which Rs. 421.22 lakh was for development of business, Rs. 269.11 lakh for house building purposes. The percentage of priority sector advances to total advances was 88 percent (prescribed limit 60 percent). The net profit earned by the bank in 1993-94 was Rs. 68.30 lakh. The bank has also undertaken the services of distribution of pay of Hubli Taluka Primary School Teachers from the Government Treasury. The bank has a tradition of honouring retiring teachers every year.

The pigmy deposit scheme alone has enabled the bank to mobilise small savings of nearly Rs. 65 lakh every month. Since 1986, the bank is a member of 'Mutual Arrangement Scheme' which has facilitated the local Public sector banks for remittance and collection of money through this bank. On an average, daily, payment of cheques valued at Rs. 25 lakh is made by this bank and Demand Drafts worth Rs. 20 lakh are issued on different banks. The bank has made it a point that every year, one percent of its net profit is to be utilised for charitable purposes like donations to educational institutions, blind association, registered temples, kalyana mantapas etc. In 1993, the bank donated Rs. 21,000 towards the Earthquake relief fund. It has a branch at Deshapandenagar, Hubli. The staff strength of the bank is 88. The table No.6.14 indicates the periodical progress of the bank during the last one and a half decades.

Table 6.14 : Progress achieved by Shri Guru Sidheshwara Bank, Hubli

Year	Memb ership (No.)	Paidup share capital	Reserve funds	Deposits	Working Capital	Advances	Outstanding loans	Netprofit
1	2	3	4	5	6	7	8	9
1979-80	774	345250	967	82970	429187	-	-	8204
1981-82	1706	544550	22223	5237566	5804339	3676596	111428	105409
1983-84	3185	1067500	226174	17393082	23060525	12213412	955554	300796
1985-86	6079	2109298	748303	35641279	41115460	27597039	3001384	703534

1	2	3	4	5	6	7	8	9
1987-88	7610	4618325	1869557	69700000	81679441	56325000	4603723	2556205
1989-90	9704	7434925	4066338	89572569	109772593	76417375	13498601	2241758
1991-92	9086	7393725	6959750	86796226	121575992	68701803	17053224	2524348
1992-93	9291	7920075	10476622	95507744	129720131	82496784	19314327	5810460

Co-Operative Industrial Estate, Gadag

Next to Hubli city, Gadag is a prominent commercial and trade centre of the district. In order to facilitate the growth of industries in general and agro based industries in particular in Gadag taluk, this estate under the co-operative fold was incorporated on 27.8.1990. This was the first co-operative venture of its kind in the district. The main functional activities of the estate include, providing sheds, basic infrastructure needed for the industry, and to render other assistance for the smooth and successful running of the industries located in the estate. Industrial sites or sheds are provided on lease for a period of 15-20 years in addition to arranging for financial assistance through financial institution and other facilities like water, electricity, civic amenities, telephone, computers, telex, telefax, banking and postal services etc. This estate has helped the local entrepreneurial talent to come up in a big way. The common facilities like labs, training centres, preparation of project reports, and market research etc. are provided to local industries on a common basis. The total estate area is about 35 acres and out of this 12 acres have been developed up till now. The society has distributed about 60 sites of different dimensions and 40 industries have started production. The nature of industries housed in the estate include general engineering, oil mills, pova mills (avalakki), electrical goods, spices, broom making, cotton *bardans*, tarpauls, stone polishing, furniture making etc.

The member of the society has to pay the share amount according to the size of the shed or site allotted. In 1993, there were 90 members with a share capital of Rs. 15.95 lakh including the government share of Rs.12 lakh and the rest being the share of individual members. At present, the society is under loss because the organisation being newly started, there is a delay in providing basic amenities like shed, electricity, etc. to the members and also as a result of mounting interest on borrowed money etc. By the end of March 1994, if the assets owned by the Estate accounted for Rs. 36.73 lakh, the liabilities amounted to Rs. 110.95 lakh. There are 13 employees in the organization.

The second phase of industrial development project undertaken by the society is at Narsapur, near Gadag, an industrial complex with 1000 mechanised power looms is put into operation. This is very helpful to the weavers of Gadag-Betageri area, where weaving is the prominent basic home industry. It has provided new dimension to the traditional weaving industry. In order to promote handloom export, efforts are being made to improve the quality. Towards the first phase of this project, up till now, Rs. 42 lakh have been spent for purposes like purchase of land, civil works, installation of machinery etc. In order to make this project a successful venture, the Karnataka State Industrial Investment and Development Corporation (K.S.I.I.D.C.) has rendered financial assistance to the tune of Rs. 248 lakh.

Dharwad District Co-Operative Marketing Federation, Hubli

The main objectives of this co-operative apex body at the district level, is to purchase the commercial commodities like cotton, sunflower, ground nut, and safflower etc. from the member institutions, at reasonable price and to market them to important commercial agencies after processing. Cotton being the main commercial crop of the district the federation acts as an apex institute at the district level in purchasing, processing and finally marketing of cotton.

This co-operative body of a federal nature, working as a specialised marketing organisation, was registered in 1959 by the merger of five co-operative organisations. The area of operation is limited to Dharwad district. In Karnataka, it is the first federal body engaged in the purchase and sale of cotton. The membership is restricted to only taluka level agricultural produce co-operative marketing societies (TAPCMS), the processing units of cotton and oil seeds etc. In the beginning (1959-60) it had a membership of five institutions with a share capital of Rs. 50,000. By 1971, the membership increased to six and the share capital to Rs. four lakh, the turnover of the federation was Rs. 152 lakh and the profit earned was Rs. 66,144. By 1992-93, it had a membership of 13 with a share capital of Rs. 46.70 lakh and had a turn over of Rs. 448.26 lakh. The profit for the year was Rs. 7.20 lakh.

During 1993-94, the federation purchased the following varieties of cotton grown in the district only from member institutions. The details of cotton purchased and its value are as follows: Jayadhar : 30,897 quintal (value of Rs. 402 lakh), D.C.H. 9,275 quintal (Rs. 176 lakh), Jayadhar (ginned): 1832 quintal (Rs. 40.75 lakh), D.C.H. 32 (ginned) : 132 quintal (Rs. 7.83 lakh). Total quantity of cotton and ginned cotton purchased was 42,137 quintal valued at Rs. 626.74 lakh. The federation sells the cotton purchased by it to textile mills of Karnataka, and also to the mills at Bombay, Coimbatore, Ahmedabad, Tanjavoor etc. The organisation was awarded (all India level) the second prize in 1987-88 and 1988-89, and the first prize in 1989-90 by the National Productivity Council, New Delhi. From 1968-69 to 1990-91, the organisation has worked on its own funds successfully and profitably without availing any financial assistance either from Government or from financial institutions. However, in order to help the farmers to make early payment for purchases of cotton from them, it has availed a loan of Rs. one crore from the District Central Co-operative Bank ,Dharwad during the years 1991-92 and 1992-93. Since there was a tendency of sharp rise and fall in the prices of cotton in 1993-94 the organisation suffered much. It has 15 employees.

Table 6.15 : The table below indicates the progress achieved by the Dharwad District Co-operative Marketing Federation during some recent years

Particulars	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93	1993-94
Membership	11	11	11	11	11	13	13
Paidup share capital	27,00,000	27,00,000	38,50,000	38,50,000	43,80,000	46,70,000	46,70,000
Price fluctuation fund	1,70,857	1,70,857	1,99,047	3,99,047	3,99,047	5,49,048	5,49,048
Weak loan fund	7,88,075	7,88,075	9,18,107	11,18,107	11,18,107	12,18,107	12,18,107
Capital repayment fund	3,08,802	3,08,802	3,59,754	4,06,755	4,06,755	4,06,755	4,06,755
Deposits	9,72,428	8,30,368	7,28,590	5,51,890	4,60,477	2,17,625	4,29,565
Profit	3,51,407	1,38,275	4,22,611	7,21,279	6,89,015	7,17,443	14,82,675

Government Employees House Building Co-operative Society, Hubli

This House building society with an area of operation of two taluks, Hubli and Dharwad including Hubli Dharwad twin cities, was registered on 5.11.1981. Among other things, the main objectives of the society are to provide house sites to members at a lower price, and to arrange for financial assistance for house building etc. The organisation has another sister concern i.e, State Government Employees Education Society (1984) which provides educational services. The education society manages Rural Polytechnic Institute (1986), a Primary School (1989) and a High School (1991). In addition to educational institutions the society also manages hostel for Scheduled Caste/Scheduled Tribe and Backward class students. There are about 125 students getting the facilities of free boarding and residence. All these educational institutions are located in Tarihal village, about 5 km away from Hubli. The educational complex is located in an area of about 16 acres. House building society is the mother institution for these educational institutions. Admission is open to these educational institutions on priority to the children of Government servants, and the children of dependents of Government servants without any donations.

The Housing Society has provided house sites to 2,833 members out of 4197 members. The cost price of developed site to members was Rs. 6,000 per gunta (33' x 33') in 1981, which increased to Rs. 23,000 in 1991 and to Rs. 25,000 in 1993. It is considered as the biggest House Building society in Dharwad district. The society has formed layouts in Hubli at Unakal, Navanagar, Old Hubli, Krishnapura, Gamanagatti and in Dharwad at Kalageri, Tapovana, Hebballi Agase. The residents of the respective areas have formed their own Area Development Associations. The housing society made its beginning in 1981, with 61 members with a share capital of Rs. 6,100. By March 1993, it had 4,197 members with a share capital of Rs. 4.20 lakh. The business turnover which was Rs. 14,000 in the initial year, now (1993) has increased to Rs. 79.83 lakh (being the cost of house sites). The working capital of the society is Rs. 109.39 lakh.

District Co-operative Board

In order to have qualitative improvement in the working of co-operatives and also for the widening of the orbit of the co-operative movement, there is a need felt for good training and guidance both to members as well as the office bearers of the societies. The District Co-operative Boards (Mandala) were therefore started for each of the districts. These boards worked under the control and guidance of Bombay Provincial Co-operative Association. Like the District Boards, there were also Divisional Boards.

The Administrative office of both the District and Divisional Boards were at Dharwad. Membership of the District Board was of two categories, viz., (1) ordinary, consisting of all co-operative societies in the district, and (2) associate, consisting of individuals. In addition to these categories of membership representatives of the Central Financing Agency, Assistant Registrar of Co-operative Societies of the district, and the Chief Executive of the Bombay Provincial Co-operative Association used to be the Ex-officio members. There used to be a managing committee to administer the Board.

District Co-operative Union

From the beginning, Co-operative Unions are playing an important role for the growth, guidance and spread of healthy co-operative movement. The main objectives of the union are the propagation of basic Co-operative ideals and the principles of co-operation, organisation, management, supervision,

co-ordination of societies and formulation of Co-operative policies and programmes, Co-operative education and training etc. After the reorganisation of the state a State Level Co-operative Union (Sahakara Mahamandala) was established in 1963-64 as a federal body. After the formation of co-operative union, the activities like member's education and training programme, organisation of seminars, conferences on co-operation etc .were given much importance. Now, the co-operative union has a unified strength and force to guide the co-operative movement in the right direction.

The Dharwad District Co-operative Union was started in 1937 as a branch of Bombay Provincial Co-operative Union. It was reorganised in 1957. The main sources of income are, membership subscription from societies, compulsory contribution of education fund from profit earned societies, Government grants etc. Generally, all co-operatives in the district were be the members of the District Union, which in turn, functions as unit of State level Co-operative Union (Mahamandala). As per the Co-operative Education and Development Programme, the District Union has one Chief Executive Officer, three Co-operative Education Instructors, one Woman Instructor and they are engaged in co-operative training and education programmes in the district. Much stress is given for imparting Co-operative education in rural areas and for women. In 1992-93, the Union had 375 members including 25 life members.

Co-operative Training Centre, Dharwad

The growth of healthy co-operative movement needs many infrastructures and of them, co-operative education and training is the prominent. In order to fulfil it, in 1947, the then Bombay Provincial Government opened this centre. After the reorganisation, the centre was under the control of Karnataka State Government. Later, in 1963-64, the school was handed over to State Co-operative Union, Bangalore (Mahamandala since 1987). Among the renowned men in the field of Co-operation, who strove for the development of training centre in the initial years a mention can be made of the late Sri A.S. Patil, who was a prominent figure of the time.

The present training programmes of the centre includes imparting 'Diploma in Co-operation' (24 week course) to the employees of societies and junior officers of the Department of Co-operation. Training programme covers the comprehensive study of co-operative movement. The subject matter of study in Diploma course, includes Co-operative Act, Co-operative Accounts, Auditing, Management etc. The training is given as per National Co-operative Development Corporation (N.C.D.C.) training programme and guidelines. The training centre also arranges film shows in rural areas, through which importance of Co-operative movement is communicated. The training centre also undertakes adoption of weaker agricultural credit societies and arranges for their rejuvenation.

From 1988-89 to 91-92, under the N.C.D.C. Programme, the centre arranged for one month's training programme for the secretaries of Agricultural Credit Service Societies, having godown facilities. Special training programmes are also conducted for the benefit of Scheduled Caste and Scheduled Tribe members of the Co-operatives.

Training programmes are conducted twice in a year (January and July) with an intake capacity of one hundred students per each training course. Hostel facility is also provided for trainees at the training centre. During the year 1992-93 (Jan-Dec) the number trained in the centre was 192 and of them a majority (144) were deputed from co-operative institutions, 11 were deputed from State Government, and the remaining 37 were private candidates.

TRADE AND COMMERCE

For the development of trade and commerce of a particular region, infrastructural facilities like good means of transport and communication (all weather roads), markets, developed hinter lands, financial institutions, professionals, main agricultural and non-agricultural produces of the area, urbanisation and industrialisation, imports and exports, play an important role.

When we examine the availability or existence of these infrastructural facilities in the district at present, and also during the period of two-three centuries earlier, it is made known that this part of the area had good means of transport and communication facilities connecting this area with the rest of the country, specially the areas of Southern Maratha region. This district was much advanced in respect of trade and commerce in the Northern Karnataka, during the ancient and medieval period also when some of the present places of the district were important commercial and trade centres including active centres of mercantile and artisan guilds.

Ancient Period

Many of the inscriptional evidences found in the district endorse that the various type of traders mentioned in the inscription of ancient period in other parts of the State are also found here in this district. These inscriptions illustrate about different trading communities, their organisations, associations, the social and political status held by them and their contributions for social, cultural and religious aspects of life etc. The inscriptions of the district make a mention of professional traders like *Shetty banajiga, Shetty gutta, Nakara, Mummaridanda, Vadda Vyavahari, Gavare, Gatrige, Shettikar etc.* The inscriptions also make a mention of trade or professional associations like *Ayyavole -500, Tumbaliga Sasirvaru, Nakara, Telligaru, Malegararu, etc.* There were different varieties of traders according to their trade. Among the traders, many used to undertake both production and distribution. Often inscriptions mention the varieties of traders by number. Ex. '*Nalku Pattanada Pattanigaru*' meaning traders of four towns (Dharwad inscription of 1215-16 KI-68, Dharwad). *Eradu Savira Vartakaru* (Mulgund inscription AD 903-904), the inscription of Sudi dated 1075 A.D. mentions *Ainbaru Shettiyaru*. In all the above cases, the number associated with trades mention the number of traders of a town or village. In addition to the above inscriptions, the other inscriptions found at Hanumanahal (Ron taluk), Saunsi (Kundgol taluk), and Huilgol (Gadag taluk) and Hangal dated 1099, 1144, 1166 and 1121 AD make a mention of number of traders. The traders mentioned in the inscriptions belonged to Vaidika, Jaina, Shaiva and others. An inscription found at Dambal makes a mention of *Shettys* practicing Buddhism. The inscriptions of Lakkundi (1179 AD) and Sangur (1412 AD) make a mention of political powers entrusted to them i.e, merchants were entrusted with *Achina Shreni* (officer of mint), *Bokkasa* (Treasury), *Malige* (Stores) etc. The inscription of Sathenahalli (Hirekerur tq.) 1204 AD makes a mention about the heroic act of valour exhibited by one lady Vennala Settikavve who fought bravely while protecting the *Bananju Samaya*. An inscription of Nargund mentions about one Kuppata Aichishetty of Vysya community who was the officer of a Mint. An inscription of Devara Hubballi (Dharwad tq) of 1206 A.D. mentions that *Shettyguttaru* were having trade contacts with the Ayyavole - 500. In the medieval Karnataka, *Shetty guttas* were held in high esteem among the trading communities and they were following the ethical and religious values of business as mentioned in inscriptions.

One of the kinds of merchants known as *Nakaras* in the inscriptions who were in large number are identified as *Angadiya Shettaru*. Perhaps, they might be the merchants having permanent establishment of trade in places like Shandy (weekly market place) or towns etc. The inscriptions of

Lakshmeshwar dated 725 and 1153 AD, Dambala (1124 AD), Haveri (1228 AD), Lakkundi (1179 AD), Elesirur (1109 AD), Agadi (1166 AD), Mulgund (925 AD), Bankapur (1062 AD) and Kaginele (1077 AD) make a mention of *Nakaras*. There were temples managed by them known as Nagreshwara in places like Naragund, Hubli and Bankapura.

The Mummaridandas:- The *Mummaridandas* were the merchants of the kind who used to carry goods from place to place and were doing trading. They used to buy article in one place and used to sell in another place. The inscriptions of the following places namely, Meundi of Dharwad taluk dated 1196 A.D. and other places like Devara hubballi, Huilgol, Mulgund, Rajur, Arekurahatti, Kaginele, Hangal, Kalkeri, Haveri, Devi hosur, Lakshmeshwar, Hulgur and Choudadanapura - make a mention about them. Since they were ardent followers of *Vyapara Dharma*, they are mentioned as '*Samaya Mummaridandam*' in the inscriptions (Harihar 1280 AD). In some of the inscriptions these merchants have called themselves as descendants of Ayyavole -500.

Among the traders the *Vadda Vyavaharis* were honoured or respected as elderly merchants or big merchants. Many of the merchants of this class used to be honoured, respected by the kings. According to inscriptions available, their number was limited during the period of Chalukyas of Kalyani. However they were in large numbers during the period of the Yadavas and the Hoysalas. Politically, they were highly influential. Among them, also there were Jains and Shaivas. The inscriptions found in the district dated 1054 AD to 1427 AD describe various aspects of life of this type of merchants. The inscriptions of Guttal 1162 A.D., Hirekonathi (Hirekerur taluk) -1271 AD, Haralahalli (Haveri taluk) inscription of the Yadava Singhana, the inscription of Rajur of Ron taluk (AD 1033), Hanumanahal (1099 AD), Saunsi (1144 AD), etc. make a mention of these *Vadda Vyavaharis*. An inscription of Naregal 1180 AD mentions about a local *Vadda Vyavahari*. One Keshavaiah as "*Maha Vadda Vyavahari*". The Vaidika *Vadda Vyavaharis* have called themselves as '*Sweta Kula Vyshya*'. Whereas Shaivas have called themselves as Kubera *Vamshanvaya* descendants of Kubera and *Panchama Vamshadavaru*. The inscriptions found at Guttal 1162 AD and at Hirekerur 1271 AD make a mention about the *Vadda Vyavaharis* of the Jaina community.

Like the present days, during the ancient and medieval period also, the southern part of the district was noted for cultivation and sale of betel leaves and there were powerful trade guilds of those engaged in the cultivation of betel leaves. Among the merchants of betel leaves, there were different communities like *Gavare, Gatriga, Tumbaligaru* etc. The inscriptions found at Devarahubballi (1206 A.D.), Hanumanahal (1099 AD), Haveri (1109 AD), Saunsi (1144 AD), Kaginele (1072 AD), make a descriptive mention of traders of betel leaves. The pluckers of betel leaves had their organisation called *Ugura Munnurvaru*. The merchants like *Nanadeshi* and *Ubhaya Nanadeshi* used to carry goods from place to place and market them. They were doing the functions of both buying and selling. The inscription of the district do not mention much about them. Their details are found only in a limited number of inscriptions like Huilgol (1166 AD), Lakkundi (1179 AD), Satenahalli (1241 AD), Dharwad (1207 AD) and one inscription of Haveri, all of which make mention about them.

Important Trade Centres

The inscriptions of the district make a mention of the trade centres of ancient period with many adjectives like *Adibananjupattana, Anadibananjupattana, Veera bananjupattana, Maha Pattana, Pentdana, Heggade Mane, Malige Mane* etc. In Dharwad district, places like Hubli, Huilgol, Sathenahalli, Hirekerur, Kalkeri, Annigeri, Mevundi, Hulgur, Mulgund etc were the important trade centres.

The merchants used to hold important positions in social and political life including the local administration. The inscription of Huilgol dated 1166 A.D. mentions the local merchant as '*Pattana Prabhu*.' The local *Purapramukhas* or chiefs used to receive the merchants coming to town/village for the purpose of trade by offering them betel leaves as a mark of respect and trust. An inscription of Dharmavolal (Dambal) pertaining to Chalukya Jagadekamalla II (1095-96 AD) mentions about honouring 16 shettys (merchants) by offering five fold royal honour (umbrella, palanquin, escort, throne and land). Generally, at the time when endowments were made or charity was given, there was a custom to obtain the consent of all sections of the society, officers and the organisation including the local merchants. The inscription of Dambal 1124 AD makes a mention that *Mahamandaleshwara* Hemmadi Ruler performed *pada pooja* to 16 *shettys* and *Mahanakharas*, purchased the land and donated to Ajameshwar temple at Dambal. In cases of arbitration, for settling disputes regarding profession, property, etc. the presence of the local merchant along with others was very essential and unavoidable.

Merchant Guilds

Like modern times, traders or merchants of those days also had formed their voluntary associations in order to protect their individual and common interest. There are a number of inscriptional evidences to support this. These associations have been mentioned as *Shreni*, *Kottali*, *Hittu*, *Samaya*, *Seni* etc. In inscriptions, mostly, the number used to denote the association or organisation. In Lakkundi inscription (1185 A.D.) it is mentioned as *Kottali*. In Lakshmeshwar inscription (725 A.D.) it is mentioned as '*Seni*' and in Managundi inscription (1221 AD) the number '8' is used as a substitute for Association or *Sangha*. There was no uniformity in these trade associations. The organisation of merchants with religious fervour used to involve themselves in the activities like construction of temples and other charities. Example: As per the inscription of Lakkundi 1179 A.D. one Aichi Shetty got constructed local Abhinava Prasanna Keshava temple. Likewise, Bammishetty got constructed Gavareshwara temple at Noolgeri (Hirekerur taluk) as per the inscription 1109 AD, the Kalashetty of Kaginele constructed local Brahmeshwara temple (inscription 1122 AD). The Harihara temple at Sathenahalli was constructed by one Vennala Settykavve (inscription 1204 AD). This district had all the above mentioned trade associations. A merchant community known as *Tumbaliga Sasirvaru* was the association of those selling betel leaves. These associations are mentioned as *Eleya Bhojanganu* as per Devara Hubballi inscription of 1206. The other inscriptions like Managundi (Dharwad tq.) 1215-17 AD, Saunsi inscription (Kundogol taluk) (1145 AD) make elaborate mention of good qualities of *Tumbaliga Sasirvaru* like *Subuddhi*, *Dharmachara*, *Oudharya* (Generous nature), Good character, Dharma Buddh, (helping nature), kindness, truthfulness etc. are attributed to them. As per the inscriptions of Hebbur (Shiggaon 911), Rajur, Hanumanahal, Balambeedu, Kaginele, Kodikoppa (Ron taluk), Saunsi, Harti, Managundi, Devar Hubballi, Kalakappanagudda (Ron taluk), Soratur, Shirol (Gadag taluk) were the important trade centres of *Tumbaliga Sasirvaru*. The *Malegararu* (*Hoogararu*) (Flower Sellers) too had formed their own associations. The Mulgund inscription of 1062 AD makes a mention of *Totiga-rainoorvaru*. Likewise inscriptions of Dharwad 1215 AD and Kaginele 1145 AD, make a mention of local *Totigars* (Gardners). *Gale* - 300 was the association of those who were plucking fruits from trees.

Ayyavole-500

This famous and popular merchants guild comprising of a large number of different varieties of mercantile community and artisans etc, with a network of branches scattered throughout south India was in its zenith during the time of the Chalukyas of Badami (535-757 AD). In course of time, gradually, the apex organisation lost its importance and existence. The special feature of this merchants

organisation was that it was an association of different kinds of traders following different faiths and scattered over a vast area, have identified themselves as members or followers of this federal body. The following inscriptions of the district make a mention of this trade organisation. Hangal inscription of 1121 AD. Lakshmeshwar (1132 AD) and Rajur (1033 AD), Balambeedu (1165 AD) etc. Ayyahole merchants followed their own code of conduct (known as *Guddasastra Krama*) and had their own flags with *Gudda Dwaja*, *Garuda Dwaja* and *Chakra Dwaja*.

Medieval Period

In this period also, the commercial activities of the district continued to grow on their own accord, influenced by the changed socio economic conditions. During the Vijayanagar rule, the volume of foreign trade increased due to settlement of westerners (foreigners) in coastal areas. Rayara Hubballi (Old Hubli) became an important trade centre from where the brisk trading in potassium nitrate and iron were taking place as attested by the Portuguese records (1547). Production of cotton and hand loom industries were in much prosperity in the district. The English entered into trade agreement that they will establish a factory at Kadwad near modern Karwar and from here they will purchase cotton cloth produced from 50,000 hand looms. Hubli had a branch of Kadwad factory. During that period, the area was under the control of Adilshahis of Bijapur. The prosperity of Hubli made Annaji Datto, chief of Shivaji's army, to plunder Hubli in 1673. During the period of Nawab of Savanur, a new merchants market was started at Annigeri. New Hubli (Hosa Hubballi) was established in 1727. In 1753, when Dharwad and Hubli went into the hands of the Peshwas, the commercial activities continued without any hindrance. New merchant's markets came into being at places like Dharwad, Haveri during the Peshwa rule. Haveri and Byadagi had trade links with Kumta Sea port. Sea trade was routed through Dharwad, Hubli, Kalghatagi, Misrikoti and Kadra on a foot road, and then they were crossing Kali river near Sadashivagad. There was an increased inflow of Marwadis, Gujarathis to the trade centres like Hubli-Dhawad and Gadag during the Peshwa rule. The records reveal that every year commodities like tobacco, cotton, rice, iron, weighing a quantity equalent to the quantity carried on about 12,000 load carrying animals were exported to Kumata Sea port from Rattihalli. The travel accounts of Buchanan (1800) reveal that the merchants of the district from places like Agadi, Dharwad, Hubli, Navalgund, Nargund etc. carried cotton, cotton textile, dothis, blanket, wheat, asafoetida, to Bangalore for trading even during the period of Hyder and Tipu.

During the British period also trade was mainly carried on through foot roads. Only after 1853, when all weather roads were constructed, and later, introduction of railways by the end of the 19th century, gave a good boost for trading and commercial activities in the district. During the Peshwa rule, weekly *Shandies* (weekly markets) at Dharwad town were held at places like Haveripete, Mangalwarpete, Shukravarpete, Sadashivapete (present Raviwarpete). The Peshwas had entered into an agreement with these merchants. For collection of Octroi, contractors were appointed. During their period, places like Savanur, Hamsabhavi, Tiluvalli, Chikkabasur, Kaginele, Tegur, Chikkerur, Karajgi, Devihosur, Kalkeri, Huligoppa, Guttal, Annigeri, Ranibennur and Godag etc. were the prominent trade centres in the district. Kalghatagi had trade contacts with Goa. From Goa, commodities like salt, coconut oil, coconuts, cashew, were imported and from Kalghatagi chiefly rice and cotton cloth were exported through two hill passes namely, Diggi of 10 days duration and Talewadi of 16 days duration, mercantiles were carried on packed animals. The salt costing one anna per maund in Goa used to cost Rs. 1 1/4 here. It was mainly because of Octroi charged at various places. Every year, 5000 maund of salt used to enter the Kalgahatagi market from Goa. The merchants from Ramdurg and Jamkhandi used to visit Huligoppa weekly market for purchase of rice. By honouring the request made by the merchants of Dharwad,

the Peshwas granted land for the construction of Muragha Matha and also granted exemption from payment of tax. An Officer called 'Potdar' was appointed for the development of market. The Peshwas were also granting a term loan of Rs. 25,000 for the period of two years for the development of marketing activities to the merchants.

The Haveripete in Dharwad was the centre of rich Lingayat merchants and was described as 'Dharwad pattanada khazane' (Treasure of Dharwad). The Peshwas had entered into trade agreements with princely states like Savanur, Bidanur, Sonde, Gajendra Ghad and Khilledars of Navalgund, Nargund, Hubli and Muddebihal. The agreements were mainly for a mutual concessions of Octroi to be imposed. The Octroi rate was equal to that of Savanur Nawabs state. The trade prosperity of this area under the control of Hyder and Tipu though increased, sharply declined during the end of the 18th century and there after, due to wars, revolts and expeditions to a certain extent.

During the Peshwas Mohatarfa (General Commercial Tax) was collected by the hereditary tax officers in a number of installments. It was collected by village officers like Patel Gowda or Kulkarni. But the tax collectors and their relatives were exempted from paying tax. Generally, the highest tax payers were rich merchants. In 1762, the Mohatarfa collected in Dharwad market was Rs. 2,819, collected from 375 members of different occupations.

Modern Period

After the advent of the British Rule, the colonial policy adopted by them and improvements in transport and communication system, resulted in new changes in trade and commerce. Though there was a setback in the traditional home industries like weaving, iron making, hand paper making etc, there was no considerable hindrance to the growth of trade and commerce. The British gave much importance for cultivation of long stappled American cotton for their mills in England. The importance given for the growth of cotton made a way for establishment of cotton ginning, pressing and cotton seed processing industries by promoting joint stock companies. The government had taken several promotional measures to encourage cotton trade of this area, even from 1828. The experiment of growing American variety of cotton here, was successful by 1842. In 1847, Cotton Commission was appointed for the comprehensive study of cotton industry. During the decade 1873-83, every year, on an average, 9,500 tons of cotton (value Rs. 45 lakh) was exported to Bombay. Dharwad district used to export 68 percent of American cotton to Bombay market. In order to facilitate the cotton trading business, two branches of Bombay Presidency Bank were opened at Dharwad in 1863 and at Hubli in 1870. The American Civil War of 1862 which caused 'cotton boom' had brought in promising prospects among the cotton growers and traders (for details see Chapter-II). This cotton boom not only influenced commercial activities but also caused marked impact on socio-economic life of the district. The severe famines of 1876-78 and 1896-97 caused set back to the prospects of trade and commerce. In 1897, Hubli market suffered a serious set back mainly because of famine and plague which made the people to suffer. The industrial revolution in Europe in 18th century, and its effects on India, promotion of joint stock companies from 1860 onwards, under the provision of British Company Act., establishment of organised banking sector etc., attracted public savings and gradually helped for the growth of commerce in the district. For the first time, in the district, in 1867, a joint stock company by the name 'Dharwad Company' was established at Dharwad with a capital of Rs. 40,000. Its business was import and export of textile. The branch of the same company was opened at Hubli in 1877. In the next year (1878) an independent Hubli Cloth Company, was opened at Hubli with a share capital of Rs. 22,000. This company was engaged in importing machine made yarn from Bombay and Europe and Sugar

from Bangalore. Later in 1881, at Hubli the Southern Maratha Spinning and Weaving Mill was opened with a capital of Rupees six lakh and spindle capacity of 18,000. In 1882-83, at Hubli Robertson Brothers and Company and at Gadag Crystal and Company which originated in Europe were functioning. They were very big trading companies.

According to Dharwad District Gazetteer of 1884, Hubli town had 700 traders and of them 300 had capital investment between Rs. 10,000 to one lakh. At Gadag a Gujarathi merchant by name Venkat das was dealing in Hundis upto Rs. 10,000. It is also mentioned that ten villages of the district were the important trade centres. Of them, Hubli, Dharwad, Navalgund, Gadag, Ranibennur had whole-sale and retail business. While the centres like Byadagi, Mundargi, Haveri, Dundasi and Nargund had only whole-sale business, "of these ten trade centres, Hubli and Gadag are prominent and good."

In the Bombay province of Karnataka area, next only to Belgaum, Hubli was a prominent trade centre. Hubli traders used to import from Bombay commodities like yarn, silk, kasturi, kesar, kerosene, turmeric, local and foreign made cloth, jeera, coconut, copra, ganja, sugar, jaggery, blankets, chillies, tobacco, arecanut, cardamum, pepper etc. while they used to export ginned cotton, safflower, saries and khanas, utensils of copper and brass, tamarind, onion and garlic etc. In 1883, the total trade accounted in Hubli was Rs. 41 lakh and of it, goods worth Rs. 32.36 lakh were brought from other places and goods worth Rs. 8.50 lakh were produced locally. Of the goods imported from outside, commodities worth Rs. 18.56 lakh were consumed locally and the rest were sent to other markets, as reported in the Gazetteer. This indicates the various aspects of volume of local trade in those days and prominence of Hubli market.

The introduction of Railways in this area, gave a new fillip for commercial activities. In 1884, Hubli used to export commodities like ginned cotton, grains, cloth, utensils, leather and horns of animals etc., and commodities imported, included Bombay cloth, European cloth, yarn, grains, indigo, jaggery, coconut, areca from other markets. In 1874, the then Dharwad Collector Robertson got constructed Hubli market at a cost of Rs. 65,000. This market used to fetch an annual income of Rs. 2700 to the municipality. The places like Hubli, Gadag-Betageri and Lakshmeshwar were famous for costly sarees while places like Hubli, Annigeri, Lakkundi, Nargund, were noted for costly dhothis. Carpets were manufactured in Dharwad jail and at Navalgund and Hubli. The special type card board caps (*Rattina toppige*) and utensils of copper and brass were manufactured at Hubli, woollen blankets (*kambali*) were manufactured at Ranibennur, Shirahatti and Lakshmeshwar. Hangal was famous for jaggery. Grinding stones and stone vessels were manufactured in some parts of Kappatgudda (near Gadag). In Gadag, as early as in 1884, nine traders with a capital investment between Rs. 5,000 to 2,00,000 were importing foreign cloth, yarn, silk etc. and used to export ginned cotton and locally made cloths. The Byadagi market used to get commodities like rice, jowar, wheat, jaggery, sugar, chillies, areca, copra, coconut etc. from Mysore area and also from Uttarakannada district and used to export to other market in wholesale trade. Likewise, goods used to come to Mundargi market from Bellary and Naizam states and then used to be exported to other markets. Haveri had 25 merchants with capital investments of Rs. 1000 to 50,000, who used to buy commodities like cardamum, pepper and areca, from Uttar Kannada, Mysore areas and were selling to far off markets. It is recorded that Haveri used to have an annual areca business worth Rs. 1.2 lakh. There is also a mention of washing and processing of cardamum. In the Malnad parts of Dharwad district, Dundasi was a prominent trade centre. The place had 250 merchants with investment of Rs. 1000 to Rs. 50,000. They used to export to outside markets, goods like coconut, areca, copra, jaggery, sugar, pepper, salt, oil, tobacco etc. Nargund

was a prominent trade centre in the Belavola country. Till 1857 (Mutiny) revolt, it was grade one prominent trading centre, there after, the trade prosperity began to decline, as recorded in the 1884 Gazetteer.

Present Day Imports and Exports

In the decades followed by independence, and specially after the reorganization of the state, considerable changes have taken place in respect of agricultural and industrial produces or products including trade and commerce. As a result of this, enormous changes have taken place in the list of items of exports and imports of the district. It is also because of such factors as the changed industrial policy of the government, liberalisation in trade and commerce, industrialisation, rapid urbanisation, liberalised financial assistance, good marketing facilities, keen competition etc. changes in the items of exports and imports were caused in course of time.

During the first and second world war periods, due to restriction on imports an increased demand to cater to the needs of the army, there was an all-round development of trade in the district. The inflationary tendency caused by war on the economy, and scarcity of essential commodities made the government to impose restrictions or ban on the inter-district movement of foodgrains. Rationing of essential commodities was introduced in 1940. It is mainly because of the existence of good transportation and communication facilities, the district had with seven neighbouring districts, the expansion of trade and commerce, have taken place in the district.

In 1951, the main imports to this district included building materials, household furniture, utensils, provisions, food grains, medicines, machineries, cloth, toys, fuel, cosmetics, etc. Among the building materials, timber and bamboo used to come from Uttarkannada and Belgaum districts, Iron from Bombay. The import of food grains was very much limited. Among the provisions coriander used to come from Hyderabad and Bellary, dal and green gram from Indore, Punjab, tordal from Bijapur and Sholapur, green gram from Bijapur, coconut from Arasikere, coconut oil from Cochin, jaggery from Belgaum and Kolhapur, kerosene oil from Bombay, areca from Sirsi, Sagar and Siddapura, black pepper from Sirsi and Karwar, sugar from Bijapur, Kolhapur and Hospet, onion from Bijapur, Bellary, Belgam, turmeric from Sangali, salt from Goa and Bombay, fish from Karwar, tobacco from Nippani, gold and silver from Bombay, sheets of iron, copper and brass from Bombay, handloom products like *dothi*, *sari* and *khanas* from Advani, Rabhakavi, Mahalingpura, Jamkhandi, Sholapur, power looms cotton and silk sarries from Ichalakaranji, *Rumals* (headscarf) from Palkol (Andhra), silk cloth from Mysore and Bangalore, Mill made gents cloths from Bombay and Sholapur, *Dhotis* of fine quality from Sholapur, Bombay and Ahmadabad, wollen blankets from Bombay, Bangalore, Khanapur, Dhariwal and Amritsar, medicines from Bombay, Baroda, Calcutta, Ahemednagar and Mysore; agricultural implements from Bombay and Poona, gold ornaments from Karwar and Kolhapur. silver ornaments from Karwar, Kolhapur, Bangalore and Madras; Hardware (iron) from Bombay and Bhadravati, glass wares and porcelain from Oglewadi (Satara), Mysore, readymade garments from Madras and Bangalore, toys from Bombay and Madras, fuel from Karwar.

Exports

For centuries cotton is the main commercial crop of the district. During the decade 1940-1950, it was the main commercial crop of the district. During 1940-1950, on an average the cotton production of the district used to be 1.20 lakh bales (one bale equal to 400 pounds). The major portion (95 %) of

the cotton produced in the district was exported and very small portion was used locally. The cotton produced in this area was exported chiefly to cotton mills of Bombay, Ahmedabad, Sholapur, Gokak, Madras, Coimbatore, Khanapur, Ujjain, Bangalore, Davanagere, Barasi, Sholapur etc. Half of the cotton produced in the district used to go to Bombay. Places like Hubli, Gadag, Dharwad, Ranibennur, Nargund and Annigeri were important cotton trading centres. They continue to be so, even now.

Before independence, and even later, cotton was transported to Bombay by three routes (1) By Railway via Poona or Hutagi (2) Half by Railway and half by sea route (via Londa and Goa), (3) Poona - Bangalore National Highway. Earlier it was sent to Bombay through Kumta harbour.

During 1940-1950, among the important exports of the district, cotton *sarees* and *khanas* were exported from Gadag, Betageri, Hubli, Ranibennur to other districts of Maharashtra and Karnataka. The cashew imported from Karwar used to be exported to North India through Belgaum, Miraj, Poona, Sangli, Kolhapur and Bombay. Areca from here to Bijapur and Belgaum, Chillies to Bijapur, Bombay, Cochin, Madras and Goa. Groudnut to Bombay, Sholapur, Advani, Wadi, Karnul, Davanagere and Akola (Vidharbha) etc. Sunflower seeds were exported to Poona, Bijapur and Satara, jowar was sent to Gujrath, Maharashtra, wheat to Belgaum, Satara, Poona, Thana and other places. Muster was exported to Bombay, Nasik, Belgaum (source : Gazetteer 1959).

Dharwad District is famous for the export of timber required for house building and for the making of furniture. Places like Hubli, Dharwad, Alnavar are famous for timber trade and export. The teak of the district and logs of *Matti* wood are exported to Sholapur, Sangli, Kolhapur, Miraj, Bijapur, Bagalkot, Guntakal and Bellary etc. Teak is sent to Bangalore and Davanagere. Rosewood (*Karimara*) is sent to Madras, Machalipattanam and *Matti* to Belgaum.

Important Commodity Markets

In 1950s, the prominent wholesale trade centres of the district included Hubli, Dharwad, Gadag, Byadagi, Haveri, Ranibennur, Annigeri, Yelavagi, Kundagol, Savanur, Holealur etc. Hubli was a famous market for commodities like cotton, groundnut, cotton seeds, timber, fuel, groundnut oil, copper utensils, handloom cloth for women, jaggery and areca etc. Dharwad was noted for cotton, cotton seeds, groundnut, sunflower. Gadag was famous for cotton, cotton seeds, groundnut and groundnut oil, handloom wear for ladies. Byadagi was famous for chillies and areca, Haveri was noted for groundnut and cardamom. Ranibennur for cotton, cotton seeds, groundnut, Nargund for cotton and groundnut, Annigeri for cotton, Yelavagi for coriander (dhaniya), Kundagol for cotton and groundnut seeds, Savanur and Hole Alur were famous markets for groundnut seeds.

The list of items of export and imports mentioned during 1950s have now changed. In place of many traditional items, new items of exports have been included. This change is mainly because of rapid industrialisation, outstanding development in agriculture specially after the reorganisation of the state. Now, more stress is laid on production of oil seeds. In recent years, more and more agro based processing industries have come up. New industries like machine tools, ceramics, general engineering, electrical equipments, clocks (time pieces), durable consumer goods, food processing, steel furniture (Siddeshwar), production of cotton yarn, sugar etc. have come up in the district. The development programmes of handlooms, Khadi and village industries, cottage industries, small scale industries etc. have increased export potentialities of the district.

Hubli-Dharwad, twin cities are the hub of commercial and industrial activities of the district. In between Hubli-Dharwad 20 km. along the National Highway, many Industrial estates, Housing colonies and Government offices have come up. Hubli-Dharwad cities are the centres of entrepot trade, with direct trade links with Bombay, a prominent trade centre in the west. They also have direct trade links with prominent cities like Davanagere, Bellary, Bangalore, Bijapur. The internal trade centres of the district namely Gadag, Byadagi, Haveri and Ranibennur continue to be prominent centres. Even now, cotton being the main commercial and export crop of the district, places like Hubli, Dharwad, Gadag, Ranibennur, Nargund, Annigere are important wholesale cotton markets. The chief exports of agricultural produces of the district are groundnut, cotton seeds, chillies, areca and cardamom. To a certain extent timber is exported from Dharwad and Alnavar.

Among the manufactured products, the chief exports of the district include cotton cloths and handloom, iron and steel articles, engineering goods and beedis. The table 6.16 indicates three main items of imports and exports of prominent places in the district as in 1979 (source 1981 Census)

Increasing commercial activities of the district have made more and more people to get involved or engaged in trade and commercial activities. Many rural areas have come under the sway of urbanisation due to rapid urbanisation and industrialisation. The projects or schemes like conversion of 'uni gauge railways', establishment of Naval Base (Sea Bird) at Karwar, starting of Kaiga Atomic Power Reactor, commencement of long pending Hubli Karwar Railway lines, establishment of share market at Hubli on an experimental basis, operating of regular air services from Hubli to other important places, increase in publicity through press and other medias, growing hotel industry, increased educational and health services etc. have contributed more in enhancing the commercial prospects of the district.

Employment in Commerce

The numerical data supports that in the district, from the beginning, a majority of the people have taken up commerce as their livelihood, directly or indirectly, next only to agriculture. The term commerce has wider meaning and scope. It is not merely the limited activities of buying and selling. It includes all those functions which are supplementary for buying and selling. It includes the activities like marketing, transportation, insurance, warehousing, banking etc. As a result of this, it is observed that in different Censuses, as per changed concepts, the number of people engaged in commerce has gone on changing from one Census to another.

In 1971 Census, the definition of the term commerce was considered in a limited sense, whereas in 1981, the people engaged in fishing, forestry, plantation, construction and those who are engaged in production outside the house and those employed in transport and other professions were also included under commerce and trade. Hence, there is a considerable increase in the number,

In 1881, out of 8.82 lakh population of the district, the number of people engaged in commerce was 3704. In the recent decades i.e. in 1951, next to agriculture, those who were engaged in commerce was 1.14 lakh (7 percent) of the total population (15.75 lakh). Of them, 30,960 were directly depended on trade. Out of this 26,627 were retail traders, 1,484 wholesale traders and the 2,849 were the other traders.

Table 6.16 : Imports and Exports of prominent places (as in 1979)

Sl.No.	Towns	Name of three most important commodities imported	Name of three most important commodities exported	Name of three most important commodities manufactured
1	Alhawar	Cloth Iron and Cement	Wood Paddy	Wooden furniture Avalakki (Cheera)
2	Annigeri	Rice Edible Oil	Cotton (lint) Wheat	Cotton (lint)
3	Byadgi	Foodgrains Edible Oil	Cutsizes of timber Beedies	Mandakki (puffed rice) Cotton (lint)
4	Gadag-Betgeri	Cloth Oilseeds	Cloth Edible oils and oil cakes	Edible Oils and oil cakes Cotton sarees
5	Gajendragad	Cloth Stationery articles	Metals Cotton (lint)	Handloom sarees Oil and Oil cake
6	Hangal	Paddy	Rice Wheat products (atta, soji etc.)	Wheat products (atta, soji, etc.)
7	Haveri	Groundnut Cardamom (raw)	Cardamom (processed) Cotton	Groundnut oil Hallow cement bricks
8	Hirekerur	Cloth Foodgrains	Cotton (lint) Chillies	-
9	Hubli-Dharwad	Cloth Drugs and Pharmaceuticals	Cotton (lint) Utensils	Electric Motors Special types of pumps
10	Kalghatgi	Soft wood and jungle wood Sugar	Groundnut oil Plywood safety matches	Plywood and Matches

Sl.No.	Towns	Name of three most important commodities imported			Name of three most important commodities exported			Name of three most important commodities manufactured		
11	Kundgol	Rice	Jowar	Edible oil	Chillies	Cotton (lint)	Groundnut (decolorated)	Cotton (lint)	Pottery	Confectionery goods
12	Lakshmeshwar	Rice	Jowar	Jaggery	Sesamum	Groundnut	Dry chillies	-	-	-
13	Mulgund	Cement	Sugar	Cloth	Cotton (lint)	Groundnut	Chillies	Groundnut oil	Pottery	Cotton (lint)
14	Mundargi	Rice	Kerosene oil	Sugar	Groundnut oil	Cotton (lint)	Raw silk	Khadi cloth	Groundnut oil	Cotton (lint)
15	Naregal	Cotton	Groundnut	Rice	Groundnut oil	Cotton (lint)	-	Groundnut oil	Cotton (lint)	-
16	Nargund	Agricultural implements	Drugs and pharmaceuticals	Groceries	Cotton yarn	Wheat products (atta, soji etc.)	Edible oils	Cotton yarn	Wheat products (atta, soji, etc.)	Edible oils
17	Navalgund	Wheat	Cotton	-	Wheat products (atta, soji, etc.)	Cotton (lint)	-	Cotton (lint)	Wheat products (atta, soji, etc.)	-
18	Ranibennur	Jowar	Jaggery	Rice	Handloom sarees	Groundnut oil	Coarse woollen blankets (Kambli)	Handloom sarees	Coarse woollen blankets (Kambli)	Groundnut oil
19	Ron	Foodgrains	Groundnut	Cloth	Groundnut oil	-	-	Groundnut oil	-	-
20	Savanur	Sugar	Kerosene oil	Rice	Beedies	Betal leaf	Cotton (lint)	Beedies	Washing soap powder	Cotton (lint)
21	Shiggoan	Tobacco	Sugar	Cotton	Betal leaf	Jowar	Cotton (lint)	Beedies	-	-
22	Shirahatti	Rice	Groundnut	Cloth	Jowar	Groundnut oil	Chillies	Groundnut oil	Gunny bags and flax bags	-

In 1971, out of the total population of the district (23.42 lakh) 60,968 were engaged in trade. The breakup figure for urban and rural were 40,726 and 20,242 respectively. The number of men engaged in trade was 55,781 and women was 5187.

Next to Gadag, the number of men engaged in trade in other taluks of the district in the descending order were as follows: Ranibennur (4,153), Haveri (3,563), Ron (3,150), Hirekerur (2,501), Shirahatti (2,427), Hanagal (2,218). In these taluks also, as usual, as in urban areas, more persons were engaged in trade as per the 1971 Census.

In 1981, of the total population of the district of 29.45 lakh, the number engaged in commerce was 2,93,359 and of them 2,60,269 were men and 33,090 were women. The distribution in urban and rural was 2,07,270 and 86,089 respectively. The number of persons engaged in commerce in Hubli-Dharwad Corporation limits was 1,20,271 which was more than half the number engaged in commerce in all the remaining urban areas of the district. Next to Hubli, the taluks which had the most number of people engaged in commerce were the following : Gadag (35,698), Ranibennur (23,235), Haveri (14,656), Ron (11,529), Shirahatti (9,138), Dharwad (9,023), Navalgund (8,236), and Hirekerur (8,184). From among the municipal towns, next to Hubli-Dharwad were Ranibennur (12,340), Gadag (8,429), Haveri (7,392), Nargund (3,869), Byadagi (3,719), Lakshmeshwar (3,340) and Savanur (3,083).

Registered Traders

As per the provisions of Bombay Commercial Tax Act 1946, those traders who were engaged in import business and production of goods and whose annual turnover exceeded Rs. 10,000, were to be registered. Likewise, other traders whose annual turnover exceeded Rs. 30,000 had to be registered. In 1951, most of the traders in the district did not come under the purview of this Act, as reported in the Gazetteer. In March 1951, excluding Hubli-Dharwad and Gadag cities, the number of traders registered in the district was 432 and their total annual turnover was Rs. 210 lakh. Of these business establishments, a majority 239 (55 percent) were food grain merchants with an annual turnover of Rs. 141 lakh (66 percent of the total turnover). Those who were engaged in the trade of cloth and other consumer goods were 104 (24 percent) and their annual turnover was Rs. 19.65 lakh (9.4 percent). Those who were engaged in the trade of other article was 65 with an annual turnover of Rs. 43.80 lakh (20 percent). The registered traders who were selling building materials were found in Dharwad and Ron taluks and Haveri town. The traders who were engaged in selling industrial goods were at Dharwad, Mundargi, Haveri and Shirahatti.

Retail Traders

In addition to the above mentioned wholesale traders, there were several thousands of retail traders without any registration. By the end of March 1952, as per the provisions of Bombay Shops and Establishments Act 1948, within the municipal limits of Hubli, Gadag-Betageri and Dharwad there were 3935, 1478 and 992 shops respectively licenced by the concerned municipalities engaged in selling variety of goods. In these shops at Hubli, 8000 people (men and women together) at Gadag-Betageri 3,200 persons, in Dharwad 1512 people were working, as recorded in the District Gazetteer. Among the retail shops of Hubli a majority of 663 were pan beeda and cigar shops, 617 provision (kirani) shops, 218 cloth shops, in addition to sweet meat shops (125), jewellery shops (223), stationery (134) and there were 617 shops where other goods were sold. In Dharwad municipal limits, the distribution was as follows: The majority of shops were kirani (221), pan-beeda (198), timber and fuel

(75), cloths (63), saraffs (35), leather goods and footwear (33), sweet meat shops (33). It is learnt that no ladies were employed in any of these shops at Dharwad. Among the shops in Gadag-Betageri municipal limits a majority were kirani shops (431), followed by pan beeda (347), cloth and hosiery (352), ready made garments (150), chappals and leather goods (94), stationery (78), booksellers and publishers (27) in addition to 436 other shops.

As per 1971 Census, the total number of retail traders in the district was 17,577 and of them 14,637 were in rural areas, which was the largest in the state. Regarding nine wholesale trade centres of the state, Hubli-Dharwad together had 493 wholesale business units which was the second largest, next to Bangalore (i.e, 2,312). In recent years, the number of traders registered in the district under KST and CST have increased. Their details are as follows: The figures in the brackets indicate number registered under CST. 1988-89 : 12,928 (6,145), 1989-90 : 15,106 (7,396), 1990-91 : 16,711 (4,726), 1991-92 : 15,375 (7,956), and 1992-93 : 15,858 (7,907).

The table 6.17 indicates the number of traders registered under KST and CST during the last five years in important commercial centres of the district like Hubli, Dharwad, Gadag, Haveri and Ranibennur as per the information furnished by the Commercial Tax Department.

Table 6.17

Place	1988-89		1989-90		1990-91		1991-92		1992-93	
	KST	CST								
Hubli	4997	3295	6583	3989	6621	3532	6207	3792	7040	4306
Dharwad	1812	764	2142	942	2616	1348	2406	1164	2300	1094
Gadag	2530	855	3061	1147	3094	1572	3019	1218	2996	1254
Haveri	1615	561	1652	504	1534	456	1522	456	1405	482
Ranibennur	1580	665	1642	734	1750	730	1577	817	1611	707

REGULATED MARKETS

Among other things, which are supplementary for the development of agriculture, the existence of organised marketing for agricultural products play an important role. Before the introduction of regulated marketing system for agricultural produces most of the agricultural produces and other produces were sold in the local weekly shandy or markets through the merchants or directly. This system of marketing had inherited several defects and was not a perfect marketing. It had several middlemen and was subjected to exploitation of both the growers and consumers. The marketing of major commercial crop of the district i.e. cotton, was regulated in 1927 (as per Bombay Cotton Market Act, 1927). Accordingly, in Gadag and Hubli, marketing of cotton was regulated in 1938. During the next year (1939), Bombay Agricultural produce Marketing Act was passed. Accordingly except millets, marketing of all other important agricultural produces were regulated. During the war period (1939-45), since the government imposed restrictions on the sale of millets and introduced controlling system, the above Act was not implemented effectively and most of the markets were not economically viable. The old markets like Hubli and Gadag were brought under the purview of new act i.e, the Act of 1939, in the year 1942. The Marketing Regulation Act was extended to the markets like Nargund, Annigeri, Dharwad and Byadagi in 1947-48. According to the provisions of 1939 Act, the market

committee used to consist of 15 members, and of them, six were to be elected from among the agriculturists or organisations associated with agriculture, five were the representatives of licenced merchants of market area, two from local municipality , and the remaining two were to be the nominees of the Government.

Before the reorganisation of the state, the Registrar of Co-operative Societies used to be the Director of Agricultural Produce Markets. The District Collector was the enforcing authority of the provisions of 1939 Act. The constitution of market committee and control over it were also entrusted to the District Collector. The District Marketing Inspector used to head the department at the district level, who used to work under the control of Assistant Marketing Officer at the divisional level. The divisional office was at Dharwad.

Agricultural Produce Marketing (Regulation) Act 1966

A decade after the reorganisation of the State i.e, in 1966, a comprehensive and uniform Agricultural Produce Marketing (Regulation) Act 1966, applicable to the entire state was enacted. An office of the Assistant Director of Agricultural Marketing was opened at Dharwad to supervise the functioning of the A.P.M.Cs. in the district. The department administers the Karnataka Agricultural Produce Marketing Regulation Act, 1966, and the Karnataka Ware House Act 1961, and Agricultural Produce (Grading and Marketing) Act 1937 (Central Act) etc. Dharwad district has the highest number of regulated markets in the State. The Act has made a provision for the constitution of market committee for each marketing area consisting of producers, merchants, commission agents, municipalities, co-operative institutions and Government representatives. The main sources of income of the market committees are market fee and licence fee. Since 1978, the maximum market fee payable by the buyer is one rupee for goods valued Rs. 100. There is a provision for establishing a 'market fund' and all expenses of the committee are met out of this fund only.

Regulated Commodities

In view of the comprehensive definition of the term agricultural produce, the word, now includes the produces like cattle, chicken, all processed or unprocessed agricultural produces, horticulture, dairy, fishery, forest products and such other commodities, notified by the government from time to time. Generally after conducting the survey of those agricultural produces grown or assembled in the market area, these are notified for regulation.

In Dharwad district, there are 16 markets and 36 sub-markets. The details about them i.e, area of operation, year of starting, income and expenditure, market functionaries, main imports and exports, etc. are given in the following tables.

Table 6.18 : The following table indicates the distribution of Main and sub-Markets, their date of establishment and area of operation

Sl.No.	Main market	Jurisdiction	Date of establishment of main market	Place	Sub-Market	Date of Establishment
1	Dharwad	Entire Dharwad taluk since 11-8-93	5-2-1947	1. Alnawar 2. Moraba	19-4-1975 3-12-1986 (Came under Annigeri market jurisdiction since 11.8.93)	3-11-1960
2	Haveri	Entire Haveri taluk	1-11-1955	1. Guttala 2. Karjagi		7-1-1987
3	Savanur	Entire Savanur taluk	15-5-1956	1. Yalavagi		20-6-1992
4	Byadgi	Entire Byadgi Taluk	15-12-1947	1. Chikbasur		1-3-1984
5	Ranibennur	Entire Ranibennur taluk	27-5-1953	2. Motebennur		12-2-1987
6	Hangal	Entire Hangal taluk	26-3-1976	1. Halgeri		6-12-1968
7	Lakshmeshwar	Entire Shirahatti taluk	26-5-1992	1. Akki Alur 1. Shirahatti		26-3-1976 23-6-1955
				2. Bellatti		23-6-1955
				3. Shigli		23-6-1955
8	Kundgol	Entire Kundgol taluk	9-2-1961	1. Saunshi		8-7-1972
				2. Gudgeri		17-4-1977
9	Gadag	Entire Gadag taluk	1-3-1943	1. Mulgund		1-6-1948
				2. Hulakoti		8-3-1960
				3. Kurtakoti		2-10-1987
				4. Hombala		14-3-1988
				5. Kotumachgi		14-3-1988
				6. Soratur		30-6-1988
10	Mundargi	Entire Mundargi taluk	28-5-1959	1. Dambla		30-11-1961
11	Hole Alur	Entire Ron taluk	28-5-1954	1. Ron		13-5-1969
				2. Gajendragad		13-5-1969
				3. Naregal		13-5-1969
				4. Sudi		13-5-1969

Sl.No.	Main market	Jurisdiction	Date of establishment of main market	Sub-Market	
				Place	Date of Establishment
12.	Hirekerur	Entire Hirekerur taluk	24-1-1962	1. Masur 2. Rattihalli 3. Hamsabhavi No submarket	5-8-1965 5-8-1965 5-8-1965
13	Hubli	Entire Hubli taluk since 20-6-1992	4-6-1943		
14	Nargund	Entire Nargund taluk since 11-8-1993	25-5-1947	1. Shirol 2. Konnur 3. Chiknargund	14-3-1985 18-10-1985 8-5-1989
15	Annigeri	Entire Navalgund taluk since 11-8-1993	5-2-1948	4. Alagawadi 5. Hebbal 6. Shalawadi 1. Navalgund	23-5-1986 16-10-1986 21-1-1988 16-4-1969 The Moraba sub-market of Dharwad Market and sub-markets of Alagawadi, Hebbal and Shalawadi of Nargund Market were transferred to Annigeri market since 11-8-1993
16	Shiggaon	Entire Shiggaon taluk and entire Kalghatgi taluk since 20-6-1992	20-6-1992	1. Kalghatgi	20-6-1992 Bifurcated from Hubli main market and declared as independent main market.

Source : District Marketing Office, Dharwad

Table 6.19 : The table given below shows the income and expenditure figures of Agricultural Produce Marketing Committees of Dharwad District

Rs.in lakh

A.P.M.C.s	1987-88		1991-92	
	Income (Rs)	Expenditure (Rs)	Income (Rs)	Expenditure (Rs)
Dharwad	27.52	15.92	37.58	14.11
Haveri	19.51	10.50	26.37	11.93
Ranibennur	37.61	20.66	71.28	22.52
Hangal	2.44	1.99	3.09	3.50
Savanur	3.84	2.29	8.01	2.63
Byadgi	16.30	8.18	44.47	21.17
Lakshmeshwar	6.48	4.17	7.69	3.71
Kundgol	3.24	1.19	2.65	1.50
Gadag	49.76	27.03	77.49	37.07
Mundargi	3.58	3.18	3.00	1.06
Hole Alur	3.94	3.02	5.85	3.48
Nargund	18.01	11.95	37.47	11.46
Annigeri	4.69	4.27	10.42	4.22
Hirekerur	3.27	2.32	4.50	2.60
Hubli	65.92	39.59	92.09	52.81

Source : Agricultural Marketing Department, Dharwad.

Table 6.20 : The various licencee Mmarket Functionaries operating in the Regulated Markets of the district as in 1991-92 were as follows

Regulated market	Dalals	Traders	Retail traders	Weighmen	Hamals	Exporters	Importers	Public carriers	Cartmen	Warehousemen	Processors
Dharwad	101	202	202	11	94	83	132	18	16	6	20
Haveri	95	93	385	4	31	66	60	-	-	80	10
Ranibennur	368	152	60	26	572	134	85	3	9	-	14
Savanur	29	27	204	1	43	23	21	4	8	22	5
Byadgi	142	187	333	17	156	134	111	2	18	-	1
Hangal	1	57	179	1	-	46	32	-	-	50	38
Lakshmeshwar	26	62	448	8	103	52	83	16	-	46	19
Kundgol	8	32	723	4	14	30	15	-	-	15	-
Gadag	178	331	363	37	206	189	190	14	1	249	71
Mundargi	17	16	155	4	91	15	13	8	2	26	9
Hole-Alur	49	73	346	3	36	46	35	7	-	64	19
Annigeri	42	71	78	2	33	39	39	23	5	24	5
Nargund	70	79	215	-	55	57	49	-	-	53	53
Hirekerur	13	26	380	4	8	6	1	1	-	6	12
Hubli	267	567	1093	60	245	211	291	12	-	12	87

Source : District Marketing Office, Dharwad.

Table 6.21 : The following table indicates market-wise imports and exports of principal commodities

Sl.No.	Regulated Market	Imports	Exports
1	Dharwad	Jaggery, Rice, Timber and wood products, Betel leaves	Cotton, Wheat, Jowar, Groundnut, Green gram, Bengalgram, Tur
2	Haveri	Jowar, Pulses	Oilseeds, Dry Chillies, Cotton, Pulses
3	Savanur	Cotton, Groundnut, Betel leaves	Cotton, Groundnut, Betel leaves
4	Byadgi	Dry Chillies	Dry chillies
5	Ranibennur	Cotton, Groundnut, Maize, Food grains	Cotton, Groundnut, Maize, Food grains
6	Hangal	Paddy, Rice, Cotton	Paddy, Rice, Cotton
7	Lakshmeshwar	Rice, Jaggery	Dry chillies, Sesamum, Cotton
8	Kundgol	Rice	Dry chillies, Cotton, Lint
9	Mundargi	Groundnut, Jowar	Sesamum, Maize
10	Nargund	Cotton, Maize	Cotton, Maize
11	Annigeri	Wheat	Cotton, Cotton (lint)
12	Shiggaon	Groundnut, Cotton	Groundnut, Cotton
13	Hole Alur	Greengram, Maize, Jowar, Sesamum, Groundnut, Sunflower, Bengalgram	Greengram, Maize, Jowar, Sesamum, Groundnut, Sunflower, Bengalgram
14	Gadag	Greengram, Jowar, Maize, Tur, Bengalgram, Wheat, Horsegram, Alasundi, Madki, Groundnut, Kusbi, Sunflower, Cotton, Dry chillies, Haveej	Jowar, Maize, Wheat, Horsegram, Tur, Greengram, Bengalgram, Alasundi, Madki, Cotton, Drychillies, Groundnut, Kusbi, Sunflower, Haveej
15	Hirekerur	Cotton, Paddy, Rice, Ragi, Jowar, Jaggery, Dry chillies	Cotton, paddy, Rice, ragi, Jowar, Jaggery, Dry chillies
16	Hubli	Cotton, Groundnut, Drychillies, Onion, Potatoes, Jowar, Rice, Wheat, Pulses	Cotton, Groundnut, Drychillies, Rice, Onion, Jowar, Potatoes, Wheat, Pulses

Source : Marketing Department.

Grading

The grading facilities of agricultural produces are provided in the Regulated Markets of Dharwad, Hubli, Gadag, Ranibennur, Lakshmeshwar, Kundagol, Haveri, Nargund, Annigeri and Byadagi. The commodities graded are groundnut, cotton and dry chillies.

Agricultural Produce Market Committee, Hubli

Among the important regulated markets of the state, next to Bangalore, Hubli is the second largest market. From the point of income, it is a Grade I market. It was started in 1943, as per the provisions of Bombay Agricultural Produce Market (Regulation) Act, 1939. In the beginning, marketing of cotton alone was regulated. In 1942, groundnut, safflower, sesamum were brought under the regulation.

In 1951-52, the income and expenditure of the market committee were Rs. 47,584 and Rs. 44,986 respectively. In the market there were 399 buyers, 73 commission agents, 111 weighers and 88 hamals. The annual turnover of the market was Rs. 166 lakh. After the reorganisation of the state, with effect from 1968, it has started to function according to the provisions of the Karnataka Agricultural Produce Marketing (Regulation) Act 1966. Since June 1992, it is administered by the Government nominated body. In the beginning, the area of operation of the market covered the taluks of Hubli, Kalaghatagi, Shiggaon and 14 villages of Savanur taluk. In 1943, Sub markets were opened for Kalaghatagi, Shiggaon and Yelavagi functioning under the control of Hubli main market. Later in 1992, submarkets became independent markets. In 1953-54, the villages of Kundagol taluka which were added to Hubli market earlier were transferred to Kundagol market in 1961. At present, market area covers Hubli taluk including Hubli city. In this market as many as 52 agricultural produces are notified and regulated. The prominent among them are cotton, ginned cotton, chillies, groundnut, foodgrains, millets, jaggery, onion, potato etc. According to one estimation in a season, every year, about 2 lakh andice (docra) of cotton is brought here for marketing, out of which 'DCH' cotton will be about one lakh docras and the rest will be Jayadhar cotton. From 1954, millets, ragi, onion and potato, from 1961 dry chillies, from 1982 jaggery, and from 1998 fruits and vegetables were brought under the regulation.

The method of sale adopted for chief commodities like cotton, ginned cotton, groundnut and dry chillies is by tender (since 1962-63) and by open auction for onion, potato, betel leaves. Cattle are sold by mutual agreement. The chief commodities like cotton, groundnut are graded by general method. The market provides the facilities like free grading, transportation at concessional rates, protection from fire, market information and lodging facilities to farmers. In order to reduce the cost of marketing of farmers, free weighing facilities were provided from 1967 to 1987. Since this new market comprising of about 56 acres was found to be inadequate to meet the needs of this ever growing city, the marketing activities have been shifted to new market yard (Basaveshwara market) w.e.f. 10.10.1994, near Amargol in between Hubli and Dharwad. The new yard covering about 435 acres is said to be the biggest in Asia. For the new market, the land was purchased in 1978, the construction work of first phase started in 1984, were completed in 1986 covering about 118 acres. For the new market, till 1993, the total development expenditure made was Rs. 492.28 lakh including Rs. 144.39 lakh for purchase of lands. In order to complete the work, the market committee has raised a loan of Rs. 250 lakh from prominent market committees in the state and Rs. 190 lakh from the Karnataka Agricultural Market Board (NABARD Scheme). In the first phase, 180 godowns were constructed for the benefit of the merchants trading in cotton and other agricultural produces and these are distributed on ownership basis. The total arrivals of agricultural produces and their value for the last five years were as follows, the arrivals are in terms of quintals in lakh and value is in crores of Rs. 1988-89 : arrivals 18.49 (65.21) 1989-90 : 18.65 (56.89), 1990-91:18.53 (75.68), 1991-92 : 16.86 (73.10) and 1992-93 : 19.40 (82.84).

The income and expenditure of the committee (in terms of lakh of rupees) during the last four years were as follows: The figures in bracket indicate the expenditure. 1988-89 : 79.02 (53.25), 1989-90 :72.68 (47.53), 1990-91 : 101.70 (60.64) and 1991-92 : 92.08 (52.81). During the year 1992-93 and 1989-90 the following were chief functionaries. The figures in bracket indicate the information for the year 1989-90. Commission Agents 292 (253), Wholesale buyers 527 (548), Retail buyers 501 (1,301), Others 1,020 (930).

Agricultural Marketing Training College, Hubli

This is the first of its kind in the country which is engaged in imparting training for those who are involved in marketing of agricultural produces. It provides training facilities for employees of Agricultural produce market committees, marketing boards, employees of the department of marketing and to those who are associated with marketing functions. It also educates the farmers and panchayat members on profitability aspects of marketing .

It was first started in 1964 at Hubli by the Advisory Board of Regulated Markets of Karnataka, and later merged with the Karnataka State Agricultural Marketing Board, Bangalore, in 1978, and now works under its control as a training institute. Since 1972, the institute is providing training to the staff of the regulated markets for grading of different agricultural produces, and training to the farmers regarding profitable sale of agricultural produces and renders Radio lessons to farmers known as *Banulipata* (1982) said to be first of its kind in India. Postal tuition is also arranged to farmers in addition to study tours and many other useful programmes to farmers. During 1990-92, the institute had imparted grading training for 65 members, farmers training to 1,254. Radio lesson training programme for 14,830, and training to 837 farmers in agricultural schools etc. The college has a staff strength of 12 including the principal. The centre has facilities like good library, labs and guest house etc. It has brought out many useful publications relating to agricultural marketing.

SHANDIES

Shandies or weekly bazars are in existence from the beginning as one of the commercial activities. During the ancient and medieval period, shandy was an important place for trading activities. It had an important role to play for social and economic progress of the area. When a village used to grow as town the Government used to organise a shandy there to cater to the needs of general public and an officer '*pattannashetty*' was to be appointed to supervise the functioning of shandy. When the village used to attain the status of a town, the shandy of the place was arranged by the *Gounda*, *Mahaprabhu* and merchants of the place together. The inscriptions of the district make a mention about the description of shandy, various concessions given to merchants for arranging shandy etc. The inscription of Sudi dated 1075 AD mentions shandy day as Sunday (now changed). In addition to regular shandies there used to be special '*Dharmasante*' (Religious markets). In some of the shandies, tax on shandy (*sante sunka*), sales tax etc. were exempted. There was a practice of collecting some money or commodities being sold by the merchants on the day of shandy voluntarily known as '*pasige*' which was to be used for meeting the boarding expenses of students studying in local *mathas*. This practice was still in vogue in the district. Generally, in shandies, a separate toll was collected for head load and cart load which was called by names like *Santeya sunka*, *Santeya aaya*, *Santeya aadaya* etc.

The Peshwas gave some incentives for the local merchants for organizing shandies. Generally, shandies are to be held on the day said to be auspicious for the local *Gram devata* or deity of importance. These shandies serve as primary market in rural areas than in urban, for the local produces or manufactured goods. In a local market, the large number of growers, producers and small merchants, retail traders, display their goods for sale. Big traders and commission agents make use of these shandies for assembling or collecting of their requirements, specially foodgrains. In these weekly markets, small traders, hawkers, pavement sellers, pedlers, foot path sellers and itinerant traders etc. display cheap articles for the sale to the poor and middle income groups of customers.

In addition to shandies, brisk trading of special items take place in some of the important jattras (fairs) of the district. The special goods, sold in the jattras include ready made garments, utensils of copper, brass, steel and aluminum etc, and the goods useful to farmers for agricultural operations, articles of domestic use, cosmetic and ornaments for the use of ladies, toys and pooja articles etc.

In the Yamanur jatra of Navalgund taluk, marketing of well designed, artistically carved door frames of teak wood take place. Now a days, shandies are organised by the local government institutions and they are also a source of income. The shandies are organised on large scale in the maidan areas of the district. As recorded in the previous Gazetteer, in 1950-51, nearly in about 129 places in the district shandies were held and in majority of these shandies, the attendance of the people used to be less than 1000. Out of 129 shandies held in the district, 29 shandies were held in important places. Generally *shandies* were held in a central place of the town known as *Santekatte*, between 8 am and 5 pm. Now, separate convenient places are provided for shandies by the local self government institutions. As reported by the District Agricultural Marketing Office, following are the important shandies held in the district at present.

Table 6.22 : The following list indicates the places of shandies in the district, the days on which they are held and the main commodities traded

Names of market committee	Place of shandy	Day of Shandy	Main commodities traded at shandy
1	2	3	4
1. Dharwad	1. Dharwad	Tuesday	Food grains
	2. Alnavar	Tuesday	"
	3. Amminabhavi	Friday	"
	4. Uppinbetgeri	Saturday	"
	5. Garaga	Thursday	"
	6. Hebballi	Wednesday	"
	7. Thadakod	Sunday	"
	8. Mugada	Thursday	"
	9. Morab	Wednesday	"
	10. Lokur	Friday	"
2. Hangal	1. Hangal	Friday	"
	2. Akki Alur	Tuesday	"
	3. Thilavalli	Thursday	"
	4. Chikkoumsi hosur	Monday	"
	5. Belagalapeth	Monday	"
	6. Adur	Saturday	"
	7. Bommanahalli	Saturday	"
	8. Kusnur	Sunday	"
3. Haveri	1. Haveri	Thursday	Food grains, Vegetables and provisions
	2. Belavagi	Wednesday	"
	3. Guttala	Monday	"

1	2	3	4
	4. Karajgi	Tuesday	"
	5. Devagiri	Monday	"
	6. Havanur	Friday	"
	7. Devihosur	Sunday	"
	8. Hosaritti	Saturday	Food grains, Vegetables, provisions and dry chillies
	9. Negalur	Sunday	Food grains, Vegetables, provisions and dry chillies
	10. Sangoor	Monday	"
	11. Agadi	Wednesday	"
	12. Kabbur	Friday	"
4. Savanur	1. Savanur	Friday	Foodgrains, Vegetables, etc.
	2. Karadgi	Monday	"
	3. Hattimattur	Wednesday	"
	4. Kadkol	Monday	"
5. Byadgi	1. Byadgi	Saturday	Jowar, Rice, Ragi, Vegetables
	2. Chikkabasur	Saturday	Jowar, Rice, Jaggery, Vegetables, etc.
	3. Motebennur	Monday	Ragi, Jowar, Rice, Jaggery, Vegetables, etc.
6. Ranibennur	1. Ranibennur	Sunday	Jaggery, Rice, Vegetables, Onion, Garlic, Foodgrains
	2. Thumminakatti	Wednesday	Foodgrains, Tomato, Brinjal and other vegetables
	3. Medleri	Monday	"
	4. Honnatti	Tuesday	"
	5. Halageri	Thursday	Garlic, Onion, Green chillies, other vegetables
7. Lakshmeshwar (Shirhatti Tq.)	1. Lakshmeshwar	Friday	Cotton, Groundnut, Jowar, Drychillies
	2. Shirhatti	Sunday	"
	3. Bellatti	Monday	"
	4. Shigli	Saturday	"
8. Kundgol	1. Kundgol	Monday	Jowar, Rice, Drychillies
	2. Gudgeri	Thursday	Jowar, Rice, Drychillies
	3. Saunsi	Saturday	Jowar, Rice, Drychillies
9. Annigeri (Navalgund tq.)	1. Annigeri	Friday	Vegetables and Onion (retail business)
	2. Navalgund	Tuesday	"
10. Gadag	1. Gadag	Saturday	Horsegram, Vegetables, Onion, Groundnut., Jowar, Wheat,

Names of market committee	Place of shandy	Day of Shandy	Main commodities traded at shandy
			Bengalgram, Greengram, Tur, Madki
	2. Sortur	Monday	"
	3. Hombal	Friday	""
	4. Balaganur	Thursday	"
	5. Lakkundi	Tuesday	Horsegram, Vegetables, Onion, Groundnut, Jowar, Wheat, Bengalgram, Greengram, Tur, Madki
	6. Kotumachagi	Sunday	"
	7. Kurtkoti	Thursday	"
	8. Mulgund	Wednesday	"
11. Mundargi	1. Mundargi	Monday	Jowar
	2. Dambal	Thursday	Jowar
	3. Bagewadi	Wednesday	Jowar, Sunflower
	4. Kalkeri	Friday	Jowar, Vegetables
	5. Hammigi	Thursday	"
	6. Doni	Sunday	"
	7. Hirewaddatti	Tuesday	"
	8. Peta Alur	Tuesday	"
12. Hole Alur (Ron tq.)	1. HoleAlur	Friday	Groundnut, Greengram, Jowar, Gram, Wheat, Onion, Green chillies
	2. Ron	Thursday	"
	3. Naregal	Monday	"
	4. Gajendragad	Tuesday	"
	5. Abbigeri	Monday	Foodgrains, Vegetables
	6. Mushigeri	Sunday	"
	7. Nidagundi	Wednesday	"
	8. Mallapur	Wednesday	"
	9. Belavaniki	Thursday	"
	10. Sudi	Friday	"
	11. Jakkali	Wednesday	"
13. Nargund	1. Nargund	Wednesday	Vegetables (Retail business)
	2. Chikkanargund	Monday	"
	3. Konnur	Thursday	"
	4. Hadali	Monday	"
	5. Shirol	Sunday	"
14. Hirekerur	1. Hirekerur	Monday	Rice, Jowar, Paddy, Cotton, Ragi, Jaggery

Names of market committee	Place of shandy	Day of Shandy	Main commodities traded at shandy
	2. Masur	Sunday	Rice, Jowar, Paddy, Cotton, Ragi, Jaggery, sheep, goat
	3. Rattihalli	Friday	Rice, Jowar, Cotton
	4. Hamsabavi	Friday	Rice, Jowar, Cotton, livestock
	5. Chikkerur	Wednesday	Rice, Jowar, Paddy, Ragi, Jaggery, Cotton, sheep, goat
15. Shiggaon	1. Shiggaon	Wednesday	Paddy, Rice, Jowar, Provisions
	2. Bankapur	Tuesday	"
	3. Hulgur	Sunday	"
	4. Dhundshi	Thursday	"
	5. Tadas	Monday	"
	6. Bendigeri	Saturday	"
	7. Kunnur	Friday	"
16. Kalghatgi	1. Kalghatgi	Tuesday	"
	2. Bammigatti	Wednesday	"
	3. Mishrikoti	Friday	"
	4. Dhumavada	Sunday	"
17. Hubli	1. Hubli	Saturday	Foodgrains, cotton, groundnut, vegetables.
	2. Unakal	Saturday	Foodgrains, vegetables, etc.
	3. Aralikatti	Tuesday	"
	4. Hebasur	Thursday	"
	5. Koliwada	Saturday	"
	6. Byahatti	Saturday	"

Cattle Markets : Agriculture being the main occupation of the district, equal importance is given for marketing of cattle as is given in case of agricultural produces. Generally, cattle marketing takes place, for a day or two, on the day of shandy or the next day followed by shandy day. Each cattle market is known for specified cattles. Marketing of cattle is arranged by the local Regulated Market Committee, and market fees of Rs. five per cattle is charged. In addition to regular weekly cattle markets, special cattle markets are held on special occasions like Basavajayanti, Makar Sankranti, Dasara etc. associated with local *jatras* of important deities. These cattle markets are held for about 15 to 30 days, wherein, cattle exhibition is also held and prizes are awarded for best variety of cattles. In these *jatras*, in addition to exhibition on agriculture, demonstration on scientific farming also takes place. These *jatras* are generally held after harvest but before the commencement of monsoon. Among the special cattle markets held at the time of jatra, the *jatras* of Yamanur (*Urus*), Devargudda (Mailsar *jatra*), Hukkerimath *jatra* at Haveri and Tontadharaya *jatra* at Gadag are very important. The *jatra* at Gadag takes place for about one week during *Chaitra Hunnime*. In this jatra festival, exhibition as well as sale of cattle of mixed breed varieties drawn from Raichur, Bellary, Bijapur and Belgaum takes place. It is organised jointly by the *Jatra samithi* of the Mutt, Regulated market and Insurance company. At Dambal in the *Jatra* festival of local Tontadharyamutt held in *Magha*, exhibition and sale of cattle

takes place, in addition to organising competition in various physical work talents, like bunding work, weaving of blankets (*Kambali*), basket making etc. The progressive farmers are also honoured. Following are the places where weekly cattle markets are held. Dharwad, Alnavar, Haveri, Savanur (Sheep, Goats only), Ranibennur, Akki-Alur, Lakshmeshwar, Gadag, Mundargi, Hole-Alur, Naregal, Gajendraghad, Ron, Nargund, Navalgund, Hamsabhavi, Masur, Shiggaon, Hulgur, Kunnur, Kalghatagi and Hubli.

Trade Associations

The district with a large number of professionals and merchants engaged in various branches of commerce have formulated their own associations which are powerful and highly influential. These associations have taken active interest in drawing the attention of the government on various issues of public interest, and have contributed much for educational and economic advancement of the district. These associations had taken active part in the unification movement of Karnataka. These mercantile guilds, in addition to safeguarding their own interest also protect the common interest of those engaged in a particular line or type of business. They also render guidance pertaining to the problems like sales tax, octroi and entry tax, legal aspects and other related matters etc. Most of these associations of merchants function without any registration. In recent decades, both the number and variety of these associations have increased. Though they are scattered all over the district, most of them are located in important commercial centres of the district like Hubli, Dharwad, Gadag, Ranibennur, Haveri, Nargund, Hole Alur and Byadagi. The associations formed of cotton traders, cloth merchants, kirani merchants, jewellers are economically sound and possess huge property. Most of these associations are the associate members of Karnataka Chamber of Commerce, Hubli, which acts as the mother institution and guides the activities of its members. The District Gazetteer of 1959, has made a mention of some of the old merchant associations of the district, the list is as given below.

At Hubli : Karnataka Chamber of Commerce, Cotton Merchants Association, Machinery Traders Association, Jewellers Association, Hotel Owners Association and Kirani Merchants Association. **Dharwad:** Commission Agents Association, Hotel Owners Association. **Gadag:** Food Grains and Oil Seeds Merchants Association, Cotton Traders Association, Merchants Association etc. **Ranibennur:** Merchants Association, **Naragund :** Merchants Association, Hole Alur, Merchants Association, Haveri, Cardamom Merchants Association, Haveri, Byadagi Agricultural Produce and Chillies Merchants Association etc.

The following is the list of Merchants Associations (centrewise) in the district as in 1993-1994.

Hubli: Karnataka Chamber of Commerce and Industries, Jawali and Clothes Merchants Association, Petroleum Dealers Association, Fair Price Shop Owners and Sugar Distributors Association, Foodgrains and Pulses Wholesale Merchants Association, Avalakki (beaten rice) Producers Sangha, Hirepete Merchants Association, Bread, Biscuit Manufacturers Sangha, Bhagwan Dalal's Sangha, Hotel owners Association, etc.

Gadag: Chamber of Commerce and Industries, Sugar Merchants Association, Samyuktha Merchants Association, Merchants Association, Printing Press Owners' Association, Jawali Producers Association, Saraffs Association, Lorry Owners Association, Readymade Garment Merchants Association, Hotel Owners Association, Stationery Merchants Association, Wholesale Kirani Merchants Association, Cinema Owners Association, Food Grains Wholesale Merchants Association, Cloth Merchants Association, Oil Mill Owners Association, Vegetable Merchants (Bhagawan) Association, Fuel Wood Merchants Association, Vegetable Merchants Association etc.

Ranibennur: Merchants Association, Commission Agents Association, Cotton Merchants Association, Cloth Merchants Association, City Kerosene Hand Cart Merchants Association etc.

Hangal: Rice Mill Owners Association, Merchants' Association etc.

Mundargi : Mundargi Taluk merchants Association.

Gajendraghad : Dalals Association, Cloth Merchants Association.

Byadagi : Merchants Association, Kirani Merchants Association.

Karnataka Chamber of Commerce and Industries, Hubli

Many decades earlier to independence in order to organise various traders and those engaged in commerce in Bombay Karnataka area, for the first time, this organisation was started at Bagalkot in 1928. The founder member of this organisation was Murigayya Jangin, a merchant. It appears that Murigayya was influenced by the working of the Maharashtra Chamber of Commerce in promoting this organisation. In 1938, the Association was shifted to Gadag, the area of operation of the Association in the beginning included the areas of four districts of Bombay Karnataka and Kannada speaking areas of old Mysore, Coorg, Hyderabad and Madras states.

After the adoption of the Articles of Association for the Chamber in 1935, it was recognised by the then Bombay Government in 1938, and the Government recommended the Chamber, as an authorised representative on various statutory bodies involved in trade and commerce. The administrative office of the chamber was shifted to Hubli, an important commercial centre of North Karnataka, in 1946. The Chamber was recognised by the Government of India in 1949. The Chamber is a registered organisation incorporated under the provisions of Indian Companies Act 1956 and is affiliated to the Indian Chambers of Commerce and Industries, New Delhi and All India Manufacturers Organisation, Bombay. The contribution of this mercantile body for the unification movement of Karnataka is unique and significant. It has played an important role for the promotion of higher education in North Karnataka, by making a strong urge for establishment of a separate university for Bombay-Karnataka area and separate college of Agriculture, Engineering and Medicine. The Chamber has helped for development of several infrastructural facilities in the region by mobilising strong public opinion for the promotion of trade and commerce like Hospet Steel plant, Construction of Railway line from Hubli to Karwar, proper utilisation of electricity generated by Sharavati (Jog) power station, development of Railway stations, opening of new post offices, air services to Hubli from other places, establishment of electronic city and technology park in Hubli, Dharwad, including the establishment of High Court Bench etc. The association has also rendered financial assistance to the tune of Rs. 1.20 lakh for starting of Commerce College in Hubli (J.C. College of Commerce), being the first college of commerce in the area.

The Chamber has organised many industrial conferences and seminars in addition to conducting industrial and economic surveys in North Karnataka. The guild has played an important role in the expansion of Hubli railway workshop, establishment and expansion of industrial estates, establishment of air port etc. The members of the organisation consist of public companies, banks and other trade associations. The membership of the organisation which was 50 in the beginning, has now reached 1,850. The income of the organisation was Rs. 6.38 lakh in 1989-90, increased to Rs. 8.90 lakh in 1991-

92. It has a monthly publication by name 'Karnataka Vanijya'. The association celebrated its golden Jubilee in 1979 and Diamond Jubilee in 1991.

Hubli Stock Exchange

It is observed that during the recent decade (1980-1990) there is an increased inclination or optimistic tendency specially in the middle class and employees of banks and other organised sectors to make investment in shares and debentures in the primary markets. The growing company business has facilitated the investment opportunities. According to one estimate, it is reported that in Hubli and Dharwad city together there are between 75,000 to 1,00,000 people who are interested in investment in stocks and shares. If the investors of other industrial towns of the district are added, the number may still increase. Considering this promising business prospects, Karnataka Chamber of Hubli has promoted Hubli Dharwad Stock Trading Organisation in its premises. It is expected that in future, this organisation may grow into a well organised stock exchange of North Karnataka region. The centre is functioning since October 1992, with 192 members and a daily turnover amounting to Rs. 4 lakh. It functions two days in a week (Thursday and Monday).

Chamber of Commerce, Gadag

Gadag is the second prominent commercial centre of the district. the Chamber of Commerce established here in 1975 covers Gadag, Mundargi, Shirahatti, Ron, Savanur, Shiggaon and Navalgund taluks of Dharwad district, in addition to Yelaburgi, Kustagi, Koppal taluks of Raichur district and Badami taluk of Bijapur district. Among other things, the main objectives of the Chamber are to promote the business interest of traders, specially of Gadag region and to educate them according to their profession, to help the youths in getting job opportunities and to train them in order to improve their efficiency etc. There are four categories of members. This organisation is affiliated to the district and state federation working at Hubli, Bangalore and National federation at New Delhi. The Chamber also arranges for dissemination of information for the benefit of members by inviting officers and experts from the departments like Income Tax, Commercial Tax, Weights and Measures etc. It also helps and guides the new entrepreneurs by providing the necessary information needed and for getting licence, its renewal etc. The Chamber also actively responds to the problems of public interest and development of town by drawing the attention of concerned officers from time to time. The 'Gadag Chamber News' is a monthly publication.

In order to promote sports activities in Gadag-Betageri, the Chamber contributed a major share by raising funds from merchants for the construction of a stadium at Gadag. The Chamber played a very active and effective role in making the state government to accept the implementation of schemes or projects like of, gold mines at Kappatgudda and Windmill project in the same place, supply of the Tungabhadra water to Gadag city and development of tourism covering places in and around of Gadag. Equally important role was played by the Chamber in the formation of the new district of Gadag by furnishing the supplementary information, data, etc and presenting the case effectively before all the three commissions on District Re-organisation. The membership strength of the Chamber in 1994 was 625, and of them 212 were life members. The income of the organisation in 1993-94 was Rs. 3.41 lakh as against Rs. 3.74 and 2.38 lakh in the previous two years respectively. The expenditure was equal to income as reported.

Javali and Cloth Merchants' Association, Hubli

From the beginning, Hubli is noted for cotton trade. Similarly, it is equally noted for varieties of javali and cloths business. This organisation was started mainly to promote and protect the interest of those traders engaged in javali and cloth business. It was started in 1979 restricting its areas of operation to Hubli city. The main objectives are to bring all those who are engaged in this particular kind of business on one platform and try to solve their problems specially relating to sales tax, entry tax and the problems of weights and measures. It is also affiliated to Hubli Chamber of Commerce. The organisation has its own building worth Rs. 3.39 lakh. The total income of the organisation in 1992 was Rs. 3.74 lakh from sources like membership fees, advertisement and donations etc.

Merchants Association, Haveri

The Association, though, started functioning from 1944, was registered only in 1974. The area of operation is confined to Haveri Taluk only. Inter-alia, the main objectives of the organisation are to help those merchants and others engaged in trade and commerce, in this area, in solving their problems pertaining commerce and to render guidance and legal advice etc., and to undertake social services for the benefit of the society. Most of the members of the organisation are professionals like oil mill owners, ginning and pressing mills, provision stores, commission agents, and traders engaged in selling medicines, electrical goods, javali and hotel owners. It is affiliated to state level and central organisations. Regular financial assistance and other assistance are given by this organisation for family planning and free eye testing camps etc.

WEIGHTS AND MEASURES

Among other things, the existence and use of standard weights and measures are considered essential parts of good system of commerce. Like other areas, here also, wide variation were found in the system. The old records attest that compared to other districts in Bombay Karnataka area, Dharwad district had very wide variations or changes in the system of "legal metrology". "In Dharwad district weights and measures were called by similar names, as such, there was much scope for cheating retail traders" (1884 Gazetteer). According to the Gazetteer, the weights in vogue in the district for weighing gold and silver were as follows: 8 *gunji* = 1 *masi*, 12 *masi* = 1 *tola*. Including Dharwad this table was in practice in all other areas. Government rupee weighed 180 grains and was considered equal to 91 *gunjis*.

The goods which were sold in shops were weighed in the unit of seer which was equal to the weight of 20 imperial rupees (It was 24 rupees in Uttar kannada). As a custom, in Bombay Karnatak areas, 12 *seer* was equal to 1 *dadhe*, 4 *dadhe* equal to a maund, 20 maund equal to one *Khandaga*, but in Dharwad district the weight of *dadhe* varied according to the commodity which was to be weighed. Example copper and brass 14 *seer*, iron and steel 12 *seer*, cotton, tobacco and ghee 13 *seer*, jaggery, sugar and food items 12 1/2 *seer*, cotton seeds and cake 10 *seer*. In this way there used to be utter confusion, caused by these kinds of variations. The measuring instrument used to measure grains was also called *seer*. In the region south of the Krishna including Dharwad, the *seer* measure was formed by mixing equal quantities of navadhanyas equal to the weight of Rs. 80 put into a vessel that exactly contained it when heaped. But when this weight of *seer* was compared to weight of water, it was four rupees less to that of *seer* equal to 80 rupees weight. In Dharwad district the weight of a *seer* varied from taluk to taluk ranging between the minimum of Rs. 136 and the maximum of Rs.

160. The existence of two types of *seers* in a single market was not uncommon. The table for measuring grains was as follows. 4 *seers* equal to 1 *solige* or *payali* or *chitti*, 16 *solige* = one *maund*, *andige* or *okkala*, 20 *maunds* or 10 *heru* = one *khandaga*. This was prevalent in Bombay Karnataka but in Dharwad district 20 *heru* was equal to one *khandaga*. The *khandaga* measure of Dharwad district was four times more than that of Belgaum.

During the Peshwa rule, in 18th century, the table measuring grains was as follow. One *khandi* = 20 *maunds*, 1 *maund* = 12 *payali*, one *payali* = 4 *seer*, 1 *seer* = 16 *chataku*, 1 *chataku* = 6 *taka*. The commodities like rice, wheat, jower, pulses and salt were weighed as per above table. The table for weighing was as follows:- One *khandi* = 20 *maunds*, 1 *maund* = 40 *seer*, 1 *seer* = 72 *taka*. There were two types of seers i.e. *Pacca seer* and *kachcha seer*. *Pacca seer* weighed three times more than *kachcha seer* which was equal to 24 *taka*. The commodities like copra, turmeric, oil and areca etc, were weighed in these weights. Some of the Peshwa record make a mention *adeseer* (2 1/2 *seer*) and *attechalis seer* (48). *Adeseer* was measuring instrument and *Attechalis* was weighing instrument. The commodities like garlic, onion, termeric, pepper, tobacco and leather etc. were measured in *attechalis* measures.

The liquids like milk, oil etc. were measured in vessels of brass and *magis* (mudpot). The *seer* measuring milk was equal to weight of Rs. 80, for oil *seer* measure was equal to Rs. 20. One magi used to measure 5 to 6 *seer* of oil and one *maund* oil was equal to 8 *magis*. Honey, ghee and *molasses* were sold by weight.

In land measure also, there was wide variations, according to local customs. The inscriptions of ancient and medieval period mention that, the land was measured in terms of *nivartana*, *matarr*, *khanduga*, *kuriga* and *Imbu* etc. (See Chapter 9).

The old Gazetteer makes a mention that on two wooden pillars of Kalmeshwra temple in Amminabhavi near Dharwad, has a record of the *Vittalpanti* land measure. This land measure was in vogue during the Muslim period. Now, there are no traces of such script. It is said that one *Vittalpanti maaru* was equal to 32 acres. During the Vijayanagar rule, there was another measure called *Raya rekha maaru*, which was equal to about 16 acres. During the Peshwas rule, the *bigha* land measure which was very popular in Bengal came into practice. Accordingly, the area of 4" x 4" square was equal to one *musti*, 3 *musti* equal to one *genu*, 2 *genu* = one *mola*, 5 *mola* = one *katige*, 20 *katige* = 1 *poundu*, 20 *poundu* = 1 *bigha*, 120 *bigha* = one *chaheru*, one *bigha* = 1 1/2 acre to 1 3/4 acre (approximate).

In 1840, during the British rule, when land survey was introduced and measures like *Aane*, *Gunte*, *Acre*, *Kurige* were introduced, one acre was equal to 40 *guntas*. Generally, the extent of land which the farmers can sow seeds in a day with the help of one *kurige* (sowing implement) was called *kurige*. While measuring land in Belavola region of the district, four acres were equal to one *kurige*.

Length Measure

For measuring length of roads, or distance from place to place and length of cloth, timber or logs etc, the British System is followed as per Length Measure Act 1889. (Before this, *Gavuda*, *Kosa*, *Haradari* were in use). Accordingly, inch, foot, yard, furlong, mile, *hardari* measures were introduced. To measure small length, locally, *chootu*, *genu*, *mola*, *maaru* etc. came into being in practice. Generally *mola* was equal to half yard, and two yard was equal to *maaru*, one mile was equal to 8 furlong and

one *haradari* was equal to four miles. Before the reorganisation of the state, the Department of Weights and Measures functioned according to Bombay Weights and Measures Act 1932, and this department was a part of Industries Department. At the district level the Assistant Director of Industries used to manage the business pertaining to weights and measures.

A few years before the introduction of metric system of weights and measures (in 1958) the chief commercial crop of the district i.e, cotton was filled in a loose gunny bag (Bhatara) locally known as *andige* (docra). The processed (ginned) *andige* used to weigh 6 quarter and that of unprocessed weighed 12 quarter. Food grains and other commodities were weighed in terms of Bombay *maund*. Generally one bag of groundnut with husk used to weigh one Bombay *maund*, one chillies *andige* used to weigh 2 Bombay *maunds*. One *maund* was equal to 40 *seer*. One *seer* was equal to 80 *tolas*. The measure of five *seer* was called *panchseer* (or *vise*), 2 1/2 *seer* was called *dadhe*. cotton was weighed in terms of *khandi*, one *khandi* weighed 748 pounds. In smaller transactions food grains were measured in terms of *chataku*, *pavu*, *padi*, *chitti*, *solige*, *gidna* etc. *Chataku* was 1/8 of *seer*, *pavu* was 1/4 of *seer*, 4 *seer* = 1 *padi*, 8 *seer* equals one *chitti*, two *chitti* = one *solige* (16 *seer*). Generally one bag of food grain used to contain 28 *seers* or 16 *chittis*.

Metric System

Based on the Standards of Weights and Measures Act 1956 (Central Act), the Karnataka Weights and Measures (enforcement) Act was brought into effect in the district in 1958. The main functions of the department include the annual verification and stamping of weighing and measuring instruments used in trade and commerce. Under the provisions of Standards of Weights and Measures (Packaged Commodities) Rules 1977, which mainly contemplates to protect the interest of consumers, insists that every manufacturer or packer of commodities have to print legibly, boldly and conspicuously contain mandatory declarations like name and address of the manufacturer or packer, net contents, maximum sale price, date of packing etc., on every package from where it is sold or delivered to consumers.

The office of the Assistant Controller of Weights and Measures was opened at Dharwad to administer the functioning of the department in the district. Since 1990, the nomenclature of the office was changed as Assistant Controller of Legal Metrology. For administrative convenience, the district is divided into two circles i.e, Hubli and Gadag. The Gadag circle started in 1975, comprises 12 taluks, and the Hubli office started in 1956 exercises control over five taluks (i.e, Hubli, Dharwad, Kalaghatagi, Kundagol and Navalgund). Assistant Controllers of Weights and Measures are working in these circle offices. In 1984, the office of the flying squad was opened at Hubli in order to ensure rapid action of the department for violation of rules and regulations. The jurisdiction of this office covers eight districts of North Karnataka including Dharwad. Flying squad works under the direct control of the Head of the Department operating from Bangalore.

In recent years, the number of autorikshaws and taxis have increased in Hubli-Dharwad. In order to regulate the working of the meters of these vehicles, the post of Inspector was sanctioned in 1992. As reported by the department, in 1993, the number of autos in Hubli was 3,784 and in the district in 1993-94, there were 977 industrial enterprises, 185 petrol pumps, 25,965 traders, 26 Government organisations (Hubli circle) come under the control of the department. In the district, 2,14,191 weights (weighing unit of all denominations), 76,218 measuring instruments, 55,493 weighing balances were brought for annual verification of the department. During 1993-94, the stamping fee collected by the

department accounted to Rs. 16.82 lakh. The number of cases detected by the department for contravening the provisions of the Act were 2,421 (Gadag circle 1,428, Hubli circle 993) and fine collected at the departmental level was Rs. 4.76 lakh, of this, the share collected by the Gadag circle was Rs. 2.26 lakh. The number of cases from Hubli circle decided by the Court was 63 and fine imposed by Court was Rs. 26,675.

FOOD AND CIVIL SUPPLIES

Considering the demand and supply position of food grains and essential commodities, the Government have introduced several regulatory measures in the distribution of essential commodities. The regulations, specially in the distribution of food grains during the war period and even after the war continued. During the Second World War period (1939-1945) due to scarcity conditions and rising prices, the Government imposed regulations for the distribution of essential commodities like food grains, cloth, sugar and kerosene. After 1954, the restriction on foodgrains was completely removed. The Deputy Commissioner and Tahsildars were entrusted with the work of regulation, supply and distribution of essential commodities.

During the decades followed by independence, both the State and Central governments have enacted several legislative measures for the regulation, supply and distribution of essential commodities. In the present administrative setup, at the district level, there are as many as 28 regulatory legal measures in existence under the provisions of Essential Commodities Act, 1965.

Now-a-days, the functional activities of the Department of Food and Civil Supplies have increased. Among other things the main functions of the department are to ensure proper distribution of essential commodities and to implement several regulatory measures in order to maintain stability in the prices of essential commodities and implementation of public distribution system etc.

Public Distribution

In Dharwad district during the Second World War (1939-45), there was an acute shortage of essential commodities. In order to improve the situation, the Government introduced rationing for the distribution of essential commodities like food grains, cloth, kerosene and sugar. Some of the co-operative organisations undertook this distribution work as a non-banking activity. The rationing system continued even after the war in respect of certain essential commodities, but rationing of food grains was removed after 1954. In the beginning, the Land-Revenue Department was entrusted with this work. Later, separate staff was appointed for the purpose and rationing was administered by the Deputy Commissioner.

After the reorganisation of the State, in 1965, informal (statutory) rationing system was introduced in the state in a few cities like Bangalore and K.G.F. and later extended to Hubli-Dharwad in 1968 and subsequently covered other big cities in the State. In 1978, it was extended to all cities and towns with more than 40,000 population. In Dharwad district, Hubli-Dharwad (1968), Gadag-Betageri (1974), Ranibennur (1977) and Haveri (1992) came under informal rationing system. By the end of 1992, in Dharwad district, there were 1,235 ration depots and of them 337 were in the areas of informal rationing system (i.e. Hubli, Dharwad, Gadag, Ranibennur), 96 in other towns of the district, and the rest 802 were in rural areas. In 1990 the number of fair price shops were 1,323 and of them 341 were in the informal areas, 99 in other towns and 883 in rural areas. The commodities like food grains, sugar, kerosene, palmoil etc. are distributed through fair price shops.

Green Cards

Under this scheme, the families in rural areas with an annual income less than Rs. 3,500 and the families in urban areas with not more than 20,000 population, with an annual income not more than Rs. 3,500 are entitled for the supply of jowar, wheat and rice etc. upto a specified quantity at subsidised rates. Till the end of March 1992, the number of Green cards distributed in the district was 2,56,648.

Procurement (Levy)

In accordance with the provisions of Karnataka Levy of Food Grains Act, 1966, the Government procures food grains through levy system at the specified rates. Till 1973, Food Corporation of India, was entrusted with this work, later it was entrusted to newly formed Karnataka State Food and Civil Supplies Corporation (1973), Bangalore. At the taluka level, Taluk Agricultural Produce Co-operative Marketing Societies (TAPCMS) were working as agents for procurement. Since 1981-82 levy paddy was collected at 50 percent from Rice mills and traders. Now, levy paddy is collected by Food Corporation of India only. In Dharwad district, during 1989-90 -1991-92, the target and achievements of levy was as follows: (the figures in bracket mention achievement in metric ton) 1989-90 : 3,000 (2,277), 1990-91 : 2,000 (2,340) 1991-92 : 2,000 (2427)

WARE HOUSING

To suit the prevailing local conditions and the climate, different methods are being adopted for the proper preservation of food grains and other commodities by the agriculturist, till the next season, and also by merchants. In ancient period, when the barter system of exchange was in practice, temples were also used as public warehouses or godowns. When the system of collection of land revenue in terms of crops was introduced, and also to meet the requirements of army, the Government felt the need for establishment of public warehouses at different places.

Even today, in Dharwad district in maidan areas (Belavola) farmers make use of what is known as *Hagevu* (underground pits or cellars). In malnad areas, paddy is protected in a wooden box known as *Kanaja* (cylindrical bins). Beginning with the Royal Commission on Agriculture (1928), upto All India Rural Credit Survey Report (1954), etc, have stressed the importance and the need for establishment of warehouses and marketing facilities in rural areas and the availment of credit facilities from banks on the basis of warehouse receipts. But, the public warehousing system came into being only after 1950s. The Agricultural Produce (Development and Warehousing) Act, 1956, and Warehousing Act, 1962 etc, made a provision for establishment of warehouses both by the Central and State Government agencies. The producers and merchants, instead of selling their products in distress at non remunerative prices, can avail hypothecation loans and advances from banks on the strength of the warehouse receipts. Recently(1994), some of the selected Regulated Markets in the state are extending financial assistance to the producers upto Rs. 10,000 for a period of three months. The warehouses accept nearly 200 varieties of commodities for storage. The chief among them being food grains, pulses, edible oil, oil seeds and fertilizers etc.

Central Warehousing Corporation (New Delhi)

This facility is available only in Gadag city with a storage capacity of 26,823 metric ton. In 1993-94, the utilised capacity was 9,647 metric ton. The warehouse was opened by the end of 1957. The

house has a facility for scientific storage of specially food grains and fertilizers. The corporation has established eight weigh bridges of 30 metric ton capacity in the district at different places. The income and expenditure of the warehouse, Gadag branch, during 1993-94 accounted to Rs. 34.10 and Rs. 24.57 lakh respectively. The corresponding figures for 1991-92 were of Rs. 19.25 and Rs. 15.83 lakh respectively.

Karnataka State Warehousing Corporation (1957)

The State Warehousing Corporation has opened 16 godowns of different storage capacities in the following places of the district. Hubli (1958), Haveri (1961), Lakshmeshwar (1962), Ranibennur (1968), Nargund (1978), Dharwad and Hangal (1979), Annigeri and Akki Alur (1984), Navalgund, Ron, Hirekerur, Byadagi (all in 1985), Hole Alur (1986), Savanur (1987) and Amargol (1989). Out of these 16 godowns, the godowns at Dharwad and Hole Alur are hired ones. From the point of storage capacity, the godowns of Hubli (8,698), Amargol (8670), Haveri (6300), Nargund (4367), Ranibennur (3000) and Lakshmeshwar (3000) are important. The figures in the bracket indicate storage capacity in metric ton.

CONSUMER PROTECTION FORUM

In the present status of commercial activities being more of a complex nature, though the consumer is praised as of being most important, but in reality, inspite of his awareness he is subjected to much exploitation in different forms, by such agencies like merchants, traders, manufacturers including the Government, Semi-Government, public utility services organisations etc.

In order to protect the interest of all types of consumers and also to provide material relief for those customers who have suffered loss or deficiency of service etc, the Central Government enacted Consumer Protection Act 1986. Accordingly, in 1991, for every district, the Consumer Dispute Redressal forums have been established. In the beginning (1989), forums were founded one each for a revenue division. According to the above Act, the District Forum for Dharwad district was established on 16.12.1991. Since inception of the forum, upto the end of June 1993, the number of cases admitted before the Consumer Court was 699 and of them, 537 cases were settled and of the settled cases, 198 were settled in favour of consumers, 85 against. The number of cases decided against the Government and local Government institutions were 29 as reported. Among 11 varieties of cases registered before the forum, the majority of complaints related to public service organisations like Post and Telegraph and Telephone Department, Karnataka Electricity Board, Private Finance Corporations etc. The nature of the complaints were regarding deficiency of service from railway, air, cooking gas etc, and deficiency of services after sales, charging higher prices than the printed one etc. The amount of relief extended by the forum to the consumers accounted to Rs. 12.58 lakh from April 1992 to June 1993.

Citizens Forums

These forums play an important role in educating the consumers and creating awareness, and also make the merchant community to realise their responsibilities. In addition to Consumer Protection Forums and voluntary organisations like the citizens forum guide the consumers and help create the growth of consumer culture. The voluntary organisations which are engaged in this service in the district are Citizens Forum (Hubli), Nagarika Vedike (Dharwad), Citizens Forum (Hosa Yellapur, Dharwad), Nagarika Hita Rakshana Sangha (Haveri), Nagarika Hita Rakshana Sangha (Ranibennur) and Consumer Forum (Gajendra Ghad).

Nagarika Vedike, Hubli

Citizens Forum (Nagarika Vedike) was registered in 1979 at Hubli. This organisation founded by the inspiration of J.P. Movement, aims at creating social, moral, economic, political and educational awareness among the general public and educating citizens regarding their duties, rights and responsibilities in protecting the interest of citizens. In recognition of the meritorious service rendered by the forum in this area, it was honoured by Government of India in 1991 by a certificate of merit and in 1993 by a cash prize of Rs. 20,000. The forum organised the state level consumers conference in April 1993. It has a membership of 300 and publishes 'Jagrat Nagarika' monthly since 1982. It is reported that with the assistance of this forum many citizens have got their grievances redressed from the agencies like municipalities, Government offices, KEB, KSRTC etc. The forum has also established a foundation by name 'Balakedarara Rakshane mattu Sumshodane' (Consumers protection and Research) in 1986. The foundation has a special library called 'Grahaka Granthalaya' (Consumers Library) said to be the first of its kind in the State. It organises workshops for the benefit of consumers.